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EFFECT OF SUPPLY CHAIN MANAGEMENT PRATICES ON PERFORMANCE OF QR PAYMENT IN AGD PAY

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ABSTRACT

This research is studied the effect of supply chain management practices on performance of QR Payment in AGD Pay. The objectives of this study are to identify supply chain practices and to establish the effect of supply chain management practices on performance of QR Payment in AGD Pay. Primary data was collected by use of a questionnaire by asking 40 employees of AGD bank at Head Office. This study adopted regression analysis and descriptive statistics. In this study, customer relationship, customer service, flow management, demand management, order fulfillment, supplier relationship, product development and return management are considered as independent variables. Performance is dependent variable. Performance is measured by market share, profit and customer satisfaction. As per result, the study shows that supply chain management practices positively influence performance of the organization. Product development, demand management and return management had influenced significantly to improve market share and customer satisfaction to users because AGD pay is the technology service which is important to continuous update. These factors are also important to improve performance because AGD pay well prepared for demand in high transactions and immediately return/refund policies are critical to create customer satisfaction. Therefore, this study recommends that proper measures be put for each of the supply chain management practice that match up with those of performance of AGD Pay. The management must establish policies in supply chain and show a clear link on all performance indicators.

ACKNOWLEDEMENTS

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LIST OF ABBREVIATIONS

A&L   Asset and Liability

AGD   Asia Green Development Bank

App   Application

ASEAN   Association of Southeast Asian Nations

ATMs   Automated Teller Machines

CBM-NET   Central Bank of Myanmar real-time gross settlement system

EPS   Electronic Payment Systems

ERP   Enterprise Resource Planning

HR   Human Resource

IT   Information Technology

KYC   Know Your Customer

MAS   Monetary Authority of Singapore

MPU   Myanmar Payment Union

P2P   Person-to-Person

POS   Point of Sale

QR   Quick Response

RTGS   Real-Time Gross Settlement System

SCM   Supply Chain Management

SGQR   Singapore Quick Response

SWIFT   Society for Worldwide Interbank Financial Telecommunication

CHAPTER I
INTRODUCTION

In banking industry, financial services are provided beyond traditional banking, FinTech (Financial Technology) is crucial role in financial sector. Improving in financial services is important to economic development of country, improving standard of living and smooth to daily life. Moreover, banking industry is highly regulated industry which enhances government to monitor effectively on Anti-money laundering, fraud and terrorism by making transactions though banks. In Myanmar, 30% of adults use regulated financial services in 2017 (World Bank Data). However, development of banking industry in Myanmar is lower than ASEAN countries. However, Myanmar is implemented Financial Inclusion Road Map (2014-2020) to use financial services for unbanked users in rural areas and to integrate payment system with ASEAN network.

According to World Data, mobile phone subscription is significantly increased from 7% in 2012 to 90% in 2017 in Myanmar due to government allowed other four telecommunication network operators. This data indicates that banking services provided by mobile phone is best opportunities to catch market shares for banks. From the perceptive point of banking industry, banks need to promote banking services by providing innovative services like mobile wallet. The mobile payment user is 720 million worldwide in 2017. This data indicates that payment made through mobile is critical factors to think product innovation for banks.

A mobile wallet is a virtual wallet that stores information of payment card on a mobile device. Mobile wallets are a convenient way for a user to make payments and can be used at merchants who registered with the mobile wallet service provider. Because mobile wallets are worked as a role of physical wallets, almost every valuable card stored in a physical wallet can also be stored in the mobile wallet such as driver's license, social security number, health information cards, loyalty cards, hotel key cards and bus or train tickets. In this context, QR payment is one kind of services including in mobile payment.

QR payment is a kind of contactless payment method and the payment is performed by scanning a QR code from a mobile app or other physical materials. This is another way of doing electronic funds transfer at point of sale using

a payment terminal. To use QR payment, the consumers and users scan the QR code displayed by the merchant with their phones to pay for their goods. They enter the amount which needs to pay and finally submit.

The upgraded mobile wallet uses Quick Response Code(QR) which can be scanned at the checkout. In 1994, QR code is a type of matrix barcode (or two-dimensional barcode barcode) launched for the automotive industry in Japan. In practice, QR codes often contain data for a locator, identifier, or tracker which points to a website or application. A QR code defines four standardized encoding modes (numeric, alphanumeric, byte/binary, and kanji) to store data efficiently; extensions may also be used. QR codes can be stored bank account information or credit card information, or they are performed with different types of payment provider applications. There are several trial applications of QR payments across the world. In developing countries like India and China, QR payment is a very popular and convenient method of making payments.

This study is focused on the supply chain in Quick Response (QR) Payment because supply chain strategies require a total system view of the links in the chain that work together efficiently to create customer satisfaction at the end point of delivery to the consumer (Hines, 2004). The supply chain management was important long before in the early 20th century. At the early stage, supply-chain management is used for large changes, re-engineering, downsizing to reduce cost. In the 21st century, the Enterprise Resource Planning (ERP) is widely used in supply chain management as the expansion of Internet. However, today supplier relationships and the expansion of supply chains beyond national boundaries due to supply chain management is developed globally.

The supply-chain management (SCM) is the management of the flow of goods and services. SCM practices are mainly considered in the areas of engineering, operations management, logistics, information technology, and marketing. Nowadays, supply chain management is taken consideration in service industry to be efficient and profitable to those within the supply chain.

1.1   Rationale of the Study

According to World Bank Data (2017), there are about 47 million mobile phone users of the population. This number is 90% of population in Myanmar. As per these data, electronic payment by using QR payment in mobile wallet is the large

opportunities to get market share for banks. Moreover, other payment schemes such as card-based payment, online payment and international card schemes are allowed by regulators. Therefore, QR payment is one kind of payment methods to develop. In Myanmar, cashless society are encouraging due to reduce risk of cash handling and risk of counterfeit, to ease payment including domestics and international.

Mobile phones are used for travel, allow quicker and easier access to information on prices, enable traders to reach wider markets, to be efficient operation, boost entrepreneurship and generally makes it easier to do businesses. The QR payment in mobile wallet is a virtual wallet that stores payment card information on a mobile device. QR payment are a convenient way for a user to make in-store payments and can be used at merchants listed with the QR payment provider. QR payment is an innovative application on the mobile phone platform that allows a person to initiate a transaction and make a payment using a mobile phone. In an emerging payment system allows commercial transactions to be carried out anytime, anywhere and by anyone.

In Myanmar, mobile phone subscription is significantly increased which are opportunities for banks. However, there are many challenges in mobile payment in which main reason is Myanmar economy is cash based. Most payment transactions are made through the cash. Banking industry is faced many challenges to develop innovative products like infrastructure, regulations, security, customer awareness and education of public. Therefore, this study aims to know supply chain practices of QR payment and importance of supply chain management of AGD bank on performance.

AGD Pay is the mobile wallet, is launched by Asia Green Development. QR payments in mobile wallet are competitive in emerging market like Myanmar. Top big banks are trying to get large portion of market share by persuading customers. The success of business is depended on sound good supply chain management, especially supply chain in banking industry because banking is service industry. Therefore, the studying on supply chain of QR code payment in AGD pay shall induce in development of not only AGD bank but also financial inclusion for unbanked people in rural areas.

1.2   Objectives of the Study

The study is focused to study supply chain practices and performance of QR Payment in AGD Pay. The objectives are as follows:

1.   To identify supply chain practices on QR payment of AGD Pay

2.   To analyse the effect of supply chain practices on performance of QR payment in AGD Pay

1.3   Scope and Method of the Study

The data are based on primary data and secondary data. This study used descriptive method and the primary data is collected from employees in AGD by using structured questionnaires. There are six departments in which 2,480 employees are working in AGD. Among them, 40 employees are selected by surveying head office in Yangon. The questionnaire was designed in a structured and there were both closed and open-ended questions. Secondary data are collected from research papers, journal, authorities' annual report, international institution report and other related sources. Linear regression was considered as the statistical technique. Each of the questions is employing five (5) Likert scales. For those negative questions, the scores were reversed.

1.4   Organization of the Study

Chapter one contains the introduction, rationale of the study along with objectives, scope, method and organization of the study. Chapter two discusses literature review on supply chain management, role of internet in supply chain management, practices influencing supply chain management, organization performance, conceptual framework. Chapter three explains background of digital payment in Myanmar, financial inclusion, mobile financial service in Myanmar, technology revolution in digital payment, QR payment of AGD Pay. Chapter four analyses demographic factors of respondents, aware of supply chain practices, overall practices, effective supply chain management practices and analysis on effect of supply chain management practices on performance of AGD Pay. Chapter five includes finding, discussion and further study.

CHAPTER II
LITERATURE REVIEW

This chapter presented the literature reviewed on the QR Payment and concepts of the study which were on the effect of supply chain management practices on performance of organizations. The main areas were presented QR payment, based on concept of supply chain management, supply chain management practices, factors influencing supply chain in organizations and the conceptual framework.

2.1   QR Payment

In recent years, with the increasing popularization of e-commerce applications and the continuous improvement of communication technologies, QR(Quick Response) payment, as a new payment method, has been rapidly developed all over the world and has not only become an important growth point of mobile operators' business, but also has attracted banking finance agencies, international card companies, internet technology companies and third-party payment agencies and other subjects. There are six key revolutionary technologies in digital payment sectors. They are as QR Payment, Big Data / Data Analytics, Blockchains and Distributed Ledgers, Machine Learning / Artificial Intelligence (AI), Biometrics and Standard / Open Application Programming Interfaces.

In this research, the supply chain of QR Payment via mobile banking will be studied. QR code is a two-dimensional code, which records the data symbolic information in a black and-white pattern with certain geometric patterns distributed in a plane according to a certain rule. It automatically processes information through an image input device or a photoelectric scanning device. It has some common features of bar code technology: each code has its own specific character set; each character occupies a certain width; it has a certain calibration function. At the same time, it can automatically identify different lines of information, and deal with changes in graphics rotation point (Pu Zhang, 2017).

The QR codes store information and they appear as black and white squares which each containing a unique pattern. They are designed to be read by a mobile phone camera instead of regular barcode uses a scanner. QR codes are similar with one-dimensional bar codes and are widely used in commercial activities. In some

countries and regions such as Japan, QR codes have become quick and easy ways to communicate information in daily life. In some U.S. and Canadian provinces and in countries such as Hong Kong, the one kind of code has been used as a badge for identification and printed directly on ID documents for quick reading.

In major cities in China is using smartphones to pay for everything, and China has stepped into the 'cashless era.' In China, the QR payment ranked first with total payment ratio of 26.91%, indicating that QR payment which are changing people's daily lives, "perception" is high for Chinese ordinary people. The development of QR payment not only brought convenience in the payment method, but also promoted the rapid development of online shopping, sharing of bicycles and other fields. These are also changing the consumption and living habits of the Chinese people, bringing a real "sense of gain" to the people. Mobile payment has brought a lot of convenience to people's lives, more and more people do not need to carry a wallet when going out, they can easily pay by using phone.

Regarding with QR Payment, on September 18th 2018 the MAS launched the Singapore Quick Response Code (SGQR). In future, the new standardised code will be establish by by cooperating mobile wallet providers including PayNow, NETS, GrabPay, Liquid Pay, and Singtel Dash. In addition, intended to be implemented by banks and merchants across Thailand by the third quarter of 2017, payment with Mastercard, UnionPay and Visa with different QR codes will no longer be needed in the new standard. Electronic payments of QR code will use the standardized QR code. The standardized QR code is good for both consumers and merchants because consumers will not need to scan different QR codes and merchants can display only one QR code for such payments.

With regards to Myanmar, Central bank of Myanmar's preparation for standardized QR payment system. The CBM is on the way to set Standardised QR policy in Myanmar. After having policy, rules and regulations, QR payment system will gradually develop in our country's retail payment system. The Standardised QR is intended to be implemented by banks and merchants across Myanmar. The Standardised QR is simple to set up and use, since consumers do not need to scan different QR to make payments, while merchants only need to display one QR at the storefront or at their bank's mobile application as similar as Singapore and Thailand.

2.2 Supply Chain Management Practices

The supply chain management is the integration of key business processes from end user through original suppliers that provides products, services, and information that add value for customers and other stakeholders. The supply chain is not just business chains and it is a network of businesses and relationships. SCM offers the opportunity to capture the synergy of internal and external of company integration and management. SCM deals with not only business process but also other members of the supply chain. (Douglas M. Lambert,2014) SCM combines the power of the Internet with the latest technology, enabling participating suppliers to access up to date company information and enabling companies to better manage and track supply and demand.(Rahul V.Altekar, 2012).

The SCM framework consists of three components: the supply chain network structure, the supply chain business processes and the supply chain management components. Business processes are run to produce a specific output of value to the customer. The supply chain management components are the managerial methods by which the business processes are integrated and managed across the supply chain. (Douglas M. Lambert,2014)

The structure of processes within and between companies is vital for creating superior competitiveness and profitability. Successful SCM is integrating business processes with key members of the supply chain. Loss of valuable resources results when supply chains are not integrated. The objectives of SCM is to create the most value not simply for the company but whole supply chain network including the end-customer. (Douglas M. Lambert,2006)

The successful SCM requires a change from managing individual functions to integrating activities into supply chain management processes. The SCM processes identified by members of The Global Supply Chain Forum are: customer relationship management, customer service management, demand management, order fulfilment, flow management, supplier relationship management, product development and returns management. (Douglas M. Lambert,2006). Discussed below are various supply chain practices of firms to efficiently manage their supply chains.

2.2.1 Customer Relationship Management

In a business environment, customer relationship management is the one of SCM process that explains how relationships are developed with customers. (Douglas

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M. Lambert,2014) When there are direct and strong relationships, profit growth; customer loyalty; customer satisfaction; and, the value of goods delivered to customers are undertaken. (Heskett. James L., W. Earl Sasser, Fr. and Leonard A. Schlesinger, 1997). The customer teams tailor product and service agreements (PSAs) to meet the needs of key accounts and segments of other customers. (Seybold, Patrica B., 2001). Customer relationship management has become a critical business process in order to get competitive pressures and the need to achieve cost efficiency in order to be a low-cost supplier.

Customer relationship management and supplier relationship management provide the critical linkages throughout the supply chain. For each supplier in the supply chain, the ultimate measure of success for the customer relationship management process is the change in profitability of an individual customer or segment of customers. The goal is to increase the profit by developing the relationship. The customer relationship management process has both strategic and operational elements. Implementation of the strategic process within the firm is a necessary step in integrating the firm with other members of the supply chain, and it is at the operational level that the day-to-day activities take place. The process is comprised of executives from several functions: marketing, sales, finance, production, purchasing, logistics and research and development. At the operational level, it is important that teams calling on competitors do not have overlapping members since it will be very hard for these individuals.

2.2.2 Customer Service Management

Customer satisfaction level is directly proportional to the service provided by the banks. Formulating a customer service management involves addressing 3 steps, namely, customer segmentation, cost to serve and revenue management.

Customer Segmentation: Bank has to decide on the segment it wants to target for a particular commodity. It can decide not to have a homogenous market which is unacceptable.

Cost to serve: It is importance to obtain an impartial assessment of whether the things that the customers want are feasible for the products. It is also important to determine the kind of support needed from the suppliers or other parties in the supply chain. Finally, it is required to project the cost of the support system and its feasibility of execution.

Revenue Management: Determination of the appropriate response to the identified needs and expectations of each customer segment must be completed. The response which maximizes the firm's profitability and growth should be determined. (Rahul V Altekar, 2005)

2.2.3   Demand Management

According to Mentzer et al. (2000), demand management practices are processes to balance customer demand and the firm's supply. Demand management activities include forecasting demand, and then utilizing techniques to vary capacity and demand within the purchasing, production, sales and marketing, functions. Various forecasts can be used, based on the time frame, the knowledge of the forecaster, the ability to obtain customers' point-of-sales information, and the use of forecasting models contained in many ERP systems.

A number of effective techniques exist to smooth demand variability's and increase or decrease capacity when disparities exist between demand and supply. A good demand management process can be active to a company to predict demand, and An important part of demand management is finding ways to reduce demand variability and improve operational flexibility. The goal of demand management is to meet customer demand in the most effective and efficient way. The demand management process can have a significant impact on the profitability of a firm, its customer and suppliers. (Douglas M. Lambert,2006) Having the right product on the shelves will increase sales and customer loyalty (Zinn, Walter and Peter C.Liu,2001).

2.2.4   Order Fulfilment

The order fulfilment process is the set of practices that allows the firm to fill customer orders while providing the required levels of customer service at the lowest possible delivered cost (Christopher & Peck, 2004). Thus, the order fulfilment process must internally integrate the firm's marketing, production, and distribution plans as well as allow customers to provide input in order to be effective. More specifically, the firm's distribution system must be designed to provide adequate customer service levels, and the production system must be designed to produce at the required output levels.

Related order fulfilment issues are the location of suppliers; the modes of inbound and outbound transportation used; the location of production facilities and

distribution centres. The order fulfilment process according to Cigolini, Cozzi & Perona (2004) must integrate closely with customer relationship management, customer service management, supplier relationship management and returns management.

2.2.5   Supplier Relationship Management

The supplier relationship management defines how relationships are established between firms. Firms in actively managed supply chains seek out small numbers of the best performing suppliers and establish ongoing, mutually beneficial, close relationships with these suppliers in order to minimize cost, to get good quality.

Integration activities are screening and selecting suppliers, negotiating product and service agreements, developing or improving supplier capabilities, and then monitoring supplier performance and improvement initiatives. Supplier relationship management personnel routinely communicate with production personnel to obtain feedback on supplier and purchased item performance, and with marketing personnel to obtain customer feedback. This information can then be passed along to suppliers during periodic performance review meetings. (Vokurka & Lummus, 2000).

2.2.6   Product Development

The product development and commercialization process is responsible for developing new products to meet changing customer requirements and then getting these products to market quickly and efficiently (Vokurka & Lummus, 2000). In actively managed supply chains, key customers and suppliers are involved in the new product development process to ensure that products conform to customers‟ needs and that purchased items meet manufacturing requirements.

External integration activities in the product development and commercialization process include the development of customer feedback mechanisms; the formation of new product development teams that include customer and supplier representatives; assessing and selecting new product ideas based on supplier capabilities and advanced supplier component knowledge, resource requirements, customer needs, and fit with existing infrastructure; designing and testing new product prototypes; determining marketing channels and rolling out the products; and finally, assessing the success of each new product. Successful new product development hinges on the involvement of external customers and suppliers,

and on the internal integration of manufacturing, marketing, purchasing, and finance personnel (Vokurka & Lummus, 2000).

2.2.7   Return Management

Returns management is the supply chain management process by which activities associated with returns, gatekeeping and avoidance are managed within the firm and across key members of the supply chain. (Dale S. Rogers, Douglas M. Lambert, Keely L. Croxton and Sebastian J. Garcia-Dastugue, 2002). Returns management is a critical supply chain management process that requires planning and effective execution across the firms in the supply chain. Effective implementation of returns management enables executives to identify productivity improvement of returns interaction between members of supply chain. It encompasses activities such as avoidance and gatekeeping, which are central elements to effective management of the return flow. As part of implementing the process, management needs to measure the financial impact of returns on the firm and on other members of the supply chain. Consumer returns due to buyers' remorse or product defects are generally the largest category of returns.

Marketing returns consist of product returned from a position forward in the supply chain. These returns are often due to slow sales, quality issues. In addition to reruns driven by market issues, some marketing returns are driven by management practices. Inappropriate incentive systems drive undesired behaviour such as loading the channel unnecessarily by misaligning the firm's objectives and those of the sales force. When designing a returns management process, managers need to consider each type of return and develop procedures that are appropriate for each one. (Douglas M. Lambert,2004).

Each of the eight supply chain management processes defined by the Global Supply Chain Forum contains strategic and operational elements. (Croxton, Keely L., Sebastian Garcia-Dastugue, Douglas M. Lambert and Dale S. Rogers, 2001). The strategic portion of returns management establishes a structure for implementation of the process within the firm and across key members of the supply chain. The operational portion is the realization of the process that has been established at the strategic level. (Douglas M. Lambert,2004).

2.3   Organization Performance

The performance is usually evaluated by estimating the values of qualitative and quantitative performance indicators (e.g., profit, number of clients, costs) (Nowesnick, 1993).It is essential for a company to determine the relevant indicators, how they relate to the formulated company goals and how they depend on the performed activities. Nowadays many managers recognize this and put conscious effort in defining company-specific goals, performance indicators and evaluate them. However, in practice such analysis is usually done in an informal, ad-hoc way and will benefit from a more systematic approach (Chan, 2003).

The first step towards an improvement in this area is to make explicit the available knowledge on performance indicators and how they are related. In order to use this knowledge in a modern framework for organization modelling it is necessary to formalize the concept of a performance indicator together with its characteristics, relationships to other performance indicators and relations to other formalized concepts such as goals, processes and roles. This will not only contribute to the design and analysis of organizations and the evaluation of their performance but will also enable reuse, exchange and alignment of knowledge and activities between organizations (Hendricks & Singhal, 2003).

Every task in an organization contributes to the satisfaction of one or more organizational goals through performing its process instances. Each goal is formed based on a certain performance indicator(s) which can be measured during or after the process execution depending on the goal evaluation type in the end or during a certain period of time (Nowesnick, 1993). Firm performance comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives).

Performance involves the ability of an organization to fulfil its mission through sound management, strong governance and a persistent rededication to achieving results. Effective organizations are mission-driven, adaptable, customer-focused, entrepreneurial, outcomes oriented and sustainable. Creating flexible, high-performing, learning organizations is the secret to gaining competitive advantage in a world that won't stand still. Performance measures can be financial or nonfinancial. Both measures are used for competitive firms in the dynamic business environment (Doyle & Stern, 2006). In a well-defined organization, performance indicators of an effective supply chain management and practices results in outcomes (Profitability,

market share (customers), growth in assets, shareholder value, increased supplier relationships and increased customer satisfaction) (Doyle & Stern, 2006).

Non-financial firm performance measures include; opportunities to maximizing returns on investment at minimal costs, promote stakeholder relations between customers, suppliers, investors, and competitors, increase profits, volume of sales, market share, development of new products, and communication within and outside the organization. But the foundation of long-term performance is lifetime customer value; the revenue customers generate over their lives, less the cost of acquiring, converting, and retaining them (Galvin, et al 2005).

2.4   Conceptual Framework of the Study

Based on the literature review of past research work a conceptual model has been framed from Rachel Kerubo Mayaka, 2015. In the previous study, it analysed how performance indicators related with SCM practices. In his research, it practices, quality control, risk management, just in time, customer relationship management, demand management, supplier relationship management, product development and flow management acts as the independent variables while performance of banks is the dependent variable respectively. From the results, the supply chain management practices positively influence performance of the organization. Order fulfilment practices had the greatest effect and most heads of departments are aware of supply chain management practices and satisfied to a great extent with the banks' performance.

Figure 2.1 Conceptual Framework

Supply Chain Practices

- Customer Relationship Management
- Customer Service Management
- Flow Management
- Demand Management
- Order Fulfillment
- Supplier Relationship Management
- Product Development
- Return Management

Organization Performance

- Profitability
- Market Share
- Customer Satisfaction
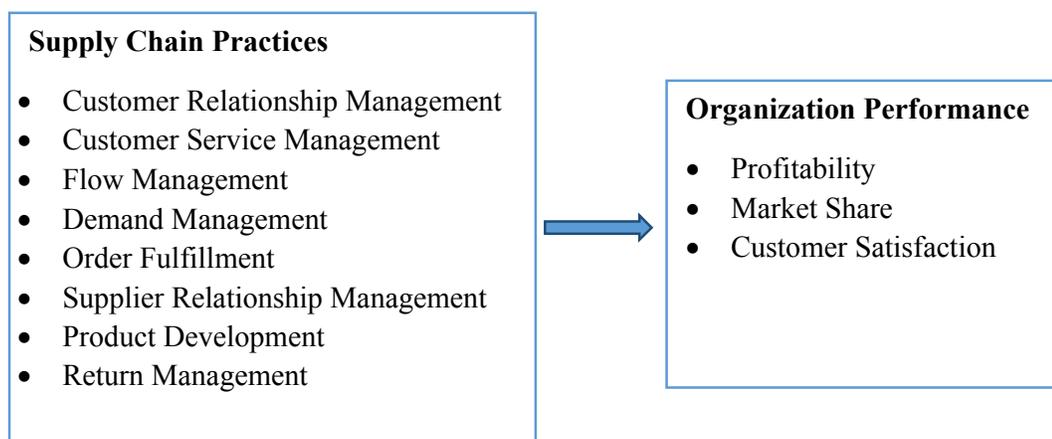
Source: Adopted from Rachel Kerubo Mayaka (2015)

In order to use this knowledge in this study for AGD Pay, it is necessary to formalize the concept of a performance indicator together with its characteristics, relationships to other performance indicators and relations to other formalized concepts such as goals, processes and roles. Every task in an organization contributes to the satisfaction of one or more organizational goals through performing its process instances. Each goal is formed based on a certain performance indicator(s) which can be measured (directly or indirectly) during or after the process execution.

The objectives of this research study are to identify supply chain practices on QR payment of AGD Pay and to analyse the effect of supply chain practices on performance of QR payment in AGD Pay. In the proposed conceptual model in this paper which is shown in Figure (2.1) ,customer relationship management, customer service management, flow management, demand management, order fulfilment, supplier relationship management, product development and return management practices are considered as supply chain practises while supply chain performance and organizational performance have been considered as organization performance of the supply chain management components studied in this research.

CHAPTER III

SUPPLY CHAIN MANAGEMENT PRACTICES OF QR CODE PAYMENT IN AGD PAY

This chapter is discussed about background of digital payment in Myanmar, mobile banking in Myanmar, profile of AGD bank, payment transactions and key stakeholders in AGD Pay.

3.1   Background of Digital Payment in Myanmar

Mobile money is useful financial services to those unfamiliar by traditional financial institutions. In the context of Myanmar, the smartphones is prospective to develop mobile money including rural clients and informal unregistered businesses. A largely cash-based economy incurs high operational costs and makes the economy more vulnerable to money laundering since cash payments can be easily anonymities. Over the past years, Myanmar has taken important steps to reduce cash transactions. Therefore, Myanmar banks have joined the Society for Worldwide Interbank Financial Telecommunication system (SWIFT).

In 1996, local offline debit cards had been introduced in Myanmar by the Asia Wealth Bank, and by 2002, the Myanmar Mayflower Bank had installed offline ATMs. However, expansion of these electronic payment services was halted because of the 2003 banking crisis. In 2007, a Payment System Development Committee was formed under the Myanmar Banks Association, which transformed into the MPU in September 2011.

In 2011, the Myanmar Payment Union (MPU) was formed by Myanmar banks as a National Payment Switch for Myanmar, i.e. a system supporting non-cash payments originating from electronic channels such as Automated Teller Machines (ATMs), Point of Sale (POS) terminals and mobile banking, etc. Currently, the MPU's activities are card-based. All MPU cardholders have access to any ATM within the MPU network. As of January 2016, MPU cards could also be used at almost 3,500 POS terminals in Myanmar and for online purchases on 32 e-commerce websites. In January 2016, CBM-NET, Myanmar's first real-time gross settlement system (RTGS), was implemented. Large payment transactions can be made through CBM-NET, while the MPU provides the facilities for retail payments.

3.2   Mobile Banking in Myanmar

Mobile financial service providers regard Myanmar as a particularly interesting country – not only because of its extraordinary growth in mobile phone dissemination over the past few years. Several banks as well as new players are entering the market for mobile financial services. One prominent example is Wave Money, has partnered with the Consultative Group to Assist the Poor to develop a mobile phone application, and this endeavour specifically aims to include Myanmar's rural population and thus contribute to increasing financial inclusion levels.

Since 2015, noncash payments have also been facilitated by new players in the Myanmar market. The mobile banking directive (December 2013) and the new mobile financial regulation (March 2016) form the regulatory framework for these services. Mobile money is a kind of payment services operated under financial regulation and performed via a mobile device. Instead of paying with cash, cheque, or credit cards, a consumer can use a mobile phone to pay for a wide range of services along with digital or hard goods. Mobile Money is a technology that allows people to receive, store and spend money using a mobile phone.

The connection between a mobile phone and a personal or business bank account. Mobile banking allows customers to use their mobile phone as another channel for their banking services, such as deposits, withdrawals, account transfer, bill payment, and balance inquiry. Online banking, including internet banking and mobile banking, allows bank users to manage their accounts on computers, tablets, or mobile phones via the internet. Through online banking, users can perform basic banking functions such as balance inquiry, fund transfer, bill payment, etc., without having to visit the banks in person. By allowing customers to manage their funds more quickly and efficiently at any place and any time, it provides a much more convenient way for customers to deal with banks.

From the bank's point of view, online banking helps them cut operation expenses by reducing costly paper handling and teller interactions in an increasingly competitive banking environment. By saving customers from having to visit the banks in person, it also reduces crowding in banks and enables the banks to operate with fewer staff. Online banking is currently one of the services pursued eagerly by the banking industry in Myanmar. It is seen as a powerful value-added service to attract and retain new and existing customers.

Most major telecommunications companies in Myanmar have applied for a

license to offer mobile money services. However, the Central Bank has only approved one application which is majority-owned by telecom operator Telenor. Wave Money currently allows customers to make person-to-person transfers (P2P) and buy airtime top-up for mobile phones.

3.3 The Profile of AGD Bank Ltd

The AGD Bank's Head Office and first branch was successfully opened on August 6, 2010 in Nay Pyi Taw under the organization of Htoo Group of Companies. At first, AGD bank is 100% owned and operated by "Htoo Group of Companies" which is engaged in trading, energy and mining, construction, agriculture, hotel, travel and tourism business. The intentions of AGD bank is to develop the banking industry in Myanmar and provide the best quality banking services to domestic as well as foreign remittances with the rules and regulations prescribed by the Central Bank of Myanmar (Pyae Pyae Phyo, 2017).

Mission of AGD Bank Ltd is to deliver banking excellence through inspired and outstanding customer service, while offering innovative products and services that meet our clients' requirements. Asia Green Development Bank has a proper organization structure which is started below. The Board of Directors sits on the very top of the organization chart which directly goes down to Managing Director. The Managing Director is supported by Deputy Managing Director in second tier who are in-charge of all departments.

The Bank's Management Board consists of 15 members. Executive Committee includes the bank's Chairman, Managing Director, Deputy Managing Director, Chief Financial Officer, 2 Executive Directors, 2 Deputy Executive Directors, 4 Committees and 6 Heads of Departments. Under the 4 Committees, it is included risk and compliance committee, assets and liabilities committee, procurement committee and credit committee. Deputy Managing Director managed government relationship, shareholder relationship, admin and organisational support. Banking operation department is responsible for retail banking, IBD and corporate banking, Treasury and business intelligence.

Figure (3.1) Organization Structure of AGD Bank

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                         ┌──────────────────┐
                         │   Shareholders   │
                         └────────┬─────────┘
                         ┌────────┴─────────┐
                         │ Board of Directors│
                         └────────┬─────────┘
          ┌──────────────────────┤
┌─────────────────────┐  ┌─────────────────────┐
│ Audit Risk Compliance│  │ Assets & Liabilities│
│      Committee       │  │      Committee      │
└─────────────────────┘  └─────────────────────┘
┌─────────────────────┐  ┌─────────────────────┐
│ Procurement Committee│  │  Credit Committee   │
└─────────────────────┘  └─────────────────────┘
                         ┌──────────────────┐
                         │     Chairman     │
                         └────────┬─────────┘
                         ┌──────────────────┐
                         │     Managing     │
                         │     Director     │
                         └────────┬─────────┘
```

Dy MD	CBO	CFO	CTO	COO	CRO
Government Relations	Retail Banking	Accounts	ICT	Legal & Compliance	Risk
Shareholders Relations	IBD/Corporate Banking	Finance	Cards & Payments	Back Office Operations	Credit
Admin	Treasury	Budget		HR	
Organizational Support	Business Intelligence	A&L Management			

Source: AGD Bank

Under finance operation, it has accounts, finance, budget and A&L management. Technologies operation lead to information technologies and credit and payments. Office operations manage legal and compliance, branch/back office operations and HR. Risk operations overview risk and credit. The numbers of Bank employees are 2,480 at the end of November 2017. The Bank's Management and organization structure are shown as in figure (3.1). AGD Bank is now operating with 77 branches in Myanmar. The clients who use the AGD bank services is 700,000 in Myanmar.

Developed to solve the most basic cash problems Myanmar society faces today, AGD Pay allows to send money effortlessly without transaction fees. Since December 2016, AGD pay was launched as a mobile application which can pay cash at the shop that accept AGD Pay with QR Code system. User can earn money by linking to their current savings accounts, AGD MPU UnionPay Debit and AGD Visa credit card pay seamlessly at over 400 merchants and top up the mobile with the click of a button.

3.4   Transactions Procedures in AGD Pay

The functions of AGD Pay are transferred money between any AGD Pay user, make payments at merchants who accept AGD Pay, check their QR code, change their PIN number, change AGD Pay application passcode, make VISA credit card repayments through AGD Pay, Lock/unlock their debit or credit card, check their account and card balance, review transaction history, view personal information including card account number, send transaction confirmation alerts into inbox of application and communicate with a member of staff from AGD Bank via Live Support.

A specific financial process may be composed of some or all of the following activities, or procedures are shown in Table (3.1). When user applies to use AGD pay, service providers review and approve user's KYC information by checking documents issued by regulators. Once KYC is approved, AGD pay user could start using electronic payment system service for making payment with QR code and other related transactions.

Whenever user shoots transactions, EPS reviews and approve whether user's information is correct or not in system. After the transaction is successful, EPS verifies the payment of both payer and payee, and then EPS records the transaction logs, reports for reference. Finally, EPS reconciles the ledgers between payer and payee, and review the ratios, trends and year-to-year comparisons to identify the potential errors in EPS.

Table (3.1) Transactions Procedures in AGD Pay

Transaction Procedure in AGD Pay	Description
Entity set-up review and approval	Setup of basic vendor, customer, or employee information in a financial system and verification (review) of the data's accuracy.
Transaction review and approval.	Review and approval of a transaction. This may occur at more than one stage of a financial process.
Transaction verification	Verification of payment being made or of goods or services being received.
Post-transaction report review	Verification of transactions appearing in a ledger, sub ledger, and other report, such as editor exception report.
Reconciliation	Balance comparison between ledger and an independent data source.
Balance analysis	Review of ratios, trends, or year-to-year comparisons to identify potential errors.

Source: financial.ucsc.edu (2018)

3.5 Key Stakeholders of AGD Pay

Although AGD Pay has developed from a number of traditional payments, AGD Pay is increasing use of electronic data exchange and the emergence of alternative sources of payment methods. The key parties and stakeholders of AGD Pay are identified as corporate and public sector users, electronic platform providers, consultants, professional advisers and governments.

3.5.1 Corporate Users

Transactions between individuals or organizations is defined by buyer-supplier relationships, including the arrangements for payment, and so these parties are the 'users' of AGD Pay. Depending on industry, the arrangements can vary considerably. Procurement (purchasing or supplier relationship management) identifies requirements for the software and hardware to set up application, network and system, then plans, implements and reviews supply agreements. Supply chain (or operations or logistics) plans and manages to launch new products or

reengineering existing products and wants suppliers to see it as a priority customer so that suppliers deliver way beyond the contracted levels of service. This can be driven by their experience of how and when they are paid.

Finance has to decide on the appropriate financial controls for AGD Pay, the accounting, the settlement, refund policy and internal reporting of the transactions and the changed roles and responsibilities. Legal is often involved in planning and implementing the changes required to contracts. Update terms and conditions as per current situations for products.IT has to ensure the AGD Pay information is available, formatted, and transmitted in a secure and timely fashion.

3.5.2 Public Sector Users

Paying retailers without QR scanners: In this scenario, the retailer will display a QR code and customers will scan it using the QR scanning app on their mobile device. The app will identify the retailer. Then customers can enter the payable amount and complete the payment. Paying individuals (such as self-employed professionals): May be customers will need to pay their fare upon bills, rent to their landlord, or even pay back a friend they borrowed cash from in the past. In this case, both users and the recipient open the QR scanning payment app. They will scan the recipient's unique QR code, add the amount to pay and complete the transaction.

3.5.3 Electronics Platforms

A whole range of service providers have emerged offering a system or set of electronic tools to support AGD Pay. Providers of enterprise resource planning (ERP) software are introducing AGD Pay capabilities alongside their existing integration services and purchasing and selling tools. Segmented Software providers are also adding AGD Pay capabilities, including those focusing on electronic invoicing, payment systems, real-time event tracking or inventory visibility. Some suppliers offer a common set of interfaces and data definitions which allow an organization to link with many buyers or suppliers without having to implement multiple or 'many-to-many' interfaces.

3.5.4 Government

The regulations of government are important to make strategy decisions. Therefore, AGD alliance with rules and regulations of government from Central Bank

of Myanmar and other government authority. CBM has allowed to serve mobile banking services to public as AGD Pay is launched. In addition, AGD Pay is preparing new challenges which are appearing from new rules from government.

CHAPTER IV

EFFECT OF SUPPLY CHAIN MANAGEMENT PRACTICES ON PERFORMANCE OF AGD PAY

This chapter consists of four parts. The first section is presented about research design of the paper. Second section presents demographic factors of respondents. The third section describes the supply chain practices on AGD Pay and the final section analyses the effect of supply chain practices on performance of QR code payment in AGD Pay.

4.1   Research Design

In this study, the total employees in AGD is about 2,480 and about 200 employees are working at AGD, Head Office. Among them, the primary data are collected from (40) respondents who work at six department at head office because AGD Pay is mainly managed by employees who work at head office. Empirical study by using the questionnaire will be applied and Likert Scale questions will be used and the scale was 1: strongly disagree, 2: disagree, 3: neutral, 4: agree and 5: strongly agree. The structured questionnaires will be distributed to the employees to collect the primary data. Secondary data are collected from government regulations, reports, articles, journals and internet.

The data are scrutinized to facilitate and make clear for analysis. The data were analysed using different statistical tools. The raw data are analysed, summarized and presented in tables, graphs and charts. Then interpreted to give solutions for the research problem by using descriptive statistics and linear regression was used to analyse the effect SCM practices on performance of AGD pay by using SPSS software version 25. The data that were collected are both qualitative and quantitative in nature and descriptive method of data analysis **is** used.

4.2   Demographic Factors of Respondents

In this section, five demographic factors present: gender, age, education, department and work experiences. According to the survey, the Table (4.1) shows the demographic factors of respondents.

Table (4.1) Demographic Factors of Respondents

Gender	No. of Respondents
Male	11
Female	29
Age (Years)	**No. of Respondents**
18 – 20	-
21 – 30	21
31 – 40	15
40 >	4
Department	**No. of Respondents**
Dy MD Office	6
Banking Operation Department	7
Finance Department	7
Information Technology Department	7
Operation Department	6
Risk Department	7
Level of Education	**No. of Respondents**
Graduate	34
Post Graduate	6
Working Experience	**No. of Respondents**
5 year and more	8
1 to 2 year	20
3 to 4 year	12

Source: Survey Data (2019)

4.3 Analysis on Supply Chain Management Practices

In this section, SCM practices are analysed by asking survey questions on customer relationship management, customer service management, flow management, demand management, order fulfilment, supplier relationship management, product development and return management.

4.3.1 Customer Relationship Management

Additional supply chain practice is customer relationship management practice. According to survey data, AGD Pay builds strongly the relationship between customers and the management as mean value was 3.85. Then, AGD Pay provides formal services to users according to the terms and conditions. Moreover, they emphasise on marketing strategy and segmentation of customers. The results of customer relationship which is shown Table (4.2).

Table (4.2) Customer Relationship Management

No.	Particulars	Mean	Standard Deviation
1	AGD Pay provides users formal services as per terms and conditions.	3.78	0.51
2	AGD Pay provides livestream services to solve the issues raised by users.	3.53	0.51
3	The relationship between customers and the management is adequate for effective supply chain.	3.85	0.62
4	The marketing strategy is used in AGD pay.	3.75	0.59
5	The user of AGD pay is already segmented.	3.70	0.46
	Overall Mean	3.70	0.30

Source: Survey Data (2019)

4.3.2 Customer Service Management

Table (4.3) is analysed for customer service management practices of AGD Pay. As per study, the data is shown that the management is encouraging to move forward the organization by using customer services carefully because mean value is 4 and it is the highest. At the time being, they also provide services to users and develop consistent respond procedures for customer service inquires and the employees clearly understand that the customers service deliverables require to fulfill to users as per terms and conditions. As all mean values above 3, AGD Pay undertakes customer service management.

Table (4.3) Customer Service Management

No.	Particulars	Mean	Standard Deviation
1	Effective customer service practices are geared towards enhancing the supply chain in the AGD Bank.	4.00	0.45
2	AGD Pay has customer service strategy.	3.73	0.58
3	The employees clearly understand that the customers service deliverables required to fulfill to users as per terms and conditions.	3.78	0.65
4	AGD Pay develops consistent respond procedures for customer service inquires and all customer service representatives are trained systematically.	3.70	0.51
5	The employees understand that there is a clear coordination in the supply chain that is required to respond customers need.	3.50	0.31
	Overall Mean	3.74	0.61

Source: Survey Data (2019)

4.3.3 Flow Management

Table (4.4) is analysed for flow management of AGD Pay. As per study, the data is shown that AGD Pay well prepare to make payment transactions for users as mean value is 3.88. With regard to make payment, AGD Pay provides users friendly, security and convenience. In addition, AGD Pay prepares easily to understand users and suppliers.

Table (4.4) Flow Management

No.	Particulars	Mean	Standard Deviation
1	AGD Pay prepares to make payments or make transactions for all users (merchants/ customers).	3.88	0.59
2	AGD Pay provides the users friendly based application as well as awareness for making payment easily, security and convenience.	3.63	0.56
3	People throughout AGD pay as well as key suppliers and customers understand how their decisions and actions affect the payment flow management process.	3.70	0.50
4	AGD Pay uses an integrated network production planning process that incorporates all of payment capabilities.	3.83	0.63
5	AGD Pay develops detailed capacity plans and conflicts are resolved with cross-functional input.	3.75	0.34
	Overall Mean	3.76	0.67

Source: Survey Data (2019)

4.3.4 Demand Management

Table (4.5) explains demand management in AGD Pay. For demand management, AGD Pay sets priorities for different departments. However, AGD Pay emphasizes on internal and external information sharing because it is important to manage demand in peak hours. When the customers demand is high in application, they have prepared to solve the problems with high technology. Mean value for demand management is 3.74.

Table (4.5) Demand Management

No.	Particulars	Mean	Standard Deviation
1	AGD Pay sets up goals and priorities for demand management process with different departments.	3.75	0.50
2	AGD Pay forecasts internal and external information and it designed a system to share information effectively.	3.95	0.46
3	AGD Pay has consistent combination procedures that are cross-functional and also include input from suppliers and/or customers.	3.70	0.57
4	The data and information are collected from the required sources is consistently complete, accurate and timely.	3.68	0.49
5	Management of AGD Bank clearly understands the capacity and flexibility available at main points in the supply chain.	3.63	0.34
	Overall Mean	3.74	0.65

Source: Survey Data (2019)

4.3.5 Order Fulfillment

Order fulfilment of AGD Pay is formulated for how they prepare to provide services which customer needs at right time and right place. The result is shown in Table (4.6) that AGD Pay cares on order fulfilment issues for locations, assessment, and awareness for key stakeholders. Overall mean value is 3.75.

Table (4.6) Order Fulfillment

No.	Particulars	Mean	Standard Deviation
1	Order processing system automatically checks credit and available balance, detect fraud and prevent system to identify suspicious transactions.	3.80	0.72
2	Related order fulfillment issues are the location of merchants and directly with key merchants and customers to ensure that customer requirement is being met.	3.80	0.72
3	All orders are placed electronically via electronic payment system or the internet.	3.73	0.58
4	All orders are entered system to system and orders are accurate.	3.65	0.44
5	AGD Pay maintains real time transactions visibility of the order.	3.75	0.42
	Overall Mean	3.75	0.59

Source: Survey Data (2019)

4.3.6 Supplier Relationship Management

Supplier relationship management practices is also important for success of the product. In this survey, supplier relationship has built strongly in AGD Pay by negotiation with suppliers and internal team. The mean value of supplier relationship management practices is shown in table (4.7).

Table (4.7) Supplier Relationship Management

No.	Particulars	Mean	Standard Deviation
1	Supplier relation is managed by formulating corporate, sourcing, and marketing strategy.	3.83	0.66
2	The key suppliers who are leading to provide QR code payment most likely have a cross-functional team to manage their progress towards meeting the firm's current and long-term requirements and establishing a record of performance improvement over time.	3.65	0.49
3	AGD Pay identifies key criteria for segmentation suppliers	3.63	0.69
4	AGD Pay provides supplier teams with formal services for the degree of customization desired in agreement.	3.70	0.44
5	AGD Pay has formal performance goals relating to supplier relationship.	3.75	0.31
	Overall Mean	3.71	0.44

Source: Survey Data (2019)

4.3.7 Product Development

According to study, success of AGD Pay depends on how product development and reengineering are made for services which can be seen in Table (4.8).AGD pay works well for evaluating the relative strengths, weaknesses and roles of internal personnel in order to determine employee's involvement in the product development as its mean value is 3.93. In addition, AGD Pay has customers' feedback program, new product idea and promotion planning, sales force training for product rollouts as all mean values above 3.

Table (4.8) Product Development

No.	Particulars	Mean	Standard Deviation
1	AGD Pay has formal customers' feedback program that serves as input into their product development.	3.75	0.67
2	AGD Pay has evaluated the value of all potential sources of new product idea and use them appropriately.	3.75	0.66
3	AGD Pay regularly meets with key customers segments to reviews their product needs.	3.78	0.53
4	AGD Pay has formal guidelines for evaluating the relative strengths, weaknesses and roles of internal personnel in order to determine employee's involvement in the product development.	3.93	0.61
5	AGD Pay formally considers potential problems associated with market and promotion planning, sales force training for product rollouts.	3.80	0.32
	Overall Mean	3.80	0.58

Source: Survey Data (2019)

4.3.8 Return Management

Return management is important for institution to provide customer satisfaction on their products. According to research, AGD Pay is well prepared refund policies, termination policies. AGD pay regularly evaluates potential issues and legal requirements and assess the organization's level of preparedness as mean value is 3.85. AGD Pay has refund policy and termination policy. The result is shown in Table (4.9).

Table (4.9) Return Management

No.	Particulars	Mean	Standard Deviation
1	AGD Pay regularly evaluates potential issues and legal requirements and assesses the organization's level of preparedness.	3.85	0.61
2	AGD Pay develops refund policies as well as gatekeeping policies.	3.70	0.36
3	AGD Pay prepares for termination of services which is standardized and is developed with input from key suppliers and customers.	3.85	0.48
4	AGD Pay has formal performance goals relating to returns management that are communicated throughout the firm and to key suppliers and customers.	3.65	0.59
5	AGD Pay makes very easy for customers to request a refund, dispute and termination.	3.63	0.31
	Overall Mean	3.74	0.31

Source: Survey Data (2019)

4.3.9 Analysis on Overall Practices

According to survey data, analysis on overall practices is approved that AGD Pay is most emphasized on product development because mean value is 3.80. However, AGD Pay is weak in supplier relationship management practices. As AGD Pay is fintech product, continuous product development is important to success. In addition, other practices such as customer relationship management, customer service management, flow management, demand management, order fulfilment and return management are significantly exercised by AGD Pay as mean values are from 3.71 to 3.80. The detail information is shown in Table (4.10).

Table (4.10) SCM Practices in AGD Pay

No.	Particulars	Mean
1	Customer Relationship Management	3.72
2	Customer Service Management	3.74
3	Flow Management	3.76
4	Demand Management	3.74
5	Order Fulfillment	3.75
6	Supplier Relationship Management	3.71
7	Product Development	3.80
8	Return Management	3.74

Source: Survey Data (2019)

4.4 Performance on Supply Chain Management Practices

While implementing supply chain practices effectively, the performance of AGD Pay, profitability and market share are improved. This section presents whether SCM practices will increase on performance of AGD Pay in which performance is measured by market share, profit and customer satisfaction. AGD Pay is established structure for customers and suppliers that help to improve demand management. It provides to increase customer satisfactions as mean value is 3.90. Then, AGD pay works closely with customers and suppliers to look for avoidance opportunities. The result is shown in table (4.11).

Table (4.11) Performance on Supply Chain Management

No.	Particulars	Mean	Standard Deviation
1	Customer relationship management of AGD Pay is better than competitors and it gain market shares.	3.85	0.67
2	Good customers relations have led to increase profit.	3.63	0.61
3	The customer service of AGD pay will impact the enterprise value of AGD.	3.80	0.66
4	Customer service of AGD Pay is better than competitors and it gain market shares.	3.68	0.62
5	Demand management of AGD Pay is better than competitors and it gain market shares.	3.78	0.55
6	AGD Pay is established structure for customers and suppliers that help to improve demand management. It provides to increase customer satisfactions.	3.90	0.60
7	AGD Pay is able to provide order tracking information to customers. Customers are able to access tracking information electronically via SMS or email. It provides to increase customer satisfactions.	3.53	0.50
8	AGD Pay is established structure for customers and suppliers that help to improve order fulfillment.	3.60	0.66
9	AGD Pay evaluates past exceptions and emergency situation assess the cost/revenue implication and make changes to avoid them in the future.	3.85	0.56
10	AGD Pay is established structure for customers and suppliers that help to improve flow management.	3.70	0.52
11	AGD Pay works with suppliers to identify measurable performance improvements and regularly meet to evaluate results to increase profit.	3.80	0.66
12	Suppliers are measured using service performance and some cost data to increase profit.	3.65	0.59
13	The product development of AGD Pay is analyzed systematically as a cross-functional initiated in order to identify improvement opportunities in any areas of organization to increase market share.	3.65	0.59
14	AGD Pay is established structure for customers and suppliers that help to develop new products.	3.75	0.63
15	AGD Pay analyzes refund, dispute and termination and look for avoidance opportunities that might exist multiple functions to get customer satisfaction.	3.75	0.55
16	AGD Pay works closely with customers and suppliers to look for avoidance opportunities.	3.90	0.30

Source: Survey Data (2019)

4.5 Analysis on Effect of Supply Chain Management Practices on Performance of AGD Pay

To capture the causal relationship between the variables, a linear model with the following specification was estimated. Where Y is performance of AGD Pay, the dependent variable while the independent variables are; X_1= customer relationship, X_2= customer service, X_3=flow management, X_4=demand management, X_5= order fulfilment, X_6=supplier relations, X_7= product development, and X_8= return management and Y is supply chain management performance which is the dependent variable. where β_i=0, 1,2,3,4,5,6,7 and 8are the coefficients to be estimated, ε is an error term that is expected to have a constant variance and a mean of zero, it is a white noise. The equation is as follows:

$$Y=\beta_0+\beta_1X_1+\beta_2X_2+\beta_3X_3+\beta_4X_4+\beta_5X_5+\beta_6X_6+\beta_7X_7+\beta_8X_8+\varepsilon$$

The coefficient of correlation from the sample data measures the strength and direction of a linear relationship between two or more variables. The correlation coefficient shows that there is a strong positive relationship between the dependent and the independent variable implying that the variables tent to move in the same direction.

Table (4.12) Regression Statistics

R Square	Adjusted R Square	Std. Error of the Estimate
0.989	0.986	0.03477

Dependent Variable: Performance

Source: Survey Data (2019)

The coefficient of determination R^2 in the above model is 0.99 which means that 99% of the variations in performance of AGD Pay was explained by Supply Chain management Practices. R adjusted is close to the value of R^2 implying that the model is quite closed.

Table (4.13) Model Estimation and Results-Regression Model

Independent Variables		Standardized Coefficient	Sig.
B_0	(Constant)	0.02	0.85
B_1	Customer Relationship Management	0.21	0.02**
B_2	Customer Service Management	0.07	0.08
B_3	Flow management	0.06	0.05**
B_4	Demand Management	0.28	0.00*
B_5	Order fulfillment	0.07	0.11
B_6	Supplier Relationship Management	0.03	0.78
B_7	Product Development	0.11	0.01*
B_8	Return management	0.23	0.00 *

Note: * Significant at 1% level and ** Significant at 5% level

Source: Survey Data (2019)

The estimation results are shown in table (4.13) below. The estimated model reveals that all the independent variables are positive and significant in explaining the dependent variable at both 5% and 1% statistically significant levels. However, customer service, order fulfilment and supplier in SCM are not significant and above 5%. The positive sign is consistent with the a priori expectation suggested immediately after the model specification. The estimated coefficients further reveal that 1% change in customer relationship, customer service, flow management, demand management, order fulfilment, supplier relations, product development and return management time will bring ; 20%, 6%, 6%, 25%, 5%, 3%, 11% and 23% change in performance of AGD Pay respectively.

Demand management, product development and return management are key in driving the bank performance. Since some the coefficients are statistically significant all the conventional levels of estimation, it implies that there is a positive relationship between the supply chain practices and the performance of AGD Pay.

CHAPTER V
CONCLUSION

Supply chain practices in organization will affect the profit, market share via customer services, new products development and information system so on. Therefore, this chapter will analyse supply chain management how effect the performance of AGD Pay. This chapter is combined with finding, discussion and recommendations for further study. In this paper, structured questionnaire is applied to collect data from 40 employees from AGD Bank.

5.1   Finding

In this study, firstly demographic factors of respondents will be discussed. According to survey, most employees in graduate and post graduate holder who are age between 21 years and 40 years. Most respondents know supply chain practices on their organization. Moreover, in this study, eight areas of supply chain practices are widely discussed and analyse on details of each areas. With regard to customer relationship management, AGD pay built strongly relationship between customers and management, then it also provides services to users as per legal. Moreover, it also implements marketing strategy and segmentation. At the time being, AGD Pay undertakes customer service management by encouraging to move forward the organization by using customer services. As all mean values above 3, AGD Pay undertakes customer service management.

AGD Pay practices flow management in order to make payment transactions easy, security and convenience. In addition, AGD sets priorities for different departments and emphasizes on internal and external information sharing. With respect to order fulfilment, AGD Pay is formulated for how they prepare to provide services which customer needs at right time and right place and AGD Pay cares on order fulfilment issues for locations, assessment, and awareness for key stakeholders. The supplier relationship has built strongly in AGD Pay by negotiation with suppliers and internal team.

Moreover, for product development, AGD Pay developed new products by evaluating the strengths, weaknesses and roles of internal personnel. AGD Pay also has customers' feedback program, new product idea and promotion planning. The last

practice of AGD Pay is return management. For return management, AGD pay regularly evaluates potential issues and legal requirements, develops refund policies, prepares for termination of services and make very easy for customers to request a refund, dispute and termination. According to survey data, AGD Pay exercises all eight practices on the organization. In this context, AGD Pay is more emphasized on demand management and return management. However, data showed the supplier relationship management is weaker than other practices. In addition, AGD Pay is slow on order fulfilment to meet customer needs.

The profitability, market share and new product development are influenced by supply chain management practices. According to the survey data, new product will be developed by sound supply chain management. The linear regression statistical tool is used to estimate the association between dependent variable and independent variables. According to survey data, the performance of AGD Pay will change based on customer relationship, customer service, flow management, demand management, order fulfilment, supplier relations, product development and return management.

5.2   Suggestion and Recommendation

According to study, respondents are educated and well experience persons as banking industry is comprised with professional skill labour. In addition, although supply chain practices are widely used in manufacturing, service industry like banks does not aware for supply chain in banking services. However, if the employees in AGD Bank manages well supply chain practices, their profit and market share will increase in drastically. While improving supply chain in bank, employees can provide good customer services which will increase customer satisfaction. In addition, when they build relationship well with suppliers, the bank will get best services from suppliers which will create competitive advantage over competitors. Therefore, when supply chain practices are implied effectively, the AGD Bank services like AGD Pay will increase market share and profit.

According to the survey data, there is the relation between performance and supply chain management practices. AGD pay should keep those practices such as product development, demand management, customer relationship management and return management. They have to improve supplier relationship management. Order fulfilment, flow management and customer service are urgency to strength.

5.3   Needs for Further Study

        This study only focuses supply chain management practices on AGD Pay. It does not cover to all products of AGD Bank. When supply chain management are widely use in financial industry, the performance of the company is increased by using sound SCM. Once SCM practices are managed, the performance of organization such as profit, market share and customer satisfactions will be improved, the weakness will be monitored and will be restructured in the organization. Therefore, the future study should analyse on how SCM practices on performance of financial institutions. In addition, this study does not cover the other Fintech services provided by other financial institution. As the banks and Fintech companies start providing digital payment into Myanmar market, the further research should focus the nation-wide digital payment. As digital payment is growing in Myanmar daily, the future research is expected to be comprehensive and worthwhile for digital payment system in Myanmar.

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APPENDIX (1)

Dear Sir/Madam,

I am an MBF student from Yangon University of Economics currently pursuing a project in the same field titles;

To establish the effect of supply chain management practices on performance of QR Payment in AGD Pay. The data from the study will be used solely for the purpose of academic research.

Thank you for your participation.

PART A: DEMOGRAPHIC INFORMATION

1 What is your Gender?   M   F

2 Age   ------------------------------

3 In which Department are you?   ------------------------------

4 Level of Education

  High School

  Graduate

  Master Degree

  other

5 How long have you been working in this banking?

  Less than 1 year

  1 to 2 year

  3 to 4 year

  5 year and more

PART B: SUPPLY CHAIN MANAGEMENT PRACTICES

To what extent are you aware of the following practices in the organization? Rate where 1: strongly disagree, 2: disagree, 3: neutral, 4: agree and 5: strongly agree.

Customer Relationship Management

No.	Particulars	1	2	3	4	5
1	AGD Pay provides users formal services as per terms and conditions.					
2	AGD Pay provides livestream services to solve the issues raised by users.					
3	The relationship between customers and the management is adequate for effective supply chain.					
4	The marketing strategy is used in AGD pay.					
5	The user of AGD pay is already segmented.					

Customer Service Management

No.	Particulars	1	2	3	4	5
1	Effective Customer service practices are geared towards enhancing the supply chain in the AGD Bank.					
2	AGD Pay has customer service strategy.					
3	The employees clearly understand that the customers service deliverables required to fulfill to users as per terms and conditions.					
4	AGD Pay develops consistent respond procedures for customer service inquires and all customer service representatives are trained systematically.					
5	The employees understand that there is a clear coordination in the supply chain that is required to respond customers need.					

Flow Management

No.	Particulars	1	2	3	4	5
1	AGD Pay prepares to make payments or make transactions for all users (merchants/ customers).					
2	AGD Pay provides the users friendly based application as well as awareness for making payment easily, security and convenience.					
3	People throughout AGD Pay as well as key suppliers and customers understand how their decisions and actions affect the payment flow management process.					
4	AGD Pay uses an integrated network production planning process that incorporates all of payment capabilities.					
5	AGD Pay develops detailed capacity plans and conflicts are resolved with cross-functional input.					

Demand Management

No.	Particulars	1	2	3	4	5
1	AGD Pay sets up goals and priorities for demand management process with different departments.					
2	AGD Pay forecasts internal and external information and it designed a system to share information effectively.					
3	AGD Pay has consistent combination procedures that are cross-functional and also include input from suppliers and/or customers.					
4	The data and information are collected from the required sources is consistently complete, accurate and timely.					
5	Management of AGD Bank clearly understands the capacity and flexibility available at main points in the supply chain.					

Order Fulfillment

No.	Particulars	1	2	3	4	5
1	Order processing system automatically checks credit and available balance, detect fraud and prevent system to identify suspicious transactions.					
2	Related order fulfillment issues are the location of merchants and directly with key merchants and customers to ensure that customer requirement is being met.					
3	All orders are placed electronically via electronic payment system or the internet.					
4	All orders are entered system to system and orders are accurate.					
5	AGD Pay maintains real time transactions visibility of the order.					

Supplier Relationship Management

No.	Particulars	1	2	3	4	5
1	Supplier relation is managed by formulating corporate, sourcing, and marketing strategy.					
2	The key suppliers who are leading to provide QR code payment most likely have a cross-functional team to manage their progress towards meeting the firm's current and long-term requirements and establishing a record of performance improvement over time.					
3	AGD Pay identifies key criteria for segmentation suppliers					
4	AGD Pay provides supplier teams with formal services for the degree of customization desired in agreement.					
5	AGD Pay has formal performance goals relating to supplier relationship.					

Product Development

No.	Particulars	1	2	3	4	5
1	AGD Pay has formal customers' feedback program that serves as input into their product development.					
2	AGD Pay has evaluated the value of all potential sources of new product idea and uses them appropriately.					
3	AGD Pay regularly meets with key customers segments to reviews their product needs.					
4	AGD Pay has formal guidelines for evaluating the relative strengths, weaknesses and roles of internal personnel in order to determine employee's involvement in the product development.					
5	AGD Pay formally considers potential problems associated with market and promotion planning, sales force training for product rollouts.					

Return Management

No.	Particulars	1	2	3	4	5
1	AGD Pay regularly evaluates potential issues and legal requirements and assesses the organization's level of preparedness.					
2	AGD Pay develops refund policies as well as gate keeping policies.					
3	AGD Pay prepares for termination of services which is standardized and is developed with input from key suppliers and customers.					
4	AGD Pay has formal performance goals relating to returns management that are communicated throughout the firm and to key suppliers and customers.					
5	AGD Pay makes very easy for customers to request a refund, dispute and termination.					

PART C: EFEFCT OF SUPPLY CHAIN MANAGEMENT PRACTICES ON PERFORMANCE OF QR CODE PAYMENT IN AGD PAY

No.	Particulars	1	2	3	4	5
1	Customer relationship management of AGD Pay is better than competitors and it gain market shares.					
2	Good customers relations have led to increase profit.					
3	The customer service of AGD pay will impact the enterprise value of AGD.					
4	Customer service of AGD Pay is better than competitors and it gain market shares.					
5	Demand management of AGD Pay is better than competitors and it gain market shares.					
6	AGD Pay is established structure for customers and suppliers that help to improve demand management. It provides to increase customer satisfactions.					
7	AGD Pay is able to provide order tracking information to customers. Customers are able to access tracking information electronically via SMS or email. It provides to increase customer satisfactions.					
8	AGD Pay is established structure for customers and suppliers that help to improve order fulfillment.					
9	AGD Pay evaluates past exceptions and emergency situation assess the cost/revenue implication and make changes to avoid them in the future.					
10	AGD Pay is established structure for customers and suppliers that help to improve flow management.					
11	AGD Pay works with suppliers to identify measurable performance improvements and regularly meet to evaluate results to increase profit.					
12	Suppliers are measured using service performance and some cost data to increase profit.					
13	The product development of AGD Pay is analyzed systematically as a cross-functional initiated in order to identify improvement opportunities in any areas of organization to increase market share.					
14	AGD Pay is established structure for customers and suppliers that help to develop new products.					
15	AGD Pay analyzes refund, dispute and termination and look for avoidance opportunities that might exist multiple functions to get customer satisfaction.					
16	AGD Pay works closely with customers and suppliers to look for avoidance opportunities.					

APPENDIX (2)

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.015	0.080		0.187	0.853
Customer Relationship Management	0.204	0.085	0.205	2.395	0.023
Customer Service Management	0.063	0.035	0.066	1.818	0.079
Flow management	0.057	0.028	0.064	2.018	0.052
Demand Management	0.251	0.064	0.280	3.951	0.000
Order fulfillment	0.054	0.033	0.074	1.643	0.110
Supplier Relationship Management	0.030	0.104	0.030	0.287	0.776
Product Development	0.105	0.040	0.112	2.617	0.014
Return management	0.230	0.070	0.233	3.274	0.003

a. Dependent Variable: Performance

Source: Survey Results