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**MERCHANT PERCEPTION ON MOBILE MONEY  
SERVICE OF KBZPay**

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SERVICE OF KBZPay**

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## **ABSTRACT**

The study focused the merchant perception toward mobile money service of KBZPay in Myanmar. The study used the descriptive method to explore the influencing factors of merchant perception of mobile money service of KBZPay, overview and development of mobile money service of KBZPay, current practices of mobile money service of KBZPay. Questionnaires are used to find out the level of perception and obtained data are identified through the use of five-point Likert Scale rating method. To get primary data, 70 KBZPay merchants who used KBZPay mobile money services were randomly selected and interviewed by using the structured questionnaires. The results show that ease of use is highest perception. Second and third is followed by awareness and cost. Merchants are satisfied to use KBZPay mobile money service because of they are very easy to use KBZPay mobile application and make the merchants convenient. The merchants are likely to value the customer services of KBZPay mobile money service even though they are dissatisfied for paying commission to the bank for KBZPay service. Security is lowest perception with less mean value. Merchants were not satisfied and confident about security because of some fraud case and crimes are increasingly. Therefore, banks should to upgrade and improve security parts regard with mobile application. The study suggested that bank should process to maintain existing merchants through offering incentive plan, promotion event, doing campaign, educate in order to familiar with the advance technology regards with KBZPay mobile money service.

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# CHAPTER 1

## INTRODUCTION

Mobile technologies are changing economic life in developing countries, where many people are using cell phones for a range of financial transactions, such as receiving and sending money transfers. Smartphones and internet technology have changed our lives. They help us connect to various activities including banking service which previously only be served in Branch Offices, ATM machines or through EDC. Banking today can be accessed from a smartphone. We can inquiry the balance, bank transfer, and pay the bills. All those processes can be done through Mobile Banking Application. (Robson, Lee, East, Lim, & Chia, 2017). In the early 2000's mobile contents and services such as ring tones and logos were successful and made mobile payment services a hot topic that even survived the burst of Internet activities. One of the more successful electronic payment systems is 'PayPal', which was launched as far back as 1999. Initially, PayPal enabled people to perform transactions of small payments by means of e-mails and PDA's (personal digital assistance). Since then, PayPal's system has been redesigned and extended several times, and was acquired by eBay in July, 2002 (N. Mallat, 2006).

From the merchant's perspective, payments are a necessary part of business. Transactions occur only if the merchant and consumer agree on a particular payment method. In a competitive sales environment, merchants must consider what consumers demand and what nearby competitors accept. The extent to which a merchant will accommodate consumer demand, however, is based on the costs and benefits associated with each payment method. Mobile payments help merchants to approach retail customers in remote locations since penetration of electronic payment methods are on the rise among customers situated in far flung locations in a large countries like India (Michael, 2006; Singh et al., 2017). Merchants view mobile wallet system as an opportunity to improve the payment process and enhance overall customer experience. Merchants who use barcodes, cloud technology, quick response codes, and who have been unhappy with card services and delays in processes, are more inclined to mobile wallet technologies (Ploue et al., 2001).

Mobile money is a broad term used to describe a service in which the mobile phone is used to access financial services. This includes the ability to make payments to merchants or to peers (e.g. P2P), digitally store money and make online digital payments. The opportunity to deposit and withdraw money easily and safely is key to mobile money adoption. Leading players in Myanmar support all three, taking advantage of two major advantages: applications and tellers. In Myanmar, while seven years ago, financial services were largely unused, today many consumers use their smartphone to make payments. This created a dire need for a better solution. Having a connected phone is one thing, being able to deposit and withdraw money from it is another. Money is also stored digitally with proper authentication methods to restrict access, as alternative to cash under your mattress. At the end of the day, payments is largely an undifferentiated product. While Mobile Money has taken off like a rocketship in Myanmar, there are still challenges to overcome in order to ensure the sector achieves its potential. (Geoff Charles, 2019).

In Myanmar, KBZPay has created a nationwide network of over 40,000 agents and over 100,000 merchants — a far greater number than bank branches and ATMs (Eleven Journal, 2019). This ensures that consumers do not have to go very far to get access to money. In any small town in Myanmar, you are likely to be closer to a KBZPay Shop than you are to the nearest bank. Enabling consumers to safely store money and transact is a strong driver of financial inclusion. The reasons are **safe, cheap, helps businesses grow, increases resiliency and access, more efficient**. Consumers care only about a select number of factors: **Access to funds, Acceptance, Cost, Reputation, User experience**. Some challenges are **Fraud, Consumer protection, Interoperability, Credit reporting (Jana Valant, 2015)**.

In Myanmar, financial inclusion is a topic of growing importance. The rapid advances in technology are changing the way people access and consume financial products. KBZPay has developed a mobile money transfer platform, offering an instant, safe and convenient way of sending and receiving money. The solution was created in response to a growing need for simplified banking services. On March 30, 2016, the Myanmar central bank pushed through mobile banking services regulation that allows Telco-led financial services (under the former rules all financial services had to be bank-led). In this thesis, the theory applied to study how interaction takes

place within the current development of Mobile Wallets, which are becoming the base of the mobile money service industry (Fintechnews Singapore, 2017).

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

Emerging countries such as Myanmar are banking on mobile money operations to propel the country further forward. Financial inclusion is essential to economic development in such emerging markets. Digitization will bring millions into the financial system where users can leapfrog straight into mobile money platforms especially in countries where trust and penetration in traditional banking methods are low. Today, over 90 percent of the country's population has a cell phone, and over 80 percent of those users have smartphones. And yet, only 6 percent of the population uses a formal financial institution. Since the mobile phone revolution began in 2012, there has been widespread excitement and significant hype about the potential for mobile money to take hold in Myanmar.

Mobile money is crucial to providing affordable financial services to traditional financial institutions. In Myanmar, the near-ubiquity of mobile and smartphones creates the potential for internet money to enter underserved populations that are particularly difficult to serve through other means, such as rural clients and informal, non-registered companies. Corporations and fintech start-ups have started to wake up to this huge opportunity in emerging countries like Myanmar. Unsurprisingly, the most popular area being tackled in Myanmar is electronic and digital payment. As digital literacy improves and Myanmar becomes less cash dependent, customers will increasingly move away from over-the-counter services towards using their mobile phones as digital wallets and paying for goods and services through their phones. Mobile money services are widely operated nationwide.

Currently, there are many companies with MFS license. KBZPay, within over one year has grown its agent network to 40,000 agents and over 100,000 merchants. The aim of the study is to identify the current practices, the merchant perception on mobile money services and analyze that of KBZ, the leading commercial bank in Myanmar in launching its mobile wallet, KBZPay. The use of telecommunications operators' mobile money services has been growing across the world. By studying this company, it can also find the current practices, merchant perceptions and acceptance of mobile money services of KBZPay.

## **1.2 Objectives of the Study**

There are two major objectives as follows:

- (1) To identify the current practices of Mobile Money Service of KBZPay
- (2) To analyse the merchant perception on Mobile Money Service of KBZPay

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

This thesis focused on Mobile financial practices of KBZPay merchants by Kanbawza Bank Ltd., in Kamayut Township of Yangon Region. Questionnaires were developed linking to five point Likert-Scale included questions corresponding to the factors such security, ease of use, cost, awareness and accessibility.

The method used in this study is descriptive method. For the collection of data, this thesis used both primary and secondary data. Primary data will be collected from 70 KBZPay merchants by asking survey questionnaires. The questionnaires were translated into Myanmar language to be understandable and easy by merchants. To get secondary data, the research has been construct on a variety of sources such as papers, textbooks, journals, KBZPay website and previous research papers through internet. The sampling selection method is simple random sampling method.

## **1.4 Organization of the Study**

This paper is organized into five main chapters. Chapter one proposes the topic of the study with four sub-titles such as rationale of the study, objectives of the study, scope and methods of the study and organization of the study. is the introduction section which is followed by rationale of the study, objectives of the study, scope-method and limitation of KBZ Company Limited. Chapter two is related with the theoretical background on Mobile Money Service. Chapter three is related with the current merchants' perspective of KBZPay mobile money service. Chapter four is the analysis on the merchant perception on Mobile Money service of KBZPay. Chapter five is the conclusion part and also report on findings and further suggestions based on the sample merchants.

## **CHAPTER 2**

### **LITERATURE REVIEW**

In this chapter, it presented the literature reviews on the merchant perception on the mobile money services. To highlight this, it is first presented the theoretical background on merchant perception with dynamic of perception, perceived quality of service. It was followed by studying on the defining mobile money, platform, the importance and features accepted by merchant and merchant management in KBZPay mobile money services, respectively.

#### **2.1 History of Mobile Money**

Mobile payments help merchants to approach retail customers in remote locations since penetration of electronic payment methods are on the rise among customers situated in far flung locations in a large countries like India (Michael, 2006; Singh et al., 2017). Mobile technologies are transforming economic life in developing countries, where many people use cell phones for a variety of financial transactions, such as receiving and transferring money. They help us connect to various activities like banking services that were previously served only in branch offices, ATM machines, or through EDC. We can inquire into the balance, bank transfer, and pay the bills. All those processes can be done through Mobile Banking Application. (Robson, Lee, East, Lim, & Chia, 2017).

Given the daunting context, a range of players have already entered the market for mobile financial services in Myanmar. Ooredoo and Telenor, which recently won government contracts to build state-of - the-art mobile networks, both committed to providing mobile financial services. Already, some banks are trying to leverage mobile technology to extend the reach of their banking services. In Myanmar, mobile penetration is estimated by the GSMA to be 25.5 percent, with only 6.8m mobile connections in a country of 53.5m people. Mobile money in Myanmar, unlike other countries, will thus rise in line with mobile connectivity. However, merely improving mobile access is not enough for internet money. Providers will need to build agent and merchant networks through which users can cash-in and cash-out of their mobile money accounts (Mondato, 2014).

Myanmar has all the pieces in place to see rapid growth in mobile financial services. The Central Bank is proactively drafting regulations governing mobile money and mobile banking systems. However, only 6% of the population is using a formal financial institution, making the country mature for mobile financial services. Today, over 90 percent of the country's population has a cell phone, and over 80 percent of those users have smartphones. And yet, a formal financial institution is used by only 6 percent of the population, making the country ripe for the adoption of mobile financial services. Mobile money is key to providing affordable financial services to those that traditional financial institutions do not provide. In Myanmar's background, the near-ubiquity of internet and smartphones creates the potential for mobile money to enter underserved populations, which are particularly difficult to service by other means, such as rural clients and informal unregistered companies, mostly run by women. Mobile money transfers also provide an opportunity to use the data they generate to encourage further financial inclusion, create alternative credit scores and use this scoring to offer mobile phone nano-credits (Jason Loughnane, 2017).

Mobile money service is any activity including depositing, payments, and transferring funds, through a financial institution conducted over any device connected to the mobile network. Mobile technology is rapidly growing as the most heavily used component of cyber space and increasingly physical. These devices include but are not limited to phones, tablets PCs, and gaming consoles (Play Station). Mobile banking user are susceptible to multiple risks due to vulnerabilities in the devices as well as the applications in use the same as their larger, traditional counterparts. By Literature review the authors also found that security risks could be minimized by biometric mechanism and existing literature on factors influencing user behavior in regard to use and adoption of mobile banking service (Deborah Morley, 2013).

## **2.2 Importance of Mobile Money**

The availability of digital payment technologies (such as internet banking, mobile money, and credit/debit cards) has rapidly increased in the developing world, and is a cornerstone for financial inclusion initiatives in developing countries. According to Chemingui and Lallouna (2013), consumers are able to use providers if

they only meet their needs and conduct. Similarly, Wessels and Drennan (2010) argued that perceived usefulness, perceived risk, cost, and compatibility affect consumer acceptance of mobile banking. Mobile technology acceptance and adoption is the key driver in determining the level of financial involvement among mobile users. There are still factors holding back customers from acceptance of e-payment (Nyambura et al., 2013).

Mobile money platforms have been introduced in more than 90 countries, and 30–40 billion dollars per year are devoted to digital inclusion initiatives by large international funders. There are several possible benefits of digital payments: reducing frictions of transacting in cash (e.g., making change), reducing distance-related costs (e.g., depositing cash), increasing financial transparency (e.g., cash-related fraud), increasing security (e.g., reducing theft of cash), and improving business record-keeping (creating a verifiable history of transactions, which can help facilitate interaction with the formal financial sector).

According to GSMA, Mobile money is a young and dynamic industry and it is inevitable that many changes will be made to the service over its lifetime. A mobile money service is typically in partnership with a bank since e-money is always backed by funds in a bank account. Ideally, matching money in the bank with e-money in the system should be automated. A facility to interface to other banks may also be needed.

There were three main types of relevant digital payment technologies for merchants in Jaipur at the time of the survey. The first is internet banking platforms that allow transactions between bank accounts of individuals to be done from a computer or mobile phone through a bank website or app, often with associated transaction fees. The second type is PoS devices, which allow merchants to accept credit/debit card payments, usually through a physical card swipe. The third type is mobile wallets, in which participants move money to a digital “wallet” within a mobile app and can transfer money to others’ in-app wallets (PLOS, 2019).

To order for merchants to accept digital payments, there are prerequisites that must be met; namely merchants need to have a bank account, have an internet connection, have an internet access system, be able to pay the fees associated with using these devices, and be technically sufficiently skilled to use digital payments. All four digital payment styles allow merchants to have bank accounts with public or

private banks to complete transactions, either because transactions are conducted directly between bank accounts of customers and merchants, or because they are performed using card or wallet systems where money must be transferred to and from a bank account (for PoS apps and mobile wallets) (Ligon E, Malick B, Sheth K, Trachtman C, 2019).

The “device” refers to a device through which the merchant can access the website or application necessary to make and accept digital payments. Digital payment types can be completed over a smartphone application, hence when we estimate costs of obtaining a device, we do so for the case of a smartphone. Some mobile wallet payments can be done using an internet-capable feature phone. Therefore when we consider whether merchants already have the appropriate device to accept digital payments, we suppose this is the case if they have a smartphone, feature phone with internet capabilities, or computer (PLOS, 2019).

### **2.3 Platform for Mobile Money Services**

Mobile money systems' transactional functionality must support three types of activity. They are customer activities, agent/merchant activities, operator activities.

In customer activities, there may be performed by a customer or a business, but they have an impact on the customer's mobile money account. Agent activities are agents perform two distinct functions, service customers and administering their business. Operator activities is performed by the MNO offering the service. Customers need access to a range of transactions they can either conduct themselves or have conducted on their behalf by an agent, business, or other service provider. Registration depend on local regulation, registration may involve collecting KYC documentation, but typically it requires an agent to send instructions to the mobile money service to create an account for the customer. In some market, self-registration is permitted to access the basic service, but users usually need to bring KYC documentation to an agent or merchant to access higher transaction limits and richer functionality. Customers can do Cash-in , Cash out, send money ,airtime top-up, QR payment, Bill payment, bulk payment , bank transfer.

In merchant activities, the chief task of a merchant is to provide cash-in and cash-out services to registered customers. Most markets allow merchants to enable cash-out for unregistered recipients of funds, who normally receive a voucher they

exchange with an agent for cash. Mobile money should be able to top up airtime or another mobile phone on the same network using a mobile money account. Business payments are that while businesses can be customers of the mobile money service themselves, they also initiate and receive customer payments. Third party customer – to – business (C2B) payments can be split into two types: the transfer of funds to a business, such as a payment of a utility bill or an MFI loan installment, and payment in person in a retail environment.

In operator activities, it is performed by the MNO (Mobile Network Operator) offering the services. Operators administering the service at the MNO have a range of tasks to perform. A key financial transaction is converting cash into e-money (and vice versa) as cash is deposited into (or withdrawn from) an underlying bank account. This is called bank reconciliation. Mobile money services generally require bank reconciliation, so vendors need to support this feature ( Fionán McGrath & Susie Lonie,2013).

#### **2.4 Merchant Perception on Mobile Money Services**

Perception can be interpreted as "the mechanism by which individuals choose, arrange and perceive, stimulate into a meaningful and coherent picture of the world." It can be described as "how we can see the world around us." Under the same obvious circumstances, two individuals may be exposed to the same stimuli. But how each person recognizes, selects and interprets these stimuli is a highly individual process based on each person's own needs, values, and expectations.

Sensory is the immediate and direct response of sensory organs to stimuli. A stimuli is any unit of input to any of senses. Examples of stimuli (i.e, sensory input) includes products, packages, brand names, advertisements, and commercials (Vinay Raj, 2013)

#### **2.5 Technology Acceptance Model (TAM)**

The Technology Acceptance Model (TAM) has become one of the most popular and widely used techniques for developing users ' rationality when they agree to use a specific information system. During the past decades, TAM has been successfully applied to lots of research domains and related applications and proven

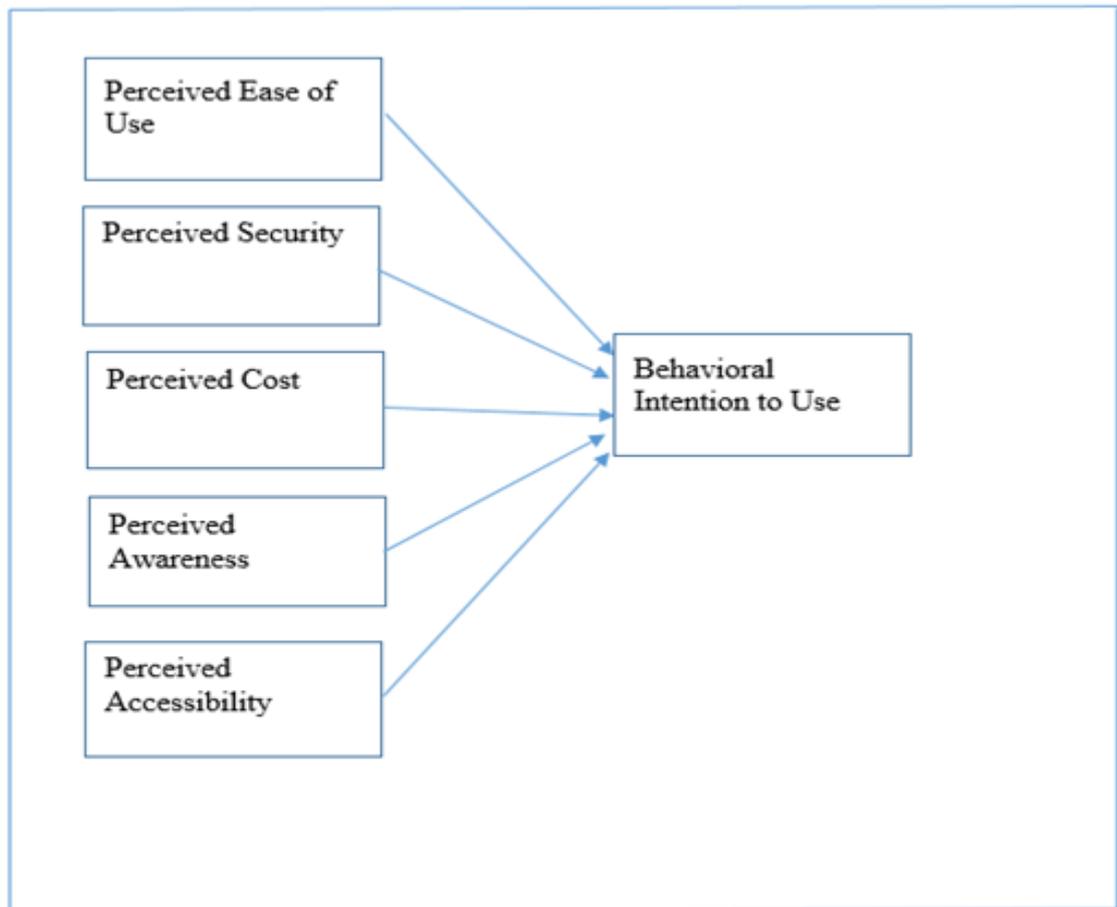
its capacity and validity in explaining user behavior towards adoption of information systems. It is also proposed that user motivation consists of three important variables, i.e. perceived user-friendliness (PEOU), perceived user-friendliness (PU), and user-friendliness (ATT), which can clarify the actual use of the program. In this TAM model, the attitude to use, determined by perceived utility (PU) and perceived user-friendliness (PEOU), is the major determinant to consider a user (Hui Chen, 2017). According to Davis (1992) finally hypothesized that perceived usefulness (PU) and perceived ease of use (PEOU) are the most important beliefs for a user to make a decision of whether to accept the system or not. Since the TAM model was first proposed, it has been gradually refined and several other variables are added to the original TAM model, such as behavioral intention [16]. Because TAM has evolved into a leading model in predicting and explaining an information systems acceptance, it is believed the TAM model is also appropriate to analyze the popularity of mobile social gaming.

TAM was originally defined by Davis (1989), but it has subsequently been modified and augmented by other researchers. In this research, we try to explain the practices of mobile money services of KBZPay and investigate the main determinants and their relationships. Specifically, this work proposes an extended TAM model and adds several additional variables, such as security, ease of use, cost, awareness and accessibility to enhance the understanding of user's intention to use mobile money services. TAM is a model of user acceptance of information system technology based on the theory of a reasoned action. TAM aim at studying how individual perceptions affect the intentions to use information technology as well as the actual usage.

The degree to which a user feels a technology will improve performance or productivity in the workplace. The ease of use perceived is the degree of the user's lack of effort to implement a given technology. Perceived ease of use also affects perceived usefulness.

However, for this research, TAM is not directly applied for the analysis since the participants of the survey/study are already used mobile money service and the analysis explores the mobile money service users' perception on the service. Thus, the following conceptual framework will be used in the research.

**Figure (2.1): Technology Acceptance Model (TAM)**



Source: Adopted from Davis, Bagozzi, and Warshaw (1989)

In this study, the influencing factors will be the variables correlate to merchant perception. Those variables will be security, ease of use, cost, awareness and accessibility. The study will explore and find out the practices of mobile money service of KBZPay and the merchant perceptions towards Mobile Money Service of KBZPay.

## **CHAPTER 3**

### **BACKGROUND OF KBZPay MOBILE MONEY SERVICE**

In this chapter, it states that mobile money services provided by Kanbawza bank limited. Before presenting this, it includes studying on the profile of KBZPay and its mother organization of domestic bank named Kanbawza Bank limited together with its establishment and the financial service.

#### **3.1 Current Practices of Mobile Money Service of KBZPay**

With over 500 branches, KBZ Bank is Myanmar's largest private bank. KBZ Bank, headquartered in Yangon, Myanmar, currently accounts for about 40% of the country's retail and commercial banking market share and has a growing international presence—the first Myanmar bank to open offices in neighboring markets. KBZ is leading the way, particularly in digital and technology, for Myanmar's rapidly developing financial services industry through an approach that understands the opportunities of innovation, the needs of the Myanmar people and the unique context of the country's economy. This will bring us closer to achieving 100% financial inclusion through banking in Myanmar with the goal of improving the quality of life. When Myanmar's economy grows and develops, KBZ sees exciting opportunities to work with international investors, providing the fast-growing cities, entrepreneurs and local communities of Myanmar with an important and vital bridge.

KBZPay is a KBZ Bank driven mobile wallet app, one of Myanmar's most trusted banks. Now available for download throughout the world, transacting money is the easier, simpler and more convenient way. Whether you want to pay, switch, cash in or out with just a few taps on your phone—it's simple with KBZPay. The reasons why use KBZPay are Paying merchant and bills in the time it takes to scan a QR code, Repaying your buddies in seconds with free KBZPay to KBZPay money transfers, Top up your mobile airtime on MPT, Telenor, Ooredoo and MyTel anytime, anywhere, Secured money transfers so no third-party can cash out without your permission, ever. KBZ Bank launched KBZPay in 2018, a mobile wallet that was housed in a mobile phone app. The KBZPay app also allows customers to make cashless transactions, send and receive money, and withdraw physical cash from approved agents. Recently, the app, available for download throughout the country, has crossed the 1 million download mark.

KBZPay is a mobile wallet that connects people to a digital economy previously inaccessible to many. Introduced in 2018 in line with the ambition of KBZ Bank to 100% financial inclusion to support Myanmar's development ambitions and needs, KBZPay brings financial services beyond the bank's physical branches and into the hands of customers. Millions of customers now enjoy a new banking experience, using KBZPay 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. KBZPay utilises the best and safest technology and with the support of KBZ Bank's 18,000 staff, it is now the leading mobile wallet in Myanmar, connecting customers with thousands of merchants and agents across the country everyday.

### **Vision and Mission Statement of KBZPay**

Within 10 years, KBZ fulfills its dream of achieving 100% financial inclusion in Myanmar. Only 30 percent of the adult population in Myanmar is banked. 90 percent smartphone penetration rate. KBZPay is the outcome of that train of thought. it is working with nearly 100,000 merchants and agents, and has over 1.7 million customers using KBZPay. Mission is to bring about a higher quality of life through banking. The digital wallet is just one part of the process of change that the bank began in 2017. KBZ are trying to become a stronger institution and build more governance. KBZ has branch offices outside of Myanmar in Thailand, Malaysia and Singapore. KBZ sees them as opportunities to attract investors looking to Myanmar and to facilitate overseas nationals' banking activities. China is on radar too, particularly the southwestern province of Yunnan, which lies just across the border of northeastern Myanmar. KBZPay has partnered with Huawei Technologies Co to encourage people across the country to seamlessly use the wallet.

### **Aim of KBZPay**

KBZPay surpasses one million customers in just 6 months, with KBZ Bank staff nationwide bringing thousands of people into the mobile-first economy every day. KBZ Bank's milestone comes as it moves beyond the branch doors to address the challenges with Myanmar's predominantly cash-based society and make banking services more accessible to millions of people without a bank account. Employees of KBZ Bank visited communities and public areas in townships across the various states and regions nationwide. Together they clocked an astounding

325,000 hours on the ground engaging with customers face-to-face, achieving full KYC and digital on-boarding, using just their mobile phones. Additionally, the KBZ Bank team has brought more than 100,000 merchants onboard with KBZPay. KBZ Bank is now setting its sights on reaching 30 million KBZPay customers over the next ten years, given the country's rapidly mobile-first population.

KBZPay is a mobile wallet that is stored in a mobile phone app. Aside from storing money, the KBZPay app allows customers all day and night in the palm of their hands to access the most essential financial services. They can send and receive money, make cashless transactions, and withdraw physical cash through authorized agents. KBZPay is now available for download throughout the country, providing a safer, easier and more convenient way of transacting. The KBZPay app has been downloaded to date by more than 1.3 million people and NRC and biometric verification have digitally checked their accounts by one million. Customers using verified accounts are allowed to use KBZPay's full suite of services such as payment purchases, money transfers, ' cash in, ' cash out, and prepaid airtime top-up on all major telcos.

### **How KBZ Bank Started Its Journey Towards 30 Million KBZPay Customers**

In August 2018: Pilot launch of KBZPay commenced. In November 2018: KBZPay Day public events were held in Yangon and Mandalay.500,000 registered customers, along with sign-ups of 10,000 agents and 17,000 merchants. In December 2018: More than 123,000 new customers signed up over the weekend of 15th and 16th December 2018. Involved more than 10,000 KBZ Bank staff reaching out to communities and registering customers on ground.4,000 registrations per hour over the weekend, 200 transactions per second. In January 2019: Sign ups of more than 18,000 new customers daily. Crossed the one millionth verified customer mark on 25 January 2019.

### **Signing Up For KBZPay**

Anyone with a smartphone using mobile numbers from MPT, Telenor, Ooredoo, and MyTel can register for KBZPay free-of-charge, regardless if the person has a bank account. To sign up for KBZPay customers simply need to download the KBZPay app on Google Play Store or Apple App Store or at [www.kbipay.com](http://www.kbipay.com). Create an account with basic details such as birth date, NRC, mobile number, and set their account password. Visit one of our over 500 KBZ Bank branches or the nearest

merchant or agent to verify their NRC and complete the onboarding process. Top-up or withdraw funds from the mobile wallet through an agent or by linking their KBZ Bank account with the KBZPay app to top up funds.

### **3.2 Merchant Management of KBZPay**

There are seven processes that guide mobile money service of KBZPay through the process of identifying and managing merchants. They are (1) selecting merchants, (2) getting merchants started, (3) setting up merchants, (4) supporting point of sales material to merchants, (5) managing liquidity, (6) ongoing monitoring and management, (7) reducing internal and external fraud and abuse case.

#### **(1) Selecting Merchants**

The bank need to investigate carefully the qualities they need in merchants based on the services and what merchants are required to do. The bank do ABC analysis according to business category type and average monthly income and sales volume.

#### **(2) Getting Merchants started**

The bank must create merchant agreement for merchants, decide who will use and accept QR payment and ensure merchants are well trained. Once the bank selected the merchant, they need to sign merchant agreement. Common facts to include in merchant agreement are rules and responsibilities of merchant and bank's specified commissions.

#### **(3) Setting up Merchants**

Once merchant was made merchant agreement with the bank, the bank need to set up and integrate the system to the merchant shops.

#### **(4) Supporting Point of Sales Material to Merchants**

When finishing integration and set up process with merchant, the bank support the required POS materials such as QR code, KBZPay sticker, certificate, guidebook.

#### **(5) Managing Liquidity**

Some merchants want more cash or e-money on weekends and public holidays, the bank support liquidity management.

## **(6) Ongoing Monitoring and Management**

The bank monitor sale volume of merchant per week. Monitoring is normally done through a combination of face-to-face on site visit as well as through technology.

## **(7) Reducing Internal and External Fraud Case and Abuse**

Even though the bank selects, train and monitors merchants well, external and internal challenges may occur in the form of theft and abuse. The bank provide necessary fraud training to merchants to avoid fraud case.

### **3.3 Mobile Money Features Provided by KBZPay**

The bank provides under described KBZPay features to the merchants. These details are QR payment (merchant payment), airtime top-up, Cash-in, quick pay, money transfer, bill payment.

**QR payment (Merchant payment):** Merchant accept payment via scanning QR code by customers. QR-code is a 2D barcode that a mobile phone will scan using a network on the browser of the mobile phone. Make purchases at your favorite shops and restaurants through QR Code stickers, instead of using expensive POS terminals or physical plastic cards.

**Airtime Top-up:** By connecting a mobile phone to a telecommunications network, you need to buy credit to allow you to use the airtime of that telco network. Airtime allows you to access the network's service offerings, voice, mobile data, sms etc. When you add credit to a pre-paid phone, this is known as a 'Top up'. Topping up a phone would allow the telco's service to be used continuously until the credit runs out.

**Cash-in:** The process of crediting your account with cash by a customer. Usually this is done through an agent who takes the cash and credits the mobile money account of the customer.

**Quick pay:** It is cash collection service .The merchant can collect fees , commissions of their parties via KBZPay application.

**Money Transfer:** The merchant can transfer e-money from person to person as called P2P transfer on any time.

**Bill Payment:** The merchant can pay bill payment such as YCDC bill, water bill, electricity bill via KBZPay wallet.

**E-money:** E-money Short for “electronic money,” is stored value held in the accounts of users, agents, merchants and the provider of the mobile money service.

**Liquidity:** The ability of an agent/merchant to meet customers’ demands to purchase (cash in) or sell (cash out) e-money. The key metric used to measure the liquidity of an agent/merchant is the sum of their e-money and cash balances (also known as their float balance).

## **CHAPTER 4**

### **ANALYSIS OF MERCHANT PERCEPTION ON KBZPay MOBILE MONEY SERVICES**

This chapter investigates the perceptions of merchants on mobile money service in KBZPay merchants found on their responses to questionnaires which consistently designed to survey their perception.

#### **4.1 Research Design**

The analysis of merchant perceptions on mobile money services in KBZPay Merchants is mainly based on the primary data collected through systematically developed by 5-point Likert scale questionnaire. To carry this study, the required data were collected from sample survey. As a survey tool, a structured questionnaire was used. The questionnaire tools contains three sections: (1) Demographic information section, (2) KBZPay Mobile Money Service Usage of Merchants, (3) Merchant Perception of Mobile Money service of KBZPay.

In section one, merchant age, gender, marital status, ethnic group, education and income level, business type are included. Section two regards with merchants' usage and practices about KBZPay mobile money services. The last section is about the main factors of KBZPay mobile money services such as security, ease of use, cost, awareness and accessibility. This section is composed of five-point Likert scale model from strongly disagree to strongly agree. (Rank from "Strong disagreement=1," "disagreement=2," "Neutral=3," "Agree=4," "Strong agreement=5"). Thirty three questions are asked in the survey to collect data.

As a sampling method, the simple random sampling method was employed in this study. The random sampling technique is used in this study to approach the merchants and collect the data on time and also to avoid low response rate. In the process of sampling, questionnaires are distributed by email to selected KBZPay merchants and enough time given to merchants to fill the questionnaire to reduce sampling error and collected from KBZPay merchants.

## 4.2 Demographic Information of Merchants

In this section, the demographic information of KBZPay merchants such as age, gender, marital status, ethnic group, education and average monthly income level, type of industry are involved. These data are obtained from the questionnaires collected are interpreted and summarized in frequency distribution and percentage distribution. The frequency analysis of merchants' demographic is illustrated as per following table.

### Gender of Merchants

According to table (4.1), the majority of all respondents are female and they share 51% of the sample while male respondents are 49 % of the sample. It shows that in Myanmar, female are leading the family or business and they like outgoing and interested in business transactions. And it is clear that female merchants are more interested to use mobile money services than males and show the female are leading on businesses.

Table (4.1) Gender of Merchants

<b>Gender</b>	<b>No. of Merchants</b>	<b>Percentage</b>
Male	34	49
Female	36	51
Total	70	100

Source: Survey data, 2019

### Age of Merchants

According to table (4.2), among 70 merchants, most of them are age between 36 and 45 years and it represents 61%. Second largest group is between 25 and 35 years and it hold 19%, then 16% between 45 and 55 years, 4% between 56-64 years, 0% between 65 and above. In the term of percentage share, the age group 36 -45 has highest percentage share with 61% and the age group 65 and above has zero percentage share. One would observed from the table that most of the respondents were in age bracket 36-45 years. Therefore, this mature level of age group has ability to evaluate financial services. And they are familiar with advanced technology more than old people.

Table (4.2) Age of Merchants

Age	No. of Merchants	Percentage
25-35	13	19
36-45	43	61
46-55	11	16
56-64	3	4
65 and Above	0	0
Total	70	100

Source: Survey data, 2019

#### **Ethnical status of Merchants**

According to result as per table( 4.3) , Myanmar has the highest share of 84% among merchants. Chinese has the second largest share of 16% and Indian and Other do not use with 0%. It indicates that Myanmar is major group of merchants using the mobile money services of KBZPay.

Table (4.3) Ethnical status of Merchants

Ethnical	No. of Merchants	Percentage
Myanmar	59	84
Chinese	11	16
Indian	0	0
Other	0	0
Total	70	100

Source: Survey data, 2019

#### **Education status of Merchants**

According to table (4.4), the result of the survey states that 96% of merchants are university level, 4% are high school level. The result state that almost of the merchants are graduated person. And graduated person can apply well advance technology and easy to use mobile money service.

Table (4.4) Educational status of Merchants

<b>Education</b>	<b>No. of Merchants</b>	<b>Percentage</b>
Primary	0	0
High School	3	4
University	67	96
Master/PHD	0	0
Total	0	100

Source: Survey data, 2019

### **Marital Status of Merchants**

According to table (4.5), most of the merchants are married and it covers 59% the whole sample, followed by single 41%. The results is highlight that the persons who are doing business and dealing with the bank are married and lead the family life. These married merchants may have family plan which drives for saving some of their income to the bank. Therefore, they have closed relationship and long term experiences in mobile money services.

Table (4.5) Marital Status of Merchants

<b>Marital Status</b>	<b>No. of Merchants</b>	<b>Percentage</b>
Single	29	41
Married	41	59
Divorced	0	0
Widowed	0	0
Total	70	100

Source: Survey data, 2019

### **Monthly Income level of Merchants**

Income is one of the big and important variables in demographics. From table (4.6), it can be found that most of the merchants have under 50 lkhs per month and which contributed to 80% of the total. It can be concluded that merchants who dealing with the banking services as their income under 50 lkhs per month. As their income

level determines the type of business type they are doing and involving .And what kind of people can do and interested to do more business.

Table (4.6) Monthly Income Level of Merchants

Monthly Income	No. of Merchants	Percentage
Under 50lkhs	56	80
50-100 lkhs	10	14
100-200 lkhs	0	0
Above 200 khs	4	6
Total	70	100

Source: Survey data, 2019

### Business type of Merchants

According to survey results as table (4.7), 41% are working in others industry group, followed by 31 % are in restaurants, 10% are in Spa/Hair saloon,4% are Hotel, Supermarket and shoes shop,3% Hospital , 1% are oil and Gas shop respectively. It indicated that the majority of merchants who use the mobile money services are especially conduct in restaurants and other type of industry.

Table (4.7) Business Type of Merchants

Business type	No. of Merchants	Percentage
Restaurant	22	31
Hotel	3	4
Supermarket	3	4
Hospital	2	3
Gas/Oil	1	1
Spa/ Hair saloon	7	10
Shoes and Bags shop	3	4
Others	29	41
Total	70	100

Source: Survey data, 2019

### 4.3 Analysis of Mobile Money Service Usage in KBZPay

Merchants perception depends on the degree of relationship between merchants and bank. Therefore, this paper needs to explore (1) attitude to use mobile money services that includes intention to use mobile money services , reason to use mobile money services, ease of use of use mobile money services and (2) behavior to use mobile money services that include numbers of banks used by merchants, mostly used bank for use mobile money services, frequently of usages of use mobile money services, duration of usage of use mobile money services, mostly used transaction of use mobile money services and mostly service channels used by KBZPay merchants.

#### (1) Attitudes Of Using Mobile Money Services of KBZPay

This section contain three parts as (1) intention to use mobile money services of KBZPay , (2) reason to use mobile money services of KBZPay , (3) ease of use of mobile money services of KBZPay.

#### Intention to Use Mobile Money Services of KBZPay

The questionnaire has been designed to find out which intention to use mobile money services of KBZPay and why they are willing to use this service. The intentions are (1) for KBZ staff (2) TV (3) Facebook (4) Friend (5) others.

Table (4.8) Intention to use mobile money services of KBZPay

Intention for mobile money services of KBZPay	No. of Merchants	Percentage (%)
KBZ staff	56	80
TV	0	0
Facebook	11	16
Friend	3	4
Total	70	100

Source: Survey data, 2019

As a result shown in table (4.8), 56% of merchants used from the information and site-survey by KBZ staffs, followed by 11% personal was from Facebook and 3% were used for others. The result shows that most of the merchants were used mobile money services of KBZPay from the marketing and assisting from KBZ staffs.

### **Reason Of Using Mobile Money Services of KBZPay**

Table (4.9) is shown that 70 merchants are using mobile money services of KBZ Pay and they answered reason to use. Merchants were allowed to choose only one option for this question.

According to result, their reasons for using mobile money services of KBZPay respectively, 36% was save time, ease of use are in 21%, secure and faster payment are 14% each, 6% transaction cost is cheap, 6% direct access, 3% is 24 hours availability .

Table (4.9) Reason of Using Mobile Money Services of KBZPay

<b>Reason for KBZ mobile money service</b>	<b>No. of Merchants</b>	<b>Percentage (%)</b>
Saving time	25	36
24 hours availability	2	3
Ease of Use	15	21
Cheap Transaction cost	4	6
Directly access	4	6
Secure	10	14
Faster Payment	10	14
Total	70	100

Source: Survey data, 2019

### **Ease Of Use of KBZPay Mobile Money Services**

The questionnaire has been designed to find out on which condition to use KBZPay mobile money services and which are they used most among five major kinds of conditions. They are (1) very easy (2) easy (3) normal (4) difficult (5) very difficult.

Table (4.10) Ease of Use of KBZPay Mobile Money Services

<b>Ease of use of KBZPay mobile money services</b>	<b>No. of merchants</b>	<b>Percentage (%)</b>
Very easy	26	37
Easy	35	50
Normal	9	13
Difficult	0	0
Very difficult	0	0
<b>Total</b>	<b>70</b>	<b>100</b>

Source: Survey data, 2019

According to the result in table (4.10), ease of use of using KBZPay mobile money services respectively: 50% were easy to use .37% of merchants told very easy. Normal to use was in 13%. No one answered for difficult status. Based on this finding, KBZPay mobile money service are easy to use and comfortable to the merchants.

## **(2) Merchants Behaviour to Use KBZPay Mobile Money Services**

This section contain six parts such as (1) numbers of banks used by merchants ,(2) mostly used banks for KBZPay mobile money services, (3) duration of the usage of KBZPay mobile money services ,(4) frequency of the usage on KBZPay mobile money services ,(5) service channel used by merchants and (6) mostly used transaction for KBZPay mobile money services.

### **Numbers of Banks Used by Merchants**

This section include four parts such as (1) one number of bank (2) 2 numbers of bank ,(3) three number of banks ,(4) four number of banks. Table (4.11) show the numbers of banks used by merchants based on survey result.

Table (4.11) Numbers of Banks Used by Merchants

Number of banks	No. of Merchants	Percentage (%)
1	33	47
2	28	40
3	9	13
4 and more than 4	0	0
Total	70	100

Source: Survey data, 2019

According to result in table (4.11), the 33 merchants out of sample 70 use the one number of bank with 47% ,followed by use the two numbers of banks will 40% , use three number of banks was in 13% .There was no one who use 4 numbers of banks and above them. Therefore, most of the merchants were used one number of bank.

#### **Mostly Used Bank for Mobile Money Service**

Results are shown in the following table (4.12).When asked to merchants about the banking institution they are working with banks could choose only one bank which they really used most of mobile money service for this question. There are three banks namely KBZ bank, AYA bank and CB bank are selected in this study.

Table (4.12) Mostly Used Bank for Mobile Money Service

Bank Name	No. of Merchants	Percentage (%)
KBZ bank	51	73
AYA bank	0	0
CB bank	8	11
Others	11	16
Total	70	100

Source: Survey data, 2019

According to result, KBZ bank appeared to be mostly use mobile money service with 73% of the merchants. Secondly, others mobile money services was

commonly used mobile money services with 16% and third for mobile money service at CB bank with 11%.

### **Duration of the Usage of KBZPay Mobile Money Service**

Merchants were asked the years they have been dealing to the banks, and they are given different range of years, (1) 6 months (2) 6-12 months (3) Above 1 year respectively. These are shown in table (4.13).

Table (4.13) Duration of the Usage of KBZPay Mobile Money Service

<b>Duration of the usage</b>	<b>No. of Merchants</b>	<b>Percentage (%)</b>
6 months	7	10
6-12 months	13	19
Above 1 year	50	71
Total	70	100

Source: Survey data, 2019

As a result of table (4.13), 71% of merchants use KBZPay Mobile money service since over 1 year .It means that the majority of merchants use KBZPay mobile money service since over 1 year.

### **Frequency of the Usage on KBZPay Mobile Money Service**

Regarding the frequency of the usage on KBZPay mobile money service, respondents were asked to choose five different choices; (1) Weekdays (2) Weekends (3) Both Weekdays and Weekends (4) Not Accept respectively. The frequency of the usage KBZPay mobile money service in depicted in the table (4.14) and followed by a discussion.

Table (4.14) Frequency of Usage on KBZPay Mobile Money Service

<b>Frequency of the usage</b>	<b>No. of Merchants</b>	<b>Percentage (%)</b>
Weekdays	0	0
Weekends	0	0
Both Weekdays and Weekends	70	100
Not Accept	0	0
<b>Total</b>	70	70

Source: Survey data, 2019

As a result of table (4.14), 100% of merchants used KBZPay mobile money service on both weekdays and weekends .The result shows that most of the merchants used KBZPay mobile money service both on weekdays and also weekends without closing.

#### **Mostly Used Products for KBZPay Mobile Money Service**

The questionnaire was designed to know which KBZPay mobile money products are more useful for merchants and which are they used most among four major kinds of KBZPay mobile money service regard with Merchants .They are Money Transfer, Airtime Top-up, Bill payment, Cash in .There has one option about QR payment . This QR payment is the majority product .That’s why all merchants use this product as priority for their selling goods and services.

Table (4.15) Mostly Used Products for KBZPay Mobile Money Service

<b>Products of the usage</b>	<b>No. of Merchants</b>	<b>Percentage (%)</b>
Money Transfer	9	13
Airtime Top-up	56	80
Bill payment	0	0
Cash in	5	7
<b>Total</b>	70	100

Source: Survey data, 2019

Table (4.15) show the most frequently used transaction at KBZPay mobile money service by the merchants. As a result, 56 merchants out of 70 respondents the KBZPay mobile money service in order to bank transfer. And the 9 respondent are using for Money transfer and 5 merchants using Cash in with 7%.No one use Bill payment .Therefore, the result of the analysis indicate that most of the merchants are selling phone bill due to they get more commission from the bank.

#### **4.4 Analysis of Merchant Perception on KBZPay Mobile Money Service**

This section presents the sampled merchants of perception towards KBZPay mobile money service. There are five factors that are stated as perception on accessibility, cost, awareness, ease of use and security. The 70 merchants of using KBZPay mobile money service were as to rate satisfaction by performance perception whether as the higher or lower end. Every question has five alternative answers according Five-Point Likert scale. "Strong disagreement=1," "disagreement=2," "Neutral=3," "Agree=4," "Strong agreement=5". The transaction of level ranking was analyzed follow exterior of merchant's perception designed by Best (1997:174). Thus, the mean score of each statement can range between 1 and 5 .Since the mean score among 1 to 1.8 means lowest perception, among 1.81 to 2.61 means low perception, among 2.62 to 3.4 means average perception, among 3.41 to 4.21 means high perception and among 4.22 to 5.00 means highest perception.

##### **(1) Perception on Security of KBZPay Mobile Money Service**

There are three questions that are designed to obtain the perception level of merchants on the extent to which the security of KBZPay mobile money service. The higher level of mean score, merchant's perception greater on security factor and vice versa. In order to see the extent to which factor on KBZPay mobile money service, the descriptive statistics like mean and standard deviation for perception score on security of KBZPay mobile money service are calculated and presented in table (4.16).

Table (4.16) Perception on Security of KBZPay Mobile Money Service

No	Factors	Mean	Standard Deviation	Level
1.	KBZPay service normally have privacy of customer's information.	3.7	0.6	High
2.	I feel worry using KBZPay payment acceptance because electronic crimes and fraud are occurring increasingly.	2.7	1.0	Average
3.	I feel more safety when accept KBZPay payment for selling services and products.	4.3	0.5	Highest
	Overall Average	3.6	0.7	

Source: Survey data, 2019

As shown in table (4.16) the value of mean are provided for security factor. Statement 3 has the average mean score of 4.3 which means that merchants feel no fear using KBZPay mobile money service because they feel safety while accepting QR payment and no one cannot steal the money of customer and also merchant because the transactions are processed via system. Security of transactions over the internet is a burning issue and it is an important factor that customers consider before adopting KBZPay mobile money service The merchant perception is good satisfactory than other channels. Statement 1 and 2 have high and average mean score of 3.7 and 2.7. That can be translated merchant expect more privacy of customer's information. As a result, privacy customer information is not satisfactory and banks should manage to meet customer's need.

## (2) Perception on Ease of Use of KBZPay Mobile Money Service

There are five questions that are designed to obtain the perception level of merchants on the extent to which the Ease of Use of KBZPay mobile money service. The higher level of mean score, merchant's perception greater on ease of use factor and vice versa. In order to see the extent to which factor on KBZPay mobile money

service, the descriptive statistics like mean and standard deviation for perception score on ease of use of KBZPay mobile money service are calculated and presented in table (4.17).

Table (4.17) Perception on Ease of Use of KBZPay Mobile Money Service

No	Factors	Mean	Standard deviation	Level
4.	I like to use KBZPay service because I do not need to have more staffs or cashiers.	4.5	0.50	Highest
5.	I would find KBZPay services are very easy to use.	4.5	0.50	Highest
6.	It is very convenient because it avoid the risk of carrying and keeping cash.	4.4	0.50	Highest
7.	KBZPay service would enable me to accomplish tasks more quickly.	3.4	0.49	Average
8.	KBZPay provide me services with good value than traditional selling products.	4.3	0.47	Highest
	Overall Average	4.2	0.49	

Source: Survey data, 2019

As shown in table (4.17), the value of mean are provided for ease of use factor. In this table, statement (4,5,6) has the highest mean score of 4.5 and 4.4 which means that merchants agreed that KBZPay mobile money service is very convenient because it eliminates the risk of carrying cash and easy to understand system and reliable to use. The reason is that physically carrying cash is not required in the KBZPay mobile money service .Statement (8) have the highest mean score of 4.3.Statement 7 has lower mean than overall mean score of 3.4 .As a result, mostly merchants are willing to accept KBZPay mobile money payment and eager to use it continuously.

### (3) Perception on Cost of KBZPay Mobile Money Service

There are three questions that are designed to obtain the perception level of merchants on the extent to which the cost of KBZPay mobile money service. The higher level of mean score, merchant's perception greater on cost factor and vice versa.In order to see the extent to which factor on KBZPay mobile money service, the

descriptive statistics like mean and standard deviation for perception score on cost of KBZPay mobile money service are calculated and presented in table (4.18).

Table (4.18) Perception on Cost of KBZPay Mobile Money Service

No	Factors	Mean	Standard Deviation	Level
9.	KBZPay service is less costly than other mobile money services.	3.9	0.6	High
10.	Commission cost is cheaper more than other mobile money services.	2.8	0.4	Average
11.	Advanced Technology help to reduce the cost for both banks and merchants.	4.4	0.5	Highest
	Overall Average	3.7	0.5	

Source: Survey data, 2019

As shown in table (4.18), statement 11 has the high mean score of 4.4 which means that advanced technology help to reduce the cost for daily business operation. As per statement (9), merchants agreed that the KBZPay mobile money service is less costly than other services .As a result, the merchant perception is better and more satisfactory than other channels. Statement 10 has average mean score of 2.8. That can be translated merchant expect payment transaction cost is higher from other service and they do not want to pay much commission to the bank.

#### **(4) Perception on Awareness of KBZPay Mobile Money Service**

There are three questions that are designed to obtain the perception level of merchants on the extent to which the awareness of KBZPay mobile money service. The higher level of mean score, merchant's perception greater on awareness factor and vice versa. In order to see the extent to which factor on KBZPay mobile money service, the descriptive statistics like mean and standard deviation for perception score on awareness of KBZPay mobile money service are calculated and presented in table (4.19).

Table (4.19) Perception on Awareness of KBZPay Mobile Money Service

No	Factors	Mean	Standard Deviation	Level
12.	The update information and messages about KBZPay towards merchants I get from Media are more than other competitive mobile money services.	3.4	0.5	Average
13.	The information given in Facebook and websites are readable and easy to understand.	3.7	0.7	High
14.	While using KBZPay services I believe that I have full knowledge regard with that.	4.1	0.6	High
	Overall Average	3.7	0.6	

Source: Survey data, 2019

As shown in table (4.19), the value of mean provided for awareness factor. Statement 14 has the high mean score of 4.1 which means that merchant agreed that information provide in the websites are readable. Statement 13 also has high mean score of 3.7 and 12 has average mean score of 3.4. As result, merchant's perception is high of the level of agreement. But, the bank should provide themore and easy information about mobile money service and do the marketing or campaign to have more awareness of mobile money service via different social media and channels.

##### (5) Perception on Accessibility of KBZPay Mobile Money Service

There are three questions that are designed to obtain the perception level of merchants on the extent to which the accessibility of KBZPay mobile money service. The higher level of mean score, merchant's perception greater on accessibility factor and vice versa. In order to see the extent to which factor on KBZPay mobile money service, the descriptive statistics like mean and standard deviation for perception score on accessibility of KBZPay mobile money service are calculated and presented in table (4.20).

Table (4.20) Perception on Accessibility of KBZPay Mobile Money Service

No	Factors	Mean	Standard deviation	Level
15.	KBZPay services is more effective & efficient than other mobile money services.	4.3	0.5	Highest
16.	If I faced any problem or error about KBZPay services, banks provide supporting via 24/7 contact center.	4.7	0.5	Highest
17.	KBZPay would enhance my effectiveness on daily job.	3.6	0.6	High
	Overall Average	4.2	0.5	

Source: Survey data, 2019

Table (4.20) shows that statement 15,16 has highest mean score of 4.7 and 4.3 which means that KBZPay mobile money service is more effective about time saving. According to results of merchants have any problem about KBZPay mobile money service, banks provide fully support with degree is 4.7. Merchants are very satisfied with the customer solving skill and KBZPay customer service of the bank.

#### (6) Overall Perception on KBZPay Mobile Money Service

In the comparative analysis five factors that highest perception on accessibility and ease of use of mobile money service and lowest perception on security of mobile money service .The overall mean average scores of each factor are illustrated in table (4.21) .

Table (4.21) Overall Perception on KBZPay Mobile Money Service

No	Factors	Overall Perception on KBZPay mobile money service
1	Ease of use	4.22
2	Accessibility	4.20
3	Awareness	3.73
4	Cost	3.70
5	Security	3.56

Source: Survey data, 2019

Table (4.21) shows that overall average score of five factors in which accessibility and ease of use of KBZPay mobile money service earns highest perception of average score in 4.22 and 4.20. awareness of KBZPay mobile money service with average means of 3.73, average mean scores of cost factor is 3.70 that indicate merchant satisfy KBZPay mobile money service's marketing technique and approaching methods to merchants. Time saving is very important for merchant because of merchant selling their products and services at the real time price. Perception on security of KBZPay mobile money service is the lowest score as 3.56 and merchant think that bank provide high level of security features and system security protection. Bank should give more information about KBZPay mobile money service and improved their security level for overall KBZPay mobile money services.

## **CHAPTER 5**

### **CONCLUSION**

This chapter is only focused on the merchant perception of KBZPay mobile money service. In this chapter, findings are summarized and concluded to derive the answers of research questions. This chapter contains three main sections: findings, suggestion and need for further research. First part composed of the finding of the study and research analysis of merchant's perception on KBZPay mobile money service. On the second part, it includes the suggestions are from the results of the research finding. In the last part, it submits the needs for further research.

#### **5.1 Findings**

This study examined on KBZPay merchants via questionnaires and survey explored merchants' perception on KBZPay mobile money service of Kanbawza bank limited. This research also presented the factors of merchant perception like security, ease of use, cost, awareness and accessibility. The finding of this research is important for Kanbawza bank limited in fact of they can provide their services more efficiently examining on the merchant perception to KBZPay mobile money service.

According to the analysis on the Perception on ease of use of KBZPay Mobile Money Service, merchants satisfy KBZPay mobile money service that is very favorable to them. Merchants agreed that KBZPay mobile money service is very convenient because it avoid the risk of carrying cash and simple to understand system and safe to use. The cause is carrying cash do not need in KBZPay mobile money service. Most of the merchants are pleased to use KBZPay mobile money service and wish to use it continuously. The merchants satisfy that they do not need to appoint more staffs and cashiers. They believe that KBZPay mobile money service give them services sound appraise than customary selling products.

Analysis on the perception on accessibility of KBZPay mobile money service, KBZPay mobile money service is more productive about time reduction. Merchants feel happy because banks provide fully customer support via full time customer service center. Merchants delight with the customer solving skill and customer service of KBZPay call center.

Analyzing on perception on awareness of KBZPay mobile money service point out that merchant get fully information provided by KBZPay facebook but they are not clear about some information described by KBZPay website. The merchant expect to get some incentive plan, promotion plan, campaign provided by the bank and they want the bank to announce in advance on KBZPay facebook page whenever providing promotion plan to merchants.

Based on the analysis of perception on cost of KBZPay mobile money service, developed technology assist to minimize the cost for daily business. KBZPay service make the merchants for less costing and more satisfactory than other mobile money services because they just use only mobile phone for KBZPay mobile money service. But merchants are willing to reduce commission charged by the bank.

In terms of the analysis of perception on security of KBZPay mobile money service, some merchants feel safety their money while transacting via KBZPay application because no one can steal their money due to every transaction was processed by the security pin. But, most of the merchants are worried about their money while using KBZPay service in fact of they often heard about the fraud case and internal and external abuses. Merchant hope for KBZPay service typically have secrecy of customer's information.

As a result, perceived ease of use and perceived accessibility creates positive toward KBZPay mobile money service and this takes intention to use mobile money service of KBZPay. Merchant perception on overall services of KBZPay mobile money service provided by Kanbawza bank is high and merchants are in good spirits to use KBZPay mobile money service. And merchants are greatly belief in using KBZPay mobile money service.

## **5.2 Suggestions**

After studied on merchant perception of mobile money service of KBZPay, mobile financial services is needed to promote nationwide. Most of the people still believe that accepting cash is more secure than e-money. Thus, banks and mobile payment services providers are needed to recognize the needs of the customers and set up mobile money systems that are able to fulfill the customers' needs. A typical method of selling products and services by cash costs money to the merchants. They costs a lot of money for appointing staffs, computing sales items and reconciling daily

sales records. By using mobile money service like KBZPay service, the merchant can reduce above mentioned facts.

Businesses utilizing mobile money system should give more mobility to reach more customers. Applying mobile money tools causes important benefits to customers. The banks and mobile money service providers should manage to reduce the costs that charged with the transactions on mobile money service and this will further make it well-liked and increase access to mobile money services among the people.

The banks should concentrate on the security features and need to develop awareness that it is secured as traditional banking. However, the mobile money service is increasing fastly but it has not grew as favored as the utilization of ATM so it is a challenge the banks have to face while planning unlike characteristics of mobile money service and making sure the reliableness and safety/security of mobile money transaction. The banks should focus on and build up that mobile money service is conducted well. They should make sure that they capture the merchants' views whenever doing changes in systems so that it will be steady actions. The bank should increase their technological development features and constantly get better their products to adapt growing needs of the merchants. There has an opportunity for growth in the near future if mobile money application can be used more simply for the middle and age old people since they are far away from the use of modern communication technology because Myanmar is still developing in information technology.

Moreover, government should provide benefit for using mobile money services to merchants. Merchant will be glad to accept them for their sales of goods and services if there is an incentive. It is sound for government if mobile money service is increasing as it can keep save on printing money costs and smartly observe money flow in the market electronically. Government has to develop plenty of infrastructure, mainly in telecommunication and electricity. Mobile money services are strong for the development of a country's economy.

### **5.3 Needs for Future Research**

This paper only focused on practices and merchant perception of KBZPay money service. On this study, it is selected KBZPay mobile money service provided to merchants .There are 70 random KBZPay merchants of KBZ bank.

The respondents composed of 70 KBZPay merchants because of time limitation and financial constraint. Therefore, future study should contain on merchant's perception of all other banks' mobile money services.

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# APPENDIEX (1)

## ဘယ်လိုလုပ်ဆောင်လဲ?

ကုန်သည် | ကိုယ်စားလှယ်



သုံးစွဲသူမှ ကုန်ပစ္စည်း (သို့) ဝန်ဆောင်မှု၏ ကျသင့်ငွေအား မေးမြန်းပါမည်။

ကုန်သည်မှ ငွေပေးချေမှုကို လက်ခံရန် ကောင်တာပေါ်တင်ထားသော (သို့) နံရံတွင် ကပ်ထားသော QR Code အား သွန်ပြိုပါမည်။

သုံးစွဲသူမှ QR Code ဖတ်ပြီး ငွေပေးချေပါမည်။

ဘဏ်မှ ကုန်သည်ထံသို့ ၎င်းတို့၏ စက်မှုတစ်ဆင့် အကြောင်းကြားချက်ပေးပို့ပါမည်။

ကုန်သည်သည် ၎င်း၏ စက်တွင် အကြောင်းကြားချက်ရရှိပါမည်။

Source: <https://www.kbipay.com/business>

## APPENDIEX (2)

# ဘာလို့ KBZPay မိတ်ဖက် ဖြစ်တာလဲ?

အဆင်ပြေလွယ်ကူလို့	<ul style="list-style-type: none"> <li>• ဘဏ်ခွဲများတွင် တန်းစီစောင့်နေစရာမလိုအပ်ဘဲ ချက်ချင်း ဆောင်ရွက်နိုင်ခြင်း</li> <li>• အချိန်နှင့်တပြေးညီ အကြောင်းကြားချက်ရရှိခြင်း</li> <li>• ငွေသား သယ်ဆောင်သွားရန် မလိုအပ်ခြင်း</li> </ul>
လုံခြုံစိတ်ချရလို့	<ul style="list-style-type: none"> <li>• စိတ်ချရသော QR Code အသုံးပြုမှု</li> <li>• ကမ္ဘာ့အဆင့် လုံခြုံရေးစနစ်</li> <li>• ငွေလွှဲပေးပို့မှုအားလုံးသည် OTP/PIN ဖြင့် လုပ်ခွင့်ပြုခြင်း</li> </ul>
ကျယ်ပြန့်လို့	<ul style="list-style-type: none"> <li>• အသုံးပြုသူဦးရေ အများဆုံးနှင့် အခြေတည်ထားသည့် အကျယ်ပြန့်ဆုံးကွန်ရက်</li> </ul>
ကုန်ကျစရိတ်	<ul style="list-style-type: none"> <li>• အသက်သာဆုံးကုန်ကျစရိတ်</li> </ul>
Liquidity Management	<ul style="list-style-type: none"> <li>• လုံခြုံစိတ်ချရသည့် ၊ အသုံးပြုရလွယ်ကူစေမည့် မိတ်ဖက်နှင့် ကွန်ရက် အထောက်အပံ့များ</li> <li>• လေ့ကျင့်ရေးအစီအစဉ်များ စီမံပေးခြင်း</li> </ul>

Source: <https://www.kbipay.com/business>

**APPENDIX (3)**

**QUESTIONNAIRES**

**YANGON UNIVERSITY OF ECONOMICS**

**DEPARTMENT OF COMMERCE**

**MASTER OF BANKING AND FINANCE (MBF) PROGRAMME**

**“Merchant Perception on Mobile Money Services of KBZPay”**

**Section 1**

**Merchant’s Demographic Characteristics**

1. What is your age?  
25-35  35-45  45-55  55-64  65 and above
2. What is your ethnic group?  
Myanmar  Chinese  India  Others   
(Specified)
3. Are you Male or Female?  
Male  Female
4. What is your Marital Status?  
Single  Married  Divorced  Widowed
5. What is your Educational Status?  
Primary School  High School  University  Master
6. How about your monthly income?  
Under 50lakhs  50-100lkhs  100-200lkhs  Above200lk
7. What is your Business Category type?  
Restaurant  Hotel  Supermarket  Hospital   
Gas/Oil  Spa  Shoes & Bags Shop  Others

## Section 2

### KBZPay Mobile Money Service Usage of Merchants

1. How many banks you are using now?  
1  2  3  4 and more than 4
2. How long have you been using KBZPay?  
6 months  6-12 months  Above 1 year
3. How do you get intention to use KBZPay services?  
KBZ Staff  TV  Facebook  Friend    
Others
4. Do you have KBZPay Account?  
Yes  No
5. What kinds of services do you accept with KBZPay?  
Money Transfer  Airtime Top-up  Quickpay   
Bill payment  QR Pay  Cash-In
6. When do you operate and accept KBZPay payment?  
Weekdays  Weekends  Both Weekdays & Weekends   
Not Accept
7. Which of the following benefit arise to you, while using KBZPay service?  
Save Time  24Hours Availability  Ease of Use   
Direct Access  Safety  Faster Payment
8. What kinds of KBZPay services do you get more commission?  
Money Transfer  Airtime Top-up  Bill Payment   
QR Pay  Cash-in
9. How do you feel convenient for accepting KBZPay services?  
Easy  Normal  Very Easy  Difficult   
Very Difficult

### Section 3

#### Merchant Perception of Mobile Money Service

Please tick your answer in the following statement by using the scales 1 to 5.

Note: "Strong disagreement=1," "disagreement=2," "Neutral=3," "Agree=4," "Strong agreement=5"

Thank you for your taking time to answer questions.

##### 1. Security of KBZPay Mobile Money Services

No	Statement	1	2	3	4	5
1.	KBZPay service normally have privacy of customer's information.					
2.	I feel worry using KBZPay payment acceptance because electronic crimes and fraud are occurring increasingly.					
3.	I feel more safety when accept KBZPay payment for selling services and products.					

Please tick your answer in the following statement by using the scales 1 to 5.

Note: "Strong disagreement=1," "disagreement=2," "Neutral=3," "Agree=4," "Strong agreement=5"

##### 2. Ease of Use of KBZPay Mobile Money Services

No	Statement	1	2	3	4	5
4.	I like to use KBZPay service because I do not need to have more staffs or cashiers.					
5.	I would find KBZPay services are very easy to use.					
6.	It is very convenient because it avoid the risk of carrying and keeping cash.					
7.	KBZPay service would enable me to accomplish tasks more quickly.					
8.	KBZPay provide me services with good value than traditional selling products.					

**Please tick your answer in the following statement by using the scales 1 to**

**5.** Note: "Strong disagreement=1," "disagreement=2," "Neutral=3,"

"Agree=4," "Strong agreement=5"

**Cost of KBZPay Mobile Money Services**

No	Statement	1	2	3	4	5
9.	KBZPay service is less costly than other mobile money services.					
10.	Commission cost is cheaper more than other mobile money services.					
11.	Advanced Technology help to reduce the cost for both banks and merchants.					

**Please tick your answer in the following statement by using the scales 1 to**

**5.** Note: "Strong disagreement=1," "disagreement=2," "Neutral=3,"

"Agree=4," "Strong agreement=5"

**3. Awareness of KBZPay Mobile Money Services**

No	Statement	1	2	3	4	5
12.	The update information and messages about KBZPay towards merchants I get from Media are more than other competitive mobile money services.					
13.	The information given in Facebook and websites are readable and easy to understand.					
14.	While using KBZPay services,I believe that I have full knowledge regard with that.					

**Please tick your answer in the following statement by using the scales 1 to**

**5.**

Note: "Strong disagreement=1," "disagreement=2," "Neutral=3," "Agree=4," "Strong agreement=5"

**4. Accessibility of KBZPay Mobile Money Services**

No	Statement	1	2	3	4	5
15.	KBZPay services is more effective & efficient than other mobile money services.					
16.	If I faced any problem or error about KBZPay services, Banks provide supporting via 24/7 contact center.					
17.	KBZPay would enhance my effectiveness on daily job.					

