

**YANGON UNIVERSITY OF ECONOMICS**  
**DEPARTMENT OF MANAGEMENT STUDIES**  
**MBA PROGRAMME**

**FACTORS INFLUENCING CONSUMER TRUST ON**  
**MOBILE WALLET IN YANGON**

**AUNG MYOE HSU MON**

**MBA II – 42**

**MBA 23<sup>rd</sup> BATCH**

**DECEMBER, 2019**

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**ACADEMIC YEAR (2017-2019)**

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A thesis submitted to the Board of Examiners in partial fulfillment of the requirements for  
the degree of Master of Business Administration (MBA)

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## ACCEPTANCE

This is to certify that the thesis entitled “**Factors Influencing Consumer Trust on Mobile Wallet in Yangon**” has been accepted by the Examination Board for awarding Master of Business Administration (MBA) degree.

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DECEMBER, 2019

## **ABSTRACT**

The main objectives of this study are to identify the influencing factors on trust of mobile wallet users in Yangon and to analyze the relationship between consumer trust and consumer loyalty of mobile wallet users in Yangon. For primary data, one hundred and sixty-nine customers of mobile wallets are interviewed with structured questionnaire and are chosen by using multi-stage sampling method. Secondary data is collected from journals, articles, text books, and websites. According to the findings, provider trustworthiness and trust level in products and services have a positive influence on consumer trust. Consumer trust is affected by consumer awareness about mobile wallet services. Perceived technical and security risks of consumers also affect consumer trust. Among four influencing factors, provider characteristics and perceived risks have significant influence on consumer trust. It is also found out that consumer trust can generate consumer loyalty. Therefore, mobile wallet providers should focus on their trustworthiness, awareness of customers and perceived risks of consumer to attract and retain customers and to accelerate the growth of the mobile wallet industry.

## ACKNOWLEDGEMENTS

I would like to express my deepest gratitude firstly to Professor Dr. Tin Win, Rector of Yangon University of Economics, and Professor Dr. Nilar Myint Htoo, Pro-Rector of Yangon University of Economics, for allowing me to undertake this study as a partial fulfillment towards the Master Degree of Business Administration.

I also would like to extend my greatest respect to my supervisor, Dr. Nu Nu Lwin, Professor and Head, Department of Management Studies, Yangon University of Economics and Programmer Director of the Master of Business Administration Programme for his direction, support, encouragement, supervision, advice and guidance to complete this paper.

Then I wish to express my gratitude and greatest respect to Dr. Myint Myint Kyi, Professor, Department of Management Studies, Yangon University of Economics, and then Dr. Hla Hla Mon, Professor, Department of Management Studies, Yangon University of Economics for their guidance, options and supports during the period of study.

I would like to express my sincere gratitude to all Associate Professors, teachers and visiting lecturers who have made their grateful efforts in rendering their life lessons sharing and knowledge sharing of MBA Programme during these two years.

I want to give a special note of thanks to all key personnel from KBZ Bank Ltd, Digital Money Myanmar Limited, Internet Wallet Myanmar Limited, for their help in providing accurate data, information and subjective opinions. I would like to appreciate and give heartfelt thanks to all the mobile wallet users for participating in my research survey questions. Finally, I would like to appreciate all the person who contribute in one way or another way in my study and my friends of 23<sup>rd</sup> Batch for their support and sharing their knowledge and experiences.

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# TABLE OF CONTENTS

	<b>Page</b>	
<b>ABSTRACT</b>	<b>i</b>	
<b>ACKNOWLEDGEMENTS</b>	<b>ii</b>	
<b>TABLE OF CONTENTS</b>	<b>iii</b>	
<b>LIST OF TABLES</b>	<b>v</b>	
<b>LIST OF FIGURES</b>	<b>vi</b>	
<b>LIST OF ABBREVIATIONS</b>	<b>vii</b>	
<b>CHAPTER 1</b>	<b>INTRODUCTION</b>	<b>1</b>
	1.1 Rationale of the Study	2
	1.2 Objectives of the Study	3
	1.3 Scope and Method of the Study	4
	1.4 Organization of the Study	4
<b>CHAPTER 2</b>	<b>THEORETICAL BACKGROUND</b>	<b>6</b>
	2.1 Consumer Loyalty	6
	2.2 Consumer Trust	7
	2.3 Influencing Factors on Consumer Trust	8
	2.4 Mobile Wallet Concept	15
	2.5 Previous Studies	18
	2.6 Conceptual Framework of the Study	20
<b>CHAPTER 3</b>	<b>MOBILE WALLETS IN YANGON</b>	<b>22</b>
	3.1 Background of Mobile Wallet	22
	3.2 Profile of Mobile Wallet Providers	23
	3.3 Services of Mobile Wallet Providers in Yangon	28



<b>CHAPTER 4</b>	<b>ANALYSIS OF FACTORS INFLUENCING CONSUMER TRUST ON MOBILE WALLET IN YANGON</b>	31
	4.1 Profiles of Respondents	31
	4.2 Mobile Wallet Usage of Respondents	33
	4.3 Analysis of Influencing Factors on Consumer Trust of Mobile Wallet User	35
	4.4 Analysis of Effect of Consumer Trust on their Loyalty	42
<b>CHAPTER 5</b>	<b>CONCLUSION</b>	46
	5.1 Findings and Discussion	46
	5.2 Suggestion and Recommendation	47
	5.3 Needs for Further Research	49
<b>REFERENCES</b>		
<b>APPENDIX</b>		

## LIST OF TABLES

<b>TABLE NO.</b>	<b>PARTICULARS</b>	<b>PAGE</b>
Table 4.1	Profile of Respondents	31
Table 4.2	Mobile Wallet Usage Profile	33
Table 4.3	Environmental Factors	35
Table 4.4	Provider Characteristics	36
Table 4.5	Consumer Characteristics	37
Table 4.6	Perceived Risks	39
Table 4.7	Consumer Trust of Mobile Wallet User	40
Table 4.8	Influencing Factors on Consumer Trust	41
Table 4.9	Consumer Loyalty of Mobile Wallet User	43
Table 4.10	Effect of Consumer Trust on Their Loyalty	44

## LIST OF FIGURES

<b>FIGURE NO.</b>	<b>PARTICULARS</b>	<b>PAGE</b>
Figure 2.1	Conceptual Framework of Ahmed Shuhaiber	18
Figure 2.2	Conceptual Framework	21
Figure 3.1	Organization Chart of Digital Money Myanmar Limited	24
Figure 3.2	Organization Chart of KBZ Bank Limited	26
Figure 3.3	Organization Chart of Internet Wallet Myanmar Limited	27

## **LIST OF ABBREVIATIONS**

AGD	Asia Green Development Bank
ATM	Automatic Teller Machine
CB	Co-operative Bank
CBM	Central Bank of Myanmar
E-Vendors	Electronic Vendors
E-commerce	Electronic Commerce
EPS	Electronic Payment System
FI	Financial Institution
Fin Tech	Financial Technology
ID	Identity Document
KBZ	Kanbawza Bank
M-commerce	Mobile Commerce
M-payment	Mobile Payment
MFS	Mobile Financial Service
MPU	Myanmar Payment Union
Telecom	Telecommunication

# **CHAPTER (1)**

## **INTRODUCTION**

The definition of trust has attracted a great deal of attention among researchers over the past decade, particularly in the theory of organization and marketing. This definition can be explored at various social interaction levels: interpersonal, intergroup, and inter-organizational. In marketing, the central role of trust is recognized in developing and maintaining relationships between those who engage in an exchange process with a view to purchasing goods or services, particularly within a buyer-seller relationship.

Just as critical as any other partnership is the trust between a customer and a brand. When a brand is able to establish a real, honest relationship with a customer, an incredible thing happens; it builds brand loyalty and this bond provides the basis for a buyer-brand relationship. Trust and security were two important and essential factors to be used as a medium for financial transactions for any E-payment system. (Tsiakis & Sthephanides, 2005).

Cash is common in Myanmar until the last few years. To minimize the handling of currency notes, Myanmar's Central Bank encourages financial institutions to issue debit cards and ATMs. Card payment channel become available in 2011 with the lunch of Myanmar Payment Union (MPU), organized by state owned and private banks. And since 2017, government has been opening up card payment systems to international payment firms. Companies like MasterCard and Visa began providing credit cards in the local currency but card usage remains stagnant and acceptance is low. The developments, however, have now led to Myanmar leapfrog card payments and push mobile payment solutions just as it leapfrogged to mobile phones. This can be achieved by gradually catching up with the developed world and young generation to adopt a new digital lifestyle with the help of telecommunications technology.

A mobile wallet is a virtual wallet that stores information on a mobile device about the payment system. Mobile wallets are a convenient way for a user to make in-store payments and can be used by the mobile wallet service provider for merchants listed.

The fact that 80% of mobile phones are smart phones makes it easier for mobile payment in Myanmar to grow. Current law allows for bank-led mobile money solutions,

and many banks have collaborated with mobile networks to offer affordable basic banking services via mobile wallets for customers.

Many observers pointed out that in Myanmar there are several obstacles to the adoption of mobile wallets and one of them involves trust. Consumers have confidence issues with mobile payments, and many payment providers just don't seem to be able to get past it. And faith is not just a financial security problem. Consumers must, of course, be able to trust that their transactions are secure, but they must also be able to trust that they can receive the answers they need if a problem arises.

## **1.1 Rationale of the Study**

Consumer loyalty is defined from a behavioral point of view as repeated support given to a single company. Consumer confidence creates a positive view of the products or services offered to them and is therefore a key driver of customer loyalty. Customer loyalty (e.g. consumer retention) is typically very closely linked to a company's competitiveness and long-term growth at global level (Reichheld 1995). Small increases in retention rates for customers will dramatically increase income (Huffmire, 2001).

To e-business, trust plays an important role. Since privacy and security, which are more fragile than other markets, are key elements for building trust in the e-market (Yousafzai, Pallister & Foxall, 2003). In the case of the Electronic Payment System (EPS), trust serves as a vital asset to the EPS provider promoting continued use of the service.

Mobile wallet can be helpful to customers as well as vulnerable. Traditional banking will provide long queues, energy-consuming, time-consuming and entirely costly, which will then be removed using mobile wallet. Consumers and providers can use their smartphones to deal directly with each other over the internet, making transactions from home, office or anywhere else easy to do. There are also risks in mobile wallet adoption, however, such as losing your mobile phone, cyber-thieves may hack your mobile phone, and cell phone malware.

Mobile wallet is a new payment channel in Myanmar, and since it is new, there may be unknown risks and trustworthiness of mobile wallet providers is questionable by the consumers. And it is crucial for service providers to understand the importance of consumer confidence. Trust is importance for several reasons. First, mobile transactions are often affected with spatial and temporal separation between buyer and seller. Second, customers

are expected to provide sensitive personal information such as bank account numbers, identity card numbers and telephone numbers. Third, trust plays a central role in helping consumption to resolve risk and uncertainty perceptions. Last but not least, confidence makes customers comfortable with acting on advice from m-payment providers, the problem that is necessary for widespread e-commerce and m-commerce adoption. Trust therefore provides customers with convenience, reliability and protection when thinking about carrying out a m-payment transaction.

Recently, an Electronic Payment System (EPS) provider shutdown without providing proper explanations and its closure caused the agents to lose their deposit made and the concerns of several customers remain unresolved. This event caused alarm to spread across the industry, drawing attention to procedures for listing. And most of them are backed by commercial banks in the case of mobile wallet, which seems to be less risky. Many people, however, still tend to place their trust in banks rather than on internet payment or mobile wallet, and that seems fair.

Knowing the factors that influence consumer confidence in mobile wallet adoption is the need to identify a strategy that can boost growth in Myanmar's mobile wallet industry. A clear understanding of environmental factors, mobile wallet provider characteristics, customer characteristics, and their perceived risk to mobile wallet allows providers to create solutions and plans to encourage customers to use their services.

## **1.2 Objectives of the Study**

The study aim to examine the factors influencing consumer trust and their loyalty on mobile wallet. The main objectives of the study are as follows:

- (a) To identify the influencing factors on consumer trust of mobile wallet users in Yangon
- (b) To analyze the effect of consumer trust on their loyalty of mobile wallet users in Yangon

## **1.3 Scope and Method of the Study**

This study uses both analytical and descriptive method based on both primary data and secondary data. In this study, multi-stage sampling was used because there are several

mobile wallet providers in Yangon and cluster are made for each providers. The study focus on three mobile wallet providers in Yangon which are Wave Money, OK Dollar, KBZ Pay and their customers. These three are chosen according to their dissimilarity. Wave Money holds the largest market share in telecom based mobile wallets. KBZ Pay is the largest mobile wallet among these offered by banks. And for the non-banked and non-telecom offered mobile wallet, OK Dollar is chosen as it is the most popular one.

Primary data are collected by structured questionnaires with 5-point Likert Scale from 180 mobile wallet users, 60 users for each mobile wallet providers. Data collection period is during March and May 2019. For secondary data, this study makes use of relevant text books, internet websites, published notes, local and global news, online article, international thesis and dissertation papers and previous research paper from library.

Although there are different arrays of electronic payment systems, this study excludes other electronic payment systems apart from mobile payment. Among the different types of mobile financial services, this study focuses only on mobile wallet. This study focuses only on the users of selected mobile wallet providers (Wave Money, OK Dollar, KBZ Pay) and only on mobile wallet users exist in Yangon. This study excludes mobile wallet user who use other service provider but not one of the selected three providers. This study does not cover mobile wallet users who live in other cities apart from Yangon. Therefore, it may not be possible to generalize the results of this study to all mobile wallet users in Myanmar.

#### **1.4 Organization of the Study**

This study is organized by five different chapters. Chapter (1) includes introduction of paper, rationales of the study, objectives of the study, methodology and sources of data, scope and limitation of the study and organization of the paper. Chapter (2) provides theoretical background concerned with the study. Chapter (3) presents the background of mobile wallet usage in Myanmar and profiles of selected mobile service providers. Chapter (4) is concerned with the statistical analysis of the data for the influencing factors of the consumer trust on mobile wallet; environmental factors, provider characteristics, consumer characteristics and perceived risks. Chapter (5) outlines the summary and discussion of the findings in relation to the objectives. In addition the chapter draws from the findings to make conclusions and recommendations. It also contains suggestions for further research.



## **CHAPTER (2)**

### **THEORETICAL BACKGROUND**

This chapter consists of customer loyalty, customer trust, concept of mobile wallet and factors affecting consumer trust on the mobile wallet. With a thorough understanding of how these factors affect customer trust will be able for mobile wallet providers to attain customer loyalty.

#### **2.1 Customer Loyalty**

Customer loyalty is a commitment to advocate in depth to regularly buy or re-subscribe the selected product or service in the future, although the effect of the situation and marketing efforts that cause behavioral change (Griffin, 2005). Another idea on customer loyalty is that the concept of loyalty is more closely related to behaviors and behavioral cases with a loyal customer displaying actions that can be perceived as a regular pattern of purchase.

Customer loyalty can be called the ability of a customer to buy back, purchase from other product lines and services, and immunity from competition. If the organization has loyal customers, some advantages would be received. The business with loyal customers will reduce marketing costs, reduce transaction costs, lower customer turnover costs, improve cross-selling, and reduce failure chances.

Customer loyalty creation can be derived from consumers enjoying the pleasure and comfort of being customers of a specific product in which positive qualities and attributes are associated. The relationship value refers to the value created when businesses make consumers feel more comfortable engaging with the business or using the products or services offered. Many companies that customers appreciate not only because of the products, but the company is able to make customers feel more than they expected. Customer loyalty occurs when the company gives more in the goods, services or an emotional connection to the corporate environment than that given by rivals.

## **2.2 Consumer Trust**

Trust is characterized as an estimation of one's relationship with others in an atmosphere full of uncertainty that will perform such transactions in line with expectations. Trust takes place when an individual is sure of the other party's honesty and integrity. (Pavlou and Ba, 2002). Consumer confidence is the understanding of the reliability of the viewpoint of the customer based on experience or more in the sequences of transactions or experiences defined by the fulfillment of product results and satisfaction expectations.

Mobile wallet consumer confidence means they have a positive belief and faith in their apps and applications. Trust in mobile wallet in this research is based on the ability of customers to use m-payment services and applications, as using this system is not mandatory at institutes and organizations and is not a specific method of payment used in developing countries.

Trust is critical in m-commerce for several reasons: mobile transactions are often carried out with spatial and temporary separation between buyer and seller, buyers are required to provide the seller with sensitive and sensitive personal information such as credit card numbers, account numbers and telephone numbers, and to make purchases, trust plays a central role in helping customers transcend their perception. Trust therefore provides customers with convenience, efficiency and protection when thinking about carrying out a m-payment transaction.

Building confidence in m-payments is more difficult than other e-payments. For several reasons, trust in m-payments is more difficult to build than in other traditional e-payments. M-payments are still being developed in its early stages, and users have less familiarity with m-payment services and applications. M-payments are still in their infancy, and a very limited selection of goods and applications is available to consumers, and thus confidence is considered a significant factor that affects more than other e-payments the proposed use of m-payments.

The transaction network for m-payments spreads from the Internet to more direct and personal mobile environments, and the changing world makes it easy for users to worry about their sensitive information leakage. M-payments are considered a technology that changes over time, making it difficult to develop, fragile and easy to lose the process of building trust in m-payments. This illustrates why in the case of mobile wallet services, the cycle of continuous trust creation warrants extra attention.

## **2.3 Influencing Factors on Consumer Trust**

Trust in the Electronic Payment System (EPS) history is complicated, with many internal and external factors influencing it. These are aspects of the climate that are mostly affected by family and society. The characteristics of the provider are then evaluated under the subheading of the credibility of the provider, offering trust and level of confidence in the products and services. Brand features show consumer awareness, confidence tendency, and confusion avoidance. Perceived risk is divided into perceived technological danger, perceived risk of protection and perceived risk of privacy.

### **2.3.1 Environmental Factors**

The effect of the environmental factor arises when others around the individual impact one's thoughts, beliefs, or behaviors. Family and society act as a key phenomenon in marketing and consumer behavior as driving decision-making. The relationship between trust environment and consumer confidence is critical in the fields of m-commerce and e-commerce, and service providers should pay attention to this. Individual level of trust may be correlated with the atmosphere of trust by analyzing the levels of trust that exist in a specific consumer's family, friends and community.

Those around a person's level of confidence can interpersonally affect the level of confidence the person has in products and services. Groups are called membership groups that have a direct influence on an individual. These are classes that the member belongs to and communicates with. Some are primary groups including relatives, acquaintances, neighbors, and co-workers with whom the individual continues to communicate. The most prominent primary reference classes are family members. The ability of a person to associate depends on the extent to which a community shares standards and values and is capable of subordinating individual interests to those of the larger community or group. These shared community or group values can give rise to the level of trust and can have an impact on it.

A reference group's opinion is a significant factor that affects consumer confidence in mobile wallets. Providers should also remember the reference groups, family and society in order to bring mobile wallet to the attention of the reference group. People are more likely to start discussing the advantages and issues of mobile wallets with greater

awareness. When consumers feel that their positive aspects outweigh their negative aspects, they are more likely to spread good news about the products and services.

### **2.3.2 Characteristics of Service Providers**

Provider characteristics such as credibility and reliability are considered important in affecting a consumer confidence in a product (Chen & Dhillon, 2003; Doney & Cannon, 1997). The provider is the company providing mobile wallet services in this sense. Each of the characteristics of these providers has been addressed with respect to consumer confidence in mobile wallets.

#### **(a) Reputation**

The reputation of the m-commerce service provider can be described as the customer opinion and their feedback on the services provided by the m-commerce vendors (Mogenahalli et al., 2008). Reputation represents a company's history and past actions as seen by customers. The credibility of a provider is an important factor in building confidence in m-commerce, particularly in the initial stage of building confidence. This is because at this point customers have no experience to go on and can therefore rely only on a reputable business with a good image in their eyes. Therefore, due to the nature of m-commerce associated with financial transactions, it is important to place extra importance and focus on improving the reputation of the company.

The credibility or picture of a company can be either good or bad in the eyes of customers. A good reputation in conducting business implies consistency and less risk, thereby helping to promote consumer confidence. This is because consumers feel more comfortable and willing to do business with a trustworthy provider. Providers can easily catch the attention of customers and gain their initial trust with a good reputation. On the other hand, customers who consider a service provider's bad reputation would be discouraged from having faith in and performing online transactions with that provider.

#### **(b) Trustworthiness**

The characteristics of trustworthiness are the four elements: benevolence, integrity, competence, and predictability. Benevolence means that when making a consumer information decision, a company takes care of the consumer's good fare. Honesty, also referred to as integrity, means a provider makes reliable decisions and honors the terms

they guarantee. Competence refers to the ability of the provider to achieve the expected result and produce what the provider promises and, ultimately, predictability means that the actions of the provider can be anticipated from past behaviors by customers in certain situations (Colquitt, Scott, & Lepine, 2007; McKnight & Chervany, 2006).

In many sectors and fields, including e-commerce and m-commerce, these four types of trustworthiness of providers have been commonly used to assess consumer confidence in many applications. For the purposes of this study, the trustworthiness of the provider is perceived to vary from consumer confidence in m-payments, and thus this aspect has been viewed as a characteristic of the mobile wallet provider that can affect consumer confidence in the use of mobile wallets.

Customers are more likely to buy a product or service they appear to perform. Product and service quality, reliability and protection are important factors in building consumer confidence. In the case of m-payments, the value is higher as transaction technology is difficult for the comprehension of the lay person. Consumer confidence in products and services offered by mobile wallet providers should therefore be measured as a variable contributing consumer confidence along with providers' credibility and confidence.

### **2.3.3 Characteristics of Consumers**

Human confidence characteristics are derived primarily from cultural background, psychological features and experiences (Guangming & Yuzhong, 2011). In the literature on trust in mobile wallets, three factors were identified which indicate the different dimensions of consumers: knowledge, propensity to trust, and avoidance of uncertainty.

#### **(a) Consumer Awareness**

Consciousness can be described as an awareness that allows the user to subjectively curtail uncertainty. Combined with trust, knowledge becomes a general belief that an individual has about them about the actions of another person or organization. A well-accepted subject in psychology, sociology, and computer science is the connection between knowledge and trust. Trust has been shown to have a necessary background of knowledge and a prerequisite of trust in e-commerce. Trust and awareness are distinctly different from each other, and trust is significantly affected by awareness and familiarity. Specifically,

knowledge-based awareness has a significant impact on trust in e-commerce transactions through a rich understanding of e-vendors and websites.

M-commerce knowledge is conveyed as consumers have experience in making payments via a mobile terminal and are acquainted to some extent with mobile platforms and mobile agents. Awareness of mobile wallets is definitely associated with learning about mobile technology and its application, but despite the strong relationship between them, it may not be associated with past personal experience, as there are many opportunities to deliver awareness of it to the user. Increased awareness, however, means a better understanding with m-payments of the transaction process. People tend to have confidence in what they know, and where awareness is gained through frequent exposure, this has the potential to create confidence in m-commerce. In addition, knowledge of the use of mobile devices serves as a trigger to encourage trust in the use of mobile commerce and can affect initial faith in m-commerce.

#### **(b) Propensity to Trust**

Propensity to trust is the basis of the initial trust that reflects the ability of an individual in different situations to depend on others. During the early stage of the life of the person, inclination to trust is deeply rooted in the personality and psychological development of a child. The general consumer trust tendency will affect consumer confidence in the products of the services they use, and mobile wallets in this case. General Propensity for customer trust draws attention to the effect on trust in mobile wallets of consumer awareness. The trust pattern of an individual consists of faith in humanity in which a person believes in people's honesty and competence; and a trustful attitude in which a person believes that the results will be better when dealing with people as if they are trustworthy. (McKnight et al., 2004).

Market willingness to trust therefore plays a crucial role in assessing the consumer's initial confidence in the trade counterpart. Consumer confidence tendency is regarded as an integral component of consumer personal values that affect consumer confidence in performing an electronic transaction. In other words, trust propensity is seen as a personal psychological attribute that significantly affects a consumer confidence in making e-payments. Trust tendency can appear in m-commerce in a situation where consumers feel secure and tend to rely on providers of mobile wallets. Trust in m-wallets may be reliant on propensity to trust, thus propensity to trust was included in the current variables.

### **(c) Uncertainty Avoidance**

Avoidance of ambiguity was considered to have a potential impact on m-wallet trust. Uncertainty avoidance has to do with people's level of uncertainty in the face of an uncertain and unpredictable future (Hofstede, 2001). This means to what extent a person attempts to avoid uncertain situations. Avoidance of ambiguity is known as high or low levels. According to Hofstede (2001), people with a low level of avoidance of uncertainty, like the United States of America, may feel much more comfortable with unknown and ambiguous situations and tend to be easy-going, open-minded, accepting personal risk and less aggressive. Conversely, in their organizations and relationships, people with a high degree of ambiguity avoidance tend to look for order. In societies characterized by a high level of ambiguity avoidance tend to be conservative, more resistant to change, slow to modernize, and often characterized by more complex rituals or religious practices that may impact m-wallet services as there is some degree of resistance in developing countries to trust such a new payment method.

It can be said that avoidance of uncertainty is closely linked to building confidence in the e-commerce arena. Furthermore, uncertainty avoidance, as the most frequently mentioned cultural dimension, has extra importance among other factors, due to the novel nature of m-wallets in developing countries in general and the people of developing countries might feel threatened by this new technology, and this would affect their confidence in it. As such, the relationship between avoidance of ambiguity and faith in m-payments needs further investigation.

#### **2.3.4 Perceived Risks**

Perceived risks associated with electronic payments may cause customers to doubt technology implementation and their ability to deliver mobile wallet services at their best. The perceived risk situation in m-commerce is more complex than in other sectors, as the consumer is subjected to a higher perceived risk by relying on m-payment and participating in m-payment rather than conventional payments that give users a high familiarity. In this research, perceived risk is characterized as the consumer's expectation that there is a probability of yielding unexpected results or unpredictable outcomes that are not favorable when performing a m-payment transaction. There are typically two types of perceived risks that are encountered in the online world in accordance with trust; security and privacy risks.

Such perceived threats were used to explain consumer behavior towards the purchase of e-commerce products and services. Therefore, in the current research, the two perceived forms of risk, security and privacy risks, were included. Before that, since this study involves mobile payment systems, perceived technical risk is included as a variable affecting consumer confidence as electronic payment systems and mobile payment systems are exposed to technological vulnerabilities and threads.

#### **(a) Perceived Technical Risk**

Technical risk is the potential impact changes that might have on a project, program, or entire infrastructure if an implementation is not working as planned. Failure to identify or handle such technological threats properly can result in deterioration of efficiency, security breaches, system failures, and increased maintenance time, which may adversely affect consumer confidence. Perceived technical risk may result from the failure of mobile payment transactions which may hamper the consumer's desired transactions or deter the balance of the wallet. In the case of electronic payment systems and mobile payment systems, technical risk appears to be a major issue because transaction procedures are functions that are difficult to understand unless that person is the technical expert.

Simplicity may reduce the technological risk perceived by the customer. A Weiler (1995) survey found simplicity to be one of the most relevant aspects of EPS adoption. Some payment systems focused on factors such as encryption and consumer confidentiality, using hard-to-understand technologies and procedures for the customer (Kniberg, 2002). As a result, widespread adoption has not been reached by these devices.

#### **(b) Perceived Security Risk**

The perceived security risk could be characterized from a consumer perspective as the subjective likelihood with which customers assume that their business transactions will not be handled, changed or exploited by unauthorized parties during the process. When engaged in online activities and electronic payments, consumers are usually concerned about security. If mobile payment is used, if payment always stays in permitted states, and users can only perform permitted acts, then payment is safe. The feeling of protection increases the desire to trust and improves the ability of the customer to rely on their trusted party as they feel more comfortable. Security control is an important backdrop to initial confidence and essential factors for e-commerce's long-term success and future. Generally



speaking, building trust in m-commerce is more difficult due to security concerns than other industries.

There is a great deal of confusion and risks for users as m-payment deals with financial information. Customer expectations of m-payment protection have improved, since different security control methods include protections, encryption mechanisms, digital signatures, and mobile 3 G service authorization. Perceived security threats for mobile wallet providers are considered a real threat and a major obstacle to trust relationships in mobile payment systems. Because of the weak links between the related parties in the m-payment process, M-commerce is more exposed to risk of fraud than e-commerce, and it is easier for intruders to snoop on financial information in the m-commerce environment.

The probability of financial loss or monetary loss is another aspect of perceived security threat. M-payment includes exchanging with a mobile service provider customer accounts, personal information and financial information. It can therefore be expected that in the m-payment situation, the possibility of financial losses cannot be easily removed as it exists in virtual space as there may be cases such as the lack of adequate security protections and the failure of encryption mechanisms. Furthermore, transmission of m-payment data is wireless, so there is a probability of radio transmission detection leading to risks.

To sum up, many customers may be reluctant to engage in m-commerce transactions such as selling and buying because they are concerned that hackers, cyber criminals or any other party with negative intentions could steal their personal and financial information. Additional potential risks with m-payments could be linked to malfunctioning and interruptions of the mobile network, system technicalities, and perhaps the weak links in the m-payment process between the involved parties. These perceived security risks can have a negative impact on consumer confidence in m-payments.

### **(c) Perceived Privacy Risk**

Privacy risk involves customers feeling confused about the unauthorized use of their personal information such as disclosure or abuse of private and financial information while engaging in electronic and online activities without their permission. In order to gain consumer confidence, privacy is seen as essential and is defined as a fundamental requirement where m-payment services require personal context-sensitive information.

Consumers may have questions about the actions of mobile wallet service providers, contributing to the loss of their private information. Many customers may also believe they are in a vulnerable position because they have no leverage over transactions, and due to external parties, such as trading partners of the business and mediating third parties, their financial details and their own privacy could be jeopardized. It is not only the protection of these payments that is important in m-payment transactions, it is also necessary to achieve the protection of individual privacy and transactional confidentiality in order to achieve consumer confidence. Privacy protection is often the m-payment provider's duty, such as disclosing privacy policies on mobile wallet websites.

A research by Mogenahalli et al. (2008) found out that privacy policies have a positive influence on the development of confidence in m-commerce vendors. In their empirical study, Amoroso and Magnier-Watanabe (2012) found that privacy perceived highly influences trust in the mobile wallet. However, the positive perception of privacy is correlated with consumer confidence in the purchase of Internet-based services and products. Perceived privacy threats are related to online trust, privacy control interpretation and security as important context to Internet trust.

## **2.4 Mobile Wallet Concept**

Mobile wallet is just an app that can be enabled on a smartphone and smart device or an existing built-in smartphone feature. If the user has any of these, a mobile wallet stores debit card, credit card, bank account, coupons, or reward card information. A consumer can still own a mobile wallet without the financial products listed above. Once the app is enabled and the user enters personal information as needed for authentication, the wallet will store this information by linking a personal identification format such as mobile phone number or identity card number, QR code or the owner's picture.

Primarily, mobile wallet enables an individual to pay as well as receive payment using a mobile device. Typically, a mobile wallet use several payment processing models and provide in-app payment functions. Mobile wallet offers fast and secure money transfers that includes managing personal finance, like paying to merchant, top-up and purchasing tickets and home finance, like paying utility bills.

When making payment to merchants, the mobile wallet uses a technology called near-field communication (NFC), which uses radio frequencies to communicate between

devices. NFC uses the personal identification format created for the user to communicate the payment information to the merchant's POS (point-of-service) terminal. The information transfer is usually triggered when the user waves or holds an NFC-enabled mobile device over the store's NFC reader.

Customers of mobile wallets can utilize all of their stored information and services offered simply by opening an app on their phone, entering in a PIN, password or fingerprint. Worldwide, typical services offered by mobile wallets are storing users' debit cards and credit cards securely, offering banking related services and communicating with terminals using a variety of Financial Technologies (Fin-tech).

Fast-paced growth on mobile wallets during recent years convinced the fact that mobile wallets surpass card payments and other electronic payment systems (EPS) in Myanmar. Mobile wallet can save time by paying quickly just holding your phone over the payment terminal and verifying the purchase. It's more convenient for many consumers as it removes the requirement to carry large amount of cash to go out. Mobile wallet offers more security. Actual wallet has the chance of lost or stolen. Even one's mobile device is stolen, one's cash stored in mobile wallet is safe as access to mobile wallet require password and security information that only the owner knows. Mobile wallets has the following advantages compare to other traditional wallets or other payment services.

**(a) Reduced Theft and Fraud**

Mobile wallets are secure than traditional wallets. Even though the user's mobile phone is stolen or lost, it is difficult for lay person to have access to the mobile wallet which is installed on the mobile phone. Mobile wallet reduces the chance of cards or cash being duplicated without user's consent. Less cash on hand means smaller target for criminals and that enhances safety.

**(b) Portability**

Mobile devices, due to their small size and light weight, are able to be readily carried for long periods of time without much effort by the users. This characteristic makes mobile wallets usage more convenient than other e-commerce transactions or traditional methods as users do not have to be physically in front of desktop computers, and can use opportunities for instant decisions for purchases while they are shopping.

### **(c) Accessibility**

A user is able to conduct a mobile wallet transaction on an almost anywhere and anytime basis. Users have the opportunity to do shopping, pay bills and invoices, and exchange credit and digital money without being limited to some extent amount of money. This helps users to engage in activities such as conducting commercial transactions and receiving information with ease and higher flexibility.

### **(d) Localization**

Localization is the ability to locate the position of a mobile entity, which can be another user, merchants, agents or ATMs. Mobile wallet users have access to local information and services. This can be accomplished by having service providers know the location of mobile users in order to promote their products and services directly to their consumers in a local environment. Localization is essential when providing specific value-added services geographically, and is assumed to be the most recognizable characteristic of mobile wallets.

### **(e) Reachability**

Reachability is said at its best when a person can be in touch with and reached by other entities, may be other people or businesses 24 hours per day and 7 days per week. This can be achieved by having adequate network coverage and with the assumption of people and businesses always have their mobile phone switched on. The fact that people are living in the fast-paced community, time is vulnerable and reachability is the perfect feature for the customers adding value to their necessary financial transaction.

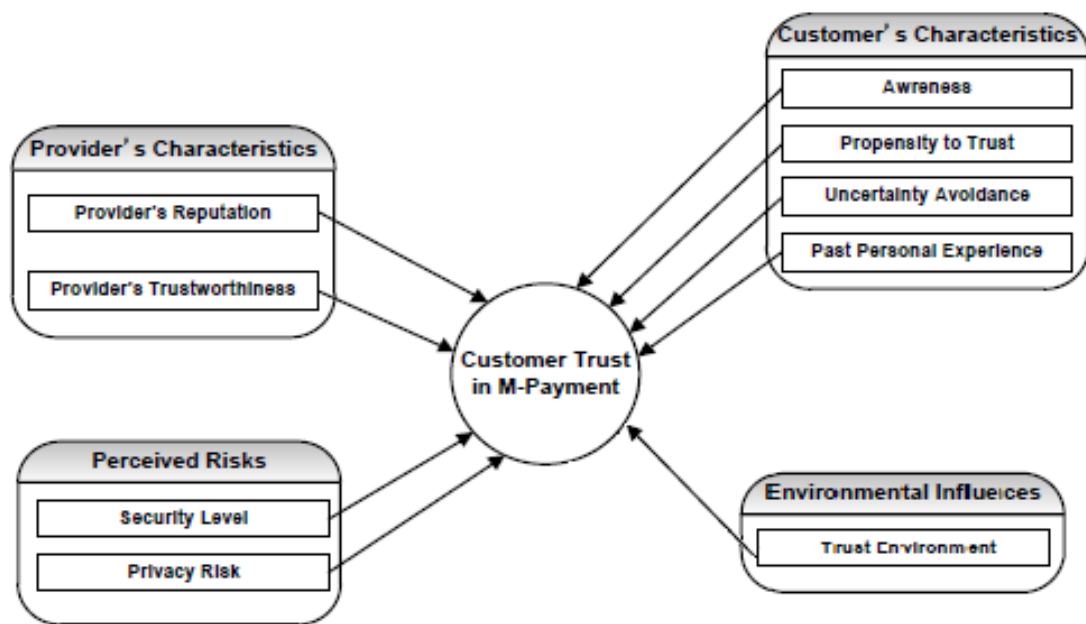
## **2.5 Previous Studies**

This study based on previous research papers done before both internationally and locally. The following section provides previous study on factors influencing consumer trust in M-payment. Then, previous studies of relationship between consumer trust and consumer loyalty is also presented.

### 2.5.1 Influencing Factors on Consumer Loyalty

Study of the factor affecting Consumer Trust in Mobile Payments in the United Arab Emirates was the first previous research. The previous system of studies based on the Mobile Payment Consumer Trust (CTMP) model. The proposed model of Mobile Payment Consumer Trust (CTMP) focuses primarily on factors that directly affect trust in m-payments (Siau et al., 2003; Siau & Shen, 2003). In the research paper, Shuhaiber (2016) notes that Trust is of great importance when it comes to m-payment, and is an important building that affects a consumer's intention to conduct a m-payment transaction. Figure (2.1) shows the model.

Figure (2.1) Conceptual Framework of Ahmed Shuhaiber



Source: Ahmed Shuhaiber (2016)

The model explains the building of trust and how each factor affects consumer trust in M-Payment. The research suggested increased confidence in mobile payment, the more mobile payment is exposed to consumers. Research has shown that the higher the user's confidence, the higher the mobile payment trust. The research suggested the lower consumer confidence in mobile payments, the higher the avoidance of customer misunderstanding.

It depends on financial, economic, technical and other factors to build trust and lack of trust. The model is designed to improve the understandability of relationships between factors influencing consumer confidence with four categories. Those categories are consumer characteristics, environmental factors, manufacturer characteristics, and potential risks.

The study was carried out using the following hypothesis claims. Positive personal customer experience improves consumer confidence in mobile payments. The higher the atmosphere of trust, the greater confidence of the customer in mobile payments. A company's good reputation has a significant positive impact on consumer trust in mobile payments. The higher the supplier's confidentiality, the higher the user's value in mobile payment. The research also indicated that the higher the perceived mobile payment protection rates, the higher the mobile payment consumer confidence. The research model found that perceived threats to privacy affect the trust of customers in mobile payments.

In conclusion, the study expressed a significant influence on m-payment trust, and the most important factors are: consumer awareness, avoiding ambiguity, provider trustworthiness, privacy risks, and security level. The variable that found the dominant influence in the study on consumer confidence is customer perception, second, the provider's confidence, followed by perceived level of security. On the other hand, it has been shown that two variables have a negative impact at consumer confidence: these variables are avoiding uncertainty, having the highest degree of negative influence, and perceived threats to privacy. Consumer awareness is the most important factor, while providers' trustworthiness appears to have the most prominent attribute associated with m-payment providers. As with perceived threats, the level of security of providers is found to have the greatest impact on consumer trust.

### **2.5.2 Relationship between Consumer Trust and Consumer Loyalty**

Consumer confidence is the opinion of the customer about the value and quality of the product and services offered on the brand or company. Once consumers are persuaded that the desired value can be provided at a fair price by the goods or services, consumer confidence has been promoted. Consumer trust in the sense of customer loyalty is an important factor. Brand loyalty is the act of consumers selecting over and over again a particular brand or product. The quality of consumer use can also be said to be customer

loyalty. Customer loyalty will offer long-term corporate welfare and prosperity to shareholders. Brand loyalty is based on the highest value of consumers (Kotler, 2010)

Trust in question, according to Utami's empirical study (2015), is consumer understanding of the brand's performance expectations based on the experience and trust expressed in the form of an attitude. In this analysis, the concept of loyalty is the response that continuously reflected buyers from buying behavior to buy back, hold on the same brand, and convey positive things (Utami, 2015). Resilience, repurchasing and advising other people by word of mouth is the predictor examined in this study.

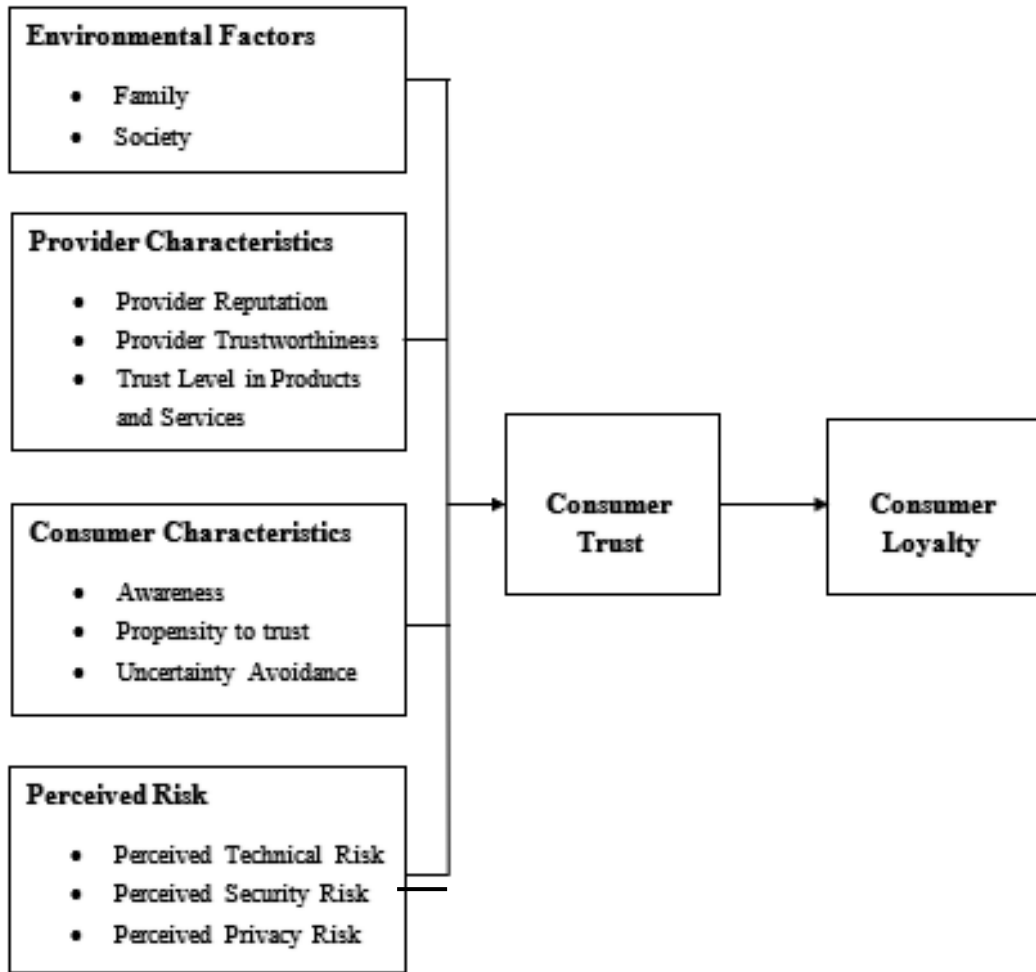
The report claimed that most of the income from long-term customers were received. Customer retention is found to be better for most of the time than customer formation. Customer loyalty's position is therefore crucial as customers who have loyalty continue to repeat purchases, buy other product lines and services, make recommendations to others and be immune to competition.

Using a 3-dimensional customer confidence consisting of expectations, beliefs and attitudes, the model also explained customer loyalty using the three-dimensional consisting of repeated buying, endurance, and word-of-mouth consumer communication (Utami 2015). The study was aimed at proving the consumer behavior literature study focused on consumer trust and consumer loyalty. It is concluded that the study has proven the context that there is significant influence of consumer trust on consumer loyalty.

## **2.6 Conceptual Framework of the Study**

This study focus on consumer behavior, specifically consumer loyalty, upon mobile wallets in Yangon. It is established that consumer loyalty is based on consumer trust. The influencing factors on consumer trust are studied as independent variables. They are environmental factors, provider characteristics, consumer characteristics and perceived risks.

Figure (2.2) Conceptual Framework of the Study



Source: Own Compilation (2019)

Conceptual models are used to collect and report on a range of responses that can discuss their definition of analysis and the relationship between variables. Consumer loyalty may reflect long-term actions of the consumer that will impact the profitability of the company. Figure (2.1) offers the basis for a deeper understanding of customer loyalty and consumer trust in four key categories. This framework will improve the understanding of consumer confidence and loyalty that will help marketers create and retain customers.



## CHAPTER (3)

### PROFILES AND SERVICES OF MOBILE WALLET PROVIDERS

This chapter presents general overview of Mobile Wallets in Myanmar. The highlights includes development of Mobile Wallets in Myanmar, Mobile Wallet service providers in Myanmar, and profiles of the service providers.

#### 3.1 Background of Mobile Wallets in Myanmar

Despite the governmental reforms in 2017, cash is still dominant and it is the preferred method for making payments in Myanmar. Even though the Central Bank of Myanmar (CBM) introduced Myanmar Payment Union (MPU) between all private and state-owned banks to facilitate the use of card payment system. Furthermore, the government took another step to promote card usage in January 2017 by opening Myanmar up to international payment companies. Companies like Mastercard and Visa began providing credit cards in the local currency. The government hoped the arrival of international companies would spur growth and drive innovation.

However, card usage has not taken off. Two months after the new regulations came into effect, acceptance remained low. According to ASEAN Today, a leading ASEAN commentary site, Myanmar has just 7,000 point-of-sale card terminals nationwide in 2017. In comparison, Singapore has 99,000 terminals, and Indonesia has over 1 million. The Myanmar Consumer Survey conducted by Deloitte (2016) expressed that reasons for low adoption in bank cards are mainly because the local population found these are uneasy to use and are unfamiliar with the technology. The usage of banks remained low where only three in ten people in a country of 53 million people have bank accounts.

However, on the other hand, the usage of mobile phones has tremendously risen. Mobile phones suddenly became accessible. 89% of the population now have a mobile phone, and 80% of these phones are smartphones. With mobile phone usage expanding, the mobile infrastructure also grew rapidly. Myanmar now has more than 60,000 mobile network tower sites and 70% of the country receives network coverage. This increased usage in mobile phones changes the game of transforming cash dominant market with the trend of mobile payment systems instead of bank cards.

A lack of public understanding of how to use them is the largest barrier to card adoption. This problem would evaporate if Myanmar moved to mobile solutions as 89% of the population already knows how to use mobile phones. Consumers are already accustomed to the underlying technology. Mobile payment solutions can reach without access to banks then they have a far greater accessibility than card payment systems. Mobile payments could also take the barrier of expensive merchant terminals, where typical point-of-sale terminal costs US\$250-US\$300. Modern mobile point-of-sale terminals are smaller and cheaper than their card-reader counterparts.

Due to the market trends, CBM issued licenses for mobile financial service providers since September 2016. The first licensed provider is Wave Money offered by Digital Money Myanmar Limited. Ever since, many banks and telecoms which sees the opportunity of untapped mobile financial market entered. Market has now expanded with at least ten active providers and around thirty registered providers.

### **3.2 Profile of Mobile Wallet Providers**

Currently, most of Myanmar private banks and telecoms are providing mobile financial services and are competing against each other to be the market leader. Among them, Wave Money and KBZ Pay are the top most mobile wallet service providers in the market. Wave Money, having first mover advantage, now has 11 million customers and have moved kyats 3 trillion amount of remittance volume (Nov, 2019). KBZ Pay, being offered by the largest bank of Myanmar, has rapid growth within just one and half year of operation. After three months of launching, KBZ Pay had more than 1.6 million people downloaded the KBZ Pay application and one million had digitally verified their accounts with national registration cards and biometric verification (Feb, 2019). Currently, KBZ Pay app has acquired more than 3.5million users – around 1.6million in Yangon, Mandalay and Shan State and 1.9 million in Bago, Sagaing, Ayeyarwady, Magwe, Mon and Rakhine as well as Nay Pyi Taw.

The market of mobile wallet includes other key players such as One Pay (AGD Pay), CB Pay, M-Pitesan, OK dollar and MPT money. One Pay is provided by Asia Green Development Bank (AGD Bank), and CB Pay is offered by Co-operative Bank (CB Bank). These are offered by private banks of Myanmar and where other two being offered by telecoms, M-Pitesan offered by Ooredoo and MPT money by MPT. Apart from these, OK

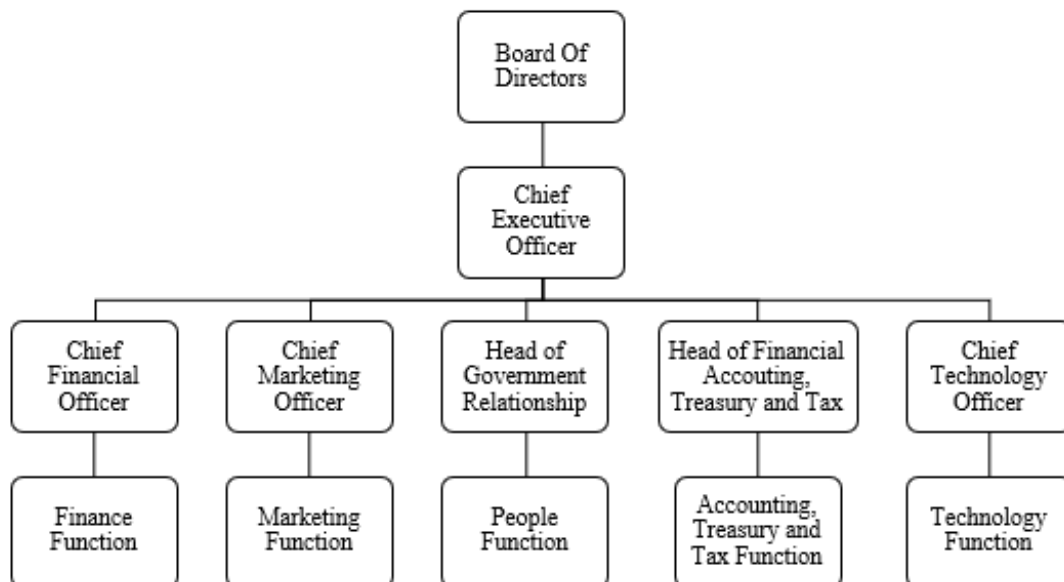
dollar is offered by Internet Wallet Myanmar Limited, which is a non-banked nor non-telecoms provider in Myanmar. For that matter, to capture the different nature of mobile wallets providers when considering consumer trust, each provider from different business types are chosen and in this case; Wave Money, KBZ Pay and OK Dollar.

### 3.2.1 Profile of Wave Money

Wave money is operating under Digital Money Myanmar Limited, which is a joint venture between Telenor and Yoma Bank. Telenor Group is a leading communications company with 182 million mobile customers across the Nordics and Asia and Yoma Bank is an innovative and leading private bank, operating since 1993, with more than 3,000 employees and 63 branches across Myanmar.

Wave money provides accessible, safe and convenient mobile financial services via nationwide agent network or via a wave account on mobile phone. In August 2016, Wave money received the very first license of mobile financial service, becoming the first non-bank institution to provide mobile financial services in Myanmar.

**Figure (3.1) Organization Chart of Digital Money Myanmar Limited**



Source: <http://www.wavemoney.com.mm>

Vision of Wave Money is to empower Myanmar people with the freedom to manage their money the way they most prefer. Mission of Wave Money is to provide reliable, simple, affordable, and trustworthy financial services which can be conveniently accessed via mobile phones and our extensive agent network. Wave money promises to be the only provider that allows customer to transfer money quickly, safely and conveniently throughout Myanmar, freeing from the hassles and worries of traditional methods. Management and organization structure of Wave Money is shown in Figure (3.1).

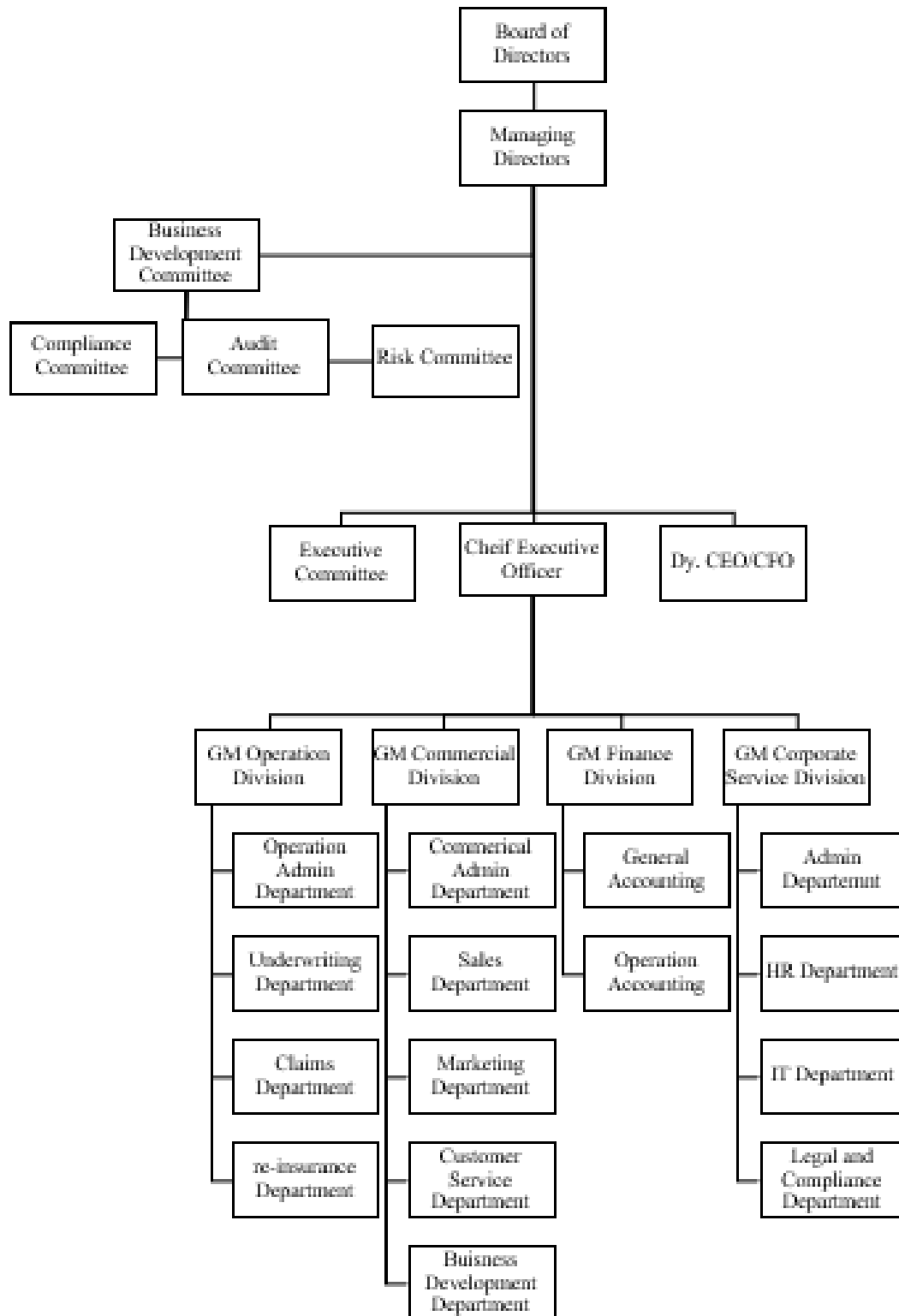
### **3.2.2 Background of KBZ Pay**

KBZ Pay is a mobile wallet platform powered by KBZ Bank, one of the most trusted banks in Myanmar. Millions of customers now enjoy a new banking experience, using KBZ Pay to manage their money, pay for goods and services, store cash, remit to loved ones and conduct daily financial tasks that were once labour-intensive and time consuming. KBZ Pay utilizes the best and safest technology and with the support of KBZ Bank's 18,000 staff, it is now one of the leading mobile wallets in Myanmar, connecting customers with thousands of merchants and agents across the country every day. It offers a safer, simpler and more convenient way to transact money. Whether user wish to pay, transfer, and cash in or out, it's easy with KBZ Pay by having just a few taps on mobile phones.

KBZ bank is the largest lender in the local market, and has paid income taxes up to Kyats 28 billion in the Fiscal Year 2017 making itself the biggest tax payer in the country for six years running, according to Internal Revenue Department under the Ministry of Planning and Finance. KBZ bank has now more than 500 branches with over 20,000 employees, and owns 40 percent of the market share in retail and commercial banking in Myanmar excluding three foreign representative offices in Singapore, Thailand and Malaysia. The well-established networks of branches and employees made KBZ Pay to grow at an expeditious rate. The Bank's Management and organization structure are shown as in Figure (3.2).

The objective of KBZ Pay is to reduce the use of cash as much as possible and help develop a digital financial system in Myanmar. The goal is to become a provider of 100 per cent financial inclusion. In order to attain that goal, KBZ Pay formulate a strategy of developing new features to meet the requirements of our growing base of customers, merchants and agents.

**Figure (3.2) Organization Chart of KBZ Bank Ltd**



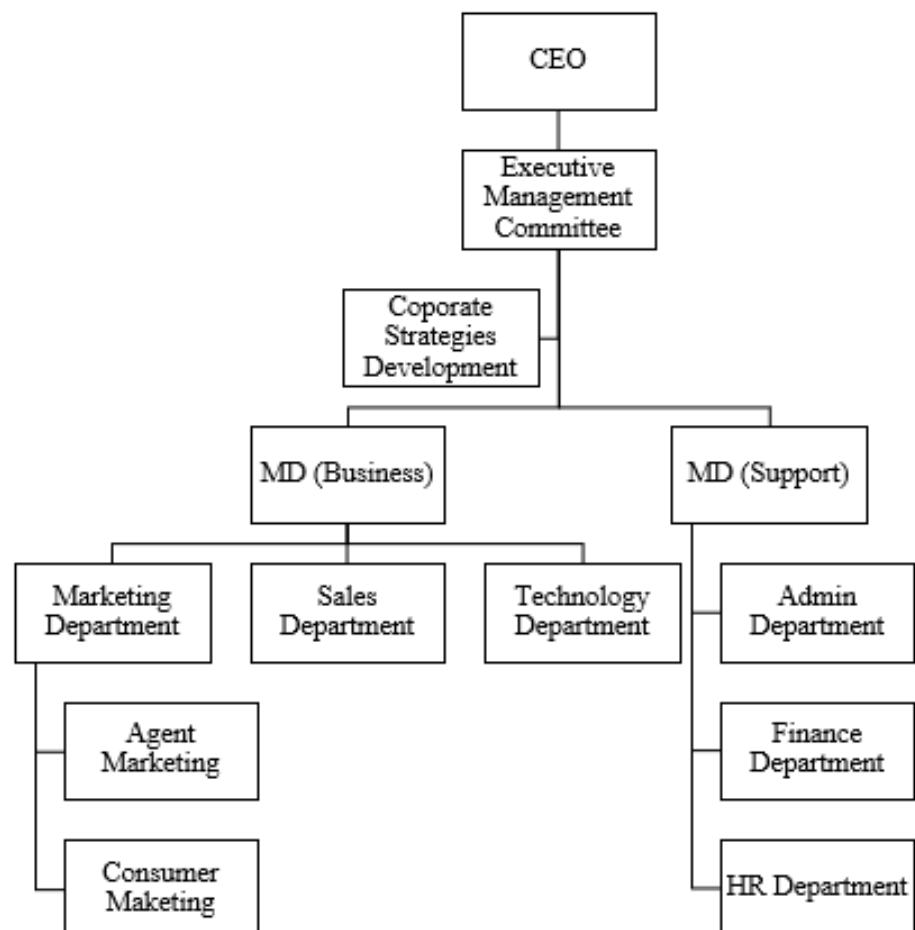
Source: <http://www.bedowntowndaytona.com/charts/kbz-bank-organization-chart/> (2019)

### 3.2.3 Background of OK Dollar

OK Dollar is offered by Internet Wallet Myanmar Limited. It was granted license for providing mobile financial services by CBM at August 2017. The granting of this license will allow OK\$ to step onto a level playing field against its telecom-backed competitors and bank-backed competitors. It appears that OK\$ has no direct banking affiliation, but can receive funds transfers from banks such as AYA, KBZ, CB Bank.

Vision of Internet Wallet Myanmar Limited is to be one of the world's most regarded mobile payment solution suppliers that empower money related comprehensiveness for all people. Its mission is to become customer's companion of choice for substituting physical wallet with a smart mobile wallet which is inventive, safe and sound and user friendly.

**Figure (3.3) Organization Chart of Internet Wallet Myanmar Ltd**



Source: <http://www.interetwalletmyanmar.com.mm>(2019)

OK Dollar intended to come out with brand new features which is user friendly to mobile users in Myanmar. Objectives OK Dollar is to provide the latest innovative technologies in IT security and persistently enhance our fraud and anti-money laundering procedures to minimize fraud and operational risks. Figure (3.3) represents in the organization structure of Internet Wall Myanmar Limited.

### **3.3 Services of Mobile Wallet Providers in Yangon**

Services offered may be different according to each mobile wallet providers. Most of the services that are common in mobile wallet providers in Yangon are the remittance service, mobile top up services, agent payments and bill payments. Users may have to register in order to use their services or to use all features provided. Transaction fees are different for each mobile wallet providers and mostly it costs more to make a transaction with non-user rather than someone who is using same mobile wallet provider.

#### **3.3.1 Services of Wave Money**

Wave Money has launched with domestic remittance and phone top-up services at first, the product portfolio has developed to bill payments, air-line ticketing, high-way bus ticketing and event related financial services. Wave money can be used for trade, payment of wages, and transferring remittances to family members in rural and remote areas without formal bank access.

Individuals and businesses can conduct transactions using Wave Money in two ways. Users with access to a mobile phone can transfer funds directly using the Wave Money app. Their account is linked to their phone number, and can be used to store and transfer money securely. The recipient can then collect the funds from an authorized Wave Shop. Alternatively, anyone with a valid legal ID such as a driver's license can conduct transfers in the Wave Shop, regardless of whether they have a Wave Money account. There is a small fee to send money, but there is no fee to collect it.

Moreover, Myanmar Economic Bank and Wave Money is now forming a partnership and making pension payments to get easier for government pensioners. They can now rely on Wave Shops to withdraw their pensions on any day of the week and at any time convenient for them. The use of Wave Money as a means for remittance and pension

disbursement is the latest in a suite of services from the Mobile Financial Service provider including salary disbursement and bill payments. The services offered are not the same for each of the mobile wallet providers. In summary, the services offered by Wave Money up to this point are top up services, money transfer services, agent payment services, bus and flight ticket services, buying events ticket services, donation, loan repayment services, billing services, online shopping payment services and stock exchange cash-in services.

### **3.3.2 Services of KBZ Pay**

KBZ Pay allows customers to access the most essential financial services at all time, it offers a safer, simpler and more convenient way for transaction and this has set us apart from our competitors. KBZ Pay has supported the establishment of the MMQR system, a standardized QR code for Myanmar, which is now being implemented by the Central Bank of Myanmar.

One of the features that KBZ Pay provides but is different from other mobile wallet providers is pocket money feature. KBZ Pay grasp Myanmar tradition of paying pocket money from elders to young people, it offers pocket money services. This feature is more appealing when users have options to choose envelope and greetings for occasion such as Myanmar New Year or Thadinkyut.

Over the past year, KBZ Pay provided a secure avenue to pay college and university fees, municipal tax and funds to more than 90 companies in Myanmar. At September 2019, the Yangon City Development Committee (YCDC) teamed up with KBZ Pay to build an YCB payment system enabling people to pay various bills through their applications. The application will enable users to pay various bills such as land tax, property tax, general tax, and garbage bills which will save customers time and money from having to visit the YCDC office in person.

The services offered are almost the same but there is slight difference for each of the mobile wallet providers. In summary, the services offered by KBZ Pay up to this point are top up services, money transfer services, agent payment services, gift card services, bus and flight ticket services, buying events ticket services, donation, loan repayment services, bill payment services, online shopping payment services, pocket money services and quick pay services.



### **3.3.3 Services of OK Dollar**

OK Dollar operates a fast, secure and safe mobile payment system that offers online purchase, mobile phone top-up, bill payment and money transfer among other services. It holds one of the first three mobile financial licenses that have been issued in Myanmar.

OK Dollar lets people do fast money transfers, get deals and payments on the go. OK Dollar allows users to upload cash to local agents around the country, commonly small shops and restaurants. The money is then applied to the mobile wallet stored in an app on a user's phone. From there, goods can be purchased at participating retailers, and funds can be transferred to other users, usually for free. It allow users to use mobile wallet services to recharge mobiles & DTH, buy movie tickets, share bills with friend, buy flowers, order pizza, shop online and do much more. Users may even do top up to all operators in Myanmar.

People can make a fast and easy payment to shopkeepers or merchants and registered OK\$ number, by entering amount to be paid, and make an easy payment. Users can use Scan QR Code to simply scan the shop or merchant QR Code and make a payment. Making payment and remittance is done with ease and in a short amount of time.

Even though, OK Dollar seemed to be less competitive compared to other players in the market, it succeeded making OK Dollar Payment gateway agreement with MySQUAR Limited, wholly owned subsidiary of SQUAR PTE Ltd. SQUAR PTE Ltd is a development Enterprise in Singapore and the agreement permit the opening of a remittance corridor between Singapore and Myanmar. In Myanmar, it is expected that funds remitted will be transferred in real-time to an OK Dollar digital wallet where these funds can then be used for mobile purchases or for cash-out through OK Dollar's nationwide agent network. In addition, MySQUAR expects to integrate OK Dollar's payment services into its mobile games, social app and marketplace so that users with an OK Dollar digital wallet are able to make purchases. In summary, the services offered by OK Dollar up to this point are top up services, money transfer services, agent payment services, bus and flight ticket services, donation, merchant and Point-of-sale services, billing services and online shopping payment services.

## CHAPTER (4)

### ANALYSIS OF CONSUMER TRUST AND CONSUMER LOYALTY

This chapter is arranged into four sections. The first sections is about profiles of respondents and is presented with frequency and percentage based on the findings. The second section presents mobile wallet usage profiles. The third section mentions the influencing factors on consumer trust of Mobile Wallet users in Yangon and presented on mean scores results from SPSS. The last section clarifies about effect of consumer trust on consumer loyalty and then presented based on the correlation results from SPSS.

#### 4.1 Profiles of Respondents

There are 147 respondents that are Mobile Wallet users who use mobile wallet services provided by three mobile financial service providers (Wave Money, KBZ Pay and OK Dollar) in Yangon. Only 147 respondents are valid out of 180 respondents originally planned to survey. The questionnaires are asked to understand general information of Mobile Wallet users, the determinant factors which are environmental factors, provider characteristics, consumer characteristics and perceived risk, whether the respondents have trust on mobile wallets and finally, consumer loyalty on mobile wallets. Profiles of respondents of mobile wallets users are based on gender, age, education level, monthly income and occupation.

**Table (4.1) Profiles of Respondents**

Description		Frequency	Percentage (%)
<b>Total</b>		<b>147</b>	<b>100.0</b>
Gender	Male	68	46.3
	Female	79	53.7
Education	Postgraduate	80	54.4
	Graduate	53	36.1
	Undergraduate	9	6.1
	Diploma/Certificates	5	3.4
Age	Up to 20 years	11	7.4

<b>Description</b>		<b>Frequency</b>	<b>Percentage (%)</b>
	21- 30 years	123	83.3
	31- 40 years	9	6.0
	41- 50 years	4	3.4
<b>Monthly Income</b>	Less than Ks 100,000	9	7.0
	Ks 100,000 to Ks 399,999	46	31.1
	Ks 400,000 to Ks 699,999	51	34.4
	Ks 700,000 to Ks 999,999	16	10.5
	More than Ks 1000,000	25	17.0
<b>Occupation</b>	Employee	78	53.1
	Students	39	26.5
	Self Employed	23	15.6
	Unemployed	2	1.4
	Other	5	3.4

Source: Survey Data (2019)

As this study is about mobile wallet which can be used by any gender, there is no need for gender bias in selecting the respondents. It is found out that most of the respondents who uses mobile wallet services are female users because the population of female is higher than the population of male according to Myanmar population 2017. The education of the respondents is analyzed via four groups. It is found out that most of the respondents are post graduate and graduate. Due to the nature and complications of mobile wallet services, people with higher level of education prefer to use mobile wallet services.

Then the respondents are surveyed with four different age groups. The largest distribution of the respondents is the group of respondents who are between 21 and 30 years old. Therefore, it can be established that people between the ages of 21-30 years tend to use mobile wallet services.

For monthly income, income levels of respondents are divided into five groups. The majority of respondents' income is 400,000-699,999 Ks. The second largest group is the respondents with monthly income of 100,000-399,999 Ks. So, it can be concluded that monthly income of mobile wallet users are neither low nor high. Then, occupation of the respondents are survey with five groups. It is found out that employees are most likely to use mobile wallet services.

## 4.2 Mobile Wallet Usage of Respondents

Mobile Wallet usage profile analyze the mobile wallet usage patterns of the respondents. And to what amount of money the respondents feels secure to transact is also examined. After that, which mobile wallets the respondents use and which services they use are examined. The respondents can choose more than one option. Therefore, total number of respondents and total percentage is not applicable for these two questions.

**Table (4.2) Mobile Wallet Usage of Respondents**

Description		Frequency	Percentage (%)
<b>Total</b>		<b>147</b>	<b>100.0</b>
Experiences	One time	12	8.2
	Few times	58	39.4
	Many Times	32	21.8
	Continued/ Regular Use	45	30.6
Trusted amount of Money	Less than Ks 5,000	2	1.4
	Ks 5,000 to Ks 9,999	6	4.1
	Ks 10,000 to Ks 49,999	27	18.4
	Ks 50,000 to Ks 99,999	19	12.9
	Ks 100,000 to Ks 299,999	39	26.5
	More than Ks 300,000	54	36.7
Average Usage Time	One time in a week	78	53.1
	Between 2-3 times	40	27.2
	Between 4-5 times	11	7.4
	More than 6 times	18	12.3
<b>Total</b>		<b>N/A</b>	<b>N/A</b>
Mobile Wallet Brand	Easy Pay	2	1.4
	CB Pay	46	31.3
	KBZ Pay	92	62.6
	M-Piteaan	4	2.7
	MPT Money	6	4.1
	Mstel Pay	4	2.7
	My Kyat	2	1.4
	OK Dollar	65	44.2

Description		Frequency	Percentage (%)
	One Pay (AGD Pay)	4	2.7
	Wave Money	89	60.5
Mobile Wallet Services	Transfer Money	133	90.5
	Top Up	118	75.7
	Registered Pay	31	80.3
	Agent Payment	12	8.2
	Bill Payment	67	45.6
	Donation	28	19.0
	Pocket Money Payment	16	10.9

Source: Survey Data (2019)

For mobile wallet experience, most of the respondents stated that they are few times users. Second largest group is the group that used mobile wallet services regularly. So, it can be concluded that people using mobile wallet at least have few time experiences. Trusted amount of money via mobile wallet is then examined with six groups. Most of the respondents stated that they trust more than 300,000 Ks. The second largest group is that the respondents who trust between 100,000 to 299,999 Ks. Thus, it is verified that mobile wallet users trust moderate amount of their money with mobile wallet services. Average usage time of mobile wallet services is then analyzed with five groups and it is found that most of the respondents use mobile wallet services one times a week.

Out of 147 respondents, KBZ Pay and Wave Money are highly used. It explains the fact the KBZ Pay and Wave Money are highly competitive and are leading providers in the market. It is obvious that people use more than just one mobile wallet. Other than KBZ Pay, Wave Money and OK Dollar, CB Pay can be considered the most common second choice. Then, which kind of services are used via mobile wallet is examined with seven services. Most of the users responded they use mobile wallet to transfer money. And the second most used service is top-up service. It is found out that different mobile wallet services are used and most used services are money transfer service, top up service and bill payment service. It can be presented that most used service is the money transfer service because it is cheaper and more convenient than transferring money via banks. The provider of mobile wallet charges no fees for money transfer between same mobile wallet.

### 4.3 Analysis of Influencing Factors on Consumer Trust of Mobile Wallet User

In this section, influencing factors such as environmental factors, provider characteristics, consumer characteristics and perceived risk are analyzed by asking 24 questionnaires to 147 respondents. The measurement is based on five-point Likert scale and use descriptive statistics such as mean, standard deviation.

#### 4.3.1 Environmental Factors

Regarding to the analysis of environmental factors in Mobile Wallets, respondents are required to respond 6 statements about how their environmental influence on their trust of using Mobile Wallets. The mean values and standard deviation of each and overall mean are shown as follow in Table (4.3) based on survey findings.

**Table (4.3) Environmental Factors**

<b>Sr No.</b>	<b>Environmental Factors</b>	<b>Mean</b>	<b>Std. Deviation</b>
1	Having high degree of trust in family	3.29	.941
2	Living in a high trust society	3.63	1.036
3	Living in a society that are willing to try using new payment methods	3.66	.980
4	Seeking advice from family in choosing mobile wallet.	2.68	1.232
5	Seeking advice from friends in choosing mobile wallet.	3.41	1.027
6	Believing mobile wallet commonly used by society is best one.	3.68	1.016
<b>Overall Mean</b>		3.39	

Source: Survey Data (2019)

Table (4.3) reports that most of the respondents agree with the statements of which environmental factors influence consumer trust and their overall mean score is more than the cut-off 3. The largest mean is 3.68 in which the respondents tends to trust the mobile wallets more if those are commonly used in the society. It can be established that the consumer of mobile wallet tends to have herding behavior when deciding which is the best

mobile wallet. The second highest mean score is 3.66 which indicate that the society of the most of the respondents are willing to try using new payment methods. As the communication and information technology grows, most people have broader knowledge and have higher tendency to try new payment methods in making financial transaction. The families of the respondents tend to have high level of trust as their mean score is 3.29. Most of the consumers are living in a high trust in the society as their mean score is 3.63. The lowest mean score is 2.68 which indicates that it is unlikely to seek advice from family when choosing the mobile wallets. Even though, consumers do not seek advice from family but they do seek advice from their friends when choosing mobile wallets are their mean score is 3.41. The reason is due to the nature of mobile wallet that is related to technology. People may rely upon friends rather than family members as elders in the family may have relatively low knowledge compared to peers and friends about mobile wallets. According to overall mean score, it can be concluded the consumers are influenced by their environmental factors, which are family, friends and society.

#### 4.3.2 Provider Characteristics

Regarding to the analysis of the effect caused by provider characteristics in Mobile Wallets, respondents are required to respond 6 statements about how their provider characteristics related factors influence on their trust of using Mobile Wallets. The results are shown in Table (4.4) based on survey findings.

**Table (4.4) Provider Characteristics**

<b>Sr No.</b>	<b>Provider Characteristics</b>	<b>Mean</b>	<b>Std. Deviation</b>
1	Honesty of mobile wallet providers	3.50	.696
2	Benevolence of mobile wallet providers	3.37	.812
3	Predictability of mobile wallet providers	3.34	.745
4	Competence of mobile wallet providers	3.56	.741
5	Trustworthiness of mobile wallet providers	3.69	.710
6	Trusting the products and services received from mobile wallet providers	3.74	.673
<b>Overall Mean</b>		3.53	

Source: Survey Data (2019)

Table (4.4) reports that most of the respondents agree with the statements of which characteristics of mobile wallet providers influence consumer trust and their mean score is more than 3. The highest mean score is 3.74 which indicates the respondents trust the products and services of mobile wallet providers. The second largest mean is 3.69 in which the respondents agree that their mobile wallet providers are trustworthy. When analyzing reputation of the mobile wallet providers, the respondents state that they believe that their mobile wallet service providers are honest as the mean score is 3.50. The respondents also consider their mobile wallet service providers are benevolent as the mean score results 3.37. Most of the respondents stated that their mobile wallet service providers are predictable as the mean score is 3.34. It is found out that the respondents suppose their mobile wallet service providers are competent as the mean score is 3.69. According to overall mean score, it can be concluded the consumers have trust upon the characteristics of mobile wallet service providers.

### 4.3.3 Consumer Characteristics

This section explore the characteristics of consumers in respect of using mobile wallet services and respondents are required to respond 6 statements. In consumer characteristics, there are three main factors; awareness, propensity to trust and uncertainty avoidance. The results are shown in following table based on survey findings.

**Table (4.5) Consumer Characteristics**

<b>Sr No.</b>	<b>Consumer Characteristics</b>	<b>Mean</b>	<b>Std. Deviation</b>
1	Trusting a person easily	2.65	1.097
2	Desire to try new technologies for financial transactions	3.39	1.236
3	Familiarity with mobile wallets	3.87	.893
4	Awareness of mobile wallets in Myanmar	3.93	.941
5	Awareness of mobile wallets functions	3.84	.881
6	Having positive experience with mobile wallets	3.95	.801
<b>Overall Mean</b>		3.60	

Source: Survey Data (2019)



Table (4.5) reports that most of the respondents agree with most of the statements about personal characteristics and their mean score is more than 3. The highest mean score is 3.95 which indicates the respondents have positive experience in relation with conducting transactions using mobile wallets. It can be expressed that the experience of using mobile wallet is favorable towards the consumer. The second largest mean is 3.93 in which the respondents aware of the mobile wallets in Myanmar. It is found that consumers are familiar with mobile wallets as their mean score is 3.87. Most of the consumers know the functions of mobile wallets and how to use them as their obtained mean score is 3.84. It can be conclude that most of the customers have high awareness in relation to mobile wallet. Not much of the consumers have desire to try new technologies for financial transactions but still, more than average stated that do not want to avoid using new technologies for financial transactions as their mean score is 3.39. The lowest mean score is 2.65 in which most of the respondents found it difficult to trust a person. The reason is that people have high propensity to trust in general and same here in this case about having consumer trust on mobile wallet. According to overall mean score, it can be concluded the respondents agree to most of the statements except the statement that they have low propensity to trust.

#### **4.3.4 Perceived Risks**

In the analysis of perceived risks in using Mobile Wallets, respondents are required to respond 6 statements about perceived technical risks, perceived security risks and perceived privacy of using Mobile Wallets. The survey results are shown in the following table.

Table (4.6) reports that obtained mean score 3.49, higher than cut off mean 3, indicating most of the respondents agree with the statements of which perceived risk can influence consumer trust. The highest mean score is 3.83 which indicates consumers perceive the technology of mobile wallets function very well. The second largest mean is 3.58 in which the respondents agree that their mobile wallet technology is safe and robust. As the obtained mean score is 3.52, the respondents think mobile wallets are secure in general. They also believe that mobile wallets are safely protected and structured to safeguard technical malfunctions and issues as their mean score is 3.26.

**Table (4.6) Perceived Risks**

<b>Sr No.</b>	<b>Perceived Risks</b>	<b>Mean</b>	<b>Std. Deviation</b>
1	Mobile wallets work very well technically	3.83	.744
2	Mobile wallets are well protected from technical malfunctions and issues	3.26	.884
3	Mobile wallet technology is safe and robust	3.58	.802
4	Mobile wallets are secure	3.52	.863
5	Personal information provided to mobile wallet providers are safe	3.48	1.023
6	No need to feel concerned about disclosing my personal and financial data to other parties.	3.24	.939
<b>Overall Mean</b>		3.49	

Source: Survey Data (2019)

According to the results, it can be expressed that most of the respondents tend to believe the mobile wallet providers will not use their personal information without their permissions as the obtained mean score is 3.48. The lowest mean score is 3.24 in which the respondents still have some concern about personal and financial information being disclosed. According to overall mean score, it can be concluded the consumers think mobile wallets are generally secure and information are safe and perceived risks is relatively low.

#### **4.3.5 Consumer Trust**

The respondents' perception about trust on Mobile Wallets as below. Six questionnaires are asked to 147 respondents. The mean scores and standard deviation results are retrieved from SPSS.

According to the Table (4.7), most of the respondents agree with the statements, for the overall mean score is 3.52 which accounts for that the respondents show they have significant trust on mobile wallet. The highest mean score is 4.03 which mean that the users believe that mobile wallet can enhance the effectiveness and efficiency while conducting mobile financial transactions.

**Table (4.7) Consumer Trust of Mobile Wallet User**

<b>Sr No.</b>	<b>Consumer Trust</b>	<b>Mean</b>	<b>Std. Deviation</b>
1	Trusting each participant in mobile wallet	3.48	.878
2	Trusting the security of mobile wallet process	3.29	.838
3	Trusting quality of services of mobile wallet	3.60	.889
4	Mobile wallet makes things more efficient and effective.	4.03	.797
5	Mobile wallet is not risky.	3.22	.935
6	Trusting information provided during the transaction process of mobile wallet.	3.50	.924
<b>Overall Mean</b>		3.52	

Source: Survey Data (2019)

The users of mobile wallets have trust upon the quality of mobile wallet services provided showing the second largest mean score, 3.6. It is found out that consumers have trust upon each participants of the mobile wallets such as the service providers and agents as their mean score is 3.48. The consumers also shown trust on the security as the mean score result is 3.29. It is found out that the consumers believe information provided by the service provider due to the related mean score being 3.5. The lowest mean score is 3.22 and it states that consumers are not strongly agree with the statement that mobile wallet is not risky. The nature of mobile wallet and its difficulty to comprehend may be the cause that people may reluctant to consider mobile wallets are not risky.

#### **4.3.6 Influencing Factors on Consumer Trust**

In this study, the effect of influencing factors on Consumer Trust of Mobile Wallet users is analyzed by the use of Linear Regression model. The result of estimated regression model of the effect of influencing factors on Consumer Trust of Mobile Wallet users has shown in Table (4.8), as follows.

As the results of Table (4.8), the specified model could explain very well about the variation of consumer trust on mobile wallet since the value of  $R^2$  is 65.1 percent. The model can explain 64.1 percent about the variance of the independent variable and

dependent variable because Adjusted R square is 0.641. Since the value of F test, the overall significance of the model, is highly significant at 1 percent level, this specified model can be said valid.

**Table (4.8) Influencing Factors on Consumer Trust**

Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
(Constant)	.116	.237		.488	.627
Environmental Factors	.024	.053	.027	.449	.654
Provider Characteristics	.282***	.072	.251	3.906	.000
Consumer Characteristics	.076	.062	.071	1.215	.227
Perceived Risk	.589***	.056	.607	10.438	.000
R Square	.651				
Adjusted R Square	.641				
F Value	66.115***				

Source: Survey Data (2019)

Notes: \*\*\* Significant at 1% level, \*\* Significant at 5% level, \* Significant at 10% level

The significance value of provider characteristic and perceived risks are 0.000, meaning the variable is significant at 1% level. The Standardized Coefficient (Beta) indicates that both provider characteristic and perceive risks have positive relationship with the dependent variable (consumer trust) of this study. A unit increase in provider characteristic will make 0.282-unit increase in consumer trust on mobile wallet. A unit increase in perceived risks will lead to 0.589-unit increase in consumer trust on mobile wallet. Provider characteristic and perceived risks contribute the most to generate continuance commitment.

Provider characteristics is important factor in generating consumer trust on mobile wallet. As mobile wallet is financial services and it is subject to technology, consumers feel sensitive for their security and they look upon the characteristics of the mobile wallet

providers. If the consumers think the mobile wallet providers are honest, benevolent, predictable and competent, they tend to rely more trust upon mobile wallet. Among the characteristics of providers, trustworthiness of the providers and trust level in the product and services play crucial role in compelling consumer trust.

Perceived risks is another important factor that provoke consumer trust on mobile wallet. Mobile wallet is virtual wallet, it means there is limitation when it comes to keeping secure. There may be incidents or default of malfunctions and issues. Consumers may rely trust on mobile wallet if they regard it is risk-free or low risk. It doesn't matter if the mobile wallet is actually risk-free, the influence is only upon consumer perception about risks.

To sum up, two out of four factors have significant influence on consumer trust in this research. Moreover, perceived risks is the first place of crucial factor for consumer trust and in the second place, there is provider characteristics. Environmental factors and consumer characteristics have low impact on the influence of consumer trust compared to other two factors. It can be concluded that if mobile wallet providers enhance the technology, security and privacy of the mobile wallets and then be trustworthy, this action can increase consumer trust.

#### **4.4 Analysis of Effect of Consumer Trust on their Loyalty**

Subsequently, the effect of consumer trust on the consumer loyalty is analyzed by using the linear regression model to analyze the findings of the survey. In order to find out the important of consumer trust to consumer loyalty, regression correlation analysis is used. In this study, whether the consumers favor the usage of mobile wallet to a degree that generates loyalty are examined.

##### **4.4.1 Consumer Loyalty**

In this analysis of consumer loyalty on mobile wallets, six questionnaires are asked to 147 respondents and mean scores results are retrieved from SPSS. The indicators of customer loyalty are the final set of items included in the analysis. The mean values and standard deviation of each and overall mean are shown as follow.

**Table (4.9) Consumer Loyalty of Mobile Wallet User**

<b>Sr No.</b>	<b>Consumer Loyalty</b>	<b>Mean</b>	<b>Std. Deviation</b>
1	Continue using current mobile wallet	3.93	.737
2	Continue using current mobile wallet even though there are other options to choose	3.63	.893
3	Continue using current mobile wallet even though there is no seasonal promotions	3.46	.885
4	Continue using current mobile wallet even though the transaction fees are increased	2.97	1.082
5	Will face difficulty if current mobile wallet is no longer in operation	3.40	1.064
6	Proving recommendations about current mobile wallet to others	3.73	.816
<b>Overall Mean</b>		3.52	

Source: Survey Data (2019)

According to the Table (4.9), most of the respondents agree with the statements, for the overall mean score is 3.52 which accounts for that the respondents show they have significant loyalty on mobile wallet. The highest mean score is 3.93 which mean that the consumers are going to continue using the mobile wallets they are currently using. The second highest mean score is 3.73 and it means that consumers are willing to recommend the mobile wallets they are currently using to others. Giving recommendations to others is a significant signal of consumer loyalty. As the mean score is 3.63, it is found out that consumers will continue to use their mobile wallets even though there are other options to choose.

Moreover, it is also observed that consumers will continue to use their mobile wallets even though the provider stop seasonal promotions as the mean score is 3.46. Consumers can use more than one mobile wallet and there is no need to be exclusive, consumers will continue to use as long as they think the mobile wallets is good quality for them. This may be the reason that consumers will tend to be loyalty even though there are other options to choose. Most of the consumers state that they will face difficulties if the mobile wallets they are using is no longer available as the obtained mean score is 3.4.

The lowest mean score is 2.97 and is even lower than cut off 3. It means that consumers disagree to the statement that they will continue to use their mobile wallets if there is increment in transaction fees. And since it is marginally lower than the cut off, this does not mean consumers are strongly disagree with the statement. Most of the mobile wallets do not charge any fees for transfer between register users, payment to agents and own account transfers. That's what acts as incentives to use against mobile banking services and other services. Most of the consumers are using mobile wallets because it offers no fees or relatively low fees. Therefore, consumers may feel reluctant to use mobile wallet if the transaction fees are increased and this may be the reason of the low score of 2.97.

#### 4.4.2 Effect of Consumer Trust on their Loyalty

In this study, the effect of consumer trust on their loyalty is analyzed by the use of Linear Regression model by asking 6 questionnaires to 147 respondents, the result has shown in Table (4.10), as follows.

**Table (4.10) Effect of Consumer Trust on their Loyalty**

Variables	Unstandardized		Standardized	t	Sig
	B	Std. Error	Beta		
(Constant)	.306	.178		1.714	.089
Consumer Trust	.912***	.050	.835	18.269	.000
R Square	.697				
Adjusted R Square	.695				
F Value	333.774***				

Source: Survey Data (2019)

Notes: \*\*\* Significant at 1% level, \*\* Significant at 5% level, \* Significant at 10% level

As the results of Table (4.10), R Square is 0.697 and Adjusted R Square is 0.695. This model can explain 69.5% about the variance of dependent variable with the independent variable. F-value (the overall significance of the model) is highly significant at 1% level.

The significance value of consumer trust is 0.000, meaning the variable is significant at 1% level. The Standardized Coefficient (Beta) indicates that consumer trust have positive relationship with the dependent variable (consumer loyalty) of this study. A

unit increase in consumer trust will lead to 0.912- unit increase in consumer loyalty on mobile wallet.

According to the results, the consumer trust has significant effect upon the consumer loyalty. It is observed that the respondents will be willing to use mobile wallet services if they have a trust on the products, services and mobile wallet providers. They perceived that choosing a particular mobile wallet is the right decision because of they have trust on it. If the consumer has established trust upon the mobile wallet, they will continue to use and recommend their preferred mobile wallets to others.

To be concluded, environmental factors, provider characteristics, consumer characteristics and perceived risks are positively influencing on consumer trust. Consumer trust, in turn, have positive relation with consumer loyalty because consumers believe the mobile wallet service providers are trustworthy and they are satisfy with the technology, security and privacy measures set by the mobile wallet service providers. Therefore, mobile wallet service providers obtain consumer trust and consumer trust can stimulate repurchase intention and level of loyalty.



## **CHAPTER (5)**

### **CONCLUSION**

This chapter is organized with findings and discussions, suggestions and recommendations from the study of the paper. This chapter also includes the suggestions for the further study needs for the growth of Mobile Wallet market.

#### **5.1 Findings and Discussions**

Due to the market trends and needs, most of Myanmar private banks and telecoms are providing mobile wallet services. This study gathered the primary data by distributing questionnaires to 147 respondents who use mobile wallet services in Yangon.

This study was guided by two research objectives that established: to identify the influencing factors on trust of mobile wallet users in Yangon and to analyze the effect of consumer trust on their loyalty of mobile wallet users in Yangon. The finding revealed that the influencing factors that drive best the consumer trust are provider characteristics and perceived risks among the four influencing factors: environmental factors, provider characteristics, consumer characteristics and perceived risks.

Regarding with environmentally influencing factors, it is found out the consumers seeks advice from friends and check what mobile wallet is commonly used in the society. But most of the respondents don't seek advice from family. Most of the consumers said the people in their society are willing to try using new payment methods and this means the society of Yangon can welcome new payment systems and there is room for market growth of mobile wallet.

In respect of provider characteristics, most of the consumers assume that their mobile wallet providers are honest and their mobile wallet providers make reliable decisions and honors the terms that they guarantees. The consumers also feel that the mobile service providers are benevolent and their benefits are taken into consideration when making decisions concerning the customer's information. It is found out that consumers noticed that the actions of mobile wallet providers in given circumstances can be predicted from its past behaviors. Moreover, the consumers consider their mobile wallet

service providers are competent which mean the providers are able to achieve the expected result and deliver on their promises. Overall, the consumers stated their mobile wallet service providers are trustworthy. Most of the consumers have trust upon the products and services of the mobile wallet providers.

Regarding with consumer characteristics, it is ascertained that propensity to trust of the consumers are modest. It is found out that most of the consumers have low tendency to avoid using new technologies for financial transaction. Most of the consumers affirmed that they are aware about mobile wallet and are very familiar with the mobile wallet applications.

Regarding with perceived risks, consumer feel concern about the personal and financial information being disclosed to other parties. Most of the customers believe mobile wallets is low of technical risk. Moreover, it is observed that consumer have low concern on the technology risk of the mobile wallet and they assumed their technologies are safe and robust.

The second objective of the study is to analyze the effect of consumer trust on their loyalty of mobile wallet users in Yangon. The results find out that the majority of the respondents have a trust and confidence on mobile wallets because they believe in the characteristics of the mobile wallet providers and the perceived risks are relatively low. There is an agreement that the feeling of trust make the consumers enjoy of introducing mobile wallet to others. It is found out that the consumers tend to collect the information about the products they want to buy before they buy. They also tend to ask advice from their friends when it comes to selecting mobile wallets. Feeling of trust make the consumers think that it is the right decision of choosing particular mobile wallet services. It is suit to say that they would face difficulties in making financial transaction if currently used mobile wallets are not available. Moreover, it is suffice to conclude that there is positive relationship between consumer trust and their loyalty as consumers expressed that they are willing to continue using mobile wallets and recommend to others.

## **5.2 Suggestions and Recommendations**

According to the survey result, mobile wallet providers should focus more on their characteristics and perceived risks of the customers. In order to enhance consumer trust, mobile wallet service providers should boost their trustworthiness. The providers should

maintain the reliable decisions and honors the term that they promised to the customers. When making decisions concerning the customers' information, the providers should act in the best interest of customers. The actions of providers should be consistent so that customers believe the services provided are reliable and predictable. The mobile wallet providers should be always competent when satisfying customer needs and expected results.

Moreover, the product being mobile wallet, consumers may always feel sensitive as it concern with their financials. Thus, mobile wallet providers should keep the security to be first priority under any circumstances. At once the customers think using mobile wallet is risky for them, they may stop using the mobile wallet services. The providers should always keep in check their procedures and systems in order to safeguard from malfunctions, defaults and also from the danger of viruses and hackers.

Although there are currently no foreign operated service providers in Myanmar yet, there may be in the future. There may also be new technologies that will surpass the mobile wallets. Accordingly, current mobile wallet providers should try to review and improve all the influencing factors such as environmental factors, provider characteristics, consumer characteristics and perceived risks.

Each mobile wallet provider should focus on gaining more customers as wide customer network means the users will be more efficient and can transact at low cost. According to the study, the mobile wallet commonly used by society also regarded as the trusted mobile wallet, this is another reason for mobile wallet providers to grow their customer network.

Mobile wallet providers should keep in touch with the rules and regulations governed by Central Bank of Myanmar in respect with mobile financial services. During last year, CBM amended Financial Institution (FI) Law and Mobile Financial Services (MFS) Law. There may be more update and amendment which may impose threat or opportunities for the mobile wallet providers.

Since overall consumer trust is good and customer show a feeling of trust, the mobile wallet providers should maintain the current loyal customers, on the other hands, attract new customers with their assured products and services. Since customers who have trust on mobile wallet tend to continue the usage and recommend to others, the mobile wallets providers should focus on their spending on the tools which effectively drive

consumer trust. Mobile wallet providers should listen to their customer feedback about the products and services through social media in understand more about consumer trust.

### **5.3 Needs for Further Research**

This study is carried out in a small number of respondents and only within Yangon Division. Therefore, the target population is limited. This study only focus solely on mobile wallet users, not other Electronic Payment System (EPS) services. This study focuses on mobile wallet providers in Yangon, especially Wave Money, KBZ Pay and OK Dollar. In order to understand more about the consumer trust and loyalty of other providers, other geographical area or other EPS services, the further research is necessary. This study focus on four influencing factors which are environmental factors, provider characteristics, consumer characteristics and perceived risks. There may also be other factors that have influence on consumer trust of mobile wallet and this study does not cover these. As mobile financial services industry is growing in Myanmar daily, the future research is expected to be comprehensive and worthwhile for mobile financial services in Myanmar.

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## APPENDIX I.

### QUESTIONNAIRE SURVEY

The information provided in the questionnaire will remain strictly confidential and anonymous. The information will be used only for the purposes of the study whose findings will be to assist to meet the requirements of a degree of Masters of Business Administration.

Your participation is highly appreciated.

#### Part A: General Information

**Instructions: Please check ✓ on your selected answers.**

A1. What is your gender?

- Male
- Female

A2. What is your highest level of education?

- Postgraduate
- Graduate
- Undergraduate
- Diploma/Certificates

A3. What is your age group?

- Up to 20 years
- 21-30 years
- 31-40 years
- 41-50 years
- 51-60 years

A4. How much is your monthly income?

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

A5. What is your occupation?

- Employee
- Student
- Pensioners
- Self Employed
- Unemployed
- Other (Specify)

## Part B: Introductory questions about mobile wallet

**Instructions: Please check ✓ on your selected answers.**

B1. How do you describe your experience in using mobile wallet?

- One time user
- Few times user
- Many times user
- Continued/ Regular user

B2. Which mobile wallet do you use? (You can select more than one)

- Easy Pay
- Wave Money
- CB Pay
- OK Dollar
- AGD Pay
- My Kyat
- KBZ Pay
- M-Pitesan

B2. What kind of mobile wallet services do you use regularly?

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

B3. What amount of money are you willing to trust when you make a mobile payment (in Kyats)?

- Less than Ks 5,000
- Ks 5,000 to Ks 9,999
- Ks 10,000 to Ks 49,999
- Ks 50,000 to Ks 99,999
- Ks 100,000 to Ks 299,999
- More than Ks 300,000

B4. How many times in average do you use mobile wallet in a week?

- One time in a week
- Between 2-3 times
- Between 4-5 times
- More than 6 times

**Part C: Determinant factors of trust on mobile wallet**

**Instructions: Please check ✓ on your selected answers.**

**(1. Strongly Disagree, 2. Disagree, 3. Neutral, 4. Agree, 5. Strongly Agree.)**

No.	Question Detail	1	2	3	4	5
<b>Your perceptions on the environmental influences relating to trust in mobile payments.</b>						
1	A high degree of trust exists in my family.					
2	I am living in a high-trust society.					
3	People in my society willing to try using new payment methods, such as mobile wallets.					
4	When I choose provider of mobile wallet, I seek advice from family.					
5	When I choose provider of mobile wallet, I seek advice from friends.					
6	I believe the particular mobile wallet which is commonly used by the society is best one.					

**Your perceptions on the characteristics of the m-payments provider relating to trust in mobile payments.**

1	I perceive that my provider of mobile wallet is honest (that is the provider makes reliable decisions and honors the terms that it guarantees)					
2	I perceive that my provider of mobile wallet is benevolent (that is the provider takes the customer's benefit into consideration when making decisions concerning the customer's information).					
3	I perceive that my provider of mobile wallet is predictable (that is the provider's actions in given circumstances can be predicted from its past behaviors).					
4	I perceive that my provider of mobile wallet is competent (that is the provider's ability to achieve the expected result and deliver on its promises).					
5	Overall, I perceive that my provider of mobile wallet is trustworthy.					
6	I trust in products and services that I have received from my mobile wallet.					

**Your perceptions on the personal characteristics and experiences relating trust in mobile payments.**

1	I tend to trust a person, even though I have little knowledge about him/her.					
2	I don't want to avoid using new technologies for financial transactions.					
3	I am very familiar with mobile payments.					
4	I am aware of mobile wallet applications in Myanmar.					

5	I am aware of the steps required to conduct a mobile wallet.					
6	I have positive experience(s) in conducting mobile wallet services.					
<b>Your perceptions on the perceived risks relating to trust in mobile payments.</b>						
1	I believe that mobile wallet work very well technically.					
2	I believe that mobile wallet are well protected from technical malfunctions and issues.					
3	I believe that mobile technology provides a robust and safe environment to transact using mobile wallet.					
4	In general, I believe mobile wallets are secure.					
5	I believe that my mobile wallet provider won't use my personal information without permission.					
6	By using mobile wallet, I don't feel concerned about disclosing my personal and financial data to other parties.					

**Part D: Consumer trust on mobile wallet**

**Instructions: Please check ✓ on your selected answers.**

**(1. Strongly Disagree, 2. Disagree, 3. Neutral, 4. Agree, 5. Strongly Agree.)**

No.	Question Detail	1	2	3	4	5
1	I trust each participant, such as agents and provider, involved in mobile wallet.					
2	I trust the security of every process in mobile wallet					
3	I trust quality of services provided by mobile wallet					
4	I perceive using mobile wallet makes things more efficient and effective.					

5	I trust using mobile wallet is not risky.					
6	I trust the information provided during the transaction process of mobile wallet.					

**Part E: Consumer loyalty on mobile wallet**

**Instructions: Please check ✓ on your selected answers.**

**(1. Strongly Disagree, 2. Disagree, 3. Neutral, 4. Agree, 5. Strongly Agree.)**

No.	Question Detail	1	2	3	4	5
1	I will continue to use mobile wallet(s) that I am currently using.					
2	I would continue to use my current mobile wallet(s) even though there are several options appear to choose.					
3	I would continue to use my current mobile wallet(s) even though they no longer provide seasonal promotions.					
4	I would continue to use my current mobile wallet(s) even though there is an increase in transaction fees					
5	If my current mobile wallet(s) is not available, it would make me difficult in making my payments.					
6	I recommend my mobile wallet(s) to someone who seeks my advice.					

## APPENDIX II

### STATISTICAL OUTPUT

#### Regression Analysis of Influencing Factors on Consumer Trust on Mobile Wallet

##### Model Summary<sup>b</sup>

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	.807 <sup>a</sup>	.651	.641	.364	.651	66.115	4	142	.000	2.079

a. Predictors: (Constant), Perceived Risk Mean, Consumer Characteristics Mean, Environmental Friendly Mean, Provider Characteristics Mean

b. Dependent Variable: Consumer Trust Mean

##### ANOVA<sup>a</sup>

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	35.062	4	8.765	66.115	.000 <sup>b</sup>
	Residual	18.826	142	.133		
	Total	53.888	146			

a. Dependent Variable: Consumer Trust Mean

b. Predictors: (Constant), Perceived Risk Mean, Consumer Characteristics Mean, Environmental Friendly Mean, Provider Characteristics Mean

##### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.116	.237		.488	.627		
	Environmental Friendly Mean	.024	.053	.027	.449	.654	.684	1.461
	Provider Characteristics Mean	.282	.072	.251	3.906	.000	.594	1.683
	Consumer Characteristics Mean	.076	.062	.071	1.215	.227	.711	1.406
	Perceived Risk Mean	.589	.056	.601	10.438	.000	.729	1.373

a. Dependent Variable: Consumer Trust Mean

## Regression Analysis of Consumer Trust on Consumer Loyalty

### Model Summary<sup>b</sup>

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	.835 <sup>a</sup>	.697	.695	.367	.697	333.774	1	145	.000	1.859

a. Predictors: (Constant), Consumer Trust Mean

b. Dependent Variable: Consumer Loyalty Mean

### ANOVA<sup>a</sup>

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	44.849	1	44.843	333.774	.000 <sup>b</sup>
Residual	19.483	145	.134		
Total	64.332	146			

a. Dependent Variable: Consumer Loyalty Mean

b. Predictors: (Constant), Consumer Trust Mean

### Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	.306	.178		1.714	.089		
Consumer Trust Mean	.912	.050	.835	18.269	.000	1.000	1.000

a. Dependent Variable: Consumer Loyalty Mean