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THE EFFECT OF CUSTOMER RELATIONSHIP MANAGEMENT PRACTICES ON CUSTOMER SATISFACTION TOWARDS CUSTOMER LOYALTY AT UAB BANK IN MANDALAY

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The Effect of Customer Relationship Management Practices on Customer Satisfaction Towards Customer Loyalty at UAB Bank in Mandalay

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ABSTRACT

This study aims to examine the effect of customer relationship management practices on customer satisfaction towards customer loyalty at UAB Bank in Mandalay. Among CRM practices, this study highlighted six dimensions: customer orientation, knowledge management, technology-based CRM, quality of customer service, trust building, and conflict handling. The study used a quantitative method with a descriptive survey design. Data were collected from 165 UAB bank customers in Mandalay by using a 3-in-1 systematic sampling method. Structured questionnaires are measured on a seven-point Likert scale. The secondary data were collected from journals, articles, textbooks, these and the internet website. To analyze the data, SPSS was used for personal profile, reliability analysis for each factor of items, descriptive statistics, multiple regression analysis and simple linear regression analysis. The findings reveal that conflict handling, quality of customer service and trust building significantly impact on customer satisfaction. Furthermore, customer satisfaction is found to have a positive and statistically significant influence on customer loyalty. The managers of UAB bank should continually improve the conflict handling system, quality of customer service and trust building because most customers of UAB bank in Mandalay are more satisfied with these factors. However, customer orientation, knowledge management and technology-based CRM do not have a significant impact on customer satisfaction. Therefore, the bank should redesign its customer orientation strategy, knowledge management systems and technology-based CRM strategy. By improving these practices, the bank can create long-term customer relationships that lead to organizational success.

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AYA	-	Ayeyarwaddy Bank
AGD	-	Asian Green Development Bank
ATM	-	Automated Teller Manchine
CB	-	Co-operative Bank
CRM	-	Customer Relationship Management
IT	-	Information Technology
KBZ	-	Kanbawza Bank
SME	-	Small and Medium Enterprises
SPSS	-	Statistical Package for the Social Sciences
UAB	-	United Amara Bank
VIF	-	Variance Inflation Factor

CHAPTER 1
INTRODUCTION

As businesses face more dynamic and competitive environments, there is an increasing trend toward implementing strategy to achieve a higher customer satisfaction and building long-term customer loyalty. With the influence of rapid development of technology and globalization, together with growing expectations from customers, the nature of business has been changing greatly especially the service business. Particularly, the banking industry is experiencing intense competition where the traditional product-based strategies cannot ensure a sustained competitive advantage, resulting in the transformation from product oriented to customer-oriented strategies for banks, highlighting on customer relationships and value creation (Kotler & Keller, 2016).

Customer Relationship Management (CRM) practices are adopted as a strategic tool for better understanding of customer needs, improved services, and established long-term customer relationship. The CRM practices involves people, processes and technology for the purpose of managing customer interactions, developing and maintaining customer relations in a way that ensures delivery of value and customized services (Payne & Frow, 2005). By adopting the CRM practices, it is believed that banks could improve the customer experience that plays a key role in the level of customer satisfaction and encourage the repeated purchasing, as well as enhance the organization understanding the behavior and attitude of customers, thus improving the service delivery and decision-making processes (Buttle & Maklan, 2019).

Customer satisfaction is widely agreed as a critical predictor for customer loyalty. When the customers are satisfied, they will tend to maintain the relationships with the banks and recommend it to other customers in the future, which contributes to the sustainable profitability of the banks (Oliver, 1999). Instead, dissatisfied customers are likely to switch to other competitors that resulted in the increase of customer churn rate and reduce in market share. Therefore, a high level of customer satisfaction is one of the important goals for sustainable success in banks. To some extent, CRM practices do increase the customers' satisfaction by providing service quality that are responsive, reliable and custom built (Zeithaml, Bitner, & Gremler, 2018).

The banking sector in Myanmar has undergone a significant transformation with increased liberalization and rapid development in financial services along with fierce competition between domestic and foreign banks. As various services being offered by the banks increase, customer expectations also rise for service quality, convenience and speed of service. Thus, banks in Myanmar are increasingly focusing on implementing customer relationship management (CRM) strategies by enhancing service quality, improving customer relationships, as well as leveraging on technology driven customer service to attain the level of customers' satisfaction (Aung, 2020; Payne & Frow, 2005).

In such context, United Amara Bank (UAB) is one of the leading private banks operating in competitive and rapid expanding sector of banking services, especially in Mandalay. In order to maintain competitive position in the banking sector, it is important for UAB Bank to implement effective CRM practices including customer-oriented culture, improved service quality, technology-based CRM system and knowledge management to achieve the customers' satisfaction and further development of the customers' loyalty. However, there is no thorough investigation on the impacts of CRM practices on the customers' satisfaction, leading to the customers' loyalty of UAB Bank.

Therefore, this study aims to analyze the impacts of CRM practices on customers' satisfaction toward customers' loyalty at United Amara Bank (UAB) in Mandalay. The research will provide insights to the bank management in enhancing CRM strategy, building a strong customer satisfaction and achieving customer loyalty. Ultimately, it contributes to the understanding on the effectiveness of the CRM practice.

1.1 Rationale of the Study

As global financial institutions worldwide find customer relationship management practices increasingly strategically important, the ability to foster effective long-term relationships with customers has become a competitive advantage as products and services become more similar. While the service level provided in Myanmar's banking sector is continuously improving as the financial sector grows and customers are increasingly exposed to digital banking, customer expectations continue to rise for fast service, accurate information, secure transactions, easy-to-use digital channels and fast service recovery times. Any shortcomings can lead to the bank easily losing customers. Therefore, it is essential that CRM practices are employed effectively in order to attract, retain and build strong long-term relationships with the customer.

UAB bank is one of the leading private banks and actively pursuing digital transformation, service quality improvements, customer centered business strategy. The bank's branch is located in Mandalay and caters to diverse customer base such as staff members, merchants, small business owner and regular account holder customers. Mandalay is a town that holds high commercial activity and the customers have high reliance on the banking services being provided.

Despite its adoption of various CRM initiatives such as training staff on CRM-based system, upgrading digital banking channels and improving service quality, not much research is conducted on whether these practices at branch level are having the intended effect. Customers in urban cities are suffering from long queuing time, lack of effective communication and slow service speed during peak hours, error at digital banking channel, slow complaint resolution which causes dissatisfaction and undermines the customers' trust in the bank. Unhappy customers can then readily switch their bank. Thus, it is crucial that CRM practices are effective to attract, retain and build long-term loyalty of the customers.

From an academic point of view, customer relationship management literature within Myanmar mainly looks at other private banks such as KBZ, AYA, CB or AGD. Only few studies that actually look into UAB bank, even fewer look at UAB bank's CRM practices within Mandalay. Despite the fact that various dimensions of CRM (such as customer orientation, service quality, knowledge management, technology-based CRM, conflict handling and trust) are recognized as significant factors in influencing customers' satisfaction and loyalty through various studies in the literature on developed and developing countries, there is not much local evidences demonstrating the impact of the set of variables in Myanmar's banking industry. So this study will explore these areas to fill in the void.

The finding from the impact of CRM practices, customers' satisfaction and customer loyalty will offer important insights to the management of the bank. As customer satisfaction can be the antecedent for loyalty, customers' loyalty is important as it reduces cost of acquiring new customers, increase sales value, increase transaction frequencies, provide free publicity to the bank and provide reliable revenue stream. It will allow the bank to allocate resource efficiently and strengthen its strategy on customer service to improve customer experience. This research will benefit UAB bank in providing an effective, responsive and customer-centric IT enabled CRM strategy which can fulfill customers' requirements in Chan Aye Thar Zan Township.

1.2 Problem Statements of the Study

The banking industry in Myanmar is undergoing an era of rapid change and mounting competition from the expanding services offered by domestic and international banks throughout the urban centers of Myanmar. These growing competition present significant challenges for banking institutions, particularly in the areas of attracting and retaining satisfied customers, and maintaining a strong customer loyalty. This phenomenon is particularly obvious in the banking sector in Mandalay, an area with a relatively small market for a large number of banking firms. With such abundant banking choices, it would be quite simple for customers to switch from one bank to another at will if they discover any shortcomings with the banks' service quality, responsiveness and customer experience. As such, a robust and effective CRM strategy would be critically essential in retaining the market position and long-term customers.

Among many of the banks in Mandalay, UAB Bank is considered a rapidly growing financial institution. Even so, UAB Bank is still intensely competing with rival banks which provide similar financial products, digital services and customers' benefits. Given the customer expectations, UAB Bank has to make sure its CRM strategies meet with customer needs in a consistent and effective way. Nevertheless, it seems that some challenges still exist. It is still heard that the bank's service quality is inconsistent, customer issues are not responded promptly, customer representatives seem less engaging, the consistency of digital banking services is not stable, and so on. Based on these statements, it implies that the bank's existing CRM strategies may not be yet adequately aligned and synchronized with the customers' demands in Mandalay context.

As these issues arise, there is a need to conduct an in-depth investigation to understand the extent of UAB Bank's CRM activities. Six dimensions of CRM practice: customer orientation, quality of customer service, knowledge management, technology- based CRM, conflict handling and trust are taken into account in this study. Even though these dimensions are generally recognized to be the key components of CRM in banking sector; there seems to be lacking research to specifically study them in UAB Bank's context in Mandalay. Without having these understandings, the bank can hardly find which of CRM practices need to be improved and which are valuable in maintaining customer loyalty.

Thus, the study is needed to bridge the research gap to examine the effects of CRM practice on customer satisfaction and customer loyalty of UAB Bank's customers in Mandalay, specifically in Chan Aye Thar Zan Township. Based on the finding, UAB

Bank can enhance its CRM systems to improve the bank's service quality, strengthen customer trust, maintain a strong customer relationship, and compete in a fiercely competitive banking market in Mandalay. By doing so, it addresses the crucial problems the bank (and the banking industry in general) is facing today in Managing the banking customer relationships effectively in a high-expectations environment.

1.3 Research Questions

The research questions of the study are as below:

(1) What are the levels of customer relationship management practices at UAB Bank in Mandalay?

(2) How does customer orientation affect customer satisfaction at UAB Bank in Mandalay?

(3) What is the effect of knowledge management on customer satisfaction at UAB Bank in Mandalay?

(4) How does technology-based CRM affect customer satisfaction at UAB Bank in Mandalay?

(5) What is the effect of quality of customer service on customer satisfaction at UAB Bank in Mandalay?

(6) How does trust-building affect customer satisfaction at UAB Bank in Mandalay?

(7) What is the effect of conflict-handling on customer satisfaction at UAB Bank in Mandalay?

(8) How does customer satisfaction affect customer loyalty at UAB Bank in Mandalay?

1.4 Objectives of the Study

The main objective of the study is to find out the effect of customer relationship management practices on customer loyalty of UAB Bank in Mandalay. The specific objectives of the study are as follows:

(1) to identify the levels of customer relationship management practices at UAB Bank in Mandalay

(2) to examine the effect of customer orientation on customer satisfaction at UAB Bank in Mandalay

(3) to analyze the effect of knowledge management on customer satisfaction at UAB Bank in Mandalay

(4) to study the effect of technology-based CRM on customer satisfaction at UAB Bank in Mandalay
(5) to investigate the effect of quality of customer service on customer satisfaction at UAB Bank in Mandalay
(6) to examine the effect of trust-building on customer satisfaction at UAB Bank in Mandalay
(7) to study the effect of conflict-handling on customer satisfaction at UAB Bank in Mandalay
(8) to analyze the effect of customer satisfaction on customer loyalty at UAB Bank in Mandalay

1.5 Method of Study

This study employed a quantitative research approach to investigate the effect of CRM practices on customer loyalty of UAB Bank in Mandalay. A two-stage random sampling method was applied in this study. In the first stage, Chan Aye Thar Zan Township was randomly selected from the seven townships in Mandalay. In the second stage, data were collected from customers who came to UAB Branch within the selected township from 9:30 AM to 3:00 PM during bank opening hours using a 3 in 1 systematic sampling method and customers visiting these branches were surveyed using a structured questionnaire. Primary data were used in this study. Primary data was collected by using structured questionnaires on a seven-point Likert scale. Data collection period was during February 2026. In this study, descriptive statistics, reliability analysis, multiple and simple linear regression analysis were used. Descriptive statistics were used to describe the profile of the respondents, customer perception of customer relationship management and customer perception of customer satisfaction and loyalty of UAB Bank in Chan Aye Thar San Township. Reliability analysis was used to access the internal consistency. Multiple regression analysis was used to analyze the effect of customer relationship management practices on customer satisfaction of UAB Bank in Mandalay. Simple linear regression analysis was used to analyze the effect of customer satisfaction on customer loyalty of UAB Bank in Mandalay.

1.6 Scopes and Limitations of the Study

The scope of the study is only focused on examining the effect of customer relationship management practices on customer satisfaction and customer loyalty of UAB Bank in Mandalay Region, particularly focusing on selected branches located in Chan Aye Thar San Township. This study focused on six dimensions such as customer orientation, knowledge management, technology-based CRM, quality of customer service, trust-building and conflict-handling. Although many local and foreign banks operate in Myanmar, this research was concentrated solely on UAB Bank due to its rapid expansion, competitive CRM practices and growing customer base in Mandalay. Therefore, the findings of this study reflected the CRM environment of UAB Bank only and cannot be generalized to all banks in Myanmar. Branches outside Mandalay or other regions are not included in this research.

1.7 Background of the Study (UAB Bank)

UAB Bank (previously known as United Amara Bank) is a prominent private commercial bank in Myanmar. It was founded in 2010, received its operating license from the Central Bank of Myanmar, and commenced operations in 2011. Since then, UAB Bank has been established as a modern, customer-centric financial institution, committed to enhancing Myanmar's economic progress and promoting financial inclusion. Over the years, the bank has expanded its branch network, diversified its products and services, and heavily invested in technology, particularly in digital banking, in order to provide an excellent customer experience.

UAB Bank provides an array of financial services, including savings and current accounts, fixed deposits, personal and SME loans, corporate banking, remittance, trade finance, ATM, and digital banking. Its customers are a diverse range of individuals, SMEs, corporations and government organizations. The bank aims to be a "reliable and innovative partner," developing new and competitive products and services as market demand grows.

In 2019, UAB Bank undertook a complete rebranding. As "uab bank," it now displays a fresh look in line with international banking standards, placing emphasis on innovation, digital transformation, and customer relationships. The banking group's digital banking application, mobile banking system, ATM and cards services have become increasingly important in the provision of customer service. These offerings have made banking more accessible for many individuals in key locations such as Mandalay and Yangon. UAB Bank has also earned awards for its performance, including "Best Bank of the Year – Myanmar" by The Banker Magazine (Financial Times, UK), and for its corporate governance and innovation.

The UAB Bank branch in Chan Aye Thar Zan Township, Mandalay plays a vital role in serving customers within one of Mandalay’s key business and commercial centers. This township boasts a mixture of residential and business areas, as well as markets and educational institutions; this makes customers in the area dependent on the reliability of their bank and the efficiency of its service. The branch offers deposits, withdrawals, consultation on personal and business loans, business banking, digital service provision. As customer demands become more complex (with a rise in the use of digital channels and internet banking), UAB Bank has been working on strengthening its customer service and management. (UAB Bank, 2024).

UAB Bank employs a sophisticated CRM strategy which enhances customer relationship management and loyalty. This integrates personnel, processes, and technology in order to provide efficient, customer-friendly services to all branches of the bank, including the branch in Chan Aye Thar Zan Township, Mandalay. Below, details how this practice is carried out in UAB Bank:

First and foremost, UAB Bank implements a customer-oriented strategy due to its adoption of a customer-first philosophy. Its personnel trained to respond quickly and effectively to customer needs and provide tailor-made banking services that cater to a client’s unique needs and lifestyle. The bank gathered customer feedback from their initial interactions at the front counter, via its online channels, and through phone calls to their customers. UAB utilizes all gathered information to continuously improve service quality. The bank conducts regular customer engagement and awareness events, as well as financial literacy programs to prove that it truly cares about its customers. The objective of this strategy is to build lasting customer relationships.

In the knowledge management aspect, UAB Bank stores and organizes information in a unified digital database to keep track of customers’ information, their transaction history, all service-related information and customer feedback. The client's data can then be accessed by any staff of the bank so they would understand a specific client's financial background, preferences and behavioral patterns. The information is used to provide a customer-tailored and personalized service. Departmental meetings are organized with a purpose to make sure staff are updated on changes in banking rules, financial product updates and customers' requests.

A technological approach to CRM is critical in the growth and modernization of Myanmar's banking industry. UAB Bank incorporates several technological advancements such as internet banking, ATM banking and its mobile banking application to increase the accessibility and efficiency of banking services. These technologies provide banking facilities to customers without them needing to be physically present at any branch. It can help banks in maintaining accurate customer records, tracking customer transactions, and reducing waiting time for service requests. The usage of technological advancements enables the bank to significantly reduce the likelihood of service errors and allow a more satisfying and seamless banking experience. The bank's commitment to this digital transformation can be seen as its response to the increased demands for quality service, and it also grants the bank a competitive edge.

Quality of customer service is also a very important CRM component at UAB Bank. It means professionalism, responsibility, and punctuality toward all interactions with its customers. Front-line employees are trained to deliver clear banking product information and to respond quickly to service needs. Quality service standards are implemented within the entire branch and across departments to ensure consistency. UAB Bank tracks its service performance and carries out analyses to monitor service quality. By delivering services efficiently, the bank effectively minimizes service failures and enhances the overall banking experience. A high-quality service provided not only delights a customer but also helps increase trust and word of mouth referrals.

UAB Bank has put in place a customer complaint handling system that helps the bank address issues effectively and promptly. A customer may submit their complaints through staff, call center or via the bank's e-mails and social network accounts. Every complaint that is lodged is recorded and directed to the relevant department and then followed up with the concerned customer. UAB's staff are trained to be understanding and accommodating toward customer complaints; major complaints will be escalated to higher levels within the bank management. Effective dispute resolution contributes to building and regaining customer confidence, and minimizing the risk of customers migrating to rival banking institutions.

Trust can be seen as the backbone of UAB Bank's CRM approach. UAB ensures that all its customers know everything that they need to know by clearly stating fees, charges, rules and procedures in relation to any transaction. It adheres strictly to national and international regulations of the banking and financial sector, puts strong cyber security protocols into effect and maintains strict confidentiality for all customer data. The bank publishes annual financial statements, and it receives several industry awards and announces corporate governance information – practices that build confidence.

1.8 Organization of the Study

This study is organized in five chapters. Chapter one includes the introduction, rationale of the study, problem statement of the study, research questions of the study, research objectives of the study, method of the study, scopes and limitations of the study, background of UAB Bank in Chan Aye Thar San Township, and organization of the study. Chapter two reviews customer relationship management literature, customer satisfaction and loyalty, previous studies, and the conceptual framework of the study. In chapter three, research techniques include research design, sampling design, questionnaire design, and data analysis. Chapter four describes demographic characteristics of respondents, the relationship between customer relationship management practices and customer satisfaction, the relationship between customer satisfaction and customer loyalty, and the analysis of these relationships. Chapter five concludes with findings and discussion, suggestions and recommendations, theoretical and practical implications of the study, and needs for further studies.

CHAPTER 2
LITERATURE REVIEW

This chapter reviews the theoretical background and existing literature related to CRM practices, customer satisfaction, and customer loyalty. By reviewing previous empirical studies, this chapter outlines the conceptual framework and hypothesis of the study for this research.

2.1 Concept of Customer Relationship Management (CRM)

Customer Relationship Management (CRM) is defined as a strategic approach that integrates people, processes, and technology to understand customers and enhance long-term relationships (Payne & Frow, 2005). Kotler and Keller (2016) describe CRM as the process of managing detailed information about customers and carefully managing customer touchpoints to maximize loyalty. Peppers and Rogers (2011) argue that CRM helps organizations identify valuable customers, meet their expectations, and strengthen loyalty.

The concept of Customer Relationship Management (CRM) is grounded in three key marketing management principles, namely customer orientation, relationship marketing, and database marketing (Yim, Rolph, Anderson, & Swaminathan, 2013). CRM focuses on identifying and serving individual customer segments in a more personalized or one-to-one manner. Kotler and Armstrong (2004) define CRM as a comprehensive process of establishing and sustaining profitable customer relationships through the delivery of superior value and customer satisfaction. In this regard, all organizational processes and interactions with customers contribute to maintaining and strengthening mutually beneficial relationships. Furthermore, CRM is considered a managerial approach that utilizes information technology (IT) to develop long-term relationships with customers. It can also be understood as a strategic framework for managing and evaluating the relationship between a company and its customers.

According to Hargrave (2022), customer relationship management (CRM) can be referred to the principles, practices and guidelines that an organization follows when communicating with organizational customers (Hargrave, 2022). This definition can be clearly classified into direct interaction with customers, and analysis of customers' future potential and future behaviors. In the current era of technological advancement, Customer Relationship Management (CRM) involves the integration of technology, systems, and software to manage and enhance external interactions with customers. It enables organizations to communicate with customers at any time and from any location through the use of digital platforms, including cloud computing, CRM software, and artificial intelligence (AI), which assist in responding to customer inquiries regarding products and services. Since CRM is built around all customer touchpoints, it covers various communication channels such as company websites, emails, direct mail, and telephone communication (Hargrave, 2022). Through these communication technologies, organizations are able to engage with customers throughout the entire customer life cycle, from initial contact to repeat purchases. In simple terms, CRM refers to the management of all interactions and relationships between a company and its current as well as potential customers.

Banks typically modify their business processes based on customer needs for four main reasons: retaining existing customers attracting new customers, encouraging deeper customer engagement with the bank, and informing customers about available products, services, and communication channels in order to increase profitability or minimize losses (Nwe, 2023).

One of the key objectives of CRM is to continuously monitor customer behavior and evolving needs over time. Customer interaction is a structured communication process initiated by the bank to gather customer data, analyze responses, and assess customer value to the organization. In return, customers receive relevant information about the bank's services that can better satisfy their needs. Unlike traditional marketing, which focuses mainly on mass communication, CRM emphasizes personalization, where each customer is treated individually and uniquely through tailored offerings. This approach aims to build strong long-term relationships and achieve sustained customer loyalty.

2.2 Theory of Customer Relationship Management (CRM)

There are many theories defined by many researchers for CRM practices. Among them, this study will use the following theories.

2.2.1 Relationship Marketing Theory

Relationship Marketing Theory has emerged as a fundamental concept in modern marketing, emphasizing the importance of establishing, maintaining, and enhancing long-term relationships with customers and other stakeholders (Berry, 1983; Grönroos, 1994). The concept was first introduced by Berry (1983), who defined relationship marketing as a strategic approach focused on attracting, maintaining, and enhancing customer relationships. He argued that retaining existing customers is more cost-effective than acquiring new ones, thereby contributing to long-term profitability and organizational success.

Building on this foundation, Grönroos (1994) expanded the concept by describing relationship marketing as a continuous process of identifying, establishing, maintaining, and enhancing relationships with customers and stakeholders. This perspective highlights the importance of mutual value creation and long-term interaction rather than focusing solely on short-term transactions. Relationship marketing therefore shifts the focus from transactional exchanges to relational exchanges, where trust, commitment, and satisfaction play central roles.

According to Kotler (2016), relationship marketing aims to build mutually beneficial relationships with key stakeholders, including customers, employees, suppliers, distributors, and financial partners. These relationships are essential for creating customer value and achieving organizational objectives. In this context, marketers are required to understand the needs, preferences, and expectations of stakeholders in order to develop strong and lasting relationships.

Furthermore, relationship marketing emphasizes the importance of internal marketing, where employees are considered as internal customers. Scholars such as Evert Gummesson have highlighted that successful external-relationships with customers are largely dependent on strong internal relationships within the organization. When employees are well-trained, motivated, and committed, they are more capable of delivering high-quality services that enhance customer satisfaction.

In addition, Jagadish Sheth and Atul Parvatiyar (2000) emphasized that relationship marketing focuses on collaborative relationships that create value for all parties involved. This approach encourages long-term cooperation, trust, and commitment, which are critical factors for sustaining competitive advantage in dynamic market environments.

Customer satisfaction and loyalty are key outcomes of relationship marketing. Research by Anderson et al. (1997) indicates that satisfied customers are more likely to remain loyal and engage in positive word-of-mouth communication, which reduces marketing costs and attracts new customers. As a result, organizations that effectively implement relationship marketing strategies can achieve improved customer retention and long-term profitability.

In the banking sector, relationship marketing is particularly important due to the intangible nature of financial services and the necessity of building trust-based relationships with customers. Banking services rely heavily on continuous interactions, personalized communication, and long-term engagement. According to Grönroos (1994), relationship marketing is especially relevant in the service industries such as banking, where maintaining long-term relationships enhances customer satisfaction and loyalty. Similarly, Payne (2000) highlighted that customer retention and relationship development are crucial for achieving sustainable competitive advantage in the banking industry. Moreover, Kotler and Keller (2016) emphasized that financial institutions must build trust, provide personalized services, and maintain continuous communication to meet customer expectations effectively.

Overall, Relationship Marketing Theory highlights the transition from traditional transactional marketing to a relational approach that focuses on long-term engagement, trust, and mutual value creation. This theory provides a strong foundation for understanding Customer Relationship Management (CRM) practices and their impact on customer satisfaction and loyalty, particularly in the banking industry.

2.2.2 Commitment–Trust Theory

The Commitment–Trust Theory by Morgan and Hunt (1994) argues that trust and commitment are the two central factors necessary for building successful long-term relationships. Trust reduces uncertainty and increases customer confidence in the service provider, while commitment reflects the willingness of customers to maintain the relationship. According to Garbarino and Johnson (1999), trust and commitment strongly influence customer loyalty and future behavioral intentions, especially in service industries.

Crosby, Evans, and Cowles (1990) emphasize that trust is developed when firms demonstrate reliability, honesty, and consistency in delivering services. Commitment strengthens when customers believe that maintaining the relationship delivers long-term value. In the banking industry, customers must rely on the institution for financial security, privacy, and responsible service delivery. Ndubisi (2007) further supports the fact that trust, communication, conflict handling, and competence significantly influence long-term customer relationships in the banking sector.

When trust and commitment are strong, customers increase their usage of the bank's services, reduce switching behavior, and engage in positive word-of-mouth. Therefore, the Commitment–Trust Theory contributes directly to CRM by showing how psychological drivers—trust and commitment—support long-term customer loyalty and relationship stability.

2.2.3 Social Exchange Theory

Social Exchange Theory explains how relationships are formed and maintained based on the exchange of benefits and the evaluation of costs and rewards (Blau,1964; Homans, 1958). Homans (1958), the founder of the theory, argues that individuals engage in relationships when the perceived rewards outweigh the costs. Blau (1964) further expanded the theory by emphasizing that social relationships develop through reciprocal exchange, trust, and mutual dependence. Thibaut and Kelley (1959) also highlight that individual stay in relationships when the outcomes are satisfactory compared to alternatives.

In the context of Customer Relationship Management (CRM), Social Exchange Theory suggests that customers remain loyal when they receive valuable benefits such as quality service, personalized attention, convenience, and trust. When customers feel that the bank consistently delivers value greater than the cost (such as time, effort, or fees), they are more likely to maintain the relationship. Ndubisi (2007) notes that trust, communication, and conflict handling—key components of CRM—strengthen the social exchange process between the bank and the customer.

In the banking sector, customers evaluate the quality of services, responsiveness of staff, service charges, and overall experience. If the perceived benefits are high, customers develop satisfaction and loyalty. When exchanges are fair and consistent, trust is enhanced, and long-term relationships are strengthened. Therefore, Social Exchange Theory supports CRM by explaining how mutually beneficial interactions encourage customer retention, satisfaction, and loyalty.

2.3 Customer Relationship Management Practices

Customer Relationship Management (CRM) practices have been conceptualized and measured using different dimensions by various authors. Sin et al. (2005) identified key components such as customer orientation, CRM organization, knowledge management, and technology-based CRM. Similarly, other researchers have emphasized dimensions like communication, service quality, trust, and conflict handling as important elements of CRM practices in the banking sector. CRM practices are measured by different practices, but for this study, the relevant practices are customer orientation, knowledge management, technology-based CRM, quality of customer service, trust building and conflict handling based on previous studies to achieve the objective of the studies.

2.3.1 Customer Orientation

Customer orientation refers to an organization's commitment to understanding and satisfying customer needs in order to create superior value (Deshpandé et al., 1993; Narver and Slater, 1990). Narver and Slater (1990) defined customer orientation as a business culture that emphasizes continuously gathering information about customers and responding effectively to their needs. Similarly, Deshpandé et al. (1993) stated that customer-oriented firms place customer interests at the center of all organizational decisions and activities. King and Burgess (2008) demonstrated that customer orientation plays an important role for successful CRM projects. Customer orientation is also considered one of the market beneficial sources to understand the customer deeply, and thus it helps an appropriate plan to deliver and fulfill customer needs. There are several other researchers who support the assumption that customer orientation leads to better organizational performance (Asikhia,2010; Liu et al., 2006; Zhou et al., 2021). Therefore, customer orientation is a key component of CRM practices described by numerous studies (Mohammed & Rashid,2012, Reinartz et al.,2004; Sin et al.,2005).

2.3.2 Knowledge Management

Knowledge management (KM) in CRM focuses on collecting, organizing, sharing, and applying customer knowledge to improve service quality and decision-making (Davenport and Prusak,1998; Gold et al.,2001). Davenport and Prusak (1998) define knowledge as information combined with experience, context, and interpretation, making it essential for delivering value to customers. Gold et al. (2001) argue that effective KM requires both technological infrastructure and organizational processes to transform customer data into actionable insights. Zack (1999) states that firms with strong knowledge assets can create and sustain competitive advantages through better value creation. Alavi and Leidner (2001) emphasize that knowledge sharing between employees enhances problem-solving and improves the customer experience. Lin and

Lee (2005) found that knowledge management practices are strongly associated with CRM performance in service industries because they enable firms to understand customer problems, predict customer needs, and offer customized solutions. Effective KM ensures that customer information flows smoothly within the organization, supporting consistent service and building long-term customer relationships.

Knowledge management functions are contemplated in basic CRM practices that include: capturing the information of customers' needs and wants directly as well as indirectly; developing sound mechanisms for sharing customer knowledge to facilitate creating different sections and performing with the knowledge generated and caused by (Sin et al.,2005). In the banking sector, knowledge management is applied by collecting customer information from various touchpoints, including branch interactions, online banking, and call centers. Banks organize this data in CRM systems, share insights among employees and use it to tailor financial products, provide timely advice and resolve customer issues effectively. Knowledge management is important in CRM practices because it ensures accurate, timely and relevant information is supported for decision-making that leads to improved service quality and customer satisfaction.

2.3.3 Technology-Based CRM

Technology-based CRM refers to digital tools and customer information systems to support, automate, and enhance relationship management activities (Romano and Fjermestad,2002; Payne and Frow,2005). Romano and Fjermestad (2002) emphasize that CRM systems enable organizations to gather and analyze customer data, helping them understand customer behavior and preferences more accurately. Payne and Frow (2005) highlight that technology integration across customer touchpoints—such as call centers, websites, and social media—allows firms to offer consistent and personalized experiences. Xu and Walton (2005) note that technology-based CRM improves decision-making by providing real-time customer insights, leading to more effective service delivery. Richards and Jones (2008) suggest that CRM technologies allow firms to tailor marketing approaches, customize communication, and increase customer engagement. Coltman (2007) argues that the effectiveness of CRM technology depends not only on the system itself but also on organizational capabilities and employee skills.

CRM software systems provide firms to offer customized services at high quality but a lower cost, so many customer-centric activities would be impossible without the right technology (Sin et al., 2005). Consequently, technology is a basic resource to implement CRM successfully. CRM technological systems offer numerous benefits to firms, since researchers provide a single view of the customers, manage the relationship with customers in an integrated way related to the communication channel used and help the firm improve the efficiency and effectiveness of the processes involved in customer relationships.

2.3.4 Quality of Customer Service

Customer service quality is the degree to which a service meets or exceeds customer expectations during service encounters (Payne and Frow, 2005). Parasuraman, Zeithaml, and Berry (1988), through their SERVQUAL model, identify key service quality dimensions including reliability, responsiveness, assurance, empathy, and tangibles. High-quality service ensures that customers feel respected, supported, and valued throughout their interaction with the firm. Cronin and Taylor (1992) argue that service quality is a primary determinant of customer satisfaction, which further contributes to customer loyalty. Grönroos (1994) explains that customers evaluate service quality based on both technical quality (what is delivered) and functional quality (how it is delivered). Bitner (1990) adds that service encounters, especially employee behavior, strongly influence customers' emotional responses and overall satisfaction. In CRM, delivering consistent and high-quality service is essential because customers judge relationship strength based on how the organization treats them throughout the service process. Therefore, customer service quality plays a vital role in enhancing satisfaction, retention, and long-term loyalty.

In the banking sector, high-quality customer service is achieved through consistent, responsive, and personalized interactions. Banks focus on reliable transaction processing, prompt response to inquiries, transparent communication, and empathetic handling of complaints. Staff training programs ensure employees demonstrate professionalism and courtesy, while digital tools and CRM systems help banks monitor service delivery, track customer feedback, and resolve issues efficiently. By doing so, banks create a seamless and positive experience for customers at every touchpoint. Customer service quality is crucial in banking because financial services are highly trust-dependent and involve ongoing customer relationships. When banks provide high-quality service, customers feel respected, supported, and valued, which strengthens satisfaction and loyalty. Furthermore, consistent service quality differentiates banks from competitors and reinforces customer trust, making it a key component of effective CRM strategies (Parasuraman, Zeithaml, and Berry, 1988; Cronin and Taylor, 1992; Grönroos, 1994).

2.3.5 Conflict Handling

Conflict handling refers to a firm's ability to manage complaints, disagreements, and service failures fairly and efficiently (Johnston, 1995). Johnston (1995) explains that effective complaint management reduces customer dissatisfaction and supports long-term retention. Tax et al. (1998) found that customers evaluate organizations based on how they handle service failures, and fair treatment leads to higher satisfaction even after problems occur. Smith and Bolton (2002) describe how successful service recovery—through compensation, fairness, and effective communication—can restore customer trust and improve loyalty. Goodwin and Ross (1992) highlight the importance of apology, explanation, and empathy in reducing customer frustration during conflicts. Shapiro (2001) argues that organizations that openly address problems and respond promptly minimize negative emotions and prevent customer switching. In CRM, conflict handling is essential because unresolved issues damage trust and weaken the customer relationship. Effective conflict handling strengthens satisfaction, reduces churn, and supports long-term loyalty.

In banks, conflict handling is implemented through structured complaint management systems, staff training on service recovery, and multiple channels for customers to report issues, such as branches, call centers, and digital platforms. Banks respond promptly to complaints, offer fair solutions or compensation, and communicate clearly to reassure customers. This approach helps prevent escalation of problems and maintains positive customer experiences (Tax et al., 1998; Johnston, 2001). Conflict handling is crucial in banking because financial services rely heavily on trust and long-term relationships. Properly managing complaints and service failures prevents customer frustration, reduces churn, and strengthens loyalty (Grönroos, 1994; Morgan & Hunt, 1994). Even when problems occur, fair and effective conflict resolution can restore confidence, improve satisfaction, and reinforce the bank's reputation, which is essential for sustaining long-term customer relationships in a competitive industry (Ndubisi, 2007).

2.3.6 Trust-Building

Trust-building practices help customers feel confident that the organization is reliable, honest, and committed to their interests (Morgan and Hunt, 1994). Morgan and Hunt (1994) identify trust as a central component of relationship marketing, arguing that trust encourages cooperation and reduces perceived risk. Mayer et al., (1995) explain that trust depends on three factors: ability, benevolence, and integrity. Garbarino and Johnson (1999) found that trust leads to stronger emotional commitment and more positive relationship outcomes, especially in service-based industries. Gefen (2000) demonstrates that consistent communication and transparency enhance trust, particularly in technology-mediated service environments. Doney and Cannon (1997) propose a framework showing that trust influences customer willingness to maintain long-term relationships. In CRM, trust-building includes keeping promises, communicating clearly, protecting customer information, and treating customers fairly. Strong trust-building practices directly support retention, reduce switching behavior, and increase loyalty intentions (Morgan and Hunt,1994; Ndubisi, 2007).

2.4 Customer Satisfaction

Customer satisfaction refers to the customer’s overall evaluation of a product or service after experiencing it (Oliver,1997). Oliver (1997) explained that satisfaction results from comparing expectations with actual performance, meaning that customers feel satisfied when the service meets or exceeds what they anticipated. Kotler and Keller (2016) emphasized that satisfaction is shaped by perceived value, service quality, and emotional experience during the interaction. Zeithaml et al., (2018) added that satisfaction is influenced not only by service outcomes but also by the service process, employee behavior, and the environment in which the service is delivered. Fornell (1992), in the American Customer Satisfaction Index (ACSI), demonstrated that satisfaction plays a critical role in customer retention and long-term profitability.

Mithas et al., (2005) stated that the effect of CRM on customer satisfaction. He explained the effect of CRM on customer satisfaction for three reasons. First, CRM provides firms with a customized offering for each customer to meet their individual needs by collecting information across customer touchpoints and interactions and by processing this information to search for hidden patterns. Therefore, CRM concepts indirectly impact on customer satisfaction. Second, CRM also encourages firms to improve the reliability of consumption experiences through timely, accurate processing of customer orders and requests, which positively influences customer satisfaction. Third, CRM also helps firms manage customer relationships more effectively across the stages of relationship initiation, maintenance and termination (Reinartz et al., 2004).

Increased customer satisfaction can provide company benefits like customer loyalty, extending the life cycle of a customer, increasing the period of customer purchases and enhancing customers' positive word-of-mouth communication. If customers are satisfied with the products or services of a firm, they can purchase frequently and recommend others or become loyal customers. If an organization ignores or disregards the needs of its customers, it cannot grow (Tao, 2014). Customer satisfaction is a fundamental step to reaching customer loyalty.

2.5 Customer Loyalty

Customer loyalty refers to a customer's long-term commitment to continue purchasing from the same company despite competitors' offers (Oliver, 1999; Kotler and Armstrong, 2018). According to Oliver (1999), customer loyalty is defined as a deeply held commitment to repeatedly buy or repeatedly patronize a preferred product or service consistently in the future, thereby causing repetitive purchasing behavior despite situational influences and marketing efforts of competitors. Similarly, Kotler and Keller (2016) describe customer loyalty as a strong preference and repeated purchase behavior toward a particular brand or company, often accompanied by positive attitudes and emotional attachment.

Furthermore, Dick and Basu (1994) conceptualize customer loyalty as the relationship between relative attitude and repeat patronage, suggesting that true loyalty exists when customers demonstrate both favorable attitudes and consistent purchasing behavior. In contrast, Griffin (2002) emphasizes behavioral aspects, defining loyal customers as those who make regular purchases, recommend the company to others, and resist switching to competitors.

The concept of customer loyalty has evolved from traditional transactional marketing approaches to relationship marketing perspectives. Earlier marketing strategies focused primarily on acquiring new customers; however, researchers such as Reichheld and Sasser (1990) highlighted that retaining existing customers is more cost-effective and profitable than acquiring new ones. This led to a paradigm shift toward building long-term relationships with customers, emphasizing satisfaction, trust, and commitment as essential drivers of loyalty.

In modern marketing, customer loyalty is considered a multidimensional construct that includes both behavioral loyalty (repeat purchases) and attitudinal loyalty (emotional commitment and preference) (Baloglu, 2002). This evolution reflects the increasing importance of customer experience and relationship management in achieving sustainable competitive advantage.

Customer loyalty is crucial for organizational success for several reasons. First, loyal customers tend to generate higher revenue through repeat purchases and increased spending over time (Reichheld, 1996). Second, they are more likely to engage in positive word-of-mouth communication, which helps attract new customers at a lower cost. Third, loyal customers are less sensitive to price changes and more resistant to competitors' marketing efforts (Kotler & Keller, 2016).

In the banking sector, customer loyalty is particularly important due to the high level of competition and the intangible nature of financial services. Loyal customers are more likely to maintain long-term relationships with their banks, use multiple financial products, and contribute to overall profitability (Caruana, 2002). Therefore, enhancing customer loyalty has become a strategic objective for banks aiming to sustain growth and competitiveness.

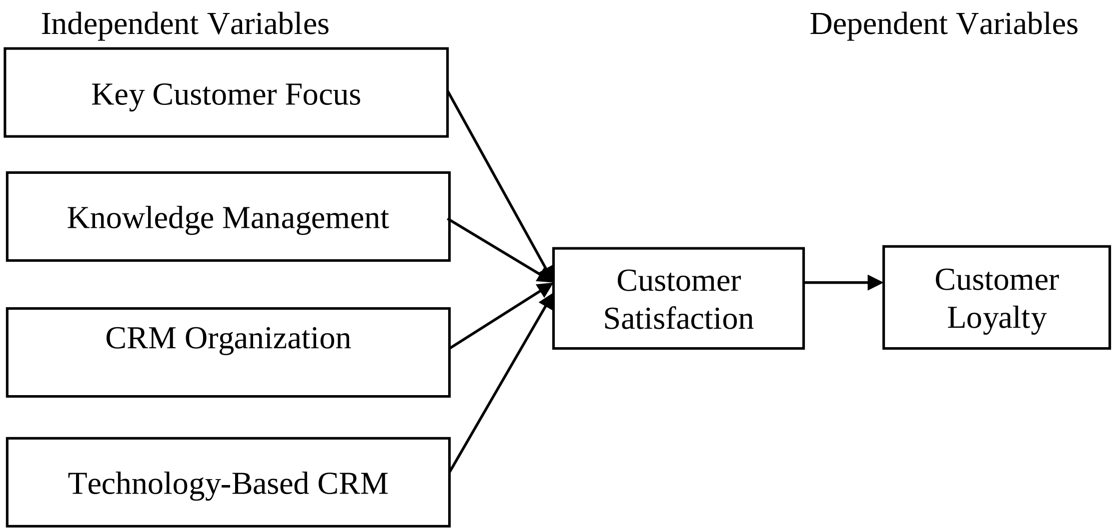
Customer loyalty is commonly measured using both behavioral and attitudinal indicators. Behavioral measures include frequency of purchase, repeat transactions, and duration of the customer relationship. Attitudinal measures, on the other hand, focus on customers' psychological commitment, willingness to recommend, and overall preference for the service provider (Zeithaml, Berry, & Parasuraman, 1996).

Customer loyalty is closely linked to Customer Relationship Management (CRM) practices. Effective CRM strategies help organizations understand customer needs, personalize services, and build strong relationships, which ultimately enhance customer satisfaction and loyalty (Payne & Frow, 2005). In the banking sector, CRM practices such as customer orientation, service quality, and technology-based services play a significant role in fostering customer loyalty.

2.6 Previous Studies

The previous studies provide an important foundation for understanding how Customer Relationship Management (CRM) practices influence customer satisfaction and customer loyalty in the banking sector. Previous research also highlights the theories, models, and empirical evidence that explain why CRM dimensions—such as customer orientation, service quality, technology-based CRM, knowledge management, conflict handling, and trust—play essential roles in shaping customer satisfaction and loyalty. Many researchers have examined CRM in financial institutions, showing consistent evidence that effective CRM strategies improve long-term customer relationships and strengthen customer retention.

Solomn (2019) examined customer relationship management and its effect on loyalty in the case of Dashen Bank. The conceptual framework of the study is shown in Figure 2.1.

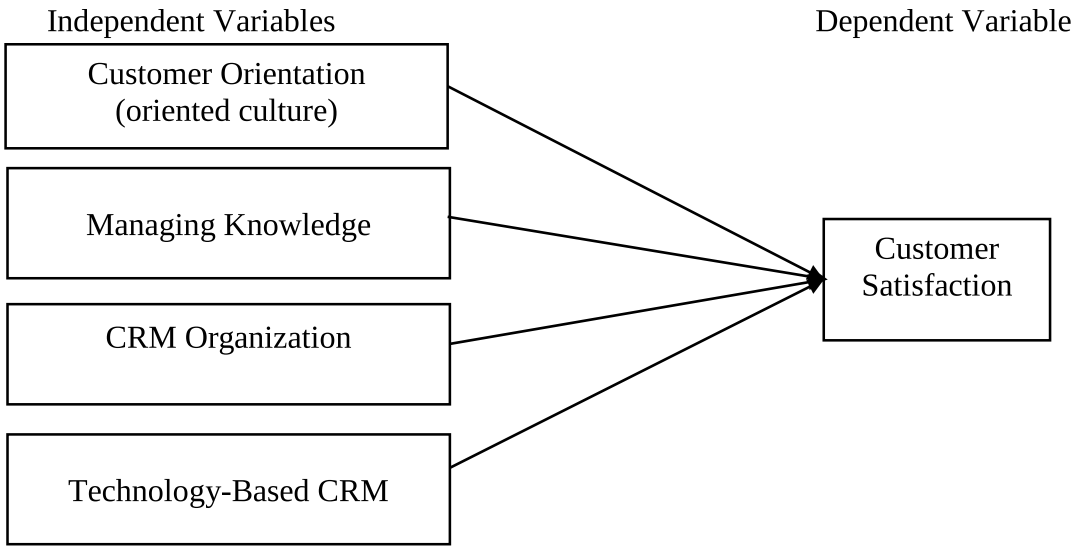


Source: Solomn (2019)

Figure 2.1 Customer Relationship Management and its effect on Customer Loyalty, the case of Dashen Bank

In this study, Solomn (2019) examined focusing on four customer relationship management (CRM) dimensions, namely, key customer focus, knowledge management, CRM organization, technology-based CRM as independent variables, and customer loyalty as dependent variables. This study found that CRM-based technology has a high effect on customer loyalty. This study suggested that Dashen Bank should give priority to the application of the technology-based CRM dimension over other dimensions because this dimension has a high effect on customer loyalty.

Sofi et al. (2020) studied the effect of customer relationship management (CRM) dimensions on hotel customer satisfaction in Kashmir. The conceptual framework of the study is shown in Figure 2.2.

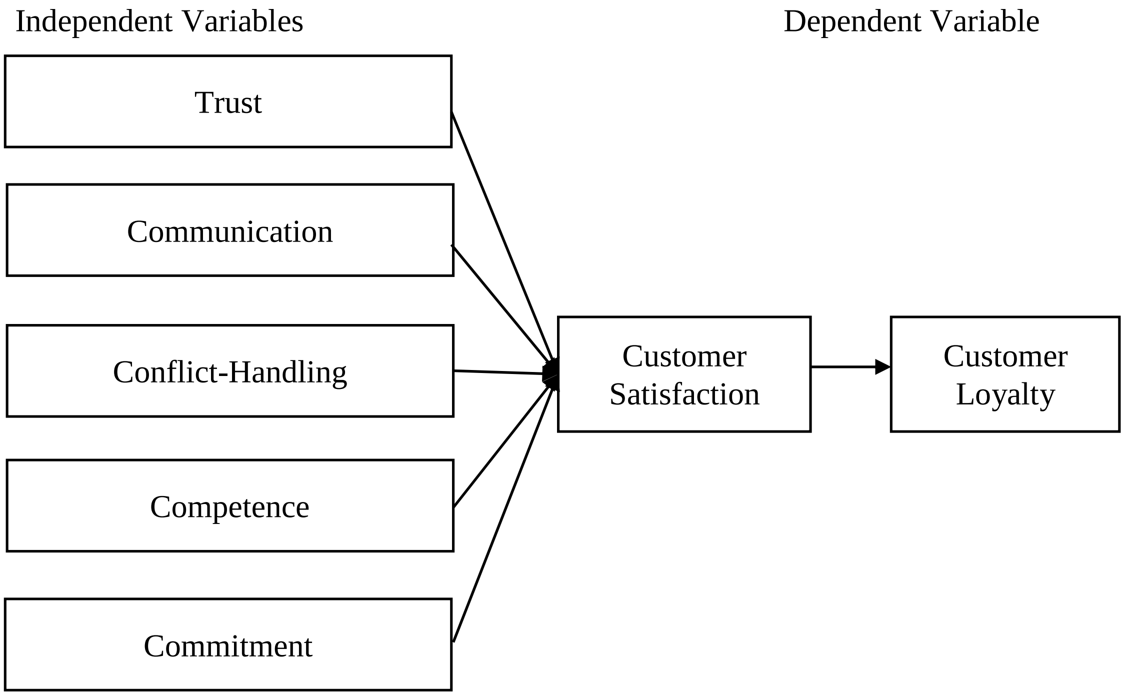


Source: Sofi et al. (2020)

Figure 2.2 The Effect of Customer Relationship Management (CRM) Dimensions on Hotel Customer's Satisfaction in Kashmir

In this study, Sofi et al. (2020) focuses on four customer relationship management (CRM) dimensions, namely, customer orientation, customer relationship management organization, managing knowledge and CRM-based technology as independent variables and customer satisfaction as dependent variable. Studies have shown that there is a significant positive relationship between several CRM dimensions, including customer orientation, knowledge management, and CRM organization, and customer satisfaction. A customer-oriented organizational culture positively influences business performance because employees in such organizations tend to be more motivated and committed to delivering superior customer experiences (Donavan, Brown, & Mowen, 2004). In addition, CRM-based technology has also been found to positively affect customer satisfaction. However, the strength of this relationship is relatively weak compared to other CRM dimensions.

Kyaw (2022) analyzed CRM practices in Myanmar Citizen Bank. The research's conceptual model is shown in Figure 2.3.



Source: Kyaw (2022)

Figure 2.3 The Effect of Customer Relationship Management Practices on Customer Satisfaction and Customer Loyalty in Myanmar Citizen Bank Limited

In this study, Kyaw (2022) investigated trust, communication, conflict handling, competence and commitment as independent variables, customer satisfaction as the mediation variable, and customer loyalty as a dependent variable. The study found that conflict handling, competence, and trust building are positive effects on customer satisfaction. And these three variables, commitment are significantly and positively effect on customer loyalty, but communication has a negative effect on customer loyalty.

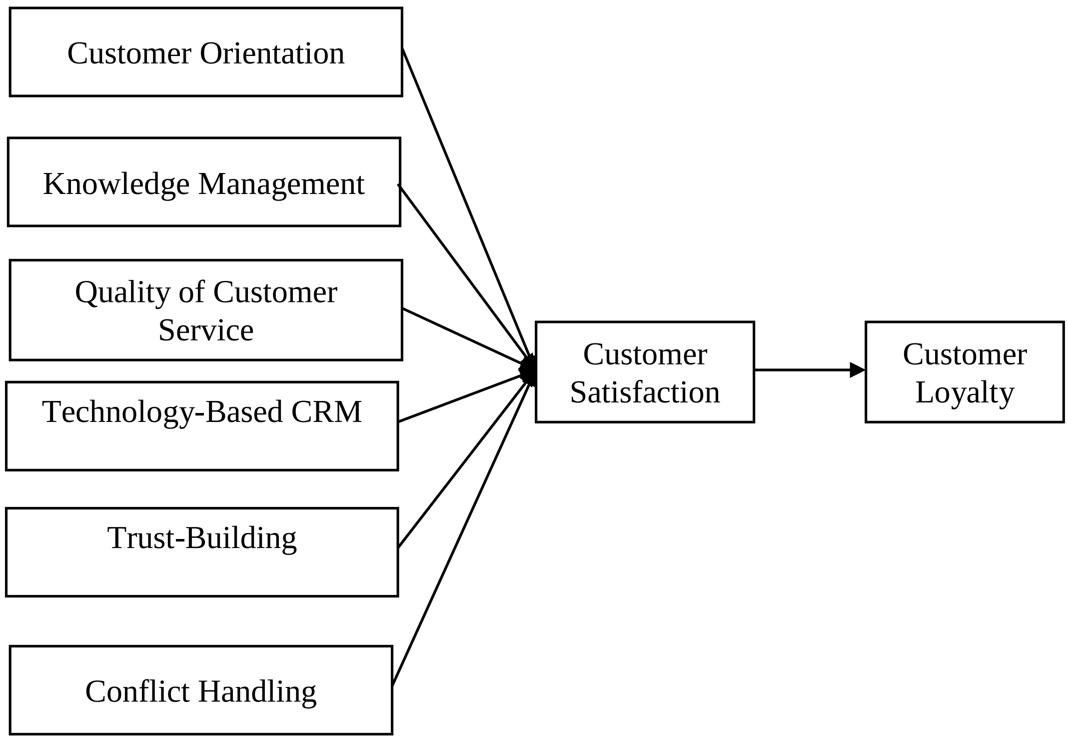
Overall, previous studies consistently reveal that CRM practices directly and indirectly influence customer satisfaction and loyalty. These findings support the relevance of the six independent variables used in the present study—customer orientation, quality of customer service, technology-based CRM, knowledge management, conflict handling, and trust—when investigating customer satisfaction and loyalty at UAB Bank. Therefore, more previous studies are expressed in appendix A with Table.

2.7 Conceptual Framework of the Study

The conceptual framework for this study was developed based on relationship marketing theory and the previous studies. Figure 2.4 presents the study model, as follows.

Independent Variables Dependent Variables

CRM Practices



Source: Own Complication (2026)

Figure 2.4 Conceptual Framework of the Study

As shown in Figure 2.4, independent variables are customer orientation, technology-based CRM, quality of customer service, knowledge management, trust-building and conflict handling. Dependent variables are customer satisfaction and customer loyalty. Firstly, the framework shows the effect of CRM practices on customer satisfaction of UAB Bank in Mandalay. Secondly, the framework also presents the effect of customer satisfaction on customer loyalty of UAB Bank in Mandalay.

2.8 Hypotheses of the Study

The hypothesis of the study is to analyze the effect of customer relationship management practices on customer satisfaction and loyalty of UAB Bank in Chan Aye Thar San Township. The hypotheses of the study are as below:

H_1: Customer orientation has a significant positive effect on customer satisfaction at UAB Bank in Mandalay.

H_2: Technology-based CRM has a significant positive effect on customer satisfaction of UAB Bank in Mandalay.

H_3: Quality of customer service has a significant positive effect on customer satisfaction at UAB Bank in Mandalay.

H_4: Knowledge management has a significant positive effect on customer satisfaction at UAB Bank in Mandalay.

H_5: Trust-building has a significant positive effect on customer satisfaction at UAB Bank in Mandalay.

H_6: Conflict handling has a significant positive effect on customer satisfaction at UAB Bank in Mandalay.

H_7: Customer satisfaction has a significant positive effect on customer loyalty of UAB Bank in Mandalay.

CHAPTER 3
RESEARCH METHODOLOGY

This chapter explains the research methodology. It includes the research design, sampling method, data collection procedures, questionnaire design, and data analysis techniques used in the study.

3.1 Research Design

Research design provides a systematic plan for collecting and analyzing data in order to answer research questions effectively (Chingang & Lukong, 2010). It serves as a framework that guides the researcher in determining the procedures for data collection and analysis to address the objectives of the study (Malhotra, 1996). In addition, it explains the relationship between independent variables and dependent variables and ensures that the research is conducted in a structured and organized manner.

In general, research can be conducted using two major approaches: qualitative and quantitative methods. Quantitative research focuses on numerical data and statistical analysis to explain relationships between variables. It includes different types of studies such as descriptive, correlational, and experimental research (Holton & Burnett, 2005). Quantitative research emphasizes objectivity and allows researchers to measure variables precisely and test hypotheses.

This study applies a quantitative research approach to investigate the influence of CRM practices on customer satisfaction and customer loyalty among customers of UAB Bank in Mandalay. The independent variables in this study include customer orientation, knowledge management, technology-based CRM, quality of customer service, conflict handling, and trust building, while customer satisfaction and customer loyalty are treated as dependent variables.

The quantitative method is suitable for this research because it allows the researcher to evaluate the extent to which CRM practices influence customers' satisfaction and loyalty. Furthermore, this approach enables the use of structured questionnaires with Likert-scale measurements and statistical techniques such as correlation and regression analysis to determine the relationships among variables.
The collected data are analyzed using descriptive statistics, correlation analysis, and multiple regression analysis. Descriptive statistics are used to summarize respondents'

demographic characteristics and overall response patterns. Correlation analysis is applied to identify the relationships between CRM practices, customer satisfaction, and customer loyalty. Multiple regression analysis is conducted to determine the impact of CRM practices on customer satisfaction and customer loyalty.

This study utilizes both primary and secondary data sources. Primary data were collected directly from customers of UAB Bank in Mandalay through a structured questionnaire survey. The questionnaires were distributed using printed paper questionnaires to ensure wider participation and convenience for customers of UAB Bank in Mandalay. Secondary data were obtained from academic books, research journals, articles, and relevant online sources to provide theoretical support and background information for the study.

To ensure the reliability and validity of the measurement, all constructs in the questionnaire are developed based on previous studies and measured using a seven-point Likert scale, ranging from 1 (strongly disagree) to 7 (strongly agree). The independent variables—customer orientation, knowledge management, technology-based CRM, quality of customer service, conflict handling, and trust building—are adapted from existing literature. Customer satisfaction and customer loyalty are measured as the dependent variables.

3.1.1 Research Process of the Study

A research process delivers an underlying structure or model to support a collective research effort. This framework is developed based on the effect of CRM practice on Customer Satisfaction and Loyalty, which emphasizes a systematic process of literature review, data collection, data analysis and interpretation. The study follows the research framework step by step to examine the effect of CRM practices on Customer Satisfaction Toward Customer Loyalty of UAB Bank in Mandalay.

Table 3.1 Research Process of the Study

Step 1: Literature Review and Conceptualization of Influencing Factors
-Conduct a comprehensive literature review of CRM Practices on Customer Satisfaction and Loyalty
-Identify and define the independent variables: Customer Orientation, Knowledge Management, Technology-Based CRM, Quality of Customer Service, Trust-Building and Conflict Handling
-Define the dependent variables: Customer Satisfaction and Customer Loyalty
-Construct the conceptual framework showing relationships between Customer Satisfaction and Customer Loyalty
Step 2: Instrument Development and Data Collection
-Develop a structured questionnaire using validated scales for each construct, measured on a 7-point Likert scale.
-Conduct a pilot test to evaluate the questionnaire's clarity, reliability and validity.
-Distribute the questionnaire to 165 customers at UAB Bank in Mandalay, using a systematic sampling method.
Step 3: Data Analysis and Interpretation
-Use SPSS to analyze the collected data.
-Apply descriptive statistics, including multiple regression analysis and simple linear analysis, to assess the impact of each CRM practice on customer satisfaction and loyalty.
-Interpret the results and discuss their implications for the effect of CRM practices on Customer Satisfaction and Loyalty at UAB Bank in Mandalay

Source: Own Compilation (2026)

According to Table 3.1, the research process is constructed in three steps. In the first step. A comprehensive review of relevant literature on customer satisfaction and customer loyalty is conducted. The research instrument is developed, and data collection is carried out in the second step. In the third step, the collected data are coded, analyzed and interpreted.

3.1.2 Data Collection Method

Data collection is an essential step in research as it provides the information needed to address research questions and test hypotheses. In order to achieve the objectives of this study, both primary and secondary data sources were utilized. The questionnaire was designed to obtain quantitative information regarding CRM practices, customer satisfaction, and customer loyalty. The survey consisted of closed-ended questions measured using a seven-point Likert scale, where 1 represented “Strongly Disagree” and 7 indicated “Strongly Agree.”

Before the main data collection, a pilot test was conducted with a sample of 40 participants to assess the clarity of the scale items and the overall functionality of the survey instrument. The pilot confirmed the reliability of item interpretation and respondent engagement with the survey format.

Primary data were collected from customers of UAB Bank in Mandalay using a structured questionnaire. The questionnaire was designed to obtain quantitative information regarding CRM practices, customer satisfaction, and customer loyalty. The survey consisted of closed-ended questions measured using a seven-point Likert scale, where 1 represented “Strongly Disagree” and 7 indicated “Strongly Agree.”

To reach a larger number of respondents, the questionnaire was distributed using printed paper format. In addition, printed questionnaires were distributed directly to bank customers to ensure participation from respondents who preferred paper-based surveys. The use of both methods helped increase the response rate and collect sufficient data for analysis.

For sampling, respondents were selected from customers who have experience using banking services at UAB Bank branches in Mandalay. Only individuals who were current customers of the bank were included in the survey to ensure that their responses were relevant to the research objectives. A total number of valid responses were collected and used for statistical analysis.

In addition to primary data, secondary data were also used to strengthen the theoretical background of the study. Secondary information was obtained from academic books, research journals, articles, and relevant online sources. Literature related to Customer Relationship Management (CRM), customer satisfaction, and customer loyalty was reviewed to develop the conceptual framework and support the selection of research variables.

Furthermore, information related to UAB Bank, its banking services, and CRM practices was gathered from official reports, company websites, and credible publications. These sources helped provide background information and supported the interpretation of the study findings.

All respondents were informed that their participation in the survey was voluntary and that their responses would remain confidential. Personal information was not required in the questionnaire to ensure the privacy of participants. The collected data were used solely for academic purposes.

Overall, the data collection process in this study combined both online and paper-based surveys along with reliable secondary sources. This approach helped ensure that sufficient and trustworthy data were obtained to analyze the impact of CRM practices on customer satisfaction and customer loyalty of UAB Bank in Mandalay.

3.2 Sampling Design

Sampling design is a systematic process used to select respondents from a defined population to ensure that the collected data accurately represent the characteristics of the population (Malhotra, 1996). A well-designed sampling method enhances the reliability and validity of research findings.

The target population of this study consists of customers who use the services of UAB Bank in Mandalay. These customers were selected because they have direct experience with the bank's services and interactions with its Customer Relationship Management (CRM) practices. Collecting data from this population allows the researcher to examine how CRM practices influence customer satisfaction and customer loyalty. This study employed a two-stage sampling method. In the first stage, one township was randomly selected from the seven townships in Mandalay. This ensures that the study captures the characteristics of a typical township while reducing logistical constraints associated with covering the entire city.

In the second stage, two branches of UAB Bank within the selected township were included. From these two branches, respondents were selected using the 3-in-1 systematic sampling method, which is a structured probability-based approach. This method involves the following steps:

In population stratification, customers from each branch were organized into relevant subgroups based on observable characteristics, such as type of banking service used or frequency of bank visits. In systematic selection within subgroups, respondents were selected at regular intervals from the ordered list of eligible customers. The sampling interval was calculated by dividing the total number of customers in each subgroup by the desired sample size.

This study used a 3 in 1 systematic random sampling method to collect data from customers of UAB Bank in Mandalay. In this method, the sampling interval (k) is determined by dividing the total population size (N) by the required sample size (n), with the result rounded to the nearest whole number (Malhotra, 1996). In this study, the sampling interval was set at k = 3. To initiate the sampling process, customer number 1 was randomly selected as the starting point. Subsequently, every third customer was chosen systematically, resulting in the selection of customer numbers 1^{st}, 4^{th}, 7^{th}, 10^{th}, and so on. The study gathered data during the period of 15 January to 15 February 2026. The use of systematic sampling offered operational convenience and ensured equal chances of selection for all elements of the population. Therefore, by applying the systematic sampling technique, 165 respondents were selected to assess the effect of factors influencing customer satisfaction on customer loyalty at UAB Bank in Mandalay.

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3.3 Questionnaire Design

In this study, the questionnaire functioned as the main tool for gathering data. It was developed to gather reliable and valid information regarding the impact of customer relationship management practices on customer satisfaction and customer loyalty of UAB Bank customers. A structured and self-administered format was adopted to ensure consistency across all respondents and to facilitate ease of analysis. The questionnaire was administered through printed paper to a targeted group of customers from UAB Bank in Mandalay, especially Chan Aye Thar San Township.

The design of the questionnaire was measured using a seven-point Likert scale, ranging from 1 (“Strongly Disagree”) to 7 (“Strongly Agree”). The Likert scale format allows for the quantification of attitudes, perceptions, and behavioral intentions, enabling robust statistical analysis (Likert, 1932). The use of a 7-point scale, as opposed to a 5-point alternative, provides greater sensitivity and discrimination among levels of agreement, thus increasing the precision of the responses (Finstad, 2010).

The questionnaire is divided into three main sections, which are Section A, Section B, Section C. Section A is a demographic profile of respondents, including gender, age group, education level, monthly income, occupation, type of account, length of relationship and frequency of using UAB Bank services. These variables help to describe the characteristics of the sample and to control for possible demographic influences on use behavior. Section B refers to customer relationship marketing practices. This section includes six CRM practices— customer orientation, knowledge management, technology-based CRM, quality of customer service, trust building and conflict handling. Section C is Customer Satisfaction, which assesses respondents' satisfaction with UAB Bank, and Customer Loyalty, which measures the likelihood of customer's satisfaction to use UAB Bank services in the future.

Before launching the full survey, a pilot test was conducted with a small group of 40 customers to ensure clarity, relevance, and reliability of the questionnaire items. Feedback from the pilot group was used to refine wording, eliminate ambiguity, and improve overall structure.

In total, the final version of the questionnaire consisted of 56 items for analysis (excluding demographic questions), with seven items each representing the eight key variables in the conceptual framework: customer orientation, knowledge management, technology-based CRM, quality of customer service, trust-building, conflict handling, customer satisfaction and customer loyalty. Measurement variables in the questionnaire are shown in Table 3.2.

Table 3.2 Measurement Variables in the Questionnaire

Sr. No.	Descriptions	Number of Items	Researchers
1	Customer orientation	7	Narver and Slater (1990)
2	Knowledge management	7	Nonaka and Takeuchi (1995
3	Technology-based CRM	7	Payne and Frow (2005)
4	Quality of customer service	7	Parasuraman et al., (1988); Grönroos (1984)
5	Trust-building	7	Morgan and Hunt (1994)
6	Conflict-handling	7	Morgan and Hunt (1994)
7	Customer Satisfaction	7	Kotler and Keller (2016)
8	Customer Loyalty	7	Oliver (1999)

Source: Previous Studies

According to Table 3.2, this questionnaire is carefully designed to ensure validity and reliability. The measurement items were adapted from previous research to align with the study's objectives and contextualized for UAB Bank customers in Mandalay. By evaluating these dimensions, this study aims to identify which customer relationship management practices most significantly influence on customer satisfaction and loyalty to UAB Bank.

3.4 Data Analysis

Data analysis is an essential stage in the research process because it helps transform raw data into meaningful information that can support research objectives and hypotheses. Through data analysis, researchers can identify patterns, relationships, and trends within the collected data and draw valid conclusions. In this study, the collected data were analyzed using the IBM SPSS Statistics, which is a widely used statistical software for quantitative research in social science studies.

Both descriptive and inferential statistical techniques were employed in this study. Descriptive statistics such as frequency, mean, and standard deviation were used to summarize the demographic characteristics of respondents and to describe their perceptions regarding CRM practices, customer satisfaction, and customer loyalty at UAB Bank in Mandalay.

In addition to descriptive statistics, inferential statistical techniques were applied to examine the relationships among the research variables. Pearson Correlation Coefficient analysis was used to identify the strength and direction of the relationship between CRM practices and the dependent variables, namely customer satisfaction and customer loyalty. Furthermore, Multiple Regression Analysis was conducted to determine the extent to which CRM practices—such as customer orientation, knowledge management, technology-based CRM, quality of customer service, trust building, and conflict handling—affect customer satisfaction and customer loyalty.

This analytical approach enables the researcher to test the proposed hypotheses and evaluate the impact of CRM practices on customer satisfaction and loyalty among customers of UAB Bank in Mandalay. The results obtained from the statistical analysis provide reliable and meaningful insights for understanding customer relationship management practices in the banking sector (John W. Creswell, 2014).

3.4.1 Descriptive Statistics

Descriptive statistics highlight a dataset's major features and reveal trends and patterns. Descriptive statistics were employed to assess respondents' demographic profiles and job satisfaction and employee performance opinions. Descriptive statistics contain three primary measures:

1. Measures of Central Tendency – Describing the center of the dataset using mean, median, and mode.
2. Measures of Variability – Indicating the spread of the dataset using variance

and standard deviation.

3. Frequency Distribution – Showing how often values occur within the dataset.

This study calculated dependent and independent variable mean and standard deviation using descriptive analysis. The mean is the average answer, whereas the standard deviation shows variability.

Boone (2012) interprets seven-point Likert scale mean values as follows:

1.00–1.80 = Strongly Disagree

1.81–2.60 = Disagree

2.61–3.40 = Moderately Disagree

3.41–4.20 = Neutral

4.21–5.00 = Moderately Agree

5.01–5.80 = Agree

5.81–7.00 = Strongly Agree

The classification of variable levels was determined using the width of theclass interval method (Lind, 2003), calculated as follows:

$$\text{Interval Width} = \frac{\text{Maximum Value} - \text{Minimum Value}}{\text{Interval Number}}$$

$$= \frac{7-1}{7}$$

$$= 0.86$$

Based on this calculation, the data analysis results were categorized according to these defined intervals to effectively interpret the level of each variable.

3.4.2 Reliability Analysis

Reliability analysis is a statistical technique used to evaluate the consistency and stability of a measurement instrument such as a questionnaire or survey. In research, reliability refers to the extent to which a set of items consistently measures the same construct. A reliable instrument ensures that the responses collected from participants are dependable and free from significant measurement errors. One of the most widely used methods for measuring internal consistency is Cronbach's Alpha, which determines whether multiple items that measure the same concept produce similar results.

A Cronbach’s alpha value of 0.70 or above is generally considered acceptable in social science research, indicating a satisfactory level of reliability (Jum C. Nunnally & Ira H. Bernstein, 1994). Reliability values ranging from 0.80 to 0.90 indicate a high level of internal consistency. Values between 0.70 and 0.79 are considered acceptable, while 0.60 to 0.69 indicate moderate reliability. A Cronbach's alpha value between 0.50 and 0.59 represents weak reliability, and values below 0.50 are considered unacceptable (V. Manerikar & S. Manerikar, 2012).

In this study, reliability analysis was conducted to test the internal consistency of the constructs measuring Customer Relationship Management (CRM) practices, including customer orientation, knowledge management, technology-based CRM, quality of customer service, trust building, and conflict handling, as well as the dependent variables of customer satisfaction and customer loyalty. The reliability analysis was performed using IBM SPSS Statistics.

The Cronbach's alpha values obtained for the variables indicated that the measurement items used in the questionnaire were reliable and consistent. Therefore, the questionnaire items were considered suitable for further statistical analyses such as correlation and regression. Conducting reliability analysis is important because it ensures the accuracy and credibility of the measurement instrument and enhances the overall validity of the research findings.

3.4.3 Multiple Regression Analysis

Multiple regression is a statistical technique used to examine the relationship between one dependent variable and two or more independent variables. It is employed to predict the value of the dependent variable based on the values of the independent variables and to assess the relative influence of each predictor in explaining the variance in the outcome. According to Hair et al. (2010), multiple regression is defined as "a statistical technique that simultaneously develops a linear relationship between multiple independent variables and a single dependent variable." This method is widely used to predict outcomes and test theoretical relationships across various fields such as marketing, economics, and management.

To evaluate the effectiveness of a multiple regression model, several key statistical indicators are considered. First, the R-squared (R^2) value is assessed to determine the proportion of variance in the dependent variable explained by the independent variables; a higher R^2 indicates a better-fitting model. Adjusted R^2 takes into consideration the number of predictors in a model, offering a more precise evaluation for model comparison purposes. The F-test evaluates the overall significance of the regression model, indicating whether the combination of predictors reliably explains the outcome. Each independent variable's contribution is examined through standardized beta coefficients (β) and p-values, where a p-value less than 0.05 typically indicates a statistically significant relationship.

The regression model tested the effect of customer relationship management practices— customer orientation, knowledge management, technology-based CRM, quality of customer service, trust-building, conflict handling —as independent variables on customer satisfaction as a dependent variable. The generic multiple regression formula is:

$Y = f(X_1, X_2, X_3, X_4, X_5 \ldots\ldots\ldots X_k)$

Where;

Y= Dependent variable

$f(X_1, X_2, X_3, X_4, X_5 \ldots\ldots\ldots X_k)$ = Independent variables

The constructing multiple linear regression model can be defined as;

$Y = f(X_1, X_2, X_3, X_4, X_5, X_6)$

Where;

Y = Customer Satisfaction

X_1 = Customer Orientation

X_2 = Knowledge Management

X_3 = Technology-Based CRM

X_4 = Quality of Customer Service

X_5 = Trust-Building

X_6 = Conflict-Handling

In this study, multiple regression analysis was applied, and the following assumptions were checked.

1. Relationship: For multiple linear regressions to work, there must be a linear relationship between the independent and dependent variables. Scatter plots are the most effective way to test the linearity assumption. Because multiple linear regressions are susceptible to outlier effects, it is equally critical to look for outliers. This assumption can be tested by going back to the data file and looking at Cook's distance values. If Cook's distance values are under 1, it suggests that individual cases were not only unduly influencing the model.

2. Multivariate normality: To use multiple linear regression analysis, all the variables need to be normal. This assumption can be checked with a histogram and fitted normal curve.

3. Multicollinearity: Multicollinearity in the data is assumed to be minimal or nonexistent in multiple linear regressions. When the independent variables are not independent of one another, multicollinearity arises. The second crucial independence assumption is that the standard mean error of the dependent variable is uncorrelated, meaning it is not influenced by the independent variables. Multicollinearity is checked by Variance Inflation Factors (VIF) – the variance inflation factors of the linear regression is defined as VIF = 1/T. Similarly, with VIF>10 there is an indicator for multicollinearity to be present.

4. Homoscedasticity: Multiple linear regression analysis makes homoscedasticity. The scatter plot is a good way to check whether homoscedasticity, that is, the error terms along the regression line are equal.

3.4.4 Simple Linear Regression Analysis

Simple linear regression is appropriate when evaluating the impact of a single predictor variable on a single result variable (Creswell, 2014). In addition to multiple regression, a simple linear regression analysis was conducted to assess the direct relationship between customer satisfaction (independent variable) and customer loyalty (dependent variable). This analysis helps determine whether an increase in customer satisfaction leads to a corresponding increase in customer loyalty of UAB bank customers.

The equation used in simple linear regression is expressed as:

$$Y=a+bX+\varepsilon$$

Where:

Y= Customer Loyalty (dependent variable)

X = Customer Satisfaction (independent variable)

a = Intercept

b = Regression Coefficient (slope)

ε = Error term

In this study, a simple regression analysis was applied, and the following assumptions were checked.

1. Linearity: The relationship between the independent and dependent variables is linear. Because the model will either overestimate or underestimate the dependent variable at specific moments, it will yield inaccurate findings if the relationship between the two variables is non-linear. Due to the fact that there will be no linear 27 relationship between the independent variable and the dependent variable if X is random, this assumption also implies that X should not be random.

2. Homoscedasticity: The homoscedasticity assumption states that for all observations, the variance of the residual is the same. This assumption relates to the squared residuals: the opposite of homoscedasticity is heteroscedasticity, where all the observation of the variance residual is different.

3. Independence: It is essential to assume that the residuals are uncorrelated across the X and Y observation pairs in order to guarantee accurate estimation of the variances of the estimated parameters. It is important to examine the residuals statistically and visually for a regression model to ensure that the residuals do not exhibit a pattern that suggests a violation of the assumptions.

4. Normality: This assumption requires that the residuals from the model should be normally distributed. It is good practice for an analyst to understand the distribution of the independent and dependent variables to check for outliers that can affect the fitted line.

CHAPTER 4

EMPIRICAL DATA ANALYSIS

This chapter presents the analysis on the effect of CRM practices on customer satisfaction and customer loyalty at UAB Bank in Mandalay. The analysis includes descriptive statistics, reliability analysis, multiple regression analysis and simple linear regression analysis. Each section is accompanied by a discussion interpreting the results in relation to the research hypotheses and relevant literature.

4.1 Demographic Characteristics of Respondents

` The demographic characteristics of the respondents provide essential background information that helps contextualize the findings of the study. The study surveyed 165 participants from UAB Bank in Mandalay. The demographic characteristics include gender, age, educational level, monthly income, occupation status, type of account, length of relations and frequency of using UAB Bank services.

4.1.1 Gender of Respondents

In this study, the gender of respondents was divided into two groups, such as male and female. The gender of respondents is shown in Table 4.1.

Table 4.1 Gender of Respondents

Sr. No.	Gender	Number of Respondents	Percentage
1	Male	60	36.4
2	Female	105	63.6
Total		165	100

Source: Survey Data (March, 2026)

According to the gender results, 36.4% of respondents are male and 63.6% are female. This indicates that female customers are much greater in number than male customers in UAB Bank.

4.1.2 Age of Respondents

In Table 4.2, age groups were categorized as follows: under 25 years, 25-34 years, 35-44years, 45-54 years, 55 years and above.

Table 4.2 Age of Respondents

Sr. No.	Age (years)	Number of Respondents	Percentage
1	Under 25	25	15.2
2	Between 25 and 34	74	44.8
3	Between 35 and 44	28	17.0
4	Between 45 and 54	21	12.7
Total		165	100

Source: Survey Data (March, 2026)

According to Table 4.2, 15.2% of respondents are under 25years old, 44.8% of respondents are between 25 and 34 years, 17% of respondents are between 35 and 44 years, and 12.7% are between 45and 54 years. According to the results, most customers are aged between 25-34 years.

4.1.3 Education Level of Respondents

The education levels of respondents are classified into four groups: under-graduate, graduate, post-graduate and other. Total respondents are as presented in Table 4.3.

Table 4.3 Education Level of Respondents

Sr. No.	Education Level	Number of Respondents	Percentage
1	Undergraduate	28	17.0
2	Graduate	107	64.8
3	Post-graduate	18	10.9
4	Others	12	7.3
Total		165	100

Source: Survey Data (March, 2026)

According to Table 4.3, 17% of respondents are undergraduates, 64.8% of respondents are graduates, 10.9% of respondents are post-graduates and 12% of respondents are others. The “others” respondents represent other alternative educational qualifications such as diploma holders, vocational training or other professional certifications. According to the results, most respondents possess a graduate-level education.

4.1.4 Monthly Income of Respondents

Table 4.4 presents the monthly income level of respondents. Monthly Income of Respondents is divided into five groups: below 500,000, between 500,000 and 1,000,000, between 1,000,000 and 1,500,000, between 1,500,000 and 2,000,000, above 2,000,000.

Table 4.4 Monthly Income of Respondents

Sr. No.	Monthly Income Level (MMK)	Number of Respondents	Percentage
1	Below 500,000	53	32.1
2	Between 500,000 and 1,000,000	61	37.0
3	Between 1,000,000 and 1,500,000	23	13.9
4	Between 1,500,000 and 2,000,000	9	5.5
5	Above 2,000,000	19	11.5
Total		165	100

Source: Survey Data (March, 2026)

According to Table 4.4, 32.1% of respondents have below 500,000, 37% of respondents have between 500,000 and 1,000,000, 13.9% of respondents have between 1,000,000 and 1,500,000, 5.5% of respondents have between 1,500,000 and 2,000,000 and 11.5% of respondents have above 2,000,000. According to results, most of the respondents have between 500,000 and 1,000,000.

4.1.5 Occupation of Respondents

Occupation of respondents is divided into five groups. It can be seen in Table 4.5.

Table 4.5 Occupation of Respondents

Sr. No.	Occupation	Number of Respondents	Percentage
1	Government Employee	23	13.9
2	Private Employee	89	53.9
3	Owned Business	19	11.5
4	Students	12	7.3
5	Others	22	13.3
Total		165	100

Source: Survey Data (March, 2026**)**

According to Table 4.5, 13.9 % of respondents are government employees, 53.9% of respondents are private employees, which represents nearly the total sample of respondents. 11.5% of respondents owned businesses, 7.3% of respondents are students and 13.3% of respondents are others. The other respondents are mooks, retired persons, unemployed individuals. It can be found that most of the respondents are staff from private organizations.

4.1.6 Type of Account of Respondents

The type of account is categorized into five groups: saving account, current account, loan account, fixed deposit and others. It is shown in Table 4.6.

Table 4.6 Account Types of Respondents

Sr. No.	Type of Account	Number of Respondents	Percentage
1	Saving Account	82	49.7
2	Current Account	48	29.1
3	Loan Account	16	9.7
4	Fixed Deposit	16	9.7
5	Others	3	1.8
Total		165	100

Source: Survey Data (March, 2026)

As shown in Table 4.6, 49.7% of respondents hold a savings account, and 29.1% of respondents hold a current account. Meanwhile, 9.7% of respondents hold loan accounts and fixed accounts with the same percentage. 1.8% of respondents hold other accounts. The other accounts represent joint accounts, payroll accounts and foreign currency accounts. According to the results, saving accounts are the most commonly used type of account among customers.

4.1.7 Length of Relationship

Table 4.7 presents relationship length of respondents. Relationship length of respondents is divided into five groups as below.

Table 4.7 Relationship Length of Respondents

Sr. No.	Length of Relationship	Number of Respondents	Percentage
1	Less than 1 year	60	36.4
2	1–3 years	64	38.8
3	3–5 years	26	15.8
4	More than 5 years	15	9.1
5	Less than 1 year	60	36.4
Total		165	100

Source: Survey Data (March, 2026)

As shown in Table 4.7, 36.4% of respondents have maintained their relationship with the bank for 1 year, while 38.8% of respondents have had less than 1 year of relationship. Meanwhile, 15.8 percent of respondents have been associated with the bank for 3–5 years. Only 9.1% of respondents have maintained a relationship for more than 5 years. It can be concluded that most respondents have relatively 1 to 3 years relationships with the bank, indicating a customer base that is still in the early to developing stage of relationship duration.

4.1.8 Frequency of Using UAB Bank Services of Respondents

Table 4.8 shows the frequency of using UAB Bank services. The frequency of using UAB Bank services are classified into four groups: rarely, occasionally, often, very often.

Table 4.8 Frequency of Using UAB Bank Services of Respondents

Sr. No.	Frequency of Using Bank Services	Number of Respondents	Percentage
1	Rarely	33	20.0
2	Occasionally	45	27.3
3	Often	51	30.9
4	Very Often	36	21.8
Total		165	100

Source: Survey Data (March, 2026)

As shown in Table 4.8, 20% of respondents use banking services rarely, 27.3 % of respondents use the services occasionally, 30.9% of respondents use the services often, and 21.8 percent of the respondents reported using banking services very often. It can be found that most respondents use banking services often.

4.2 Customer Perception of Variables on UAB Bank

Descriptive statistics, including mean values and standard deviations, were calculated for variables. The following tables present the mean and standard deviation for independent variables and the dependent variable of the study.

4.2.1 Customer Perception on Customer Orientation

Customer orientation is one of the dimensions of customer relationship management practices. The survey results for customer orientation are shown in the following Table 4.9.

Table 4.9 Customer Perception on Customer Orientation

Sr. No.	Particular	Mean	Standard Deviation
1	Understanding my financial needs.	5.73	0.554
2	Providing service recommendations based on my needs.	5.81	0.788
3	Being willing to listen to my concerns.	5.70	0.630
4	Caring about my satisfaction.	5.70	0.627
5	Focusing on building long-term relationships with me.	5.63	0.655
6	Treating customers with respect.	5.66	0.667
7	Adapting services based on my needs	5.59	0.662
	Overall Mean	5.69	

Source: Survey Data (March,2026)

In Table 4.9, all statements regarding customer orientation are accepted by respondents, as all mean scores significantly exceed 5.0. The highest mean score is 5.81 in the statement "Providing service recommendations based on needs". It can be interpreted that most customers consider providing service recommendations based on their needs as the strength of their relationship. The bank should maintain these practices in its customer orientation strategy. On the other hand, the lowest mean score is 5.59 in the statement "Adapting services based on needs". It can be assumed that customers slightly agree that the bank’s ability to modify or tailor its services based on individual needs is relatively weak compared to other aspects. Thus, the bank should design an adaptive service strategy to meet changing customers’ needs.

4.2.2 Customer Perception on Knowledge Management

Knowledge management is measured by seven items. The mean value for each item, standard deviation and the mean value are shown in Table 4.3.

Table 4.10 Customer Perception on Knowledge Management

Sr. No.	Particular	Mean	Standard Deviation
1	Having sufficient knowledge about bank products and services.	5.92	0.541
2	Providing accurate information to customers.	5.78	0.635
3	Clearly explaining banking services.	5.85	0.587
4	Being well-trained to serve customers.	5.70	0.629
5	Accurately recording and maintaining customer information.	5.65	0.633
6	Keeping customer records updated.	5.51	0.754
7	Using customer information to improve services.	5.69	0.631
	Overall mean	5.72	

Source: Survey Data (March, 2026)

According to the data in Table 4.10, all statements regarding knowledge management are accepted, achieving an Overall Mean of 5.72. The statement "Having sufficient knowledge about bank products and services" recorded the maximum mean value of 5.92. It is assumed that the customers perceive that staff are highly competent and well-informed. On the other hand, the statement "Keeping customer records updated" received the minimum mean value of 5.51. It was found that customers are little accepted about bank keeping their records updated because they cannot be seen firm's internal transactions. To overcome this, the bank should redesign its knowledge-sharing system for not only internal employees but also external customers.

4.2.3 Customer Perception on Technology-Based CRM

Technology-based CRM is measured by seven items. The mean value for each item, standard deviation and the mean value are shown in Table 4.11.

Table 4.11 Customer Perception on Technology-Based CRM

Sr. No.	Particular	Mean	Standard Deviation
1	Using modern technology to serve customers.	5.73	0.609
2	Ensuring online banking services are easy to use.	5.64	0.725
3	Providing reliable mobile banking services.	5.65	0.705
4	Using technology to deliver faster service.	5.75	0.578
5	Improving communication with customers through digital systems.	5.74	0.594
6	Responding quickly to customer requests using technology.	5.60	0.661
7	Making digital banking services available when needed.	5.62	0.720
	Overall Mean	5.67	

Source: Survey Data (March, 2026)

According to Table 4.11, all statements regarding technology-based CRM are strongly accepted, achieving an Overall Mean of 5.67. According to the results, the maximum mean value is 5.75 in the statement "Using technology to deliver faster service." This means that customers were accepted using technology to deliver their service faster. On the other hand, the minimum mean value is 5.60 in the statement "Responding quickly to customer requests using technology". It can be found that customers are slightly satisfied, responding quickly to their requests by using technology.

4.2.4 Customer Perception on Quality of Customer Service

Quality of customer service is measured by seven items. The mean value for each item, standard deviation and the mean value are shown in Table 4.12.

Table 4.12 Customer Perception on Quality of Customer Service

Sr. No.	Particular	Mean	Standard Deviation
1	Being polite and courteous as bank employees.	5.85	0.686
2	Providing services in a timely manner.	5.71	0.724
3	Handling customer requests professionally.	5.68	0.787
4	Delivering consistent service quality.	5.53	0.745
5	Being helpful when customers need assistance.	5.47	0.720
6	Ensuring service procedures are efficient.	5.47	0.712
7	Providing services with minimal errors.	5.45	0.720
	Overall Mean	5.59	

Source: Survey Data (March, 2026)

According to Table 4.12, all the items relating to quality of customer service were accepted by the respondents with an overall mean score of 5.59.

The highest mean is 5.85 with regards to the item "Being polite and courteous as bank employees". This means that UAB Bank's excellence lies in the staff's soft skills and professional manners which forms the customer's primary experience of quality service delivery. The bank needs to further invest in service hospitality and communication skills in order to continue with its outstanding human relations to distinguish itself.

The minimum mean is 5.45 with regards to the item "Providing services with minimal errors". Although, the response is still acceptable at a high degree, one could observe that the customers experience some errors or some degree of mechanical or technical failures when they are served. It means that although the employees are not slow and rude in their services, there are still some faults in accuracy and back-end operation, which have not been perfected. The bank should concentrate on improving the internal checks, automating the manual processes where it is possible, and also carry out some audits in order to make the technical operations consistent with the employee's courtesy.

4.2.5 Customer Perception on Trust-Building

Trust building is measured by seven items. The mean value for each item, standard deviation and the mean value are shown in Table 4.13.

Table 4.13 Customer Perception on Trust Building

Sr. No.	Particular	Mean	Standard Deviation
1	Trusting UAB Bank to protect my personal information.	5.90	0.484
2	Being honest in dealing with customers.	5.90	0.471
3	Keeping promises made by the bank.	5.88	0.503
4	Being reliable in providing services.	5.87	0.531
5	Feeling safe when conducting transactions with the bank.	5.75	0.591
6	Acting in the best interest of customers.	5.52	0.611
7	Being transparent in operations	5.44	0.692
	Overall Mean	5.75	

Source: Survey Data (March, 2026)

As shown in Table 4.13, all statements regarding trust-building are accepted by respondents, with an Overall Mean score of 5.75. Statements concerning about building trust obtained among the highest average score in this research study. The statements: "Trusting UAB Bank for protection of my personal information" and "Being honest in dealing with customers" obtained the highest average score of 5.90. It can be concluded that the bank's customers have trust in UAB bank regarding the protection of personal needs and being honest in the treatment of their customers. The bank should take this trust building capability for branding to bring in new customers who might have doubt about digital banking security.

On the other hand, "Being transparent in the banking operations" has the lowest mean score of 5.44, and customers have least trust for this operation. It appears that while the customers may still trust the bank for safeguarding their money, they might not be well-informed about how the bank's operation process. UAB can further enhance customer trust by providing better explanation about fees structures, policy changes, or investment processes.

4.2.6 Customer Perception on Conflict Handling

Conflict handling is measured by seven items. The mean value for each item, standard deviation and the mean value are shown in Table 4.14.

Table 4.14 Customer Perception on Conflict Handling

Sr. No.	Particular	Mean	Standard Deviation
1	Handling customer complaints fairly.	5.82	0.517
2	Ensuring complaints are addressed in a fair manner.	5.79	0.512
3	Showing concern when handling complaints.	5.79	0.639
4	Listening carefully to customer problems.	5.53	0.703
5	Providing clear explanations when problems occur.	5.55	0.728
6	Offering reasonable solutions to conflicts.	5.43	0.726
7	Taking responsibility for service failures.	5.53	0.712
	Overall Mean	5.63	

Source: Survey Data (March, 2026)

According to the survey findings in Table 4.14, all statements regarding conflict handling are positively accepted by respondents, with an Overall Mean of 5.63. This indicates that customers generally trust the bank’s ability to manage issues and disputes effectively. The statement "Handling customer complaints fairly" received the highest agreement with a mean score of 5.82. It can be found that UAB Bank’s commitment to justice and ethical standards in dispute resolution is highly recognized by its clientele. To reinforce this advantage, the bank should continue to standardize its fair-handling protocols and ensure that transparency remains a priority during the complaint life cycle.

On the other hand, the statement "Offering reasonable solutions to conflicts" received the lowest mean score of 5.43. While this still reflects a positive perception, it indicates that while the process of handling complaints is perceived as fair, the actual outcomes or solutions sometimes provided do not meet customer expectations. To address this, UAB Bank should empower its frontline staff with more flexible solution-based options, such as fee waivers or personalized compensation, to ensure that the final resolution is as satisfactory as the process itself.

4.2.7 Customer Perception on Customer Satisfaction

Customer satisfaction is measured by seven items. The mean value for each item, standard deviation and the mean value are shown in Table 4.15.

Table 4.15 Customer Perception on Customer satisfaction

Sr. No.	Particular	Mean	Standard Deviation
1	Being satisfied with the customized service offered by UAB Bank.	5.89	0.541
2	Being satisfied with the provision of accurate financial information based on my needs.	5.90	0.458
3	Being satisfied with the updated technology applied at UAB Bank.	5.78	0.595
4	Being satisfied with the behavior and professionalism of premium banking service staff.	5.92	0.523
5	Trusting UAB Bank to conduct financial transactions.	5.78	0.567
6	Being satisfied with how the bank handles complaints.	5.73	0.636
7	Being satisfied with UAB Bank overall.	5.61	0.801
	Overall Mean	5.80	

Source: Survey Data (March, 2026)

As shown in Table 4.15, all statements regarding customer satisfaction are highly accepted by respondents, as every mean score significantly exceeds 5.0, reaching an Overall Mean of 5.80. This indicates a very high level of general contentment with the bank’s performance. The statement "Being satisfied with the behavior and professionalism of premium banking service staff" received the highest agreement with a mean score of 5.92. It can be said that human interaction and the high-caliber conduct of frontline employees are the primary drivers of customer happiness at UAB Bank. To sustain this, the bank should prioritize employee engagement and recognition programs to maintain high staff morale and service standards.

On the other hand, the statement "Being satisfied with UAB Bank overall" received the minimum mean score of 5.61. While still indicating a strong positive perception, the fact that this general satisfaction score is lower than specific service attributes (like professionalism or information accuracy) because customers are satisfied in parts of the service but not all. To improve this, UAB Bank should conduct follow-up qualitative interviews or "voice of the customer" surveys to identify any minor friction points in the overall journey.

4.2.8 Customer Perception on Customer Loyalty

Customer loyalty is measured by seven items. The mean value for each item, standard deviation and the mean value are shown in Table 4.16.

Table 4.16 Customer Perception on Customer Loyalty

Sr. No.	Particular	Mean	Standard Deviation
1	Intending to continue using UAB Bank in the future.	5.82	0.597
2	Recommending UAB Bank to others.	5.72	0.723
3	Preferring UAB Bank over other banks.	5.63	0.829
4	Remaining a customer even if other banks offer better service.	5.53	0.845
5	Speaking positively about UAB Bank to others.	5.42	0.734
6	Considering UAB Bank as my first-choice bank.	5.36	0.782
7	Believing that UAB Bank can satisfy my future needs.	5.47	0.745
	Overall mean	4.79	

Source: Survey Data (March, 2026)

According to the survey results in Table 4.16, the overall sentiment regarding loyalty is positive with the Overall Mean of 4.7866. However, this mean score is slightly lower than the satisfaction scores due to the high competitiveness of the banking sector. The statement "Intending to continue using UAB Bank in the future" received the most agreement with a mean of 5.82. It can be found that high retention of the current bank customers, as well as a positive long-term view for their current bank customers. To build on that, the bank should try to include more "sticky" services like automated bill payment services or integrated wealth management solutions which lock-in customers to the bank.

In the statement, "Considering UAB Bank as my first-choice bank" received the minimum mean value of 5.36. This shows that although customer satisfactions and their willingness to remain at the current bank is evident, customers still prefer other bank as their alternative bank or simultaneously maintain many other banks account. This means the bank has been on the point of "satisfied loyalty" and has not reached the "exclusive loyalty." To increase the measure, the bank should consider implementing a customer tier loyalty or rewards program which will allow a tiered membership with the benefits gradually increased as the customers place UAB as their primary banking account holder.

4.3 Reliability Analysis of Variables

To ensure the internal consistency and reliability of the scales used to measure the impact of Customer Relationship Management (CRM) practices on customer satisfaction and loyalty, Cronbach's Alpha was calculated. Generally, an alpha value below 0.6 is considered poor, while values of 0.7 are acceptable, and values above 0.8 are regarded as good. The Cronbach's Alpha values for each variable in this study are presented in Table 4.17.

Table 4.17 Reliability Analysis of Variables

Sr. No.	Particular	Numbers of items	Cronbach's Alpha Value
1	Customer orientation	7	0.764
2	Knowledge management	7	0.704
3	Technology-based CRM	7	0.679
4	Quality of customer service	7	0.853
5	Trust building	7	0.807
6	Conflict handling	7	0.839
7	Customer satisfaction	7	0.780
8	Customer loyalty	7	0.901

Source: Survey Data, 2026

According to Table 4.17, the Cronbach's Alpha values for the variables range from 0.679 to 0.901. Specifically, customer loyalty achieved the highest reliability with a value of .901, followed by Quality of customer service (0.853) and Conflict handling (0.839), all of which are categorized as good or excellent. While technology-based CRM showed the lowest alpha value at 0.679, it remains very close to 0.7 and is considered acceptable for social science research. Since all Cronbach's Alpha values in this study are either above or within the acceptable range of 0.7, it can be concluded that the measurement scales for all variables possess a high level of internal consistency. This confirms that the survey instruments are reliable and that the data is suitable for proceeding with further statistical analysis, such as correlation or regression.

4.4 Effect of Customer Relationship Management Activities on Customer Satisfaction of UAB Bank in Mandalay

The results of the multiple regression analysis examine the effect of CRM practices on dependent variable such as customer satisfaction. These results are shown in Table 4.18.

Table 4.18 Effect of Customer Relationship Management Activities on Customer Satisfaction of UAB Bank in Mandalay

Research Variables	Unstandardized Coefficient		Standardized Coefficient	T	Sig	VIF
	b	Std. Error	B			
(Constant)	1.963***	.411		4.781	0.000	
Customer Orientation	0.060	0.069	0.065	0.872	0.385	1.850
Knowledge Management	-0.085	0.075	-0.082	-1.136	0.258	1.757
Technology-based CRM	-0.013	0.078	-0.013	-0.173	0.863	1.955
Quality of Customer Services	0.188***	0.070	0.252	2.666	0.008	2.999
Trust-Building	0.150*	0.077	0.146	1.958	0.052	1.858
Conflict Handling	0.381***	0.073	0.454	5.234	0.000	2.514
R^2	0.534					
Adjusted R^2	0.516					
F-value	29.801***					

Source: Survey Data (March, 2026)

Dependent Variable: Customer Satisfaction

Note: *** Significant at 1% level

** Significant at 5% level

* Significant at 10% level

According to Table 4.18, the overall model is statistically significant, with an F-value of 29.801 and a significance level of $p < 0.001$. This indicates that the set of independent variables significantly influence the dependent variable. The R^2 value is 0.534, meaning that 53.4% of the variance in the dependent variable is explained by the independent variables included in the model. The adjusted R^2 value of 0.516 further confirms that the model has good explanatory power.

Based on the findings, conflict handling ($b = 0.381$, $p = 0.000 < 0.01$) and quality of customer service ($b = 0.188$, $p = 0.008 < 0.01$) have statistically significant positive effects on customer satisfaction at the 1% significance level. This indicates that better service quality and effective conflict resolution strongly enhance customer satisfaction. Additionally, trust-building ($b = 0.150$, $p = 0.052 < 0.10$) shows a positive and marginally significant effect at the 10% significance level, suggesting that building trust with customers contributes to satisfaction, although the effect is weaker compared to other significant variables.

On the other hand, Customer Orientation ($b= 0.060$, $p = 0.385$), Knowledge Management ($b = -0.085$, $p = 0.258$), and Technology-Based CRM ($b = -0.013$, $p = 0.863$) are not statistically significant, as their p-values are greater than 0.05. This indicates that these variables do not have a meaningful impact on the dependent variable in this model.

Firstly, Customer Orientation ($b = 0.060$, $p = 0.385$) is found to be statistically insignificant. This shows that although the organization may attempt to focus on customer needs, customers do not strongly perceive these efforts. It may indicate that employees are not consistently applying customer-oriented practices in their interactions. Another possible reason is that customers consider such practices as basic expectations rather than value-added services, resulting in a limited impact on satisfaction or loyalty.

Secondly, Knowledge Management ($b = -0.085$, $p = 0.258$) shows a negative but insignificant relationship. This implies that knowledge management practices within the organization do not directly influence customer perceptions because internal knowledge-sharing systems, databases, and processes are not visible to customers. Furthermore, if knowledge is not effectively utilized by employees during service delivery, its potential benefits may not translate into improved customer outcomes.

Thirdly, Technology-Based CRM ($b = -0.013$, $p = 0.863$) also demonstrates an insignificant effect. This indicates that the use of technology in managing customer relationships does not significantly impact the dependent variable. This is because customers may not be fully aware of or engaged with the technological tools provided, such as mobile banking or digital platforms. Additionally, if these technologies are not user-friendly or fail to meet customer expectations, their influence on satisfaction and loyalty becomes minimal.

The standardized coefficients indicate that conflict handling ($B= 0.454$) is the most influential predictor of customer satisfaction, followed by quality of customer service (B = 0.252) and trust-building (B = 0.146). Meanwhile, technology-based CRM (B = -0.013) has the lowest impact, showing almost no contribution to customer satisfaction.

According to Table 4.18, all VIF values range between 1.757 and 2.999, which are below the threshold value of 10. Therefore, there is no serious multicollinearity problem among the independent variables.

Appendix C-I Chart presents the histogram, normal P-P plot, and scatterplot of standardized residuals, which were examined to verify the assumptions of normality and homoscedasticity in the regression model. The histogram displays an approximately bell-shaped curve and the residuals are centered around zero. This indicates that the normality assumption is satisfied. The normal P-P plot supports this finding, as most data points align closely with the diagonal reference line, affirming that residuals follow a normal distribution. Moreover, the scatterplot of standardized residuals against standardized predicted values shows a random pattern of points with no clear trend, indicating constant residual variance across all predicted values and thus confirming the assumption of homoscedasticity.

4.3.1 Effect of Customer Satisfaction on Customer Loyalty

Table 4.19 shows the results of simple regression analysis examining the effect of customer satisfaction on customer loyalty.

Table 4.19 Effect of Customer Satisfaction on Customer Loyalty

Research Variables	Unstandardized Coefficients		Standardized Coefficient	T	Sig
	b	Std. Error	B		
(Constant)	-0.722	0.438		-1.650	.101
Customer satisfaction	0.950***	0.075	0.704	12.617	.000
R^2	0.496				
Adjusted R^2	0.493				
F-value	159.183***				

Source: Survey Data (March, 2026)

According to Table 4.19, the overall model is statistically significant, with an F-value of 159.183 and a significance level of $p < 0.001$. This indicates that customer satisfaction significantly predicts the dependent variable. The R^2 value is 0.496, which means that 49.6% of the variance in the dependent variable is explained by customer satisfaction. The adjusted R^2 value of 0.493 further confirms the strong explanatory power of the model.

Regarding the regression coefficient, customer satisfaction has a positive and highly significant effect on the dependent variable ($B= 0.704$, $t = 12.617$, $p = 0.000$). This implies that an increase in customer satisfaction leads to a substantial increase in the dependent variable. Therefore, customer satisfaction is an important predictor and plays a crucial role in influencing the outcome.

On the other hand, the constant (intercept) is -0.722 with a p-value of 0.101, which is greater than the 0.05 significance level. This indicates that the constant is not statistically significant and does not have a meaningful contribution to the model. The negative value of the constant implies that when customer satisfaction is hypothetically zero, customer loyalty would be negative. However, this interpretation has limited practical relevance, as customer satisfaction is measured using a Likert scale and cannot realistically be zero in practice. Therefore, the constant should not be overemphasized in the interpretation. Instead, the primary focus should be on the independent variable, where customer satisfaction demonstrates a strong and statistically significant positive effect on customer loyalty ($B = 0.704$, $p = 0.000 < 0.01$). This indicates that higher customer satisfaction leads to increased customer loyalty in the study.

Appendix C-II presents the histogram, Normal P–P plot, and scatterplot of standardized residuals for the simple linear regression model with customer loyalty as the dependent variable. These diagnostic charts were examined to evaluate the assumptions of normality and homoscedasticity required for simple linear regression analysis. The histogram displays an approximately bell-shaped distribution with residuals centered around zero, indicating that the residuals are normally distributed. Similarly, the Normal P–P plot shows that most of the data points are closely aligned with the diagonal reference line, further supporting the assumption of normality. In addition, the scatterplot of standardized residuals against standardized predicted values reveals a random distribution of points without any obvious pattern or funnel shape, indicating that the variance of residuals is constant across all predicted values. Therefore, the assumptions of normality and homoscedasticity are satisfactorily met, confirming that the simple linear regression model is appropriate for further analysis in this study.

4.5 Hypothesis Testing

Based on the outcomes of the multiple and simple linear regression analyses, as shown in Tables 4.18 and 4.19, the findings offer insights into the results of hypothesis testing for H1 through H7. Table 4.20 offers a summary of the hypothesis testing results, indicating which customer relationship management practices significantly affect customer satisfaction and how lead to customer loyalty of UAB Bank in Mandalay.

Table 4.20 Summary of Hypothesis Testing

Sr. No.	Hypothesis	Remarks
H_1	Customer orientation has a significant positive effect on customer satisfaction.	Not Accepted
H_2	Knowledge management has a significant positive effect on customer satisfaction.	Not Accepted
H_3	Technology-based CRM has a significant positive effect on customer satisfaction.	Not Accepted
H_4	Quality of customer service has a significant positive effect on customer satisfaction.	Accepted
H_5	Trust-building has a significant positive effect on customer satisfaction.	Accepted
H_6	Conflict handling has a significant positive effect on customer satisfaction.	Accepted
H_7	Customer satisfaction has a significant positive effect on customer loyalty.	Accepted

Source: Survey Data (March, 2026)

Based on the data in Table 4.20, four out of the seven proposed hypotheses were supported. The analysis reveals a clear distinction between internal operational factors and interpersonal service factors. Surprisingly, structural and technical elements such as Customer Orientation, Knowledge Management, and Technology-based CRM did not show a statistically significant positive effect on customer satisfaction. Thus, they are unsupported hypotheses. This suggests that simply having the technology or a theoretical orientation is not enough to satisfy customers in this specific study context.

In contrast, the "human" elements of the business relationship were highly significant. Quality of customer service (H_4), trust-building (H_5), and conflict handling (H_6) were all accepted, and they became supported hypotheses. This indicates that customers value the reliability of service and the brand's ability to handle issues and build rapport over technical CRM systems. Finally, the path from Customer Satisfaction to Customer Loyalty (H_7) was strongly supported. This confirms that when the service quality and trust-building efforts succeed in satisfying the customer, it directly results in heightened brand loyalty.

CHAPTER 5
CONCLUSION

This chapter presents the conclusion, including the findings and discussions, suggestions and recommendations, implications of the study, and needs for further research.

5.1 Findings and Discussions

This study examined how six dimensions of CRM practices influence customer satisfaction and customer loyalty at UAB Bank in Mandalay. Data were collected from 165 respondents using a structured questionnaire based on a seven-point Likert scale, and quantitative analysis methods were applied.

In the demographic analysis results, it is found that the most respondents are female. It can be demonstrated that women are more active in banking activities because most women work in finance fields and also hold money for their household. Most respondents are between twenty-five and thirty-four because this age segment is more active in businesses. This group is likely to use banking services frequently due to employment and income-generating activities.

Regarding education level, the majority of respondents are graduated level. It can be assumed that customers of UAB Bank are relatively well-educated and capable of understanding banking services and financial products. In terms of occupation, most respondents are private employees because most customers are staff from private organizations. This means that UAB bank's customers are business-to-business customers. Additionally, saving accounts are the most commonly used type of account. This is a reason why they came to the UAB bank.

Furthermore, most respondents have maintained their relationship with the bank for 1–3 years and use banking services frequently. This indicates that the bank has a stable customer base, but there is still an opportunity to strengthen long-term relationships and increase customer retention.

Based on descriptive analysis, all CRM practices are positively perceived by customers, as the mean values are above 5.0. Among the CRM dimensions, trust-building achieves the highest mean score, followed by knowledge management, customer orientation, technology-based CRM, conflict handling, and quality of customer service. According to the high level of trust, customers perceive the bank as reliable, secure, and honest. It is a critical factor in the banking sector and trust is also considered the foundation of customer relationships. Therefore, the bank should reinforce on trust-building system to stand trusted bank in Myanmar.

However, quality of customer service has the lowest mean score among the CRM dimensions. Although it is still above average, this indicates that customers may experience some dissatisfaction related to service speed, accuracy, or consistency. This means that UAB bank needs to redesign its service delivery process. The internal employees are important to serve external customers. Therefore, the bank should focus on their employee’s working environment and emphasize well-trained programs to become knowledgeable staff.

The reliability analysis confirms that all variables have acceptable levels of internal consistency, ensuring the validity of the measurement scales used in this study.

According to multiple regression analysis, CRM practices on customer satisfaction at UAB Bank in Mandalay, three CRM practices (conflict handling, quality of customer service and trust building conflict handling) have a strong impact on customer satisfaction. But customer orientation, knowledge management and technology-based CRM do not impact on customer satisfaction. Among six independent variables, conflict handling has the most significant and strongest impact on customer satisfaction. It was found that customers expect to resolve their problems and complaints quickly. This finding aligns with service recovery theory, which emphasizes that effective handling of service failures can enhance customer satisfaction and even strengthen customer relationships. When customers encounter issues, their expectations shift toward fair treatment, quick responses, and appropriate solutions. Therefore, banks should focus on resolving conflicts efficiently that can lead to gain customer trust and long-term commitment.

Furthermore, the quality of customer service play importance role to satisfy customers in the banking sector. Customers expect banking services to be accurate, timely, and reliable. Any delays, errors, or inconsistencies can negatively influence their perception. Although service quality received the lowest mean score among CRM dimensions, its significant impact in the regression analysis indicates that even small improvements in this area can lead to meaningful increases in customer satisfaction. This finding shows that UAB Bank should prioritize enhancing service efficiency, staff responsiveness, and consistency in service delivery.

Additionally, trust-building also shows a positive significant impact on customer satisfaction although, its significance is relatively weaker compared to conflict handling and service quality. This may indicate that trust is already well-established among customers, as reflected in its highest mean score in the descriptive analysis. Trust is considered a basic expectation in banking relationships with customers because customers choice banks based on trust. Therefore, maintaining trust remains essential, its direct impact on both satisfaction and loyalty.

On the other hand, customer orientation, knowledge management, and technology-based CRM activities are found to be statistically insignificant in influencing customer satisfaction. This finding may appear inconsistent with prior studies, which often emphasize the importance of these dimensions. It can be found that these factors are less visible to customers or are perceived as standard features rather than value-adding elements. For example, customers may not directly recognize knowledge management systems or internal customer-oriented strategies unless they are clearly translated into better service experiences. Similarly, technology-based services may already be widely adopted and considered basic expectations, reducing their impact on satisfaction.

In the analysis of customer satisfaction toward customer loyalty at UAB Bank in Mandalay, customer satisfaction has significant effects on customer loyalty and has a strong positive relationship. This result indicates that customers who satisfied CRM practices of UAB bank that leads to customer loyalty. Thus, customer satisfaction is a key determinant of loyalty. When customers are satisfied with banking services, they are more likely to continue their relationship with the bank, engage in repeat transactions, and recommend the bank to others. This highlights the mediating role of satisfaction in transforming CRM practices into long-term customer loyalty.

5.2 Suggestions and Recommendations

Based on the findings of the study, several recommendations are needed to improve CRM practices and enhance customer satisfaction and loyalty at UAB Bank.

Firstly, since conflict handling has the strongest impact on customer satisfaction, the manager of the bank should strengthen its complaint management system. A clear and efficient complaint handling procedure should be established, and employees should be trained to respond to customer issues quickly, politely, and effectively. To improve customer experience, the bank needs to empower their staffs by making better decision and providing immediate solutions. The bank also should collect customer complaints and know why customers complaints about that and if possible, need to resolve complaints immediately.

Secondly, the bank needs to improve the quality of customer service as a priority. From frontline staff such as security, reception staff to finance transactions, staff should focus on reducing service errors, minimizing waiting time, and ensuring consistent service standards across all branches. To reach these outcomes, regular training programs should be conducted to enhance employees' communication skills, professionalism, and customer service capabilities. Many authors say that the customer is the first in every business, but to do this, employees are important. Thus, the bank should respect employees and build to become happy working place.

Thirdly, although trust-building is already strong, the bank should maintain and further enhance this strength by ensuring transparency in all transactions and communications. The bank should also improve the security system, because the life of a bank is the trust. And bank should also provide clear information about fees, policies, and procedures will increase customer confidence and reduce misunderstandings. The bank should use this advantage to their competitive advantage.

Fourthly, customer orientation should be strengthened by focusing more on customer needs and preferences for building and developing customer relationships. To do this, employees play a critical role. Therefore, banks need to put the right person at the right place. In addition, due to the business environment rapidly changing, the bank should adapt its customer orientation strategy based on the environment. The bank's employees should also collect customer feedback regularly and use it to design more personalized services. Understanding customer expectations will help the bank deliver better value.

Fifthly, knowledge management and technology-based CRM should be improved to make them more visible and beneficial to customers. The bank should invest in modern digital banking systems, improve mobile banking applications, and ensure that customers can easily access and use these services. The bank should also improve information collecting, organizing, and sharing across functional teams to give adaptive services to customer needs. It is important that banks should implement a knowledge management system and technology together. These two activities are related because increased customer awareness of these technologies will enhance their perceived value.

Finally, since customer satisfaction significantly affects customer loyalty, the UAB bank should continuously monitor satisfaction levels through surveys and feedback mechanisms. According to this study, the bank should emphasize trust building, conflict handling and quality of customer service as their competitive advantage, because most customers are satisfied with these practices. Although other CRM practices such as customer orientation, knowledge management and technology-based CRM are too weak, the UAB bank managers should not ignore these practices. To be a successful bank, the managers of UAB bank should change the weakness of the bank to become the strength of the bank. Loyalty programs, reward systems, and personalized offers should be introduced to retain customers and encourage long-term relationships.

5.3 Implications of the Study

This study provides several important implications for both academic research and practical management in the banking sector.

From a managerial perspective, the findings indicate that interpersonal factors such as conflict handling, service quality, and trust-building are more influential than technical factors in determining customer satisfaction. This suggests that banks should focus on improving human interaction and service delivery.

From a strategic perspective, the study highlights the importance of integrating CRM practices with customer experience. While technology is essential, it should be used to support and enhance customer interactions rather than replace them.

From a theoretical perspective, the study contributes to the existing literature by confirming that customer satisfaction acts as a mediator between CRM practices and customer loyalty. This reinforces the importance of satisfaction as a key driver of long-term customer relationships.

5.4 Needs for Further Research

Although this study provides valuable insights into the effect of CRM practices on customer satisfaction toward customer loyalty at UAB Banks in Myandalay, especially Chanayetharsan Township, it has several limitations that offer opportunities for future research. Future studies should include multiple UAB banks operate in Mandalay and allow for comparative analysis and better generalization of results. The effect of CRM practices on customer satisfaction and loyalty may also be collected from larger sample size and including respondents from different regions to improve the reliability and applicability of findings. Additionally, future research can incorporate additional variables such as customer experience, service innovation, perceived value, and brand image to provide a more comprehensive understanding of customer behavior.

Moreover, qualitative research methods such as interviews and focus group discussions can be used to gain deeper insights into customer perceptions and expectations. These methods will help researchers better understand the reasons behind customer attitudes and behaviors. Finally, longitudinal studies can be conducted to examine changes in customer satisfaction and loyalty over time, providing a more dynamic understanding of CRM effectiveness.

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Appendix-A

Previous Studies

Sr. No.	Authors (Year)	Titles	Independent Variables	Dependent Variables	Findings
1	Sofi et al. (2020)	The effect of customer relationship management (CRM) dimensions on hotel customer's satisfaction in Kashmir	CRM Dimensions: Customer orientation, CRM organization, Managing knowledge, Technology-based CRM	Customer Satisfaction	Study proved that there have a significant and positive relationship between CRM dimensions, namely, customer orientation, managing knowledge, and CRM organization on customer satisfaction.
3	Htay (2022)	Customer Relationship Practices, Customer Satisfaction and Customer Loyalty at KBZ Bank (Taunggyi)	CRM dimensions: Customer orientation, CRM based technology, Organizing around CRM, Quality of customer services	Customer Satisfaction, Customer Loyalty	This study found that CRM based technology and quality of service has significant effect on customer satisfaction.
4	Solomn (2019)	Customer relationship management and its effect on loyalty (the case of Dashen Bank)	CRM practices: Key customer focus, Knowledge management, CRM organization,	Customer Loyalty	This study found that CRM based technology has high effect on customer loyalty.

Sr. No.	Authors (Year)	Titles	Independent Variables	Dependent Variables	Findings
			Technology based CRM		
5	Kyaw (2022)	The effect of customer relationship management practices on customer satisfaction and loyalty in Myanmar Citizens Bank Limited	CRM practices: Conflict handling, Commitment, Competence, Trust-building, Communication	Customer Satisfaction, Customer Loyalty	The study found that conflict handling, competence, trust building are positively effects on customer satisfaction. And these three variables and commitment are significantly and positively effect on customer loyalty but communication has negative effect on customer loyalty.
6	Alemu and Zewdu (2018)	The effect of customer relationship management on bank performance: In context of commercial banks in Amhara Region, Ethiopia	Key customer focus, CRM organization, Technology based CRM, Knowledge management	Bank Performance	This study found that CRM practices has positively effect on bank performance
7	Hanaysha & Mehmood (2022)	An exploration of the effect of customer relationship management on organizational performance in the banking sector	CRM Practices: Organization, Customer Orientation, Knowledge management, Technology-based CRM	Organizational Performance	This study found that customer orientation has positive effects on organizational performance and CRM technology and Knowledge management play an important role in organizational performance.

Appendix-B

Questionnaries

Effect of Customer Relatiionship Management Practices on Customer Satisfaction towards Customer Loyalty at UAB Bank in Mandalay

This survey is only for the degree of Master of Marketing Management in University of Co-operative and Management, Sagaing and not related to other business purpose. Your response is very important. Please answer all questions. I appreciate your cooperation and thank you in advance.

Section (A): Demographic Profile of Respondents

Please make a tick (√) on the number that you feel is relevant.

1. **Gender of Respondents**

☐ Male
☐ Female

2. **Age (Years)**

☐ Under 25 Years
☐ 25-34 Years
☐ 35-44Years
☐ 45-54 Years
☐ 55Years and Above

3. **Educational Level**

☐ Under-Graduate
☐ Graduate
☐ Post-graduate
☐ Others

4. **Monthly Income (Kyats)**

☐ Below 500,000
☐ Between 500,000 – 1,000,000
☐ Between 1,000,000 – 1,500,000
☐ Between 1,500,000 – 2,000,000
☐ Above 2,000,000

5. Occupation Status

- [ ] Government Employee
- [ ] Private Employee
- [ ] Owned Business
- [ ] Students
- [ ] Others

6. Type of Account Used at UAB Bank

- [ ] Savings Account
- [ ] Current Account
- [ ] Loan Account
- [ ] Fixed Deposit
- [ ] Others (please specify): ___________

7. Length of Relationship with UAB Bank

- [ ] Less than 1 year
- [ ] 1–3 years
- [ ] 3–5 years
- [ ] More than 5 years

8. Frequency of Using UAB Bank Services

- [ ] Rarely
- [ ] Occasionally
- [ ] Often
- [ ] Very Often

Section (B)

This section focuses on the six dimensions of customer relationship management of UAB Bank in Mandalay. The following questions are based on the seven-point Likert scales from 1 to 7. Please tick (√) the choice for your agreement upon these following factors in terms of (1 = Strongly disagree, 2 = Moderately disagree, 3 = disagree, 4 = Neutral, 5 = Agree, 6= Moderately Agree and 7 = Strongly Agree). Thank you very much in advance.

Sr. No.	Customer Orientation	1	2	3	4	5	6	7
1.	UAB Bank employees understand my financial needs.							
2.	Employees provide service recommendations based on my needs.							
3.	Employees are willing to listen to my concerns.							
4.	Employees care about my satisfaction.							
5.	The bank focuses on building long-term relationships with me.							
6.	Customers are treated with respect by employees.							
7.	The bank adapts its services based on my needs.							
	Knowledge Management	**1**	**2**	**3**	**4**	**5**	**6**	**7**
1.	Employees have sufficient knowledge about bank products and services.							
2.	Employees provide accurate information to customers.							
3.	Employees can clearly explain banking services.							
4.	Employees are well trained to serve customers.							
5.	Customer information is accurately recorded and maintained.							
6.	The bank keeps customer records updated.							

7.	Customer information is used to improve services.							
	Technology-Based CRM	**1**	**2**	**3**	**4**	**5**	**6**	**7**
1.	UAB Bank uses modern technology to serve customers.							
2.	Online banking services are easy to use.							
3.	Mobile banking services are reliable.							
4.	Technology helps provide faster service.							
5.	Digital systems improve communication with customers.							
6.	The bank uses technology to respond quickly to customer requests.							
7.	Digital banking services are available when needed.							
	Quality of Customer Service	**1**	**2**	**3**	**4**	**5**	**6**	**7**
1.	Bank employees are polite and courteous.							
2.	Services are provided in a timely manner.							
3.	Employees handle customer requests professionally.							
4.	The bank delivers consistent service quality.							
5.	Employees are helpful when customers need assistance.							
6.	Service procedures are efficient.							
7.	The bank provides services with minimal errors.							
	Trust Building	**1**	**2**	**3**	**4**	**5**	**6**	**7**
1.	I trust UAB Bank to protect my personal information.							
2.	The bank is honest in dealing with customers.							
3.	UAB Bank keeps its promises.							
4.	The bank is reliable in providing services.							
5.	I feel safe when conducting transactions with the bank.							

6.	The bank acts in the best interest of customers.							
7.	The bank is transparent in its operations.							
	Conflict Handling	**1**	**2**	**3**	**4**	**5**	**6**	**7**
1.	UAB Bank handles customer complaints fairly.							
2.	Complaints are handled in a fair manner.							
3.	Employees show concern when handling complaints.							
4.	The bank listens carefully to customer problems.							
5.	The bank provides clear explanations when problems occur.							
6.	The bank provides reasonable solutions to conflicts.							
7.	Employees take responsibility for service failures.							

Section (C)

This section refers to customer relationship management on customers of UAB Bank in Mandalay. Please tick (√) the choice for your agreement upon these following factors in terms of (1 = Strongly agree, 2 = Moderately Agree, 3 = Agree, 4 = Neutral, 5 = Disagree, 6= Moderately disagree and 7 = Strongly disagree).

Sr. No.	**Customer Satisfaction**	**1**	**2**	**3**	**4**	**5**	**6**	**7**
1.	I am satisfied with the customized service offered by UAB Bank.							
2.	I am satisfied with providing accurate financial information to my needs.							
3.	I am satisfied with the update technology applied at UAB Bank.							
4.	I am satisfied with the behavior and mannerism of premium banking service delivery staff							
5	I trust UAB Bank to conduct financial							

	transactions.							
6.	I am satisfied with how the bank handles complaints.							
7.	Overall, I am satisfied with UAB Bank.							
	Customer Loyalty	**1**	**2**	**3**	**4**	**5**	**6**	**7**
1.	I intend to continue using UAB Bank in the future.							
2.	I would recommend UAB Bank to others.							
3.	I prefer UAB Bank over other banks.							
4.	I will remain a customer even if other banks offer better services.							
5.	I speak positively about UAB Bank to others.							
6.	UAB Bank is my first-choice bank.							
7.	I believe UAB bank can satisfy my future needs.							
8.	I consider myself loyal to UAB Bank.							

Appendix-C

Statistical Outputs

I. Results of Multiple Regression Analysis

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.731[a]	.534	.516	.27431	.534	29.801	6	156	.000	1.771

a. Predictors: (Constant), CHmean, KMmean, TBmean, COmean, Trmean, QCSmean

b. Dependent Variable: CSmean

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.454	6	2.242	29.801	.000[b]
	Residual	11.738	156	.075		
	Total	25.192	162			

a. Dependent Variable: CSmean

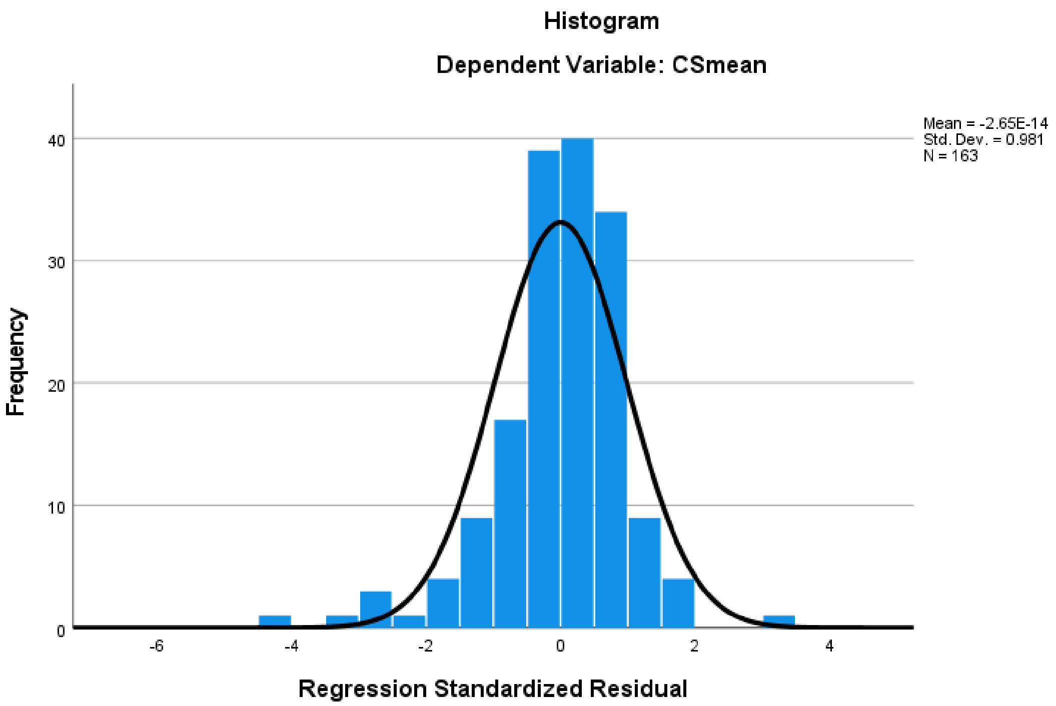
b. Predictors: (Constant), CHmean, KMmean, TBmean, COmean, Trmean, QCSmean

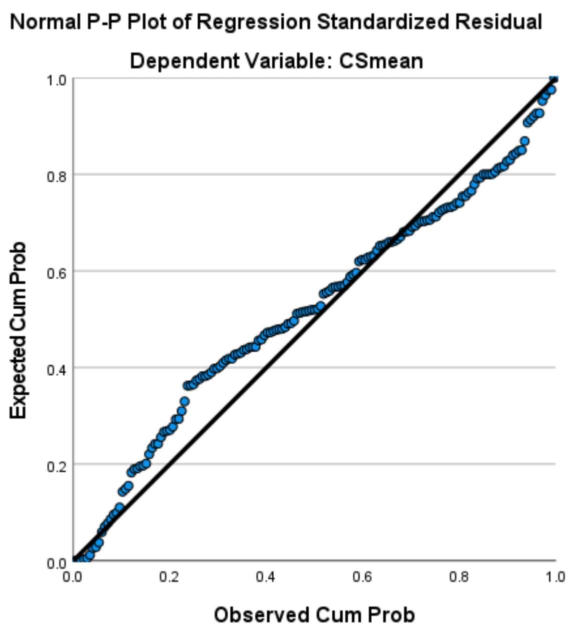
Coefficients[a]

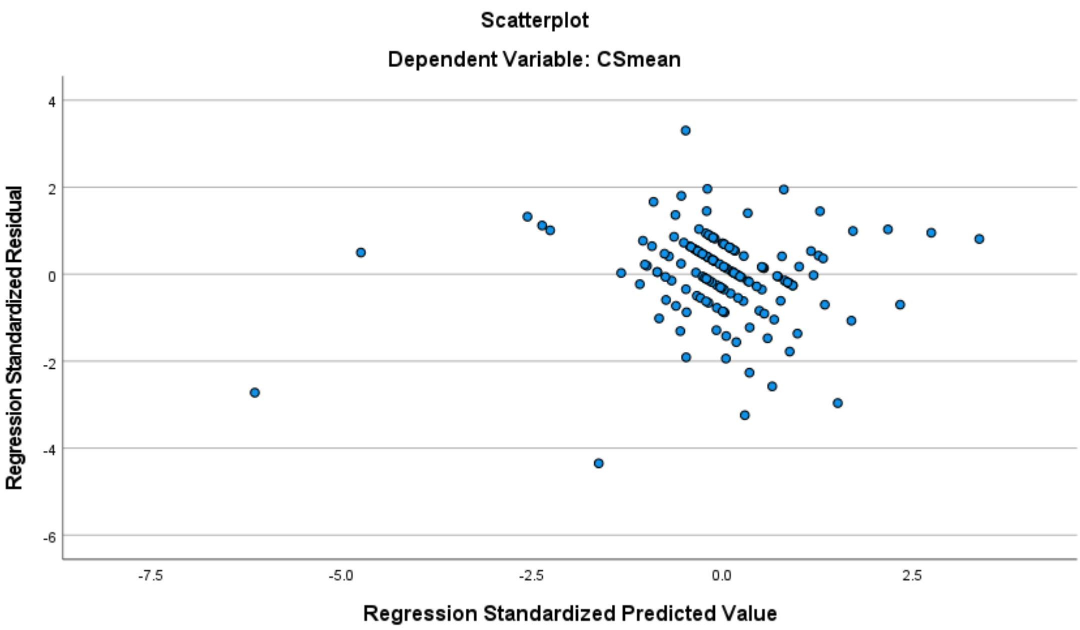
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	1.963	.411		4.781	.000	1.152	2.774					

	COmean	.060	.069	.065	.872	.385	-.076	.196	.356	.070	.048	.541	1.850
	KMmean	-.085	.075	-.082	-1.136	.258	-.233	.063	.276	-.091	-.062	.569	1.757
	TBmean	-.013	.078	-.013	-.173	.863	-.168	.141	.372	-.014	-.009	.511	1.955
	QCSmean	.188	.070	.252	2.666	.008	.049	.327	.648	.209	.146	.333	2.999
	Trmean	.150	.077	.146	1.958	.052	-.001	.302	.412	.155	.107	.538	1.858
	CHmean	.381	.073	.454	5.234	.000	.237	.525	.695	.387	.286	.398	2.514

a. Dependent Variable: CSmean




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


Scatterplot
Dependent Variable: CSmean
Regression Standardized Residual
Regression Standardized Predicted Value
4
2
0
-2
-4
-6
-7.5
-5.0
-2.5
0.0
2.5

II Results of Simple Linear Regression Analysis

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.704[a]	.496	.493	.37363	.496	159.183	1	162	.000	2.089

a. Predictors: (Constant), CSmean

b. Dependent Variable: CLmean

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.222	1	22.222	159.183	.000[b]
	Residual	22.615	162	.140		
	Total	44.837	163			

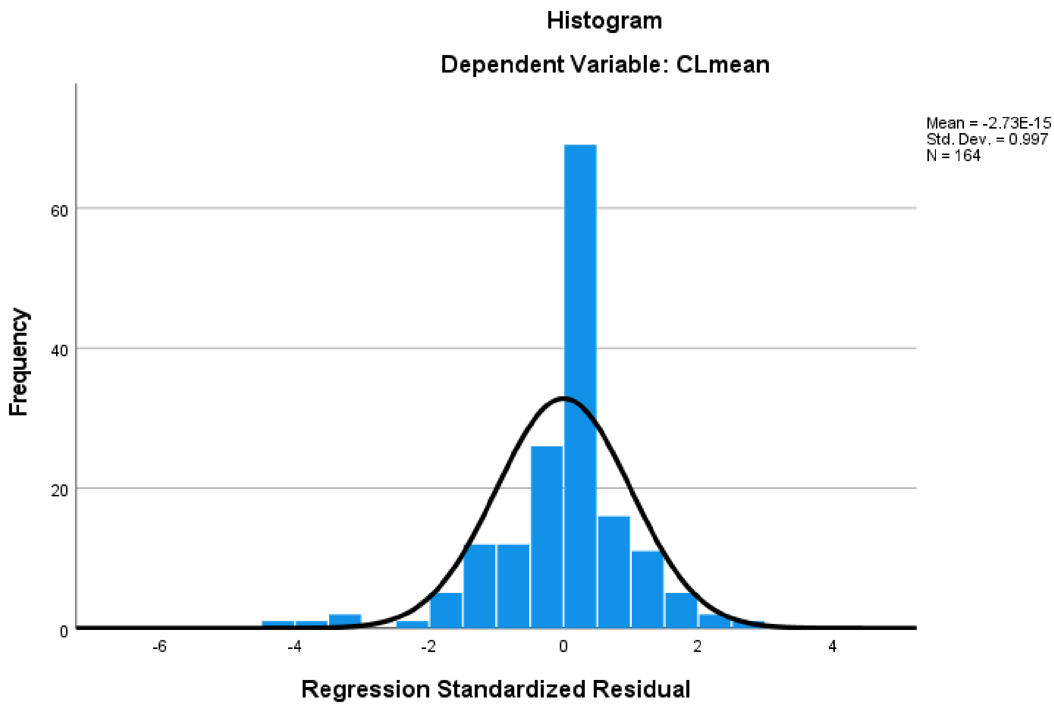
a. Dependent Variable: CLmean

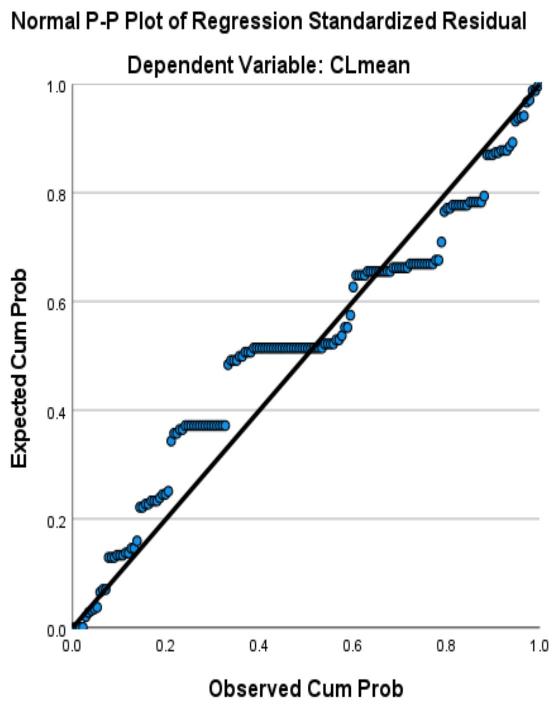
b. Predictors: (Constant), CSmean

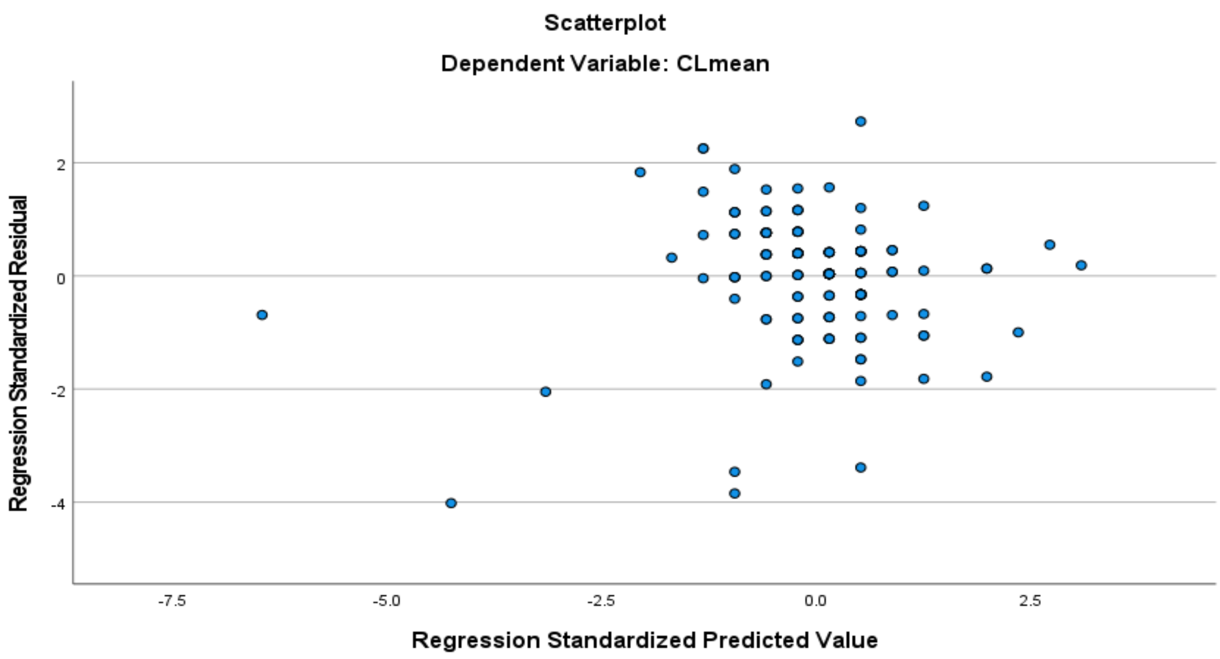
Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	-.722	.438		-1.650	.101	-1.586	.142					
	CSmean	.950	.075	.704	12.617	.000	.801	1.099	.704	.704	.704	1.000	1.000

a. Dependent Variable: CLmean


Histogram
Dependent Variable: CLmean
Mean = -2.73E-15
Std. Dev. = 0.997
N = 164
Frequency
Regression Standardized Residual


Normal P-P Plot of Regression Standardized Residual
Dependent Variable: CLmean
Expected Cum Prob
Observed Cum Prob



Scatterplot
Dependent Variable: CLmean
Regression Standardized Residual
2
0
-2
-4
-7.5
-5.0
-2.5
0.0
2.5
Regression Standardized Predicted Value