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**CUSTOMER ADOPTION ON THE MOBILE BANKING SERVICE  
OF CO-OPERATIVE BANK (CB)**

**KHAING THWE SINT  
(MBF- 5<sup>th</sup> BATCH)**

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**CUSTOMER ADOPTION ON THE MOBILE BANKING SERVICE  
OF CO-OPERATIVE BANK (CB)**

A thesis submitted as a partial fulfillment of the requirements for the degree of  
Master of Banking and Finance (EMBF)

**Supervised by**

Daw Htay Htay  
Associate Professor  
Department of Commerce  
Yangon University of Economics

**Submitted by**

Ma Khaing Thwe Sint  
Roll No. 12  
MBF- 5<sup>th</sup> Batch

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## **ABSTRACT**

The rapid growth of using technology by phones helped banks to achieve their goals. Mobile banking is often referred to as electronic banking. Mobile banking are two alternative channels (self-service and over the counter service). The objective of the study is to identify mobile banking services of Co-Operative Bank (CB) and customer adoption on mobile banking services in CB Bank. The descriptive research method is used, and the sampling technique is simple random sampling. A sample of 150 users was selected randomly and researcher extended the Technology Acceptance Model (TAM) framework. In the regression result, the study found that two Independent variables, Perceived Usefulness (PU) and Perceived Responsiveness (PR) are significant and positively affects on customer adoption of mobile banking service of CB Bank in Myanmar. This study suggested that private business banks in Myanmar ought to put more in mobile banking and other innovation of technology including special promotional communication drives to educate and reassure the ease of using mobile banking. It is important for the banking sector in liaison with the mobile service providers to focus on perceived ease of use factor in the future.

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## **LISTS OF ABBREVIATION**

ASEAN	Association of Southeast Asian Nations
ATM	Automated Teller Machine
BNM	Bank Negara Malaysia
CB	Co-Operative Bank
CEO	Chief Executive Officer
CGI	Credit Guarantee Insurance
CIMB	Commerce International Merchant Bankers
IDCP	Internal Draft Cheque Purchase
IME	International Money Express
JCB	Japan Credit Bureau
JICA	Japan International Cooperation Agency
MD	Managing Director
MPU	Myanmar Payment Union
OD	Overdraft
PDA	Personal Digital Assistant
PEU	Perceived Ease of Use
PR	Perceived Responsiveness
PU	Perceived Usefulness
SME	Small and Medium Enterprise
TAM	Technology Acceptance Model
UBI	Unified Payments Interface
UTAUT	Unified Theory of Acceptance and Use of Technology

# **CHAPTER I**

## **INTRODUCTION**

Mobile banking is used in many parts of the world with little or no infrastructure, especially remote and rural areas. This aspect of mobile commerce is also popular in countries where most of people do not belong bank account. In most of these places, banks can only be found in big cities, and customers have to travel hundreds of miles to the nearest bank. Based on the improvement of global bank environment, there is a growing need to utilize information technology (IT) to achieve efficiency, coordination, and communication (Lai, 2005).

In the current situation, environmental changes accelerated locally and globally and thus, banks are trying to use the great technology in the provision of banking services and access to a high level of maintaining customer satisfaction in the banking services through using the internet. Recently, Banks have radically converted from the traditional use of banking to branchless positions of banking.

ASEAN banks are also moving quickly to adopt digital technology in areas such as mobile banking, robotic process automation, chatbots, peer-to-peer funding, data analytics, cloud computing, contactless ATM, and social media engagement. These microelements are playing out most rapidly in the ASEAN Five, while in the Bangladesh, Cambodia, Malaysia, Laos and Vietnam (BCMLV) subgroup, banking penetration rates and smartphone use have not yet gained critical mass. However, it is in the BCMLV that fintech may have the most profound impact (Jonathan, 2018).

In the Myanmar economy, the banking sector is a key element in advancing development in all sectors and a factor of stability in the environment of Myanmar. Myanmar's banking sector is still in its infancy. It has endured a damaging legacy and is unable to allocate financial resources efficiently to fully support domestic economic activities. The majority of the population remains unbanked, access to credit is one of the biggest challenges in doing business in Myanmar (Talaengsatya, 2018).

In changing from traditional to branchless banking, technology plays the key role of inexpensively transmitting transaction details between the customer, the retail agent,

the financial service provider, and third parties. The devices typically used are mobile phones. Using Mobile banking through wireless shows the difference between online banking and mobile banking contexts while customers considered mobility as the most valued properties of mobile banking. The latest adoption of using technology has helped banks to extend their customer base, while electronic banking has proved to be the main advancement. Mobile banking categorized as the latest development in electronic bank services, while the bank customers can review: balance inquiry, credit transfer, check account, Short Message Services (SMS), payment transaction and other businesses according to banks instruction that sends to them through mobile phones (Saleem & Rashid, 2011).

Banks are looking for better ways to serve customers and reduce the overhead cost in line with the changes in the evolution of service through using technology. It can help to get what customer expect from banking services, while the usage of electronic banking services is increasing in Myanmar banks such as Mobile Banking, ATM, SMS, Internet banking). At the same time understanding the adoption process of customers for such new technology will help banks direct its efforts in the right path so as to get the benefit for both parties. Through understanding the major factors of banking services that effect on customer adoption will help to modify the services of the banks to match the actual needs of customers by using technology. From the customers' viewpoint, the benefits of using mobile banking service is in terms of convenience to perform banking transactions anytime, anywhere and easy way to use. The importance of the expansion in the use of technology in the banking which helped departments of banks to access guarantees in maintaining high customer satisfaction and confidence of customers.

### **1.1 Rationale of the Study**

The rapid growth of using technology by phones helped banks to achieve their goals. Mobile banking is often referred to as electronic banking. Mobile banking is two alternative channels (self-service and over the counter service) for banks to deliver their services for customers in order to acquire services. In Asia, mobile payments are growing rapidly, fueled by increasing smartphone ownership and improving access to the internet. There have six strong countries in using mobile payments in Asia, they are China, Japan,

India, Singapore, Indonesia and Malaysia.

Myanmar has four state-owned banks, nine semi-governmental banks, 14 private enterprises, 13 foreign bank branches, and 49 representative office of foreign banks. Due to the vast untapped potential of the financial sector, banks are becoming more competitive in developing their innovative services, such as online payment system, mobile banking and other related applications (ThaiBiz Myanmar, 2017).

Compared to other ASEAN countries, the contribution of Myanmar's banking sector to the economy is limited. Myanmar's banking-assets-to-GDP ratio of 49% is the lowest among ASEAN peers (Chassat & Foerster, 2016). Myanmar remains a predominantly cash-based economy. The Myanmar people have less trust in the banking system compared to other countries in the region since they had previously experienced a banking and currency crisis. For this reason, most people prefer to keep cash in hand or buy property to secure their financial position (ThaiBiz Myanmar, 2017). Myanmar financial sectors are normally influenced by the cash economy and most of the traditional bank services users face several issues like long queue and the huge crowd in the banking hall for cash withdraw and deposit. Myanmar's financial service sector is the least developed in Southeast Asia and apart from 20 percent of the population, Myanmar is more preferably on using cash-based economy.

Although most of Myanmar people use smartphone, the majority of the Myanmar population remain unbanked. This could be a result of both voluntary and involuntary exclusion driven by historical developments and disruptions to the financial system. There is also a preference for the informal financial sector as transactions through banks are complex and costs are high. According to World Bank data, only 23.5% of the total population have financial accounts at formal financial institutions, especially banks, the lowest in the region (Talaengsatya, 2018).

Mobile banking services in Myanmar are still in their earliest stages, leaving a lot of space for improvement. The private commercial banks in Myanmar utilize this most recent innovation to decrease their operational expenses and increment customer base (Lwin, 2019). There are pointedly increments in a number of mobile phones users; be that as it may, it is a still minority of individuals utilizing mobile banking. Although CB Bank

was established on 21st August 1992, CB Bank can introduce mobile banking service in 2013. Furthermore, CB bank firstly introduced mobile banking services in Myanmar and thus, it can estimate the adoption of customers on mobile banking service of other private bank in Myanmar from this study. Therefore, this study is choosing to do a case study on customer adoption on mobile banking service in Co-Operative Bank (CB). The importance of this study is to identify the dimensions of Mobile Banking service (usefulness, ease of use, responsiveness). With the help of CB Mobile Banking, users can transfer funds, and pay bills, checking account balance, study the recent transaction, block the ATM card, etc. Mobile Banking is cost-effective, and Banks offer this service at less cost to the customers.

## **1.2 Objectives of the Study**

1. To identify mobile banking services of Co-Operative Bank (CB)
2. To analyze customer adoption on mobile banking services in Co-Operative Bank (CB)

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

Co-Operative Bank (CB) has over (230) branches across the Myanmar, including ATM network. This study is chosen and observed Co-Operative Bank. In this study, the descriptive research method is used, and the sampling technique is simple random sampling. This study is collected data from two main sources; primary data and secondary data sources. Primary data is collected by the structured questionnaire, collecting from 150 people who are using mobile banking services in Co-Operative Bank (CB). Secondary data are compiled from many sources such as collecting data from the previous research papers, websites, policies and procedures of Co-Operative Bank (CB).

## **1.4 Organization of the Study**

There are five chapters in this study. The first chapter explains the introduction about the rationale of the study, objectives of the study, scope and method of the study, conceptual framework and the organization of the study. Chapter two concerns literature view of the influence of customer adoption on the adoption of mobile banking service, Chapter three presents the background profile of the Co-Operative Bank and its customer of mobile banking in Co-Operative Bank (CB). Chapter four includes analysis of customer adoption on adoption of mobile banking service and chapter five deals with

findings and discussions, some recommendations and suggestion and the need for further study.

## CHAPTER II

### THEORETICAL BACKGROUND

In this chapter, the study is described in the following about the concept of mobile banking, main services and facilities available on mobile banking, customer adoption, technology acceptance model for theoretical background, review of previous studies and conceptual framework of the study.

#### **2.1 Concept of Mobile Banking**

Mobile banking is an electronic banking system which allows customers to get access to their bank accounts via Short Message Service - SMS (supported by telecommunication networks), the website of the bank (internet) and smartphone applications. Barnes and Corbitt (2003) defined mobile banking as a situation whereby the customer interacts with a bank via a mobile device, such as mobile phone and Personal Digital Assistant (PDA).

Mobile banking is a term used for performing balance checks, account transactions, payments, credit applications etc. via a mobile device such as a mobile phone or Personal Digital Assistant (PDA). It is convenient, simple, secure, anytime and anywhere banking. Many new e-commerce applications will be possible and significantly benefit from emerging wireless and mobile networks. These applications can collectively be termed wireless e-commerce or mobile commerce (Varshney, 2004). Mobile Banking can be said to consist of three interrelated concepts: 1) Mobile Accounting 2). Mobile Brokerage and 3). Mobile Financial Information Services. Mobile phone banking may also be used to help in business situations (Wadhe and Ghodke, 2013).

Therefore, Mobile Banking includes mobile accounting (e.g. chequebook requests, blocking lost cards, money transfers or insurance policies subscription), mobile brokerage (selling and purchasing financial instruments), and mobile financial information services (balance inquiries, statement requests, credit card information, branches and ATM locations, foreign exchange rates or commodity prices) (Tiwari, 2007).

## **2.2 Main Services and Facilities Available on Mobile Banking**

The services offer when using mobile banking is such as withdrawal, deposits and bill payments. The main services of mobile banking include mini-statements and checking of account history, alerts on account activity, access to loan statements/card statements, insurance policy management, pension plan management, payments and transfers, domestic and international fund transfers, mobile recharging, commercial payment processing, bill payment processing, personalized alerts and notifications on security prices support, cheque book and card requests and exchange of data messages and email, including complaint submission and tracking (Kalaiyarasi, 2016).

Available facilities on mobile banking include balance enquiry, cost transactions, cheque book request, bill payment, change of primary account. In the balance enquiry, the service provides all customers, the available balance in his/ her default/ operative account that are linked to the customer identification number. The maximum number of accounts one can access is five. Cost transactions provides the customer with the information about last five debits/ credits made to the account. Instead of going personally to the bank, the customer can request for a cheque book to be mailed to his or her address as per the records of the bank. In the bill payment, for those companies which register with the bank for this service, the payment is made on request on mobile banking. The customer has the option to change the primary account to another new account number for carrying out transactions (Kalaiyarasi, 2016). Customers can know the transaction codes for various types of transactions through this option. Mobile phone bank-users will be alerted about outward clearing cheque realization, classified cheque returns, alert on term deposits qualified, on loan instalment due, standing instructions failed on account of insufficient balance in the account, etc. Bank initiates alert messages on minimum balance in the account and also about the utility bills which are due for payments. The services in mobile banking by each of the cellular service providers are tailor-made and customized for each bank that provides mobile banking service to its customers (Kalaiyarasi, 2016).

### **2.3 Customer Adoption**

According to Business Dictionary (2017), customer adoption is a marketing concept that encompasses a customer's impression, awareness and/or consciousness about a company or its offerings. Consumer adoption applies the concept of sensory adoption of marketing and advertising. Just as sensory adoption, consumer adoption pertains to how individuals form opinions about companies and the merchandise they offer through the purchases they make (Muchingami, 2018). Based on these definitions, it is imperative that organizations including the banking sector should channel more resources in understanding customer adoption. Successful businesses do not relax, rather, they continue to foster adoption that result in profitable behaviours. Kotler et al. (2002) by Muchingami (2018), propounded that the customer gets dissatisfied if performance is below expectation and vice versa. If performance goes beyond the expectation of the customer, the customer is highly satisfied and delighted. Motley (2003) by Muchingami (2018), also indicated that banks can achieve this aim by understanding what satisfies and dissatisfies their customers or clients. Once consumers have tried a product/service, the task becomes maintaining a good reputation and establishing brand loyalty. Offering superior customer service is an effective tactic because it maintains the adoption that the business cares about its customers' best interests. In return, customers become loyal to the business, which secures a consistent revenue stream for the company and makes it more difficult for competitors to poach customers.

### **2.4 Technology Acceptance Model**

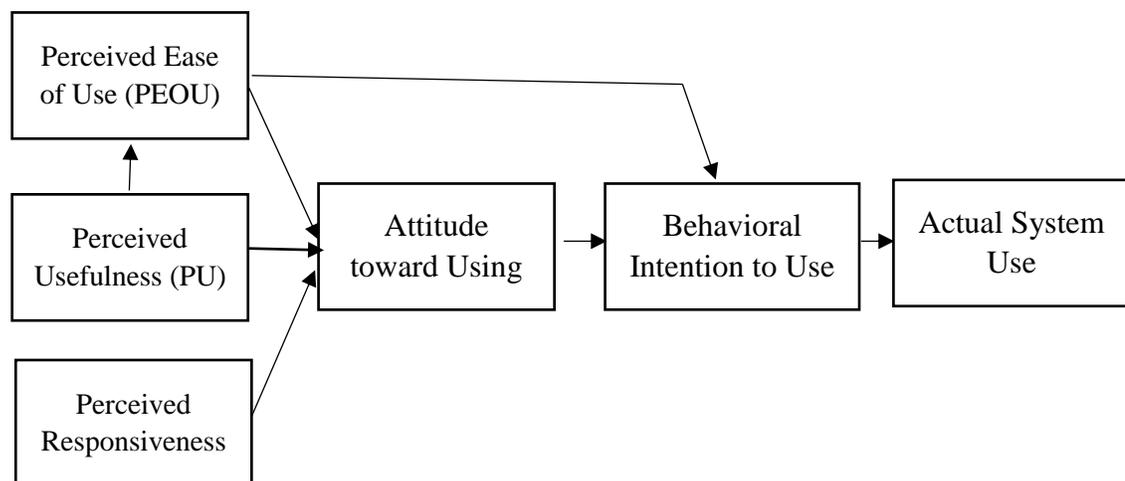
The Technology Acceptance Model (TAM) was developed by Davis et al., (1989) to explain the behaviour behind the acceptance of technologies. This model investigates factors that have significantly influenced the acceptance of mobile banking. TAM is one of the most widely used models for studying the acceptance of information technology systems. Davis et al., 1989 theorized that perceived usefulness and perceived ease of use as variables that explain the adoption of technology. This measures would be very useful to system developers and businesses as a tool for assessing the adoption of technology to ensure that this is aspects in built into the product offering. The assumptions of the TAM model are that adoption is voluntary; although this is dependent on how much control an

individual has over his environment. Perceived usefulness and perceived ease of use has been widely agreed as key factors in acceptance of technologies.

Perceived usefulness entails the degree to which a person believes that using a system would enhance his or her job performance while perceived ease of use is the degree to which an individual believes that using the new system would be stress-free (Davis et al., 1989).

TAM has been very instrumental in several empirical studies and its importance in predicting intention and attitude towards new technologies is better than other models, such as the theory of reasoned action and the theory of planned behavior (Mathieson, 1991). The outcome confirms the validity of TAM, as applied in various fields using 88 published studies (Wang et al., 2003). This shows TAM to be a powerful, reliable, valid and robust predictive model that can be used in a variety of contexts. In addition, Hernández et al., (2008) study showed that TAM correctly explains the acceptance level of technology in a business context, as long as the focus and subject proposed are correct. Several researchers introduced additional factors to TAM, suggesting that these external factors will improve the model's predictive power (AlSukkar, 2005; Davis, 1993).

**Figure 2.1. Technology Acceptance Model**



Source: Davis et al., (1989)

### **2.4.1 Perceived Usefulness**

This is defined as the extent to which an individual believes that he/she will be benefited by using mobile banking services (Jeong and Yoon, 2013). Perceived usefulness (PU) is strongly associated with productivity. It suggests that if the user perceives the service to be useful, then the service can improve job performance and productivity, and enhance job effectiveness and usefulness. (Ramdhony and Munien, 2013; Rao and Troshani, 2007; Sangle and Awasthi, 2011). Kim et al. (2004) stated that individuals determine the consequences of the behavior and then make a choice based on the need for perceived usefulness. The amount of information, which get through mobile banking, is an important factor that influences a user to adopt this service. It refers to the parameters that enable individuals to decide whether it benefited by using mobile banking services in their daily lives. Information system adoption research suggests that “if a system does not help people to perform the task effectively, it is not taken positively”. One of the reasons why people use mobile banking is that people find this system useful for the transactions because it reduces cost and time required to go to the brick and mortar bank (Jeong and Yoon, 2013). Mobile banking services, such as money transfer and requests for bank statements, when used as per one’s convenience makes banking hassle-free and effortless. Perceived usefulness plays a vital role in decision making, that is, a system is supposed to be useful when its adopters believe that there is a positive relationship between use and performance on one hand and effectiveness and satisfaction on the other hand.

### **2.4.2 Perceived Ease of Use**

Perceived ease of use refers to freedom from difficulty and effort while using mobile banking services (Davis, 1989). Mobile services that are easy to use will be less threatening to individual customers, that is, people might find less complex or less tedious to use (Venkatesh and Morris, 2000 & Davis, 1989). Perceived ease of use (PEU) enables users to adopt hassle-free technology of mobile banking and its services in everyday use (Govender and Sihlali, 2014; Kazemi et al., 2013 & Jeong and Yoon, 2013). Ramayah et al. (2003) observed that initial willingness to adopt new technology in banking depends upon accessibility. Details of products or services, their benefits and the

usage guidance information, when provided to customers, make it easier for them to adopt mobile banking. The use of certain services on a mobile device becomes dreary, especially while downloaded by browsing web pages on a mobile due to its small screen size and small keypad. Thus, a user-friendly interface with visible interface, suitable content and graphical layouts, help functions, clear commands, symbols and meaningful error messages are required to tempt users to adopt mobile banking technology. Hence, mobile services that are perceived to be easier to use are willingly accepted by users. This thus leads to a positive relationship between usage intention and perceived ease of use (Luarn and Lin, 2005 & Wang et al., 2003). Further, it also increases the customer's trust in banks to use their mobile banking facility (Wang et al., 2003).

### **2.4.3 Perceived Responsiveness**

Responsiveness involves understanding the need and wants of the customers (Faizan, 2013). It also includes convenient operating hours, individual attention given to customers by the staff, attention to problems and customers' safety in their transaction (Kumar & Kee, 2009; Othman et al, 2001). Responsiveness is a dimension of service quality which refers to help customers and provide prompt service to the customers (Kumar and Kee, 2009).

Any delays arising during interaction leads to service delay and in the long run affect how customers will in future interact with the platform. Responsiveness can be improved by using certain actions Johnston (1997). These actions include improving processing speeds which had a positive impact on customers satisfaction. In his study, he hypothesized that there is a positive effect that speed has on customer satisfaction. Nimako et al. (2013) in his study of the adoption of mobile banking in Ghana found that banks respond to the competition by adopting technologies by increasing investment in these technologies in an attempt to enhance service delivery. Nimako et al. (2013) found out that the response of the Web page on the bank's portals and prompt reception of responses to customer request enhances service delivery. This study showed that prompt response to requests and how fast the application reflects on the rating of service quality by customers.

## **2.5 Review on Previous Studies**

Laforet (2005) research on customer attitude and adoption of Mobile banking showed there are several factors predetermining the customer's attitude towards online banking such as person's demography, motivation and behavior towards different banking technologies and individual acceptance of new technology. It has been found that customer's attitudes toward online banking are influenced by the prior experience of computer and new technology.

Kuisma et al. (2007) conducted to examine the reason for customer resistance to the adoption of mobile banking, online shopping and internet banking respectively. The results of this study suggested that there is a significant relationship between Usage Barrier and consumers' resistance to adoption.

Koenig et al (2010) investigated the barriers towards Mobile Banking System adoption among young people in Germany. This study was based on the Technology acceptance model (TAM) model. They received 155 responses from all the questionnaires that were sent and also used a structural equation modeling (SEM) approach to tests the hypothesis. The results of the study indicated that compatibility, perceived usefulness, and risk are significant indicators for the adoption of mobile banking systems in Germany.

Cheah et al., (2011) investigated the factors that affect the Malaysian consumers from adopting mobile banking services. From the study, variables such as perceived ease of use, perceived usefulness and relative advantage were found to be positively and significantly related to the intention to adopt mobile banking services while a construct such as perceived risk was found to be negatively correlated with the adoption of mobile banking.

Palani (2012) studied customer adoption towards mobile banking in Indian Overseas Bank Chennai to confirm the model of mobile banking. The causes were identified and researched by correcting the causative factors so that mobile banking can be used by more people. The research was focused on what are the customer adoption about mobile banking offered by Indian Overseas Bank and what were the drivers that

drive consumers. Author found that still, the users face many problems right from the telecom operator to banks, the handset to software application support for using services.

Kabir (2013) investigated the factors that influence the use of mobile banking in Bangladesh. The data were analyzed using multiple regressions and the outcome of the research was that variables such as ability, integrity, benevolence, perceived usefulness, perceived ease of use relative cost and time advantages were found to influence the adoption of mobile banking.

Kazi and Muhammad (2013) studied factors that affect Pakistan customers from adopting mobile banking services. Data collection was done by surveying 372 respondents from the two largest cities (Karachi and Hyderabad) of the province Sindh by use of judgment sampling method. The researcher used a correlation research design and the analysis was done by using multiple regression in order to come up with the findings.

Kazemi et al., (2013) investigated the factors that effect on Mobile Banking Adoption in Iran, Based on the Decomposed Theory of Planned Behavior. The result of this study suggested that there were only two important factors which are attitude and perceived behavioral control under which factors such as perceived usefulness, perceived ease of use, compatibility and trust have an influence on behavioral attitude to adopt mobile banking.

Chitungo & Munongo (2013) examined the factors that influence mobile banking adoption in rural Zimbabwe by extending the technology acceptance model. The researcher adopted use of stratified random sampling and the results of the study suggested that factors such as perceived usefulness, PEOU, relative advantage, personal innovativeness and social norms influenced the intention to accept and use mobile banking.

Amola (2016) conducted a study regarding factors affecting customer's adoption of mobile banking services and researcher examined demographic, attitudinal, and behavioral characteristics of mobile bank users. The infrastructural facility of updated user-friendly technology and its availability was found to be the most important factor

that motivated consumers 'attitudes. This study identified two additional factors, infrastructural facility and customer service relevant to mobile banking.

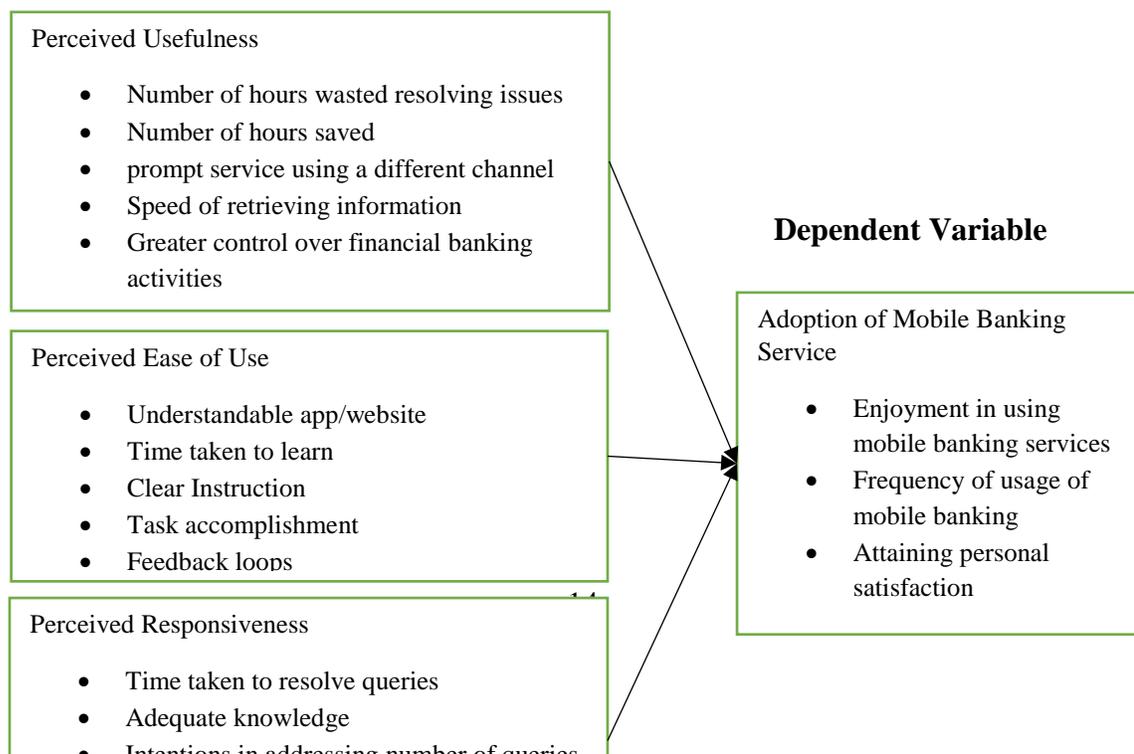
Chuchuen (2016) studied the perception of mobile banking adoption in Thailand. This paper demonstrated a conceptual model and propositions for identifying Thai adopter factors of M-banking adoption for improving the M-banking adoption process especially in term of M-banking providers finally, the relationship between M-banking intention and M-banking adoption which referred to satisfaction showed that any customers had high expectations toward M-banking.

## 2.6 Conceptual Framework of the Study

This study is investigated the major three variables of customer adoption namely: Perceived Usefulness, Perceived Ease of Use, Perceived Responsiveness, the following framework as developed. Number of hours wasted resolving issues, number of hours saved, prompt services, speed of retrieving information, control of financial banking activities are included in perceived usefulness. Understanding of application, learning time, instruction, accomplishment and taking feedback are contained in perceived ease of use. In perceived responsiveness, resolving queries, knowledge of staffs, intention of queries reports, focusing on unresolved issues and network of downtime report are included.

**Figure 2.2 Conceptual Framework of the Study**

### Independent Variables



Source: Adopted from Davis et al., (1989) and Verah Okombo (2015)

## **CHAPTER III**

### **OVERVIEW OF CO-OPERATIVE BANK**

In this chapter, the study is described about background history of CB Bank, organization structure of CB Bank, board committee of CB Bank, banking services of CB bank and mobile banking service of CB Bank.

#### **3.1 Background History of Co-Operative Bank**

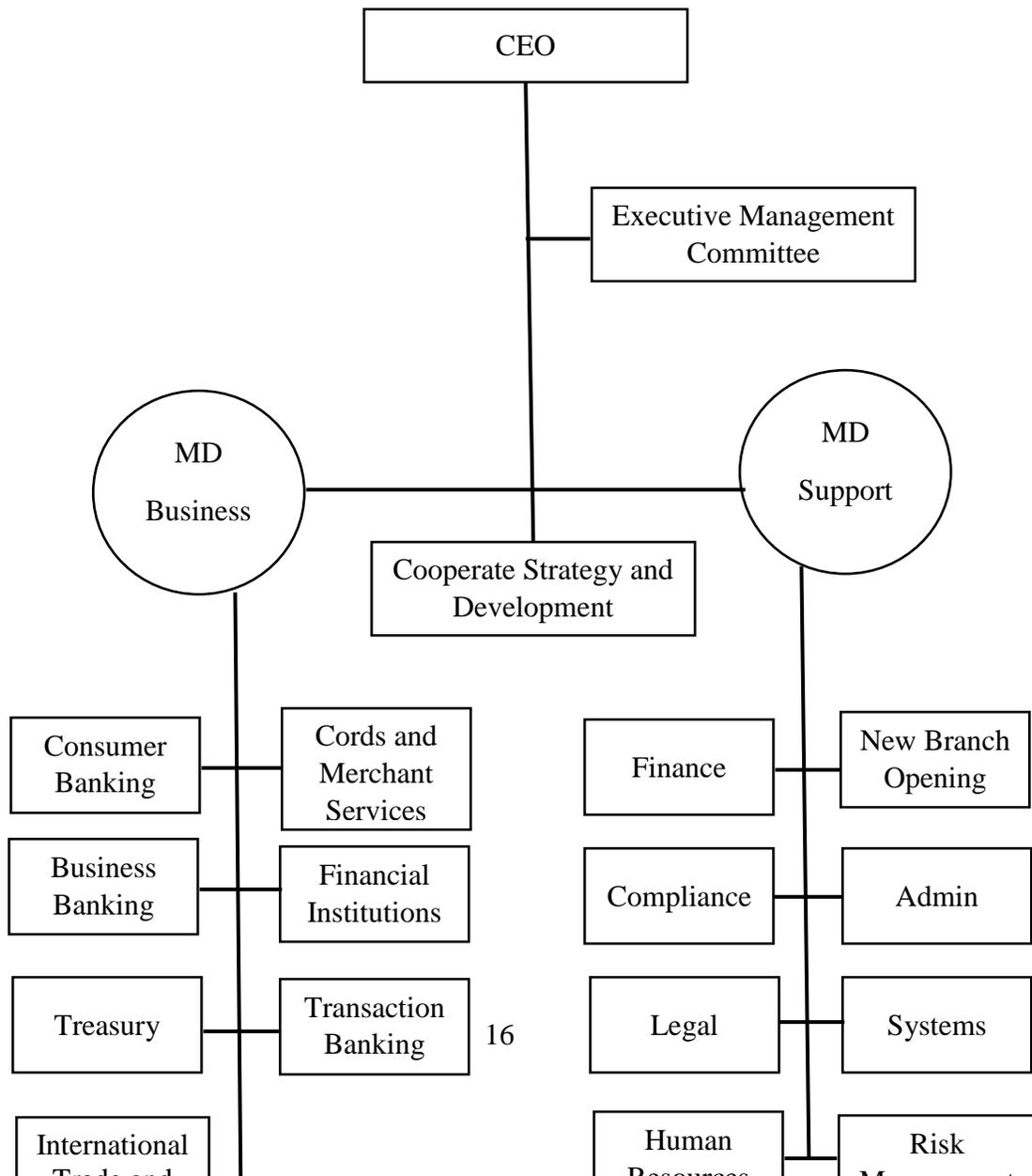
Co-Operative Bank (CB Bank Ltd) was integrated in 21<sup>st</sup> August 1992 through the rules of Company Act and Myanmar Financial Institutions laws. CB Bank Ltd is operating as a 100 per cent privately-owned Bank under the license of Central Bank of Myanmar. In 2004, Co-Operative Bank changed its legal business structure into Public Company under the Myanmar Companies Act. The vision of Co-Operative Bank is to become a strong player in ASEAN's financial services industry and provide the best financial solution and platform in Myanmar. The mission of Co-Operative Bank is to fulfil the aspirations and dreams of our customers and partners (Co-Operative Bank Ltd, 2019).

Nowadays, CB Bank is one of the largest leading private banks in Myanmar with over 230 branches. Over 27 years, CB Bank has grown from 33 employees to over 9,000 employees. CB Bank offers banking products and services to corporate clients, SMEs and Retail customers.

### 3.2 Organization Structure of CB Bank

Figure 3.1 shows the CB Bank organization structure of day to day operation. CEO is the leading person in this structure. There are two managing directors who take responsibilities for day to day operation. Managing Director (Business) takes responsibilities regarding business development. Managing Director (Support) takes responsibilities in support for business development.

**Figure 3.1 Organization Structure of CB Bank**



Source: Co-Operative Bank Ltd, 2019

Under the Managing Director (Business), there are seven departments which include customer banking, business banking, treasury, international trade and service, cards and merchant services, financial institutions and transaction banking respectively. Under the Managing Director (Support), there are eight departments which include finance, compliance, legal, human resource, new branch opening, admin, systems and risk management departments respectively. These 15 departments perform day to day activities for business development and to achieve the goals of CB Bank.

### **3.3 Board Committees of CB Bank**

There are seven committees under the Board Committee which includes Human Resources & Remuneration Committee, Risk Management Committee, Assets & Liability Management Committee, Banking and Technology Development Committee, Construction Committee, Executive Management Committee and Audit Committee.

Human Resources Committee focuses on the talent development of the bank. The committee ensures that there are policies whereby only the best of the candidates from the competitive market are chosen and those candidates stay with the bank, through such initiatives as talent engagement, development and retention. In order to acquire suitable candidates with the right skills sets, CB Bank has begun to look for candidates not only domestically but also internationally. Remuneration Committee reviews and decides the compensation packages for directors and key executives and also assesses the remuneration strategies for the bank.

The success and growth of banking business mainly depends on how well the bank can manage its risk portfolio. The Risk Management Committee oversees the risk management strategy, decides the risk appetites and assesses the effectiveness of a risk management framework. The committee not only oversees the credit risk but also a market risk, operation risk, as well as strategic risk. The committee regularly schedules board meetings to discuss sizable credit applications and set out guidelines to mitigate potential risks. Additionally, the committee closely monitors market developments, such as macro-economic, credit and industry risk factors in order to position the bank against any adverse circumstances and effectiveness of operational risk management.

Assets & Liability Management Committee is another important supervisory group for Liquidity Risk Management. The committee oversees the policies to manage the bank's balance sheet structure so that the bank earns sustainable and adequate returns at reasonable risks. Banking and Technology Development Committee guides the development of digital trends and consumer habits. As we consider the future of banking lies in technology, this committee plays an important role in crafting our strategies around digital financial services to keep the bank relevant in the age of technology. The main responsibilities of the construction committee include; studying, reviewing and selecting the strategic locations and profitability for the establishment of new branches.

Executive Management Committee establishes and implements strategic objectives of the bank. The primary purpose of the Executive Management Committee is to set the strategies, oversee and guide the bank to accomplish the targets and objectives laid by the Board of Directors. The committee monitors the functioning of the organization to ensure planned objectives are achieved within set budget and timeframe. The Audit Committee is established according to Section 85 of the Financial Institutions Law. The responsibilities of the committee include: 1) ensuring the quality of financial statements and review any significant change in, accounting policies and practices, as laid by the Central Bank of Myanmar and Myanmar Auditor General Office; 2) ensuring integrity and accuracy of all financial reports before being submitted to the Board of Director and the shareholders; 3) ensuring adequacy and effectiveness of internal accounting control systems and material internal controls; 4) reviewing external and

internal audit plans and reports; 5) assessing adequacy, effectiveness and efficiency of the internal audit function. The committee convenes regular meetings, at least once every three months.

The Audit Department is formed by the Audit Committee according to Section 85 of the Financial Institutions Law. This function inspects and audits the matters related to pecuniary use of all departments at the bank head office and the bank branches to ensure compliance with all the rules and regulations issued by the Central Bank of Myanmar and other regulatory bodies. The Audit Department assists the external auditors and reports to the Audit Committee. According to Section 88 and 89 of the Financial Institutions Law, the external auditor conducts audit annually on the business operations and financial reports of the bank. The findings and audit reports are submitted to the Board of Directors and the Central Bank of Myanmar. Under Section 90 and 91 of the Financial Institutions Law, the bank is subjected to the annual audit and inspection by the Central Bank of Myanmar. During 2016-2017, the activities pertaining to the financial matters at the head office of the bank and the branches were inspected and audited.

### **3.4 Banking Services of CB Bank**

There are four kinds of banking services in CB Bank which include consumer banking, SME banking, corporate banking and prestige banking.

#### **1. Consumer Banking**

In the consumer banking, the consumers can open accounts, use card and payment services, take loans, perform daily banking activities. In Passbook Savings Account, cash withdrawals and fund transfer can be made at any time at ATMs, consumers can deposit money to account even on weekends through CRMs or CB Mobile Agents, consumers can deposit with cash, cheque, payment order and fund transfer at any branch and consumer can access their account daily through CB Mobile Banking. In eSaving Account, consumers do not need to keep and update passbook anymore, consumers can receive monthly eStatement straight to their email for free of charge, consumers can access their account anytime and stay updated using ATMs, Mobile Banking and Internet Banking and every transaction will be informed with eAlert.

Fixed Deposit Accounts is maximized consumers' interest earnings while saving their money securely at CB Bank. Consumers can earn up to 10 per cent per annum on interest. There are four kinds of transaction accounts which include current account, call deposit account, foreign currency current account and foreigner's local currency account. Current account is a non-interest-bearing transaction account that comes with a cheque book. Consumers can make an easier payment by writing a cheque. Call deposit account allows consumers to access their money whenever they need it. Consumers will earn interest based on their day-end balance. Foreign currency current account is a current account to keep consumers' foreign currencies and minimize foreign exchange risk. United States Dollar, Euro, Singapore Dollar and Thai Bath currencies are available to deposit in CB Bank. Foreigner's local currency account can be opened if consumers are a foreigner working or residing in Myanmar for their daily financial service requirement.

Card and payment services can embrace the future by going cashless with CB Bank's cards and mobile banking systems. There are four kinds of cards and payment services. In debit cards service, MPU-JCB Co-Branded Debit Card and Manchester United Debit Card (MPU-JCB) are contained. Consumers can use MPU-JCB Co-Branded debit card at any point of sales terminals installed in stores and shops, at any ATM in Myanmar with MPU logo and at ATMs which bear JCB logo in 190 countries. Consumers can also use it for online shopping: there are 30 million places worldwide which accepts JCB. The official Manchester United branded debit card comes with various perks while featuring consumers' favourite football club. Grab the chance to enjoy discounts on Manchester United related merchandises as well as participate in quizzes and lucky draw programs. Credit Cards allow consumers to pay for goods and services with credit, with a promise to pay back at a later date.

In a personal loan, term loan, easi credit, economy financing/instalment loan, gold financing and agri pledge are included. With CB Bank hire purchase program, a consumer does not need to wait until they have a full amount of money to drive their dream car. Consumer needs to pay only 30 per cent down payment to buy home and car respectively. Consumers require only minimum down payment 10 per cent in education loan. In consumer banking, local payments & transfer can perform which include account

transfer, payment order, gift cheque, local fund transfer/remittance, standing instruction/direct debit, internal draft/cheque purchase (IDCP), bill payments, certified cheque and casher's cheque respectively. Transfer fund securely to other countries through Western Union. Western Union is a globally accepted and recognized American financial institution for fund transfer in over 200 countries safely and securely. Transfer money from Myanmar to any banks in India. CB Bank has partnered with the State Bank of India to facilitate fund transfer from Myanmar to India.

In global money express, consumer can transfer money from around the world to Myanmar. With more than 140 years of experience, Western Union has partnered with CB Bank to facilitate payment services. Consumer can transfer money from Thailand to Myanmar as well: from any Krungthai Bank branch to CB Bank. Consumers can transfer money from any bank in Singapore to CB Bank account (Myanmar kyat account). Consumers need to register at [send2cb.cbbank.com.mm](mailto:send2cb.cbbank.com.mm) to use the service. Consumers can also transfer money from Malaysia to Myanmar. Furthermore, consumers can transfer money from Japan to Myanmar: SBI Remit has partnered with CB Bank to provide remittance service to Myanmar since September 2017. Receiver must have CB Bank account to transfer money. Money will be directly transferred to the CB Bank account. The transfer period is 1 day.

## **2. SME Banking**

In SME banking, the users can open accounts, take loans and financing, perform international trade (export services, export financing, import services, import financing, domestic trade services and international remittance), can use currency exchange service and foreign exchange and can perform daily banking activities (card & merchant services, liquidity management, payment services, account information management, collection services and other services).

Passbook savings account is a traditional type of savings account which comes with a physical passbook to record your savings balance in SME banking. Fixed deposits account allows users to receive higher interest rates than any other types of accounts in SME banking. Three kinds of accounts are included in transaction accounts which are current account, foreign currency current account and call deposit account.

Small and Medium Businesses is important and contributed to the country's overall economy of Myanmar. CB Bank has been financing SMEs for almost three decades with various loan products. CB Bank works with the government agencies locally and abroad to bring in more flexible and attractive financing options for local SMEs. SME-Credit Guarantee Insurance Loan (SME CGI Loan) is a special financing scheme for the development of Myanmar SMEs by government-owned Myanmar Insurance and CB Bank. Both the bank and Myanmar Insurance jointly share the risk of the loan.

Long Term Investment Loan powered by JICA is another special financing scheme available to Myanmar SMEs, supported through CB Bank, by the Japan International Cooperation Agency (JICA) under the bilateral government agreement. Business Expansion Loan powered by KfW is supported by KfW Development Bank, a German government-owned bank, with the aim of providing sustainable and need-based financing to Myanmar SMEs.

In the standard loans, SME term loan, easi credit, economy financing/instalment loan, agri pledge and gold financing are included. Business Overdraft (OD) can be used to finance working capital for users' business operations. Working Capital Loan is aimed at small and medium-sized entrepreneurs to obtain the necessary working capital. It is an asset-based loan. These two types are included in working capital financing. In commercial vehicle financing, users can take advantage of CB Bank's vehicle financing system by only paying 30 per cent down payment of vehicles. In farm machinery financing, users can buy farm machinery at selected CB Bank authorized dealers through hire purchase system. Users can also take heavy machinery financing if users would like to acquire financing for heavy machinery for their business needs.

In the international trade, export services, export financing, import services, import financing, domestic trade services and international remittance are provided from CB Bank. CB Bank has placed currency exchange counters in many public places such as hotels, and airports for users' convenience. CB Bank self-service currency exchange machines can be used at any time to instantly buy the desired currency. The available currencies are US dollar, Singapore dollar, Euro, Thai Baht, Malaysian Ringgit.

Users can perform daily banking activities such as card & merchant services, liquidity management, payment services, account information management, collection services and other services. In the cards services, users can apply credit cards for them and their employees under the guarantee from their business's credit limit. CB Bank merchant services allows users to accept major credit and debit cards. That means it is easier than ever for users to buy and easier to collect. For users' online businesses, CB bank provides e-commerce service to settle payment from users who purchase goods or service on the website. In the collection services, cash collection, incoming local fund transfer, cheque collection, physical cash collection, payment gateway acceptance for e-commerce businesses, inward remittance and virtual account assignment are included.

Liquidity management solution enhances the management of funds by the finance or treasury teams for large corporate clients who usually keep a number of bank accounts for various reasons. It allows companies to reduce the administrative burden in overseeing various bank accounts by concentrating the funds physically or virtually to optimize return of the funds kept with the bank. In order to maximize users' interest earnings, users can set up automated cash sweeping system with CB Bank. Cash Pooling is a liquidity management feature where funds in separate accounts are treated collectively without actually moving them to the main account. The concentrated treatment of the funds optimizes the interest returns that users receive from the deposits kept with the CB Bank.

In the payment services, account transfer, payroll, standing instruction / direct debit, internal draft/cheque purchase (IDCP), local remittance, bill payments, certified cheque, outward remittance, online bulk payment, payment order, gift cheque and international outbound via Western Union are included. Bank balance confirmation, bank statement, alert notification service and e-statements are included in account information management.

### **3. Corporate Banking**

Incorporate banking, the users can open accounts, can access financing and advisory, can perform international trade, can use currency exchange service and foreign

exchange and can conduct transaction banking. Customers can open a fixed deposit account and transactions account only in corporate banking. Fixed deposits account allows the customer to receive higher interest rates than any other types of accounts. Customers can open a current account, foreign currency current account, call deposit account and trust account under the description of transactions account.

In working capital financing, Business Overdraft and short term advances are included. CB Business Overdraft (OD) can be used to finance working capital for customers' business operations. Customers can solve their business short-term needs by taking short term loans from CB Bank. Export and Import financing are included in trade financing. Commercial vehicle financing, farm machinery financing, heavy machinery financing, equipment financing, business property financing are included in asset financing.

Equity capital market advisory, mergers & acquisition, syndicated loans, project financing and security agency services are included in corporate finance advisory. Credit card for employees, home loan for employees, car loan for employees, education loan for employees are included in employee loans. In the international trade, export services, export financing, import services, import financing, domestic trade services and international remittance are provided from CB Bank in corporate finance. Foreign exchange and currency exchange service are provided in CB Bank. Payable solutions, receivable solutions, reconciliation solutions, liquidity management, account information management and system integration are included in transaction banking.

#### **4. Prestige Banking**

CB Bank's dedicated relationship managers are readily accessible for all CB Bank prestige clients' banking needs with 24 hours everyday hotlines. They are instantly available whenever clients require any information, services or clarification. Relationship managers assiduously strive to understand each client's requirements before providing the optimal solutions. CB Bank is committed to helping the clients excel in life from matching financial services and tools with their personal and business needs to extending the benefits and privileges as prestige banking client.

In prestige banking, people can take advisory and consultation services, exclusive services, prestige cards, benefits and privileges. In the advisory and consultation services, relationship manager, investment and financing, personal and business insurance are included. Prestige banking clients can also contact prestige banking service directly with their relationship managers. Prestige banking also recognizes the importance of teamwork. Therefore, prestige banking clients can consult with market specialists to gain market advantage. Achieving peace of mind while living life to its full potential is now possible, with our extensive insurance program, which includes plans such as health insurance, public life insurance and group life insurance.

There are three types of prestige cards which are debit cards, credit cards, dragon pass. People can use MPU-JCB Co-Branded debit card at any point of sales terminals installed in stores and shops, at any ATM in Myanmar with MPU logo and at ATMs which bear JCB logo in 190 countries. You can also use it for online shopping: there are 30 million places worldwide which accept JCB. Credit cards allow people to pay for goods and services with credit, with a promise to pay back at a later date. People get ready to take a lavish lifestyle to the skies with Dragon Pass, where members will have exclusive free access to lounges in over 632 airports 1000+ lounges and restaurants across the world. In benefits and privileges, people can take a discount on accommodation, dining and entertainment, education, fitness and sports, health care and wellness, luxury shopping.

### **3.5 Mobile Banking Service from CB Bank**

Mobile banking service of CB Bank was started in 2013. Mobile banking application of CB Bank is the most widely used mobile banking platform in Myanmar since 2013. The mobile banking service is a bank service which makes the customer's time save and easy for the small businessmen.

The mobile banking service can be used daily process without failure. The service can be managed not only on cash flow but also easily can be managed to transfer the funds speedily and securely. The mobile banking service is very simple and easy to use.

If the customers cannot go to the bank as they do not have time or when they are away from the bank for travelling, they can make daily transactions and fund transfer facilitates in the real-time by using the mobile banking service. Daily cash transactions can be withdrawn safely, easily and quickly at not only nearer CB banks but also Easi mobile agents of CB bank. Nowadays CB bank has been arranging to use its mobile banking service across the country of Myanmar. The following Table 3.1 is presented the mobile banking service of CB Bank.

**Table 3.1 Mobile Banking Service of CB Bank**

Type of service	Description
Information	<ol style="list-style-type: none"> <li>1. Checking balances</li> <li>2. View account history</li> <li>3. Loan schedule</li> <li>4. Future transfer own account</li> <li>5. Manage beneficiary</li> </ol>
Payment and Transfer	<ol style="list-style-type: none"> <li>1. Bill payments</li> <li>2. Fund transfer to own account or to another CB Bank account</li> <li>3. Mobile E-top up</li> <li>4. Easi travel card top-up</li> <li>5. Credit card bill payment</li> <li>6. Making purchase</li> </ol>
Request	<ol style="list-style-type: none"> <li>1. Payment stop</li> <li>2. Check details</li> <li>3. Cheque book request</li> <li>4. Standing order</li> </ol>

Source: CB Bank, 2019



## **CHAPTER IV**

### **ANALYSIS OF CUSTOMER ADOPTION ON THE MOBILE BANKING SERVICES OF CO-OPERATIVE BANK (CB)**

This chapter analyses the adoption of customers in using mobile banking service provided by CB bank based on their response to questionnaires which designed to explore their adoption. The study is chosen 150 respondents who are users of mobile banking service from CB bank are interviewed by using the structured questionnaires attached in Appendix.

#### **4.1 Research Design**

The information relating to the customer adoption towards mobile banking by using CB bank in Yangon city is collected for the study. The total sample size of the study is 150. So, the questionnaires were filled by 150 respondents which were structured with questions of demographic profile, mobile banking services and dimension in which derives adoption to the customers. Apart from socio-demographic characteristics, the sections were designed by using Likert scale. This includes (1) Strongly Disagree, (2) Disagree, (3) Neither Agree nor Disagree, (4) Agree and (5) Strongly Agree. The scores was done on a scale from one to five with one being strongly disagree and 5 being Strongly Agree.

As a sampling method, simple random sampling was applied and each member of the population had an equal chance of being selected in order to collect the data on time and also to avoid low response rate. This method was deemed appropriate to collect information from the target population considering time and cost which are factors that a researcher should consider while undertaking research (Mugenda & Mugenda , 2003).

Before conducting the survey, pilot test (a pre-test of the questionnaire was conducted prior to the actual data collection in order to detect weakness in design and instrumentation and to provide alternative data for selection of a probability sample

(Cooper and Schindler, 2011). The research subjected the questionnaire to 15 respondents to participate in the pilot study.

After conducting pilot study, an interview of selected sample respondents was conducted using self-administrated questionnaire (See in Appendix I) to collect the data concerning customer adoption on mobile banking service from CB Bank.

After finishing data collection, data entry was done first followed by editing to accurate possible miscalculations and to sort out misapprehension and confusions to confirm the trustworthiness of the research. The analysis of the survey was conducted using excel and statistical package for social sciences (SPSS) version 22 is used to analyze the data through statistical instrument for this research particularly, descriptive analysis. In the descriptive analysis, the distribution of variables is shown by illustrating (number) frequency and percentage table for categorical variables and used measurement of central tendency for numerical variables. Finally, these analyses are discussed in term of customer adoption towards the use of mobile banking service from CB bank in Myanmar.

#### **4.2 Reliability Test**

The Likert scale's invention is attributed to Rensis Likert (1931), who described this technique for the assessment of attitudes. When using Likert-type scales it is imperative to calculate and report Cronbach's alpha coefficient for internal consistency reliability for any scales. Cronbach's alpha does not provide reliability estimates for single items. Cronbach's alpha reliability coefficient normally ranges between 0 and 1. However, there is actually no lower limit to the coefficient. The closer Cronbach's alpha coefficient is to 1.0 the greater the internal consistency of the items in the scale. George and Mallery (2003) offer the following rules of thumb:

- a) "Alpha  $\geq$  0.9 = Excellent
- b)  $0.9 >$  Alpha  $\geq$  0.8 = Good
- c)  $0.8 >$  Alpha  $\geq$  0.7 = Acceptable
- d)  $0.7 >$  Alpha  $\geq$  0.6 = Questionable

e)  $0.6 > \text{Alpha} \geq 0.5 = \text{Poor}$ , and

f)  $\text{Alpha} < 0.5 = \text{Unacceptable}$ ".

While increasing the value of alpha is partially dependent upon the number of items in the scale, it should be noted that this has diminishing returns. It should also be noted that an alpha of 0.8 is probably a reasonable goal. It should also be noted that while a high value for Cronbach's alpha indicates good internal consistency of the items in the scale, it does not mean that the scale is unidimensional.

**Table 4.1 Cronbach's Alpha Reliability Test**

Customer Adoption	Number of items in the scale (variables)	Scale reliability coefficient (Cronbach's alpha)
Perceived Usefulness	5	0.8161
Perceived Ease of use	5	0.8495
Perceived Responsiveness	6	0.7625
Adoption of Mobile Banking Service	3	0.8004

Source: Survey data (2019)

As shown in above Table 4.1, the results of reliability analysis for this study, the Cronbach's alpha value of overall four components are greater than 0.7. It showed that all variables under each component can explain the relationship within the variable adequacy best.

### **4.3 Demographic Characteristics of the Respondents**

This section is provided data of demographic information from the questionnaires which is interpreted and summarized in frequency distribution and percentage distribution.

#### **(a) Number of Respondent by Gender**

Total of 150 respondents have participated in this study. The respondents are not only males, but also females. Table (4.2) shows the gender of respondents.

**Table 4.2 Number of Respondents by Gender**

<b>Gender</b>	<b>Number of respondents</b>	<b>Percentage</b>
Male	44	29.3
Female	106	70.7
Total	150	100.0

Source: Survey data (2019)

As shown in Table (4.2), the sample consists of 44 (29.3 percent) males and 106 (70.7 percent) females. At the time of survey, female users are slightly higher in using mobile banking service from CB bank than male users. According to the survey, both genders show female are more use mobile banking service than male.

**(b) Number of Respondent by Age Group**

Age distributions of the respondents have effect on influencing factor to use mobile banking services. Age of respondent are divided by three categories. They are under 24 and 24 years of ages, between 25 to 30 years, 31 years and above 31 years. Table (4.3) respectively show the frequency distribution of age in year.

**Table 4.3 Number of Respondents by Age Group**

<b>Age (in year)</b>	<b>Number of respondents</b>	<b>Percentage</b>
≤ 24	39	26
25-30	97	64.7
≥ 31	14	9.3
Total	150	100.0

Source: Survey data (2019)

According to the observation, 97 respondents fall in the age group between 25 and 30 years, followed by 39 respondents fall 24 years and younger than 24 year of age, 14

respondents fall 31 years and above, respectively. The minimum age of the respondent was 21 years and the maximum age was 46 years at the time of the survey. The average age of respondents is 27.06 years with standard deviation was 4.6. In terms of percentage share the age group between 25 and 30 years has highest percentage share with 64.7 percent and the age group 31 years and above has lowest percentage share with 9.3 percent. Most of the respondents for the question is between 25-30 years old so it means that most respondents who age between 25-30 years have more interest in using in mobile banking service from CB bank than other ages. Therefore, about 65 percent respondent prefer to use mobile banking service that is the highest percentage who has age limit between 25 and 30 years are more aware to use mobile banking service.

**(c) Number of Respondents by Marital Status**

Marital Status of the respondents have effect on influencing factor to use mobile banking services. Table (4.4) shows the gender of respondents.

**Table 4.4 Number of Respondents by Marital Status**

Marital Status	Number of respondents	Percentage
Single	126	84
Married	24	16
Total	150	100.0

Source: Survey data (2019)

By observing the survey outcome, 126 (84 percent) of respondents have not married yet, whereas 24 (16 percent) of respondents have been married, respectively. It can say that both married and unmarried people are using mobile banking services facilities of CB bank. However, the usage of mobile banking service of people who are single is five times higher than people who have been married.

**(d) Number of Respondents by Educational Status**

The study compromised with five main sections for this questionnaire. There are five categories for educational status in questionnaire: High School, Under-Graduate, Graduate, Post-Graduate/ Master and Ph.D. These are expressed in Table (4.5).

**Table 4.5 Number of Respondents by Educational Status**

<b>Educational Status</b>	<b>Number of respondents</b>	<b>Percentage</b>
Graduate	148	98.7
Post-graduate	2	1.3
Total	150	100.0

Source: Survey data (2019)

According to Table (4.5), since the study conducted with 150 respondents, between them 98.7 percent of the respondents are graduated persons, 1.3 percent of the respondents got master degree. Although five categories are included in education section, maximum number of respondents (98.7 percent) are graduated persons.

**(e) Number of Respondents by Occupational Status**

Basically, the occupational statuses are classified by six types which are student, government employee, own business, non-profit (social work), private employee and dependent. In this study, the occupational statuses of sample customers are presented in Table (4.6).

**Table 4.6 Number of Respondents by Occupational Status**

<b>Occupational Status</b>	<b>Number of respondents</b>	<b>Percentage</b>
Government employee	10	6.7
Own business	2	1.3
Non-profit (social work)	5	3.3
Private employee	133	88.7
Total	150	100.0

Source: Survey data (2019)

From Table (4.6), 88.7 percent of the sampled customers are private employee who prefer to use mobile banking service from CB bank that is the highest percentage of using mobile banking service and follow 6.7 percent are government employee, 3.3 percent are non-profit (social work) and remaining 1.3 percent are own business.

**(f) Number of Respondents by Income Level**

Income is one of the important and sensitive demographic variables. This study investigates the income level of respondents. Income levels are divided into six categories for this observation. There are less than 100,000 kyats, 100,001 – 150,000 Kyats, 150,001 – 200,000 Kyats, 200,001 – 250,000 Kyats and 250,001 – 300,000 Kyats, also over 300,000 Kyats, separately. Table (4.7) expresses to that examination of the month to the monthly income level of the chosen respondents.

**Table 4.7 Number of Respondents by Income Level**

<b>Income Level (Kyats)</b>	<b>Number of respondents</b>	<b>Percentage</b>
150,001 – 200,000	54	36
200,001 – 250,000	58	38.7
250,001 – 300,000	23	15.3
Above 300,000	15	10
Total	150	100.0

Source: Survey data (2019)

According to survey on the basic Income level and found the most of customer who used mobile banking are having income amount between MMK 200,001 – 250,000 which is contributed to about 38.7 percent of the total. The income level of 36 percent of customers are MMK 150,001 – 200,000 and only 10 percent of customers have over MMK 300,000 in this study.

#### 4.4 Analysis on Utilization of Mobile Banking Service

In this section, the study is investigated customers' thoughts and habits using mobile banking service. This section presents the most commonly source of information about mobile banking service of CB bank, duration of usage of mobile banking service and frequency of the usage of mobile banking service.

##### (a) Source of Information about Mobile Banking Service of CB Bank

Basically, people can get the information about mobile banking services from various kinds of banks. Table (4.8) is presented the common source of information that people can available the information about mobile banking service from CB bank.

**Table 4.8 Source of Information about Mobile Banking Service of CB Bank**

Source of Information	Number of respondents	Percentage
Television	6	2.6
Internet	75	32.3
From bank Employee	121	52.2
Introduced by School/University/Training Center	2	0.9
Newspapers/ Magazines /Other Print ads	3	1.3
Friends/ family/ Colleagues using the service	18	7.7
Others	7	3.0
Total	150	100.0

Source: Survey data (2019)

According to the results of this study, all respondents know about Mobile Banking. Knowing from bank employee (52.2 percent) is the top source of information. Followed by internet, friend /family/colleagues and other source respectively.

##### (b) Duration of the Usage the Mobile Banking Service

The duration of the usage the mobile banking service is divided by three categories in the questionnaire: less than 1 year, between 1 to 3 years and 3 years above. The respondent's duration of the usage the mobile banking is shown in the following Table (4.9).

**Table 4.9 Duration of the Usage the Mobile Banking Service**

<b>Duration</b>	<b>Number of respondents</b>	<b>Percentage</b>
Less than 1 year	27	18
1 to 3 years	59	33.3
Above 3 years	64	42.7
Total	150	100.0

Source: Survey data (2019)

According to the Table (4.9), 42.7 percent of the respondents had been used the mobile banking service more than 3 years, 33.3 percent of the respondents use between 1 to 3years and only 18 percent of the respondents are used the mobile banking service less than one year. So, the majority of the respondents had been used the mobile service more than 3 years.

**(c) Frequency of the Usage of Mobile Banking Service**

Respondent's frequencies of the usage of mobile banking service are considered in four categories: daily, weekly, monthly, and yearly. When the selected respondents are asked about the frequency of the usage of mobile wallet results are shown in the following Table (4.10).

**Table 4.10 Frequency of the Usage of Mobile Banking Service**

<b>Frequency of using</b>	<b>Number of respondents</b>	<b>Percentage</b>
---------------------------	------------------------------	-------------------

Daily	60	40
Weekly	72	48
Monthly	15	10
Yearly	3	2
Total	150	100.0

Source: Survey data (2019)

According to the Table (4.10), 48 percent of respondents use the mobile banking service weekly, 40 percent of respondents use the mobile banking service daily, 10 percent of the respondents use the mobile banking service monthly and only 2 percent of the respondents use the mobile banking service yearly. It can say that the mobile banking users in the sample use mostly on weekly basis.

#### **4.5 Analysis of Customer Adoption towards the Use of Mobile Banking Service**

The customer adoption about mobile banking services clearly examines in this part. Technological Acceptance Model variables are used to measure customers' attitude and adoption on mobile banking in CB banks which included perceived usefulness, perceived ease of use, perceived responsiveness.

##### **(a) Perceived Usefulness**

Table (4.11) is shown the adoption of respondents on mobile banking of CB banks by perceived usefulness. Under the perceived usefulness, five items are included to access the customer adoption.

**Table 4.11 Perceived Usefulness**

<b>Sr.No</b>	<b>Perceived Usefulness</b>	<b>Mean</b>	<b>SD</b>
1	Number of hours wasted resolving issues because of mobile banking	3.98	1.03
2	Number of hours saved by utilizing mobile banking services	4.05	0.79
3	Mobile banking allows prompt service using a different	3.59	0.91

	channel		
4	Speed of retrieving information is good due to mobile banking	3.84	0.84
5	Mobile banking gives me greater control over financial banking activities	3.84	0.88
<b>Overall Mean and Standard Deviation</b>		3.86	0.89

Source: Survey data (2019)

According to the Table (4.11), the average level of agreement of Usefulness mean is 3.86 and standard deviation of 0.89. The mean value of all variable range from 3.59 to 4.05 and standard deviation range from 0.84 to 1.03 respectively. Among five perceived usefulness, the second fact, number of hours saved by utilizing mobile banking services get 4.05 mean and the standard deviation is 0.79. Because of this fact, the users agreed their performance can improve and saved time because of the mobile based banking services. Number of hours wasted resolving issues because of mobile banking get 3.98 mean and the standard deviation is 1.03. Based on this fact, the users agreed their times can reduce because of the mobile banking services. Mobile banking allows prompt service using a different channel is the lowest acceptance range according to the table because its mean is the lowest (3.59) comparing other facts and the standard deviation is 0.91 so the moderate amount of the users agreed on that. Therefore, it can consider that all variables in Usefulness are as agree level. According to these results, the customers perceives the service to be useful, so that the service can improve job performance and productivity, and enhance job effectiveness and usefulness.

#### **(b) Perceived Ease of Use**

Table (4.12) is described the adoption of respondents on mobile banking of CB banks by perceived ease of use. Under the perceived ease of use, five items are included to access the customer adoption.

**Table 4.12 Perceived Ease of Use**

Sr.No	Perceived Ease of Use	Mean	SD
-------	-----------------------	------	----

1	Interaction with mobile banking app/website is clear and understandable	3.72	1.08
2	Time taken to learn to use mobile banking is easy	4.17	0.88
3	The instructions on mobile banking are clear	4.03	0.89
4	Generally, using mobile banking to accomplish banking tasks is easy	4.10	0.75
5	Mobile banking feedback loops do not need much training in order to use	3.89	0.99
<b>Overall Mean and Standard Deviation</b>		3.98	0.92

Source: Survey data (2019)

Table (4.12) reflects the descriptive statistic result of adoption of respondents on mobile banking of CB banks by perceived ease of use. The average level of agreement of perceived ease of use mean is 3.98 and standard deviation is 0.92. Among five ease of use, the acceptance range of interaction with mobile banking application/website is clear and understandable is just received 3.72 mean score and 1.08 standard deviation and it is the lowest percentage within five ease of use. Mobile banking feedback loops do not need much training in order to use got 3.89 mean and standard deviation is 0.99 which is the second lowest components in perceived ease of use. However, the mean score of remaining three components are above 4 and the standard deviation is less than 1. According to these results, customers would more adopt mobile banking service if learning to use mobile banking is easy, the instructions on mobile banking are clear and banking tasks is easy.

### (c) Perceived Responsiveness

Table (4.13) is presented the adoption of respondents on mobile banking of CB banks by perceived responsiveness. Under the perceived responsiveness, six items are included to access the customer adoption.

**Table 4.13 Perceived Responsiveness**

Sr.No	Perceived Responsiveness	Mean	SD
-------	--------------------------	------	----

1	Mobile banking inquiries receive responses upon any inquiry in time	3.63	0.81
2	Employees have adequate knowledge to answer mobile banking queries	4.01	0.73
3	The bank has good intentions in addressing customer concerns based on number of queries reports	3.97	0.81
4	The bank focus on number of unresolved issues	4.05	0.84
5	The transactions may be incomplete due to network downtime	3.83	1.09
6	I have experienced network downtime report without prior notice	3.90	1.15
<b>Overall Mean and Standard Deviation</b>		3.89	0.91

Source: Survey data (2019)

The Table (4.13) reflects the descriptive statistic result of perceived responsiveness. The average level of agreement of customer adoption mean is 3.89 and the standard deviation is 1.08. The mean value of all variable range from 3.63 to 4.01 and standard deviation range from 0.73 to 1.15 respectively. Among the above six perceived responsiveness, the mean score of the bank focus on number of unresolved issues is highest which get 4.05 and standard deviation is 0.84. The mean score of mobile banking inquiries receive responses upon any inquiry in time is lowest which get 3.63 and standard deviation is 0.81. Other remaining components under perceived responsiveness are high agree level. According to this results, customers believed that staffs from CB bank are willingness to help customers in any inconvenience and provide prompt service.

#### **(d) Customers Adoption on Mobile Banking Service**

Table (4.14) is presented customer adoption on mobile banking service of CB bank and three items are included.

**Table 4.14 Customer Adoption on Mobile Banking Service**

<b>Sr.No</b>	<b>Adoption of Mobile Banking Service</b>	<b>Mean</b>	<b>SD</b>
--------------	---	-------------	-----------

1	I derive utmost enjoyment in using mobile banking services.	3.91	0.87
2	I place a great value on improved quality of life and other personal gains that can be achieved from using mobile banking services that is based on frequency of usage of mobile banking experiences.	3.88	0.77
3	By adopting mobile banking service, my work is finished in time and I satisfied the service.	4.01	0.84
<b>Overall Mean and Standard Deviation</b>		3.94	0.83

Source: Survey data (2019)

According to the descriptive statistic result from Table 4.14, the results show the individual mean scores with respect to the overall adoption upon the adoption of mobile banking service of CB bank. The average level of agreement of customer adoption mean is 3.94 and the standard deviation is 0.83. Depending on the results of this study, it can say that customer adoption is high on using mobile banking services of CB bank because the mean score level of all components are nearly 4.

#### **4.6 Overall Customer Adoption on the use of Mobile Banking Services**

So far, individual mean scores within each factor on customer adoption have been analyzed to have the knowledge about which items are most intended with and which items are less important. However, in order to analyze, it is necessary to compare the overall mean scores among customers' perceived factors. Table (4.15) reports the overall mean scores of adoption factors: mobile banking service perceived usefulness, perceived ease of use, perceived responsiveness, adoption of mobile banking service which is an intention to mobile banking service of CB bank. As in the case of individual mean scores, the overall mean scores can be interpreted. That is, the mean score higher than 3 indicates consumers have higher adoption level whereas the mean score lower than 3 indicates employee dissatisfaction, as follows.

**Table 4.15 Overall Customer Adoption on Mobile Banking Services**

<b>Variables</b>	<b>Average Means</b>	<b>SD</b>
------------------	----------------------	-----------

Perceived Usefulness	3.86	0.89
Perceived Ease of use	3.98	0.92
Perceived Responsiveness	3.89	0.91
Adoption of Mobile Banking Service	3.94	0.83

Source: Survey data (2019)

An analysis of the above table brings out that 'perceived ease of use ' achieved the highest mean score. By the Table (4.15), it is shown that the overall mean score of “perceived ease of use” is 3.98, higher than the cut-off value of 3 and thus indicating consumers have higher adoption level. It is found that the overall mean score of “adoption of mobile banking service” is 3.94 and thus indicating customers have higher satisfaction level factor. The report from the overall mean score of “perceived Responsiveness” is 3.89, overall mean score of “perceived usefulness factor” is 3.86, these both of mean score is higher than the cut-off value of 3 and thus indicating consumers have higher adoption levels upon the mobile banking service provided by CB bank.

#### **4.7 Regression Result for Adoption of Mobile Banking Service**

The regression analysis is conducted to reveal how different factors affect the adoption of mobile banking. The main purpose of regression analysis is to clarify the variation in one variable (called dependent variable) based on the variation in one or more other variables (called independent variables). If multiple independent variables are used to explain the variation in a dependent variable, it is called multiple regression model.

The result of multiple regression analysis from Table 4.16 provided that perceived usefulness and perceived responsiveness were significant at 5% level and positive relationship with adoption of mobile banking service ( $B = 0.405$ ,  $t = 3.84$ ,  $p < 0.05$ ) ( $B = 0.241$ ,  $t = 2.02$ ,  $p < 0.05$ ) but the result did not support significant relationship between perceived ease of use and adoption was p value is greater than 0.05 and negative beta value. Perceived ease of use is not statistically significant and thus the variable does not significantly predict the adoption of mobile banking service.

**Table 4.16 Regression Result for Adoption of Mobile Banking Service**

Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig
	B	Standard Error	Beta		
Constant	1.623	.357		4.55	0.000
Perceived Usefulness	.405***	.105	.392	3.84	0.000
Perceived Ease of Use	-.048	.125	-.049	-0.38	0.703
Perceived Responsiveness	.241*	.119	.214	2.02	0.045
n = 150, R = 0.321 R <sup>2</sup> = 0.2409, Adjusted R <sup>2</sup> = 0.2253, F= 15.44, (p-value = 0.0000)					

Dependent Variable: Adoption of Mobile Banking Service

Level of Significant \* = 10 %, \*\* = 5 %, \*\*\* = 1 %

Source: Survey data (2019)

Based on result, beta ( $\beta$ ) gives a measure of the contribution of each variable. Higher the beta value, the greater the effect of independent variable on dependent variable. Perceived usefulness has highest beta coefficient ( $\beta= 0.392$ ) and therefore it has greater effect on adoption of mobile banking followed by perceived responsiveness ( $\beta = 0.214$ ).

## **CHAPTER V CONCLUSION**

In this chapter of research, the study compromised with three sections: findings, suggestions, limitation and need for future research.

### **5.1 The Findings of the Study**

The research is mainly focusing on the customer adoption on the using of mobile banking services from CB banks in Myanmar. Firstly, the study is analyzed about the processes and procedures of mobile banking services provided from CB banks.

To reach the main objectives of the research and to avoid bias of analyzing, the study is made the required data through sample survey by collecting. All the respondents who are already being customers of CB banks were surveyed to represent the customer

adoption. Age level, gender level, marital status, education level, occupation status and income level are assumed as the demographic factors.

Based on the mean score, most of the respondent prefer to use mobile banking service that is the highest percentage who has age limit between 25 and 30 years are more aware to use mobile banking service. Females dominate the sample population mostly with youngers. The major population is educated with degree qualification and is unmarried. The single large categorized people are employees with income composition of MMK 150,001 – 200,000. Among mobile banking service users, majority of respondents in this study have frequency of more than 3 years usage experience.

This study established an accurate measurement to predict and explain customer willingness and use of mobile banking services through applying TAM model. In TAM model, perceived usefulness, perceived ease of use, perceived responsiveness are included.

The overall mean scores are interpreted in this study. That is, the mean score higher than average indicates consumers have higher adoption level whereas the mean score lower than average indicates employee dissatisfaction. The variables under the TAM have statistically significant with the mean score higher than average. Therefore, perceived usefulness, perceived ease of use and perceived responsiveness have the significant effect on customers' adoption on mobile banking service in Myanmar.

By reviewing on survey data regards with the customer adoption, the customer adoption level is above average because of their ease of using and the mobile banking are more useful for everybody who is started to use. The customers can use mobile banking not only for the banking functions but also for the managing daily personal operations. According to the analysis, Myanmar people is now more prefer to use the cashless payment system than the traditional way of using cash payment.

In the regression result, two Independent variables, Perceived Usefulness (PU) and Perceived Responsiveness (PR) have effect on the adoption of mobile banking. PU has greater effect on adoption of mobile banking followed by PR.

## **5.2 Suggestions**

This study suggested that private business banks in Myanmar ought to put more in mobile banking and other innovation of technology including special promotional communication drives to educate and reassure the ease of using mobile banking. This observation suggested that private business banks in Myanmar should think of wellbeing security highlights to guarantee that buyers feel secure leading business on the versatile keeping money stage. This investigation centered on CB banks in Myanmar. This study focused on the customers' perceived factors on the utilization of mobile banking services provided by CB banks in Myanmar. This study does not center on the other consumer behavior. Encouraging cashless purchases/sale by offering discount, additional discount, cash back offer and gift coupons on mobile based transactions will give further push in adoption of mobile banking. The findings showed that perceived usefulness and responsiveness are effect on adoption of mobile banking services. Therefore, it will be important for the banking sector in liaison with the mobile service providers to focus on perceived ease of use factor in the future.

In the surveying process, there should be prepared more comprehensive surveying questions with more participants and more wide area focus not only the Yangon but also including other cities where the users are staying. The research is aimed to improve the respondents' attitudes on using mobile banking service and to grow up the platform of improving the mobile banking service which is the one of cashless payment systems in Myanmar than previous.

## **5.3 Limitation and Future Research**

The current research is only focusing on mobile banking service of CB bank which are developed in Myanmar and this study could not make analysis and surveys in depth because of short time frame. The research is only selected 150 respondents who are the active users located in Yangon, Myanmar. If this study is getting enough time framework, the study can make more analysis like the condition of using traditional banking sector, current condition of Myanmar financial services and comparing the utilization of mobile banking services from various banking industry.

Furthermore, the research was analyzed and only focused on the adoption towards the use of mobile banking service and also the survey is based on the attitude factors. So, the next study should be more focused on the life cycle of changing traditional methods of using cash to cashless payment system in the further research.

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## APPENDIX

### Customer Adoption on the Mobile Banking Service of Co-operative Bank

ID..... Township..... Date.....

Please inform the potential respondent that this questionnaire is for research purpose only and all answers will be confidential.

**Note:** Basically, these questions will be asked to people who used mobile banking service of CB Bank.

#### Part I Socio-demographic information

(1) Age of respondent -----

(2) Gender of respondent

Male                       Female                       Other

(3) Marital Status

Single                       Married

(4) Level of Education

High School  
 Under-Graduate  
 Graduate  
 Post-Graduate/Master  
 Ph.D

(5) Occupational Status

Student                       Non-profit (social work)  
 Government employee                       Private employee  
 Own business                       Dependent

**(6) Monthly Income**

- |  |  |
|--|--|
| <input type="checkbox"/> Less than 100,000 | <input type="checkbox"/> 200,000 – 250,000 |
| <input type="checkbox"/> 100,000-150,000   | <input type="checkbox"/> 250,000 – 300,000 |
| <input type="checkbox"/> 150,000 – 200,000 | <input type="checkbox"/> Above 300,000     |

**Part II Information Regarding Used of Mobile Banking Service**

**(7) How do you know about Mobile Banking?**

- Television
- Internet
- From bank employee
- Introduced by School/University/Training Center
- Newspapers/ Magazines /Other Print ads
- Friends/ family/ Colleagues using the service
- Others (Please specify) .....

**(8) Usage of Mobile Banking**

- < 1 Years
- 1-3 Years
- > 3 Years

**(9) Frequency of using Mobile Banking**

- Daily
- Weekly
- Monthly
- Yearly
- Others (Please specify).....

### Part III Perceived Usefulness and Mobile Banking Service

Index: 1=Strongly Disagree, 2=Disagree, 3=neither agree nor disagree, 4=Agree and 5=Strongly Agree

<b>Perceived Usefulness</b>	1	2	3	4	5
Number of hours wasted resolving issues because of mobile banking					
Number of hours saved by utilizing mobile banking services					
Mobile banking allows prompt service using a different channel					
Speed of retrieving information is good due to mobile banking					
Mobile banking gives me greater control over financial banking activities					

### Part IV Perceived Ease of Use of Mobile Banking Service

<b>Perceived Ease of Use</b>	1	2	3	4	5
Interaction with mobile banking app/website is clear and understandable					
Time taken to learn to use mobile banking is easy					
The instructions on mobile banking are clear					
Generally, using mobile banking to accomplish banking tasks is easy					
Mobile banking feedback loops do not need much training in order to use					

**Part V Perceived Responsiveness and Mobile Banking Service**

<b>Perceived Responsiveness</b>	1	2	3	4	5
Mobile banking inquiries receive responses upon any inquiry in time					
Employees have adequate knowledge to answer mobile banking queries					
The bank has good intentions in addressing customer concerns based on number of queries reports					
The bank focus on number of unresolved issues					
The transactions may be incomplete due to network downtime					
I have experienced network downtime report without prior notice					

**Part VI Adoption of Mobile Banking Service**

<b>Adoption of Mobile Banking Service</b>	1	2	3	4	5
I derive utmost enjoyment in using mobile banking services.					
I place a great value on improved quality of life and other personal gains that can be achieved from using mobile banking services that is based on frequency of usage of mobile banking experiences.					
By adopting mobile banking service, my work is finished in time and I satisfied the service.					

Do you have any suggestions as to how the banks could improve services in the future?

.....  
 .....