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COMPETITIVE STRATEGIES OF KBZPay

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ABSTRACT

This study is to analyze competitive strategies of KBZPay in KBZ Bank. It explored the products that are provided by KBZ Bank and analyzed the competitive strategies towards KBZPay, one of the products of KBZ Bank. In this study inclusive of two major objectives, which are to identify the strategic approaches used by KBZ Bank and to analyse the relationship between competitive strategies and competitive advantages of KBZPay. Competitive approaches have been evaluated using the standardized approach of Michael Porter, which incorporates four factors: cost focus, differentiation focus, differentiation, and cost leadership. For this analysis, data collection was focused on 150 middle and high-level management KBZ employees. Most of the system of descriptive analysis was used, using both primary and secondary data. For primary data, standardized questionnaires were distributed by sampling method approach to 180 KBZ employees for their attitude towards KBZPay's strategic strategies in KBZ Bank, and interviews were conducted with KBZ Bank's middle and high-level management. With respect to secondary data collection, such as the KBZ Bank website, the KBZPay website, previous research articles, textbooks, research online, other publications and websites have been used. The data collection period was between October and November 2019. As for survey results, the highest overall mean for focus strategy is achieved in order to achieve KBZ Bank's competitive advantages. The bank should provide innovation and creativity, customer orientation, with banking facilities and services with business focus and customer satisfaction through innovation and creativity.

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LIST OF ABBREVIATIONS

ATM	Automatic Teller Machine
CB	Corporative Bank Ltd.,
CEO	Chief Executive Officer
FI	Financial Institutions
Fintech	Finance and Technology
FX	Foreign Exchange
GDP	Gross Domestic Product
ID	Identification Document
KBZ	Kanbawza Bank Ltd.,
KYC	Know Your Customers
MPU	Myanmar Payment Union
POS	Point-of-Sales
QR	Quick Response
SME	Small and Medium Enterprise
UPI	Union Pay International
VC	Value Center

CHAPTER 1

INTRODUCTION

For many years, the payments market is a large and profitable retail banking segment. However, once technology has begun to evolve, they have changed into a kind of Trojan horse that opens new business opportunities to other competitors; increases customer stickiness, and weakens banks' role in being central to the daily payment choices of their customers. Technology has made innovations possible; regulatory intervention and shift in consumer preferences are rapidly re-forming the payments sector. They paved the way for a more open environment in which even non-bank players see an enormous opportunity to gain momentum and disrupt traditional financial institutions, including banks. (Deloitte, 2016)

Fintech startups and mobile network providers are challenging, with their creative ideas, the position of conventional commercial banks. Modern commercial banks have introduced creative digital payment technologies in order to remain competitive and maintain their modern position as payment service providers. (Bose & Denis, 2017)

The introduction of their own mobile wallet is one such concept embraced by mainstream commercial banks. A mobile wallet is a secure mobile device payment framework that can take many different forms depending on the mobile wallet issuer, the account provisioning and access technology deployed, and the purchase locations or market segments being addressed. (Nacha, 2016)

The competitive aspect is now crucial for the mobile wallet service operators. There's so much going on in the industry. Cost leadership is a tactic that a company uses to differentiate itself from other rivals by selling goods at a lower cost than competitors. Through operational efficiency, it is usually accomplished, conducting similar activities better and more effectively than its rivals. Operating in large markets, it is usually beneficial to consumers with price sensitivity. Differentiation, on the other hand, is also a technique used by a corporation to differentiate itself from the rivals. In terms of quality, special features or after-sales service, a business should provide its customers with unique features of superior value. This operates on large

markets and enables a client to pay a premium price. The focus strategy is on the third approach. This technique is used by serving customers with special needs but in limited (selected) markets to place a business against the competitors. It is impossible to take care of these consumers with special needs in the large markets. The implementation of each depends on the type of consumers that a business wants to serve: whether they are price-sensitive or like goods with unique characteristics

1.1 Rationale of the Study

In recent years, a number of factors have had a profound impact on the financial services industry, including technological innovation, evolving regulatory framework and consumer expectations, as well as increasing competition. (Omarini, 2018) The financial and regulatory landscape is crying out for mobile payment solutions following the opening of the telecom sector in 2014 and the implementation of mobile financial services legislation in 2016 in Myanmar. Mobile infrastructure has been growing rapidly; almost 100% of the population knows how to use the mobile phone and the technology behind it. (Acharya, 2019)

The financial and regulatory landscape is crying out for mobile payment solutions following the opening of the telecom sector in 2014 and the implementation of mobile financial services legislation in 2016 in Myanmar. Mobile infrastructure has been growing rapidly; almost 100% of the population knows how to use the mobile phone and the technology behind it. (Borst & Creehan, 2017)

Financial institutions have seen their market leadership under attack from newcomers in many of their core businesses in this fast-paced environment. KBZ, Myanmar's largest bank, launched its own mobile payment system, KBZPay, in order to remain competitive and not lose customers to non-bank financial institutions. KBZPay is the mobile wallet platform that makes banking easier and safer for the customer. Pay, transfer, cash in, cash out and more—all with a couple of phone taps. (KBZPay, 2018). The study aims to identify key strategic strategies in the mobile wallet environment for retail banks and to examine that of KBZ, Myanmar's leading commercial bank in the launch of its mobile wallet, KBZPay. This study may support KBZ Bank to deep drive the strategic approach and to be able to provide better services, which in turn would help expanding the profits for the bank itself.

1.2 Objectives of the Study

In this study, it includes two main objectives:

- (1) To identify the strategic approaches used by KBZ Bank, and
- (2) To analyse the relationship between competitive advantages and competitive strategies of KBZPay

1.3 Scope and Method of the Study

There are total of more than 18,000 employees working for KBZ Bank. However, as this study is to analyze the strategic approach, the scope of the study is limited to 50% of total management level staffs in KBZ Bank. There is a total population of around 80 employees and around 220 employees at the top management and middle management respectively. For the purpose of the study, 50% of the employees are selected. 40 employees from top management and 110 employees from middle management (total of 150 employees) are selected.

The study utilizes both primary and secondary data. The primary data was collected by structural questionnaire surveys. Structural questions were distributed to selected respondents from middle and senior management employees of KBZ Bank. The descriptive research method was used for the study. The secondary data was collected KBZ website, journal articles and existing literature related to mobile payment and digital financial services.

1.4 Organization of the Study

In this study, there are five chapters. Chapter 1 is the study's introduction. This contains the research rationale; study goals; methodology and nature of the study's analysis and organization. Chapter 2 deals with the theoretical context of competitive strategy, overall strategy and analysis of literature. This chapter has built up a conceptual framework. Chapter 3 explains the KBZ bank and KBZPay history. It includes the KBZ Bank's products and services. This chapter is also intended to identify KBZ Bank's strategic approaches. Chapter 4 is the survey data analysis. It also analyzes the strategic approaches and competitive advantages of KBZPay.

CHAPTER 2

THEORETICAL BACKGROUND

This chapter contains four parts; competitive strategy, generic strategy, previous study and conceptual framework of the study.

2.1 Competitive Strategy

Competitive strategy is that part of the business strategy which seeks to create advantage to a business unit over the competitors. Organizations need competitive strategies to compete successfully; these may be generic or otherwise. The three basic strategic development models have been criticized: competitive forces, resource-based and strategic conflict models; implying that there are other models apart from these, some of them may have been documented and others are still to be documented. The model selected will determine how the industry and the industry will compete challenges it will face.

According to Porter (1988), formulating a competitive strategy at the broadest level involves taking into account four key factors that determine the limits of what a company can achieve successfully. The strengths and weaknesses of the company are its profile of competitor-related assets and skills, including financial resources, technology position, and brand recognition, etc. An organization's personal values are the desires and needs of key managers and other workers who are required to implement the strategy chosen. Combined with principles, strengths and weaknesses define the internal (to the company) boundaries of a company's competitive strategy. Industry and another wider world decide the external boundaries. Opportunities and challenges from the market describe the competitive environment with its related risks and rewards. Societal expectations illustrate the effect of issues like government policy, social concerns, and many others on the business.

According to Thompson and Strickland (1992), Strategic strategy is the smaller part of a business plan that describes a company's strategic approach to market success: its aggressive moves to gain a competitive edge over rival companies and its defensive moves to maintain its competitive position. This consists of all the

actions and strategies that a company has taken and is taking to attract buyers, withstand competitive pressures and strengthen its position on the market. Managers adapt tactics to suit the nuances of the conditions and market environment of their own businesses, making it possible to have as many strategic approaches as there are companies trying to compete. However, according to Michael Porter's model, the generic competitive strategies fall into three categories: cost leadership, differentiation and focus. (Thompson & Strickland, 1992)

Competitive planning is about being different and it means choosing a different set of activities intentionally to offer a unique mix of values. (Siddiqui, 2015) Rivalry between existing rivals takes the form of jockeying for positions using strategies such as price competition, promotional wars, product introductions, and improved customer service or warranties; according to Porter (1998). Price competition is highly unstable and from the point of view of profitability is likely to make the entire industry worse off. Price cuts are easily and quickly matched by rivals and once matched they lower revenues for all firms unless demand elasticity of the industry price is sufficiently high. For the benefit of all firms, advertising battles can increase demand or increase the level of product differentiation in the industry. (Porter, *Competitive Strategy: Techniques for Analyzing Industries and Competitors*, 2008)

This includes a number of possible approaches: positioning the company to provide the best possible protection against the current arsenal of competitive forces; manipulating the balance of forces through strategic changes thereby improving the relative position of the company; or predicting and reacting to shifts in the factors underlying the forces, thereby exploiting change by choosing a strategy appropriate to the new competitive balance before rivals recognize it.

Therefore, strategic tactics are targeted at having an edge on the market place over the rivals. Designing a competitive strategy is designing a framework for how an organization should survive, what its priorities should be, and what policies are needed to achieve those goals.

2.2 Generic Strategy

Michael Porter (1998) created a model of common techniques that businesses can use to achieve competitive advantage in their industries. The idea means that a company has distinct and mutually incompatible ways of attracting customers and gaining competitive advantage. Porter states that a company can enjoy a competitive advantage solely through one of the two basic generic strategies: cost leadership or differentiation. These two approaches can be combined with the market scope / focus in which the company tries to achieve competitive advantage. (Porter, *Competitive Strategy Techniques for Analyzing Industries and Competition*, 1998)

The three generic strategies imply differing organizational arrangements, control procedures, and incentive systems. Similar strategies can also require different leadership styles and can translate into very different corporate cultures and atmospheres. The resulting solutions lead to four similar strategies depending on whether the organization is pursuing a competitive position in the industry as a whole (broad focus) or whether it will concentrate its efforts on just one market segment (narrow focus). The four strategic options are: Cost Leadership-Broad Focus, Cost Leadership-Narrow Focus, Differentiation-Broad Focus, and Differentiation-Narrow Focus.

Competitive advantage arises out of value that a company can generate for its customers that exceeds the company's cost of creating it. Value is what consumers are willing to pay, and higher value comes from offering lower rates than rivals for similar benefits or offering unique benefits that are more than offsetting.

Figure 2.1 Generic Strategy

		Competitive Advantages	
		Lower Cost	Differentiation
Competitive Scope	Broad Target	Cost Leadership	Differentiation
	Narrow Target	Cost Focus	Differentiation Focus

Source: Michael Porter's Generic Strategy (1998)

2.2.1 Cost Leadership Strategy

The company hopes to take advantage of economies of scale and experience curve effects by producing high quantities of standardized goods. The product is often a simple no frills product that is manufactured at relatively low cost and made available to a very large customer base. The related marketing strategy is to achieve the widest possible distribution. The sales approach also entails attempting to make a virtue out of the advantages of the low cost product.

The business unit establishes a position in cost leadership strategy that has a significant cost advantage over all its competitors in the industry. Cost leadership requires 'aggressive construction of efficient scale facilities; vigorous pursuit of cost reductions from experience, tight cost and overhead control, avoidance of marginal customer accounts and cost minimization in areas such as research and development, service, sales force, advertising, etc...'. (Porter, *Competitive Strategy Techniques for Analyzing Industries and Competition*, 1998). Typically, low-cost producers market a regular or "no frills" commodity and put significant focus on reaping scale or absolute cost benefits from all sources.

Risks of cost leadership include the following according to Hitt *et al* (1997): the low-cost leaders could become obsolete because of competitors' technological innovation; Due to excessive focus on cost leadership companies, shifts in customer

needs or attempts by rivals to distinguish may not be noticed; and finally, there is a risk of imitation by competitors. Another risk, according to Porter (1998), is that cost inflation may diminish the ability of the company to maintain sufficient price differentials to offset the brand images of competitors. (Porter, *Competitive Strategy Techniques for Analyzing Industries and Competition*, 1998)

2.2.2 Differentiation Strategy

Differentiation is aimed at the broad market, involving the creation of a product or services perceived as unique throughout its industry. The company or business unit may then charge a premium for its product. This specialty may be associated with design, brand image, technology, features, dealers, network or customer service.. Differentiation is a viable strategy for generating above-average returns in a particular business because the resulting brand loyalty decreases the price sensitivity of consumers .Increased costs can usually be passed on to the buyers. Buyers ' loyalty can also act as an entry obstacle. New companies must establish their own distinctive expertise in order to distinguish their goods in some way to compete effectively Differentiation Strategy also has two alternatives: Wide and Narrow Focus. Differentiation Broad Focus seeks uniqueness and premium price in the industry's overall market, while Differentiation-Narrow Focus seeks uniqueness and premium price only in one market segment. (Ogolla, 2005)

According to Hitt et al (1997), differentiation risks include the following: a business can provide differentiated features that surpass customer needs; where differentiation no longer provides value that consumers are willing to pay; imitation by rivals; and finally, learning can limit customer expectations of the value of differentiated goods. (Hitt, Hoskisson, & Ireland, 1997) .Another danger posed by Porter (1998) is that the cost differential between the low-cost rival and the differentiated company becomes too high for differentiation to maintain brand loyalty; consumers will thus sacrifice some of the features, services or photos that the differentiated company possesses to save large costs (Porter, *Competitive Strategy Techniques for Analyzing Industries and Competition*, 1998)

2.2.3 Focus Strategy

The business focuses on a select few target markets in this approach. It is also called a concentration strategy or niche strategy. It is hoped that by focusing your marketing efforts on one or two narrow market segments and tailoring your marketing mix to these specialized markets, you will be able to meet the company better. Most of Porter's Generic Competitive Strategies are ideal for relatively small companies, but they can be used by any company.. It can be used as a concentration technique to pick goals that are less vulnerable to alternatives or where a market is lowest in order to earn an above-average return on investment.(a) In cost emphasis, a company seeks a cost advantage in its target segment (b) Differentiation focus a company seeks to differentiate in its target segment. (Tanwar, 2013)

Focus strategy means a company is centered on a single customer category, product line segment or regional market. The focus strategy can be based on a wide or narrow market scope, where broadly refers to the overall market and narrowly refers only to one market segment. (Ogolla, 2005)

Competitive risks of focus strategies are the same as for cost leadership plus the following according to Hitt *et al* (1997): Competitors may “out focus” the focuser by focusing on a narrower segment; competitor may pursue the same market and the needs for customers being focused may become similar to those in the market at large. (Hitt, Hoskisson, & Ireland, 1997) According to Thompson and Strickland (1992), the focus risks are many and include the following: the opportunity for competitors to find ways to match the focused company in serving the narrow target market; the potential of the niche buyer's preferences and the need to shift to the product attribute desired by the market as a whole; such erosion opens the way for competitors with a broad market appeal and the possibility that the segment will become so attractive that it will be flooded with competitors that profits will be split.. (Thompson & Strickland, 1992)

2.3 Previous Study

Gathoga (2001) researched strategic approaches used by commercial banks in Kenya, and Gakumo (2006) examined the use by commercial banks in Kenya of

Porter's generic strategies. Studies show that strategic approaches implemented by companies vary depending on the dominant environmental factors in different industries. The study on competitive strategies adopted by commercial banks (Gathoga, 2001) looked at commercial banks in Kenya in general. Its findings may not apply to multinational banks, which in a way are unique. No study was found that specifically focused on competitive strategies adopted by multinational banks in Kenya. (Gathoga, 2001)

Njuguna (2009) argued that companies should invest in developing the potential for ongoing organizational learning in order to remain competitive. He has developed three strategies that can be used to acquire knowledge to implement training and development projects, establish a strategic alliance, and appoint more experienced workers to lead less experienced workers. He argued that in order to be successful, new ideas and approaches on working methods should be experimented on an ongoing basis and a consolidated and resourceful research and development policy developed to gain valuable knowledge internally. Furthermore, a company can borrow ideas from outside professionals and experts and also encourage their employees to join formal or informal networks of people from outside their organizations. He cited the non-availability of empirical data as one of the limitations. (Njuguna, 2009)

Filho, Wanderley, Gomez and Francisca (2010) research on how social responsibility approaches can establish competitive advantages showed that competitive advantages resulting from social responsibility can be accomplished by directly influencing its finances, enhancing credibility and identity, retaining exceptional people, empowering workers, adding value, better economic performance provided by social responsibility aligned with corporate strategy, innovative and efficient projects, better environmental performance, better social performance and improvement in corporate governance.

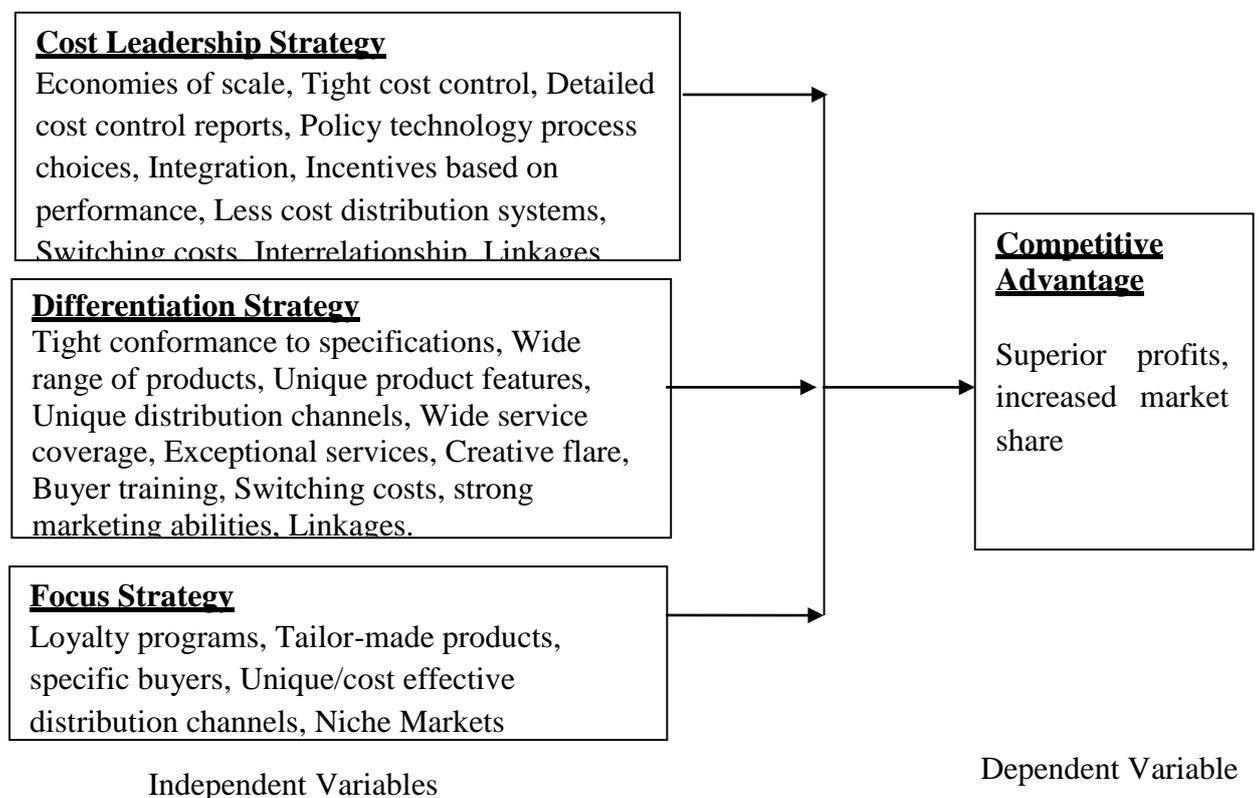
Diugwu (2010) works on how collaboration and networking can achieve a competitive advantage, demonstrating that an enterprise can improve its profitability by participating in innovation activities, concentrating on specific goods or markets and implementing network strategy. He cited remaining the most important platform for improving organizational efficiency by adding value to the activities of an organization and enhancing productivity by sharing information, skills and resources effectively. Nevertheless, the ability to create an atmosphere conducive to learning

and adjusting skills and knowledge faster than one rival to match the prevailing circumstances could be the only source of sustainable competitive advantage.. (Diugwu, 2011)

In his study to examine the direct effects of implementing business strategy in Ghana, Acquah (2011) emphasized that social networking relationships with various external stakeholders moderate the benefits of cost leadership and differentiation. Therefore, the social networking relationship built by family business can be both beneficial and detrimental to business strategy execution. Nevertheless, he cited as some of the drawbacks the use of subjective measures and the scope of the analysis (limited to small developing economies). (Acquah, 2011)

In his research, Mary Wayua Kilonzo (2014) explored the relationship between standardized approaches and competitive advantages between tourism industry organizations in Kenya. He found out that the three generic and strategic advantages were positively correlated. Nonetheless, he cited as some of the drawbacks the use of subjective measures and the studies reach (limited to small developing economies). (Kilonzo, 2014)

Figure (2.2) Conceptual Framework of Previous Study



Source: (Kilonzo, 2014)

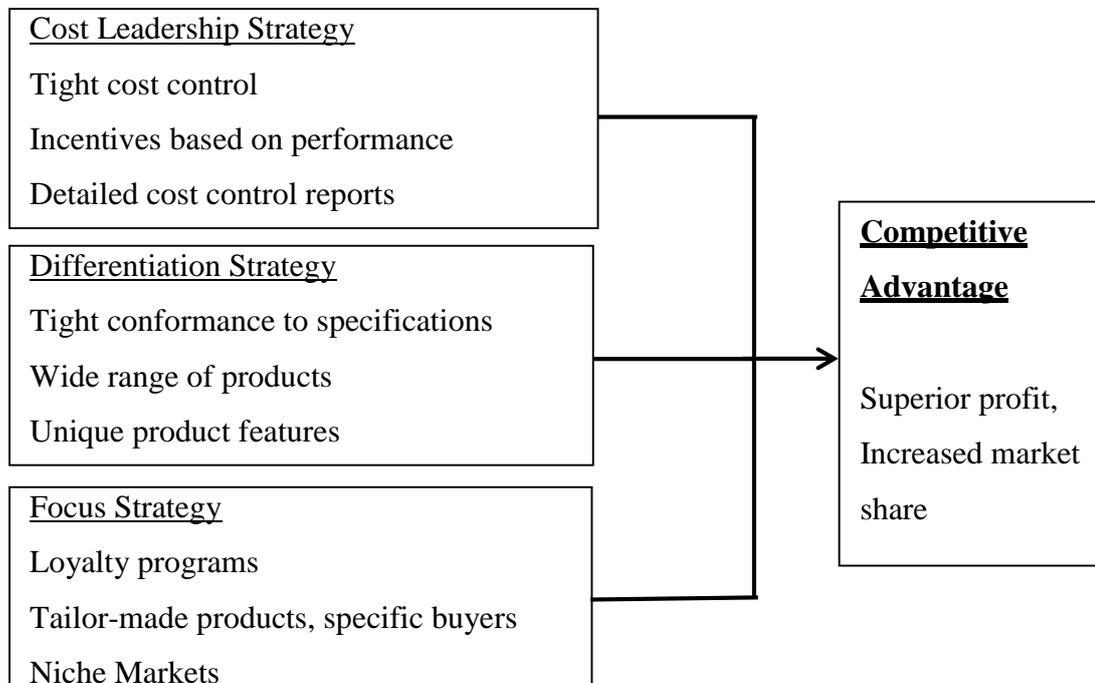
According to Kilonzo, cost leadership, differentiation and focus strategy are independent variables and competitive advantage is dependent variable.

Working on strategies adopted by multinational corporations to compete in Kenya, Ogutu and Samuel (2011) indicate that these multinational corporations have adopted a number of strategies in Kenya, including improved quality, excellent customer service, innovation, differentiation, diversification, cost reduction initiatives, strategic alliances, joint ventures, mergers / acquisitions, lower prices, fair environment challenges. He cited lack of skilled labor and irregular electricity supply as some of the limitations as most of these firms are located outside the central business areas. (Ogutu & Samuel, 2011)

2.4 Conceptual Framework

Conceptual framework for this study was built on the basis of generic strategies from Porter. The company utilizes the standardized system approaches of Porter directly or indirectly with the goal of achieving competitive advantage through cost leadership, differentiation or focus. As shown in Figure 2.3, the study proposes the conceptual framework.

Figure (2.3) Conceptual Framework of the Study



Independent Variables

Dependent Variable

Source: Adopted from Kilonzo (2014)

This framework intended address the relationship between Porter's Generic Strategy and Competitive Advantages of KBZPay. Dependent Variable is the competitive advantage but Cost Leadership, Differentiation and focus are the Independent variables of this study.

CHAPTER 3

PROFILE OF KBZ BANK

This chapter explores the background of KBZ Bank, KBZPay together with products and services that provided by the bank and involves strategic approaches used by KBZ Bank.

3.1 Background of KBZ Bank

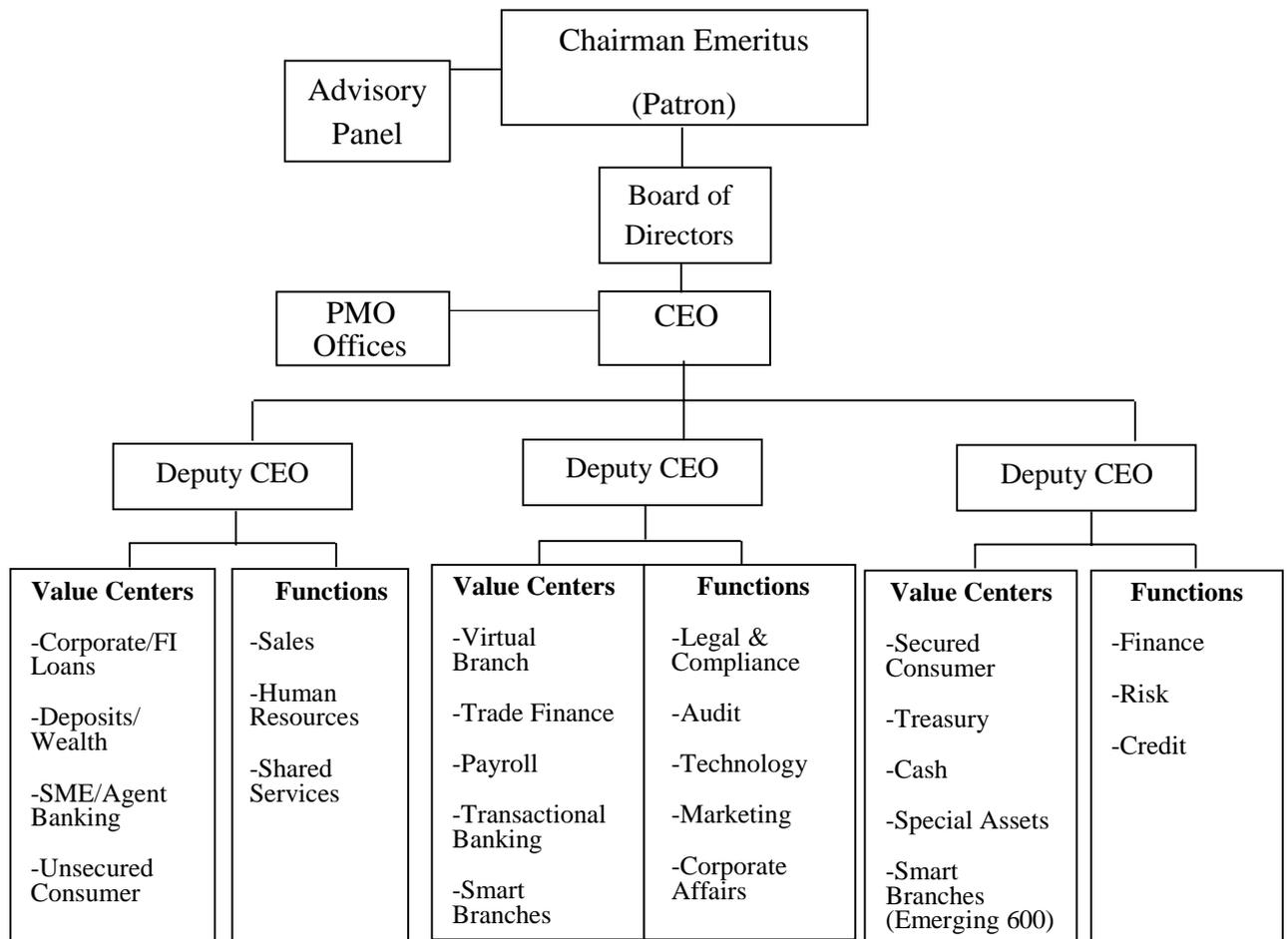
Kanbawza Bank (KBZ Bank) was established in Taunggyi, in the southern part of Shan State, on 1 July 1994. Initially, the bank catered to the local population in Taunggyi. In November 1999, our present management obtained the company from previous owners who were professors and supervise its growth into one of the biggest private commercial banks in Myanmar. With over 500 branches and 1200 ATM network, KBZ Bank is now Myanmar's largest private bank. Headquartered in Yangon, Myanmar, and KBZ Bank has a total of 18,000 employees. KBZ Bank's dream is to create the world's best-managed bank. Apparently that is what Myanmar wants and demands. The mission is to rise through banking the quality of life. KBZ Bank's core values are to be guided by a belief and a culture that runs all over the organization: being good to people and doing the right thing. That's why three principles—Metta, Thet Ti, Virya—motivate them to love goodness, perseverance, and bravery. The slogan of KBZ Bank is "STRENGTH OF MYANMAR." (KBZ Bank, 2018)

KBZ Bank 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. The bank is leading the way for the rapidly developing financial services industry in Myanmar, particularly in digital and technology, through an approach that understands opportunities for innovation, the needs of Myanmar's citizens, and the specific background of the country's economy. (KBZ Bank, 2018)

KBZ Bank sees exciting opportunities to work with international investors as Myanmar's economy grows and opens up, offering an important and vital link to the

fast-growing cities, entrepreneurs and local communities of Myanmar. This will bring us closer to achieving 100% financial inclusion in Myanmar in order to improve the quality of life by banking. (KBZ Bank, 2018)

Figure (3.1) Organization Structure of KBZ Bank



Source: (Khaing, 2018)

KBZ Bank has many divisions and branches. Each department has department head and branch manager for each branch. The board of directors and senior management teams are formed by KBZ Bank Limited. U Aung Ko Win is announced as Chairman Emeritus, according to the new organizational structure. U Mya Than is new Chairman of KBZ Bank Ltd in senior management structure. There are two vice presidents in the board of directors of KBZ Bank, one independent director, one non-executive director and one executive director. As of April 1, 2018, the current board

of directors assumed its positions and organizational responsibilities. (KBZ Bank, 2018)

Under the organizational structure of KBZ Bank, there are 17 value centers and 11 functions. Other value centers and functions are KBZ Bank departments, with the exception of Smart Branches (Kamayut), Smart Branches (Emerging 600) and Smart Branches (Big 28). These include Corporate / FI Loans, Deposits / Wealth, SME / Agent Banking, Unsecured Consumer Smart Branches (Kamayut), Commercial Property development, Virtual Branch, Trade Finance, Payroll, Transactional Banking, Smart Branches (Big 28), Secured Consumer, Treasury, Cash, Special Assets, Smart Branches (Emerging 600) and Domestic Remittance. In addition, there are 11 functions including Accounting, Risk, Credit, Legal & Regulation, Audit, Technology, Marketing, Corporate Affairs, Sales, Human Resources, and Shared Services. Three Deputy CEOs are responsible for managing their respective VCs and functions. (KBZ Bank, 2018)

3.2 Products and Services of KBZ Bank

KBZ Bank has different kinds of financial and banking products and services as the biggest and most branches bank in Myanmar. It offers savings deposit accounts, escrow accounts, foreign currency accounts, fixed accounts, current accounts, savings accounts for teenagers, and accounts for call deposits. The lending lines of the firm include recruiting loans for account holders, SME business owners, and organizations; loans and overdrafts; personal finance; and credit and debit cards. It also provides gift cards, currency exchange, safe deposit lockers, online banking, and e-commerce services; cash management services including payroll, billing, and collection services; remittance services; bank certificates; payment orders; and procurement services. The financial services of KBZ Bank are designed to achieve the bank's customers' comfort and satisfaction. The bank delivers the greater number of financial services year after year. The KBZ bank offers the full range of retail and commercial banking services including deposits, lending, cash management, bank guarantees and remittance. The KBZ bank's financial products and services are shown in Table 3.1.

Table 3.1 Products and Services of KBZ Bank

No	Financial Services	Categories
1.	Demand Deposits	Saving Accounts, Current Accounts, Fixed Deposits
2.	Loans and Advances	Overdrafts, Demand Loans, Hire Purchase
3.	Remittances	Local Telegraphic Transfers, Payment Order
4.	Cash Management	Receivables Management, Cash payables Management
5.	e-Banking Services	Automatic Teller Machine (ATM), KBZ Mobile Banking KBZ Online Banking
6.	KBZ Prestige Banking	Prestige Banking, Personal Banking, Confidential Banking
7.	KBZPay	Mobile Money
8.	Other Services	Safe Deposit Boxes, Bank Guarantee
9.	Cards Payment Services	MPU Debit Card, VISA Prepaid Card, Master Prepaid Card KBZ UPI Credit Card, KBZ VISA Credit Card

Source: (Khaing, 2018)

International Banking Services: KBZ Bank offers seven international financial services, including Remittance Services, Payment Services, Foreign Exchange, Import and Financing Services, Export and Financing Services, Bank Guarantee, and Foreign Currency Account Opening.

(a) **Remittance Facilities:** two types of remittance services are available. These are Telegraphic Transfer of KBZ SWIFT and International Money Transfer Facility.

(b) **Foreign Exchange:** Foreign Exchange services are two types. They are a facility for foreign exchange and foreign exchange lines.

Foreign Exchange Services

FX Spot: Customers of KBZ bank may use the foreign exchange service to buy or sell selected foreign currencies at competitive exchange rates for immediate or spot delivery.

FX Forward: KBZ bank also provides FX Forward for future-oriented customers who need foreign currency. Customers can hedge their FX risk by using this product with the premium paid in the Forward Contract.

FX Option: KBZ bank also provides FX Option for customers using international banking services as for another method. It product is exposed to high risk and is therefore sold in international banking services to chosen, educated and experienced customers.

FX Swap: KBZ bank allows FX Swap to satisfy its criteria for the export / import customer who wanted to hedge their difference time of receipt and payment.

Foreign Exchange Lines: KBZ bank offers forward and swaps buying and selling foreign currencies in order to lock in profit margins for customers and minimize fluctuations in the exchange rate. Trading in arbitrage will also be part of the treasury operations of the Bank.

(C) Import and Financing Services: KBZ Bank's Letter of Credit (LC) is a fast and efficient service used to facilitate the purchaser / importer's international trade settlement for the importation of goods to Myanmar. An LC is issued in favor of the seller / exporter by the issuing bank on behalf of the buyer / importer. At a buyer's request, the LC is an undertaking to honor the seller's claims by the issuing bank, provided that the required documents are submitted to the issuing bank within a specified time and in accordance with the LC's terms and conditions.

Collection Import Bill: KBZ bank has a mutual relationship with reputable international banks throughout the world and can therefore offer valuable services to importers who can import from any part of the world. The import bills are issued at very competitive rates by KBZ Bank. The import bills imposed on customers from other branches are also collected by some branches.

Financing of Import L / C facility: Import LC is a letter of credit which is payable at a specified future date after presentation of conforming documents. The L / C facility of KBZ bank provides an opportunity for the importer to take advantage of credit from the bank of their manufacturer / supplier.

Deferred Payment Guarantee / Standby LC: The Deferred Payment Guarantee / Standby LC facility of KBZ Bank often provides an opportunity for the importer to take advantage of credit from the bank of their supplier / supplier.

Shipping Guarantee: Shipping Guarantees are guarantees provided by the Bank to the goods carrier so that the goods can be shipped to the consignee without generating the Bill. It allows the importer to escape demurrage charges that will otherwise be levied if the items are not shipped due to the lack of shipping papers.

(d) **Export Services and Financing:** There are three types of facilities for exporters. They are as per following:

Export Credit: KBZ bank gives both pre and post shipment credit to the exporters through Kyat Denominated Loans as well as foreign currency loans in Myanmar. Credit provisions are punished to exporters who convince credit exposure norms of KBZ bank. Exporters who have firm export orders or confirmed L / C from a bank can catch benefit of export credit facilities. Kyat Export Credit is obtainable generally for a period of 180 days from the date of first expense. In deserving cases extension may be allowed within the guidelines of Kyat. The corporate may also book forward contracts with KBZ bank in respect of future export credit draws, if required, as per the guidelines/instructions provided by Kyat.

Pre-shipment Credit in Foreign Currency (PCFC): KBZ bank extends PCFC in the foreign currency to the exporters permitting them to fund their procurement, inventing, processing and wadding requirements. Such loans are available at very competitive international interest rates that cover both domestic and export material. The corporate/exporters with a good follow record can help a running account facility with KBZ bank for PCFC. PCFC is generally available for a period of 180 days from the first payment date. In earning cases extension may be allowed within the guidelines of Kyat.

Negotiation of Bills under L/C: KBZ bank is operative in arrangement/reduction of sight international export bills under L/Cs available by foreign banks as well as branches of banks abroad. KBZ bank provides the most competitive rates. These transactions are undertaken by KBZ branches within the Bank/Country Exposure ceilings advised by KBZ bank.

(e) **Bank Guarantees:** KBZ bank, on behalf of exporter constituents, supplies guarantee in favor of beneficiaries abroad. The guarantees may be Performance and Financial. For Indian exporters, guarantees are issued in compliance to RBI guidelines.

KBZ bank, on behalf of importer constituents or other customers, issues guarantee in favor of beneficiaries abroad. The guarantees may be both Performance and Financial.

(f) **Foreign Currency Account:** KBZ bank's Foreign Currency Account is a non-interest-bearing current account and is planned for customers who want to minimize foreign exchange risk while maximizing payment effectiveness in foreign currency, .Benefits of using foreign currency account are safekeeping of foreign currencies, investment in foreign currencies, confining against adverse foreign exchange fluctuations; KBZ Foreign Currency Account carries out as a settlement account for foreign exchange purchase and sale; cheques can be allowed for convenient payment between customers of KBZ bank; KBZ Foreign Currency Account enables customers to facilitate SWIFT remittances and Letter of Credit transactions.

Benefits of using foreign currency account are safekeeping of foreign currencies, investment in foreign currencies, hedging against adverse foreign exchange fluctuations; KBZ Foreign Currency Account serves as a settlement account for foreign exchange purchase and sale; cheques can be used for convenient payment between customers of KBZ bank; KBZ Foreign Currency Account enables customers to facilitate SWIFT remittances and Letter of Credit transactions.

(g) **Domestic Currency (Kyat) Account:** As deposit products in local currency, it provides many types of accounts such as call deposit accounts, children's minor saving accounts, current account, fixed deposit account, saving deposit account. All deposit accounts have particular terms and conditions and the difference of interest rate per annum as per their account types. Savings deposit accounts are desirable for both individuals and the interest rate are 8%. To open account, it is required initial deposit of 1,000 MMK and minimum balance 1,000 is required to keep accounts active. There is no charge of account maintenance fees at KBZ bank. All the accounts can be controlled by the customers on their mobile and online banking service. (KBZ Bank, 2018)

3.3 Background of KBZPay

KBZPay is a mobile wallet that connects people to a digital economy previously inaccessible to many. Introduced in October 2018 in line with KBZ Bank's goal of 100% financial inclusion in support of Myanmar's growth goals and needs, KBZPay takes financial services beyond the bank's physical branches and into the hands of its customers. The number of adults with access to at least one formal financial service and product – Making Access Possible, 2019, has increased significantly in Myanmar. With low financial literacy, 90% of Myanmar is unbanked. Cash has considered a convenient and usual lifestyle. Digital payments and poor digital literacy have low confidence. Increased financial inclusion in emerging economies could raise national GDP from 9% to 32% anywhere. KBZ Bank recognizes the enormous opportunity to change many people's lives in Myanmar and is embarking on a path towards 100% financial inclusion. But to succeed this takes everyone's collective power.

We launched KBZPay in October 2018, a mobile wallet that makes it more convenient and safe to purchase everyday products and manage funds. With just a smartphone, the app allows consumers to conduct daily transactions that were only offered in a physical branch until this stage, such as sending and receiving money from friends and family and paying for bills. (KBZPay)

Millions of customers are now enjoying a new banking experience, using KBZPay to manage their money, pay for goods and services, store cash, hand over to loved ones and perform daily financial tasks that were once labor intensive and time consuming. With the help of KBZ Bank's 18,000 staff, KBZPay is now Myanmar's leading mobile wallet, linking customers with thousands of merchants and agents across the country on a daily basis.

After KBZPay was introduced, it has extended its features from linking friends, family and communities via peer-to-peer transactions to connecting them to the digital economy now. KBZ Bank has launched QR code payments to more than 230,000 retailers, in-app purchases of airtime top-ups, bus tickets and mobile gaming tokens, and cardless withdrawals from the agent, dealer and ATM network.

With KBZPay, it is no longer necessary for people to carry huge amounts of cash and drive hours to their nearest stores in order to buy important everyday.. KBZPay has already expanded to more than 3.5 million users in just its first year of operation, onboard with full e-KYC, with transactions up to \$1.8 billion in value.

3.4 Strategic Approaches used by KBZ Bank

KBZ Bank's mission is to improve quality of life through banking. KBZ Bank placed consumers at the core of change and at the heart of it. Therefore, KBZ Bank makes faster and more efficient individual and branch decisions and provides better and more timely customer service. Banking should be accessible and affordable to all, from extending branch hours to improving financial literacy, to introducing innovative and digital services that are accessible on mobile. KBZ Bank is motivated by a conviction and a philosophy that runs all over its organization: being good to people and doing the right thing. It sounds simple, but for a bank it's uncommon and innovative.

KBZ bank has three principles–Metta, Thet Ti, Virya–compassion, perseverance and bravery. Such values are deeply embedded in our actions and dedication. KBZ Bank claims that it can have a profound impact on cultures and people's lives through loving kindness, perseverance and courage.. Growth must be sustainable and fair, and at the right speed for the country and its people. For this reason, KBZ Bank is contributing to nation-building, working tirelessly to strengthen communities and institutions, and being here for the long term.

Therefore, KBZ bank is in a strong position to lead this transition and help to raise the living standards for everyone. KBZ Bank's vision is to reach 100% financial inclusion in Myanmar. While KBZ Bank is going to lead the way, the combined power of everyone is required to succeed.

Digital tools help streamline day-to-day activities involving money in a straightforward and streamlined manner.. It removes the complexity of interacting with traditional financial services, particularly the costs of using paper-based systems and cash. It encourages more people to manage their money within the formal

financial system and to connect better with each other and companies across the world.

KBZ Bank's goal is to reach 30 million KBZPay customers by 2028 or half the population of Myanmar, linking families, friends and communities to a new, mobile-first financial ecosystem that supports their digital lifestyles.

KBZPay's future plans include: partnership with more travel and ticket booking platforms; promoting online business e-commerce purchases; partnering with educational and e-learning platforms; offering future-ready workplace payroll services; creating a creative payment platform for start-ups on a scale-up basis; every step of the way is embedded in building a future-proof financial infrastructure with KYC and security; and providing financial and digital literacy for people.

KBZ Bank is driving secure financial connectivity in the country through KBZPay, equipping the nation with world-class skills, resources, and experience to help Myanmar leap into a mobile-first economy. KBZ Bank informs customers and the wider community about the safe use of these services through programs and content. It includes conducting a series of workshops on financial literacy across the country at more than 30 universities. This gives our country's future leaders more trust and a better understanding of digital environments. This gives them more knowledge and skills and the ability to understand how it influences their actions and opportunities in this digital economy. (Sendingan & Gagua, 2019).

CHAPTER 4

COMPETITIVE STRATEGIES OF KBZPay

This chapter discussed research method of the data analysis and discussion of the relationship between generic strategies and competitive advantages of KBZPay.

4.1 Research Design

A primary survey data was circulated to middle and senior management of the KBZ Bank, targeting 180 of bank employees, who are currently working at KBZ Bank. Out of 180 targeted KBZ Bank employees, total 150 employees were respondent survey accordingly. Primary data was collected through the use of questionnaires to help gather large data in a large population in a short period.

Questionnaires were divided into two sections. Section A describes demographic profiles of respondents. Section B focuses on the examination of competitive strategies of KBZPay.

After collecting the primary data, the completed questionnaires were first checked for completeness, reliability and validity. Editing, coding and tabulation of the data according to the research questions were then done. The data was gathered using five point likert scale ranging from (1) “strongly disagree” to (5) “strongly agree”. Descriptive statistical tools known as Statistical Package for the Social Scientist (SPSS) was used to analyze the data in tables.

4.2 Demographic Characteristics of Respondents

This section analyzes the gender, age, working experience, working position, education and department status of the respondents.

4.2.1 Gender of Respondents

The first analysis of the demographic profile of respondents is the analysis on the gender of the respondents. Table (4.1) states the result from the analysis of the respondent’s gender background which is show in percentage of total 150.

Table (4.1) Gender of Respondents

Gender	No. of Respondents	Percent
Female	90	60
Male	60	40
Grand Total	150	100

Source: Survey Data, 2019

From the result of the survey, it was found that survey included 60 number of males and 90 number of females. The gender of the respondents in percentage is 40 % of males and 60% of females.

4.2.2 Age of Respondents

Respondents were also requested to answer their age level. Table (4.2) states the result from the analysis of their age level.

Table (4.2) Age of Respondents

Age	No. of Respondents	Percent
Below 25 years	81	54
25-35 years	57	38
35-45 years	12	8
Grand Total	150	100

Source: Survey Data, 2019

The above table (4.2) shows that the largest age group is below 25 years of age with 54% of the total respondents. Second major age group is 25-35 years old with 38% of total respondents. Only 8% of respondents are from 35-45 years and there was no respondent for age 45-55 years and age above 55 years. It can be seen that most of the major age groups are below 25 years old.

4.2.3 Working Experience of Respondents

Respondents are further requested to answer on the working experience that they have been worked at KBZ Bank. Table (4.3) indicates the analysis of the working experience of respondents with KBZ Bank.

Table (4.3) Working Experience of Respondents

Working Experience	No. of Respondents	Percent
Below 1 year	81	54
1-3 years	20	13
3-5 years	5	3
5-10 years	32	21
10 years and above	12	8
Grand Total	150	100

Source: Survey Data, 2019

Table (4.3) shows that 54% of the respondents working with KBZ Bank from below 1-year duration. 21% of respondents have been working with KBZ Bank from 5-10 years while 13% of respondents have been working at KBZ Bank from 1-3 years. Furthermore, 8% of respondents have been working with KBZ Bank for 10 years and above while 3% of respondents have been working at KBZ Bank from 3-5 years.

4.2.4 Working Position of Respondents

Respondents were also requested to provide their working position status and Table (4.4) states the result of that analysis.

Table (4.4) Working Position of Respondents

Working Position	No. of Respondents	Percent
Assistant Manager to Manager	80	53
Senior Manager to General Manager	30	20
Senior Management	40	27
Grand Total	150	100

Source: Survey Data, 2019

The above table (4.4) indicates that 53% of respondents are Assistant Manager to Manager Position which is the largest segment of the respond out of 150 respondents. The second 27% largest group of respondents is Senior Management

position. Only 20% of the respondents are Senior Manager to General Manager Position.

4.2.5 Education Level of Respondents

Respondents were also requested to answer their education level. Table (4.5) states the result from the analysis of their education level. There are three education level categories in the sample: Graduated, Master Degree and Master Degree and above.

Table (4.5) Education Level of Respondents

Education Level	No. of Respondents	Percent
Graduated	101	67
Master Degree	24	16
Ph.D. and above	25	17
Grand Total	150	100

Source: Survey Data, 2019

According to the table (4.5), the largest segment 67% of respondents have been graduated from university, follows by Ph.D. and above of 17%, while Master Degree are 16% of the respondents.

4.2.6 Working Department of Respondents

Respondents were also requested to provide their working department status and Table (4.6) states the result of that analysis.

Table (4.6) Working Department of Respondents

Working Department	No. of Respondents	Percent
Back-end Support Function (e.g. Finance, Risk, IT, etc.)	16	11
Branches	14	9
Digital Products Related Department (e.g. KBZPay, Mobile Banking, Cards, etc.)	117	78
Non-Digital Products Related Department (e.g. Loan, Deposit, Remittance, etc.)	3	2
Grand Total	150	100

Source: Survey Data, 2019

The above table (4.6) indicates that 78% of respondents are from Digital Products Related Department which is the largest segment of the respond out of 150 respondents. The second 11% and third 9% largest group of respondents are Back-end Support Function and Branches respectively. Only 2% of the respondents are Non-Digital Products Related Department.

4.3 Analysis of Competitive Strategies of KBZPay

In this part, there is the analysis using of 5 points Likert scale measurement on the cost leadership towards KBZPay in table (4.7).

Table (4.7) Cost Leadership

Cost Leadership	Mean	Std Deviation
I feel that KBZ Bank has tight cost control systems in place	2.69	0.56
I feel that KBZ Bank gives incentives to staff based on strict quantitative targets.	2.63	0.62
KBZ Bank has cost supervision all through the entire process	2.60	0.58
KBZ Bank has budget reviews on quarterly basis.	2.60	0.58
Overall Mean	2.63	0.85

Source: Survey Data, 2019

In table (4.7), the analysis shows that KBZ Bank has tight cost control systems in place with the highest mean score of 2.69 and standard deviation is 0.56. The lowest

mean score of 2.60 and standard deviation is 0.58 shows that KBZ Bank has close supervision all through the entire process and KBZ Bank has budget reviews on quarterly basis.

Table (4.8) Differentiation

Differentiation	Mean	Std Deviation
In KBZ Bank, there is strong coordination among functions especially in the Research & Development, Product Development and Marketing departments.	2.85	0.44
Creativity and innovation are the order of the day in product re-designing and development.	2.92	0.28
KBZ Bank has a strong research team who guides the company in producing superior products.	2.84	0.44
KBZ Bank has a wide range of superior products.	2.99	0.09
KBZ Bank is well known for producing quality products	2.97	0.16
KBZ Bank benchmarks with leading bank in banking industry every year.	2.95	0.33
KBZ Bank has a creative and innovative training program for staff development.	2.87	0.41
Overall Mean	2.91	0.23

Source: Survey Data, 2019

In table (4.8), the analysis shows that KBZ Bank has a wide range of superior product with the highest mean score of 2.99 and standard deviation is 0.09. The second highest mean score of 2.97 and standard deviation of 0.16 is that KBZ Bank is well known for producing quality products. The lowest mean score of 2.84 and standard deviation 0.44 shows that KBZ Bank has a strong research team who guides the company in producing superior products.

Table (4.9) Focus

Focus	Mean	Std Deviation
KBZ Bank alters specific products to meet specific customer needs.	3.67	1.05
KBZ Bank has niche markets for its products.	3.69	0.94
KBZ Bank has loyalty programs for frequent customers.	3.74	0.94
Our customers identify themselves very much with KBZ brand.	3.83	0.86
KBZ Bank has well established distribution network.	3.98	0.82
Service quality of KBZ Bank exceeds that of competitors.	3.91	0.93
Overall Mean	3.80	0.81

Source: Survey Data, 2019

Based on the analysis from table (4.9), the analysis shows that KBZ Bank has well established distribution network with the highest mean score of 3.98 and standard deviation is 0.82. The second highest mean score of 3.91 and standard deviation of 0.93 is that our service quality exceeds that of our competitors. The lowest mean score of 3.67 and standard deviation 1.05 shows that KBZ Bank alters specific products to meet specific customer needs.

Table (4.10) Overall Mean of Generic Strategy

	Overall Mean	Std Deviation
Cost Leadership	2.63	0.85
Differentiation	2.91	0.23
Focus	3.80	0.81

Source: Survey Data, 2019

Table (4.10) indicates the analysis on the overall mean of the survey result. The overall mean score for cost leadership is 2.63 and the standard deviation is 0.85. The overall mean score for differentiation is 2.91 and the standard deviation is 0.23. The overall mean score for focus is 3.80 and the standard deviation is 0.81, which is greater than the standard mean score of 3. It can be seen that many of the employees have preferred to the focus strategy to get KBZ bank competitive advantages.

Table (4.11) Competitive Advantages

Competitive advantage	Mean	Std Deviation
I think KBZ Bank to produce products at lower cost relative to our competitors and sell them at either at lower or market price	3.63	1.10
I think KBZ Bank to produce unique products and sell them at premium price.	3.78	0.92
Customers identify well with KBZ brand and able to charge them a premium price per item.	3.83	0.92
Demand for KBZ products is escalating and able to extend markets geographically.	3.72	0.85
KBZ produces products for specific customers and able to sell them at premium price.	3.75	0.90
KBZ produces products for specific markets and able to sell them at market or lower price.	3.81	0.97
Overall Mean	3.75	0.83

Source: Survey Data, 2019

As regards with table (4.11), competitive advantage has overall mean value of 3.75 which can be interpreted that it is more than average value of 3.0. It is agreed that KBZ bank is reputable with the brand image and able to charge a premium price for the products. It has got the mean value of 3.83 with the standard deviation of 0.92. Also, KBZ has a specific market and able to sell at market with lower price, with the mean value of 3.81 and standard deviation of 0.97. The fairly mean value of 3.75 and standard deviation of 0.90 states that KBZ Bank produces products for specific customers and able to sell at premium price. The least mean value of 3.63 and standard deviation of 1.10 show that KBZ Bank to produce products at lower cost relative to our competitors and sell them at either at lower or market price.

4.4 Relationship between Generic Strategy and Competitive Advantage

In order to see the relationship between generic strategy and competitive advantage, correlation analysis is also performed.

Table (4.12) Correlation Analysis

Factor		Competitive Advantages
Cost Leadership	Pearson Correlation	0.478**
	Sig (2-tailed)	0.000
Differentiation	Pearson Correlation	0.215**
	Sig (2-tailed)	0.000
Focus	Pearson Correlation	0.870**
	Sig (2-tailed)	0.000

Source: Survey Data, 2019

** Correlation is significant at the 0.01 level (2-tailed)

Correlation analysis provides information about the degree and strength of association between two variables and it can take value between -1 and +1 inclusive. The result of the correlation coefficients is for the relationship between generic strategy and competitive advantage.

According to the table (4.12), there is a strongly positive significant relationship between focus strategy and competitive advantages. It has a correlation value of 0.870. However, differentiation strategy has a weak relationship with competitive advantages with a correlation value of 0.215. In addition, there is a moderate relationship between cost leadership and competitive advantages with a correlation value of 0.478. The result confirms that the focus strategy has the highest value of correlation with competitive advantages.

CHAPTER 5

CONCLUSIONS

This chapter explores the finding based on the analysis of the data from the survey together with the suggestion and need for further study.

5.1 Finding

This study investigated the competitive strategies of KBZPay. The two main objectives of this study are to identify the strategic approaches used by KBZ Bank and to analyse the relationship between competitive advantages and competitive strategies of KBZPay. Among the employees of KBZ bank, the survey questionnaires are through selected 150 employees in Yangon. These survey questionnaires are included 29 questions and some of general information to make better understanding about study outcomes. From the survey of the demographic factors of the respondents, it is found that there are more female respondents than male respondents for this survey. It was also found that the most of the respondents' age are below 25 years. Furthermore, the majority of working experience of respondents is below one year. The largest group of working position respondents is from Assistant Manager to Manager Position. The result also showed that majority of respondents for education level is university graduated. According to the survey result, largest portion of the respondents for working department are from Digital Products Related department.

Employee believed that KBZ Bank has tight cost control systems in place. And also, KBZ Bank has a wide range of superior product. Along with the over 400 branches network of KBZ bank, it has well established distribution network. Therefore, KBZ bank customers identify well with the brand image and it is able to charge them a premium price per item. It did not seem to have any close supervision all through the entire process with the mean value of 2.60. KBZ Bank requires setting up a strong research team who guides the company in producing superior products.

The results show that the focus strategy was the only systematic approach with a clear positive correlation with competitive advantage. Focus approach was the aspect that most significantly affects KBZPay's competitive advantage relative to the

other generic strategies. This indicates that regardless of the overall effect of all other generic strategies on the competitive advantage of companies in the banking sector, the focus strategy was the most significant factor in terms of which goods, services and markets to pursue. It has been found that the concentration strategy is strongly correlated with the competitive advantage while the others are fairly positively correlated. Focus strategy was the factor that most significantly affected KBZ Bank's competitive advantage compared to the other generic strategies, and it can therefore be inferred that it is one of the strategies that should be given greater consideration when seeking competitive advantage.

5.2 Suggestion

According to the outcome, KBZ Bank management is advised to put greater emphasis on the focus strategy in order to achieve competitive advantages and establish a defensive shield against other banks. Cost leadership and differentiation approaches after concentrating policy. In addition, a competitive advantage is suggested, the bank should provide banking facilities and services with innovation and creativity, customer focus and customer satisfaction, provide banking services even after customer service, and finally are aware of the needs of people and provide services compatible with these needs. It is recommended to focus on certain market segments that are applicant for different and special services, and then provide customized facilities and services to customers ' specific needs to gain dynamic competitive advantages and reinforce their market position.

5.3 Need for further study

This research would analyze KBZPay's strategic strategies. Some similar research to the other digital payment system including CB Pay, Wave Money, OK\$, etc. is suggested. The study used was very small and the total population was not accurately represented. If there is a wider sample for this analysis, there may have been a different outcome or a much stronger conclusion may have been drawn to complement the findings of this research. It is therefore proposed that a greater number of respondents be included in the survey in the future.

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Appendix – Questionnaires

Competitive Strategies of KBZPay

This survey is part of my MBF thesis to analyze the competitive strategies of KBZPay. All the data will be strongly kept confidential. Thank you for your participation.

*Required

Section A: Demographic Profile

Gender *

- Male
- Female

Age *

- Below 25 years
- 25 – 35 years
- 35 – 45 years
- 45 – 55 years
- 55 years and above

Working Experience in KBZ Bank *

- Below 1 year
- 1 – 3 years
- 3 – 5 years
- 5 – 10 years
- 10 years and above

Working Position *

- Assistant Manager to Manager
- Senior Manager to General Manager
- Senior Management

Education Level *

- Graduated
- Master Degree
- Ph.D. and above

Working Department *

- Branches
- Back-end Support Function (e.g. Finance, Risk, IT, etc.)
- Digital Products Related Department (e.g. KBZPay, Mobile Banking, Cards, etc.)
- Non-Digital Products Related Department (e.g. Loan, Deposit, Remittance)

Section B: Examination on Competitive Strategies of KBZPay

Cost Leadership	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I feel that KBZ Bank has tight cost control systems in place. *	()	()	()	()	()
I feel that KBZ Bank gives incentives to our staff based on strict quantitative targets. *	()	()	()	()	()
KBZ Bank has cost supervision all through the entire process *	()	()	()	()	()
KBZ Bank has budget reviews on quarterly basis. *	()	()	()	()	()

Differentiation	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
In KBZ Bank, there is strong coordination among functions especially in the Research & Development, Product Development and Marketing departments. *	()	()	()	()	()
Creativity and innovation are the order of the day in product re-designing and development. *	()	()	()	()	()
KBZ Bank has a strong research team who guides the company in producing superior products. *	()	()	()	()	()
KBZ Bank has a wide range of superior products. *	()	()	()	()	()
KBZ Bank is well known for producing quality products *	()	()	()	()	()
KBZ Bank benchmarks with leading banks in our banking industry every year. *	()	()	()	()	()
KBZ Bank has a creative and innovative training program for staff development.*	()	()	()	()	()

Focus	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
KBZ Bank alters specific products to meet specific customer needs. *	()	()	()	()	()
KBZ Bank has niche markets for its products.	()	()	()	()	()
KBZ Bank has loyalty programs for					

our frequent customers. *	()	()	()	()	()
Customers of KBZ Bank identify themselves very much with KBZ brand. *	()	()	()	()	()
KBZ Bank has well established distribution Network. *	()	()	()	()	()
Service quality of KBZ Bank exceeds that of our competitors. *	()	()	()	()	()

Competitive Strategy	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I think KBZ Bank to produce products at lower cost relative to our competitors and sell them at either at lower or market price *	()	()	()	()	()
I think KBZ Bank to produce unique products and sell them at premium price. *	()	()	()	()	()
Customers of KBZ Bank identify well with KBZ brand and we are able to charge them a premium price per item. *	()	()	()	()	()
Demand for KBZ products is escalating and we are able to extend markets geographically. *	()	()	()	()	()
KBZ produces products for specific customers and we are able to sell them at premium price. *	()	()	()	()	()
KBZ produces products for specific markets and we are able to sell them at market or lower price. *	()	()	()	()	()