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MASTER OF BANKING AND FINANCE PROGRAMME

THE FACTORS INFLUENCING CUSTOMER CHOICE ON
RETAIL BANKING SERVICES OF
AYEYAWADDY FARMERS DEVELOPMENT BANK

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ABSTRACTS

Customer choice is one of the essential elements for Retail Banking Industry and it can be also affect the profitable of bank operation system. This study aims to identify on the retail banking service practices and to analyze perception on retail banking service which related with customer choice. This study investigates and analyzes the factors that can influence the customer choice for the Ayeyawaddy Farmer Development Bank's retail banking services. In order to explore customer choice factors, three branches of Ayeyawaddy Farmer Development Bank's with customers' verities and level of bank's deposit and loan can be different from various factors and varied by each customer's nature and this study include 150 sample customers. The primary data were collected by using survey questionnaire and analyze by quantitative research method especially description method. Collected data were analyzed by SPSS. Regarding the results from this study, Ayeyawaddy Farmer Development Bank's retail banking service such as the credibility, the responsiveness, loan service and communication channels of bank can influence on customer choice in practices. According to this study, Ayeyarwaddy Farmer Development Bank should be chosen by customers because of its reliable, accountability, convenience loan and smooth communication channel.

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CHAPTER 1

INTRODUCTION

Banks are on stage an important role in maintain a healthy financial system and economics for the country. The economics and business environment is step by step changing and getting more aggressive against other banks to contend for customers. Since bank is a financial institution that manages money and helps in increasing the country economic, it is significant for the bank to recognize the customer needs and burden towards the bank products and services. This research aims on the thoughtful of various determinants and why people choose the banks for their products and services or come to a decision which to choose for their bank of preference. This research aims on the understanding of a variety of determinants and why people choose the banks for their products and services or decide which to choose for their bank of preference (Dabone, 2013).

“A” bank or financial institution is an organization whose main operation are concerned with the accumulation of the temporarily idle money of the general public for the purpose of advancing it to others for expenditure. “A” bank is a concern for custody of money, which it pays out on customers’ demand. It has a constitutional role in holding, transmit and the lending of money for the benefit of the community. The dictionary of banking and finance classify it as a business which holds money for its client, which lend money at interest and trade generally in money (Dabone, 2013).

Wholesale banking may be seen as “A” bank that deals with large customer’s often multinational companies, government and government enterprises. Wholesale banking deals with smaller number of larger value transactions. Such transactions usually take place between banks and large customers (corporate bodies and government) involving large sums of money. Wholesale banking includes the transactions which the banks conducts with other banks, corporate customers and government through interbank markets, separated from customers (Dabone, 2013).

Retail banking refers to mobilization of deposits from individuals and lending to small business and in retail loan market. It consists of large volumes of low value transactions. It was known as primary banking in the 1960’s in Britain which was

conducted by clearing banks dealing with households and the small and medium size firms (Dabone, 2013).

In this new trend of globalization, banks are playing an important role in maintaining a healthy financial system and economics for the country. The economics and business environment are gradually changing and getting more competitive against other banks to compete for customers. Since bank is a financial institution that manages money and helps in developing the country economic, it is important for the bank to understand the customer behavior and demands towards the bank products and services. This research aims on the understanding of various determinants and why people choose the banks for their products and services or decide which to choose for their bank of preferences (Dabone, 2013).

Ayeyawaddy Farmers Development Bank, widely known as “A” bank, a public company limited was formed on December 22nd, 2014 under the Financial Law by the Central Bank of Myanmar. Ayeyawaddy Farmers Development Bank is running nationwide commercial banking operations and formed by a set of companies specialized in agriculture businesses during the supply chain. The main purpose of Ayeyawaddy Farmers Development is to bring development in agro-based industry through value chain financing and also intends to support SME development and “Financial Inclusion of Unbanked Population by delivering technology-enabled, diversified banking products and services through multi-channels approach (Ayeyawaddy Farmers Development Bank, 2019).

1.1 Rationale of the Study

A feature of the banking industry across the world is that it is ever more becoming disordered and competitive, characterized by a mounting trend towards globalization, mergers, take over and consolidation of the banking industry. Furthermore, a number of non-banking companies have entered the banking business by offering financial products and services (Seetanah, 2007).

Now every bank has some gung ho objectives of their personal style. At this hostile market every bank has some aggressive objectives of their own style. All banks are now facing more rivalry ever before and so for this all are required to propose more eye-catching service to their customers and trying to manage consumer’s pleasure.

Customer service of “A” bank is the key rationale to become ready for action. To contest with the competition in the banking business, marketers needed to know consumer manners of both their present and potential customers. Marketers spent a enormous deal of time opinion about customers and their selling behavior. They needed to identify who their customers are, what they think and how they feel and why they will choose an exacting bank and not just any other.

Consumer behavior is affected by a assortment of factors. These factors include; intellectual factors, societal factors, individual factors, and emotional factors. All these factors manipulate consumers’ personality such as incentive, perception, knowledge, behavior, and thoughts (Jr.J. Paul, 1995). The study will conduct retail banks on the factors that customers regard as in making decisions relating to their choice of bank. Also, it will serve as an incentive to management to improve customer care so as to attract and retain customers. Furthermore, the study will recommend policies expected to impact on the marketing effort of the chosen banks.

Nowadays, Ayeyawaddy Farmers Development Bank is leading, innovation and Myanmar citizens’ credible bank in Myanmar. Ayeyawaddy Farmers Development Bank deposit are very attractive product in the banking markets and lending SME sectors who those are doing SME business with good records. Finally, the study will contribute to existing literature on Ayeyawaddy Farmers Development Bank’s retail banking services.

1.2 Objectives of the Study

The objectives of the study are as follows:

- 1) To identify the retail banking service practices of Ayeyawaddy Farmers Development Bank customers and
- 2) To analyze perception on retail banking services of Ayeyawaddy Farmers Development Bank.

1.3 Scope and Methods of the Study

Scope of this study on retail banking service practices of Ayeyawaddy Farmers Development Bank. The bank has total (15) branches in Myanmar. Head office and 6 branches in Yangon. Targeted population for the study of Ayeyawaddy Farmers Development Bank’s retail banking customers in Yangon 3 Branches: Shwe Gone Taing

Branch, War Dan Lane Branch and Bo Aung Kyaw Branch. The study meets number of 150 persons respondents from government employees, private employees, business people, students and bank workers of different banks.

Descriptive research method applied to analysis in this study. The primary data collected from responsible person of from Ayeyawaddy Farmers Development Bank and customers who provide retail banking services from this Bank with structured questionnaire. Secondary data obtained from records and reports of Ayeyawaddy Farmers Development Bank and relevant text books, research papers, journals and internet websites. The level of perception of customers on the parameters is quantified by using a 5- point likert scale. SPSS was used the software used for the data entry. In analyzing the data, the software was used to bring out frequencies and descriptive analyses for various statistical treatments. The summarized data shows the distribution in frequencies, percentages, means and tables.

1.4 Organization of the Study

This study is organized into five chapters. Chapter one includes the introduction, rationale of the study, objectives of the study, scope and methodology of study and organization of the study. Chapter two is Literature review. Chapter three is the Background Information of Ayeyawaddy Farmers Development Bank and Factor Influencing Customer Choice of Retail Banking Services. Chapter four Analysis of Factor Influencing Customer choice on Retail Banking Services of Ayeyawaddy Farmers Development Bank. Chapter five concludes with findings and discussions, suggestions and recommendations and needs for further research.

CHAPTER 2

THEORETICAL BACKGROUND

In this study, it states the theoretical background on the factors influencing customer choice on retail banking service. It also studies defining factors influencing and customer choice, and then retail banking service as follows.

2.1 Retail Banking

Retail banking is the banking service that is geared mainly toward individual customers. Retail banking is typically made accessible by commercial banks, as well as smaller the community banks. Unlike wholesale banking, retail banking focuses sternly on consumer markets. Retail banking entities present a wide choice of personal banking services, counting offering savings and checking accounts, bill paying services, as well as debit and credit cards. Throughout retail banking, consumers may also get mortgages and personal loans. Although retail banking is, for the most part, mass-market driven, many retail banking products may also extend to small and medium size businesses. Today much of retail banking is smooth electronically via Automated Teller Machines (ATMs), or through virtual retail banking known as online banking. (Sanjay, 2015)

Retail banking deals with lend money to consumers. This includes a wide of loans, including credit cards, mortgage loans and auto loans, and can also be used to refer to loans taken out at either the prime rate or the subprime rate. Retail banking refers to banking in which banking institutions complete transaction directly with consumers, rather than corporations or other entity. Retail banking refers to the part of “A” bank’s operating providing services at its branches for small (in bank items) account holders. (Sanjay, 2015)

Banking services offered to individual customers such as saving accounts, personal loans, remittance services etc, pure retail banking is generally conceived to be the provision of mass market banking services to private individuals. It has been expended over the years to include in many case services provided to small-and medium sized business. Some banks may also comprise their “private banking” business (i.e. service to high net worth individuals) in their definition of retail banking. (Sanjay, 2015)

Features of Retail Banking:

Retail Banking is “A” banking service that is geared mainly toward individual consumers. Retail Banking is usually made available by commercial banks, as well as community banks. Retail banking focuses exactly on consumer markets. Retail banking is, generally mass-market driven but many retail banking products may also extend to small and medium sized businesses. It is focused towards mass promote segment covering a large population of individuals. It offers different liability, asset and a superfluity of service products to the individual customers. The liberation model of retail banking is both material and practical i.e. services are absolute through branches and also through knowledge driven electronic off side delivery channels like ATMs. Internet Banking and Mobile Banking. It may be extended to small and medium size businesses. (Sanjay, 2015)

2.2 Advantages of Retail Banking

Client base will be large and therefore risk is increase over large customer base. Customer Loyalty is sturdy and customers generally do not change from one bank to another. There are attractive interest spreads, since customers are too uneven to bargain effectively. Credit risk tends to be will diversify, as loan amounts are fairly small. There is less instability in demand compare to large corporate. Large numbers of clients can facilitate marketing, mass selling and the ability to categorize / select clients using score systems / data. (Sanjay, 2015)

There are problems in organization large numbers of clients, particularly if IT systems are not sufficiently strong. Repaid evolution of goods and change in product position can lead to IT complications. The costs of maintaining branch networks and handling large numbers of low- value communication tend to be quite high. However, this can be condensed through cheaper distribution channels, such as ATMs, the telephone or mobile or internet Branches should be used for higher ended value transactions. High level of default especially in unsecured retail loans and credit card receivables. (Sanjay, 2015)

2.3 Concept of Customers Perception in Retail Banking

According to Kotler (1997:8), in the 1990s, many companies have acknowledged the main important of being customer-oriented and motivated in all their activities. It is not adequate to be product-driven or technology-driven. Too many companies at rest design their products without customer input, only to misplace them to competitors later. Kotler (1997:21) goes on to say that customer-oriented idea requires the company to define customer needs from the customer point of view. Every buying decision involve trade-offs, and management cannot know what these are without research customers.

In general, a company can take action to the customers' requirements by giving customers what they want, or what they need, or what they actually need. The key to professional marketing is to know customers' real needs and convene them better than any other participant can. According to Kotler & Caslione (2009), customers have easier admission to information, and the life cycle of spirited advantages has edited dramatically. Thus customers more often believe switching the service provider. In the retail banking sector, switch is a progressive process by which customers distribute more of their expenses to other bank (N'Goala, 2007). These tendencies point to that the perceived customer importance change.

Transactions between banks and their customers involve an exchange of intricate and often indefinable information. Due to this complication, it may be difficult for customers to understand banking services' value (Ashton & Pressey, 2004). The latter fact makes banks consider very warily how they create and present value to their customers. Therefore banks strive to enhance the flow of in order between the bank and customers consecutively to increase customers' positive approach towards the bank and better know the value bank is contribution to them. Still, although most of the commercial banks have freshly taken much interest in communicate customer-orientation approach, developing CRM instruments, placing new product offerings, organizing "relationship banking" structures, customers seem not to be satisfied enough (Roig et al., 2006; Ferguson & Hlavinka, 2007). Flint et al. (2002) argue that product use knowledge, external environment aspects (e.g., macro environmental changes, competitors' offers, customer reference group influence), and internal aspects of organization (changes in management, changes in processes) have an impact on professed customer value. It is obvious that the problems arise in the period of economic depression might affect customer professed value (Neringa Ivanauskien, 2012).

Retail financial market contains convinced service-specific characteristics compare to other industries. Aspects such as intangibility, risk, indecision, customer involvement, trust, privacy, and personal relationships have fun a very important role. It is observed that while commercial banks contend among themselves using such instrument as technological solutions, creation of new low-cost sales channels, finding merging and attainment options, low level of banking services and product demarcation as well as insufficient focusing on the weight of bank and its retail customer relationship has been noticed (Beerli et al., 2004; Ferguson & Hlavinka, 2007; Foo et al., 2008).

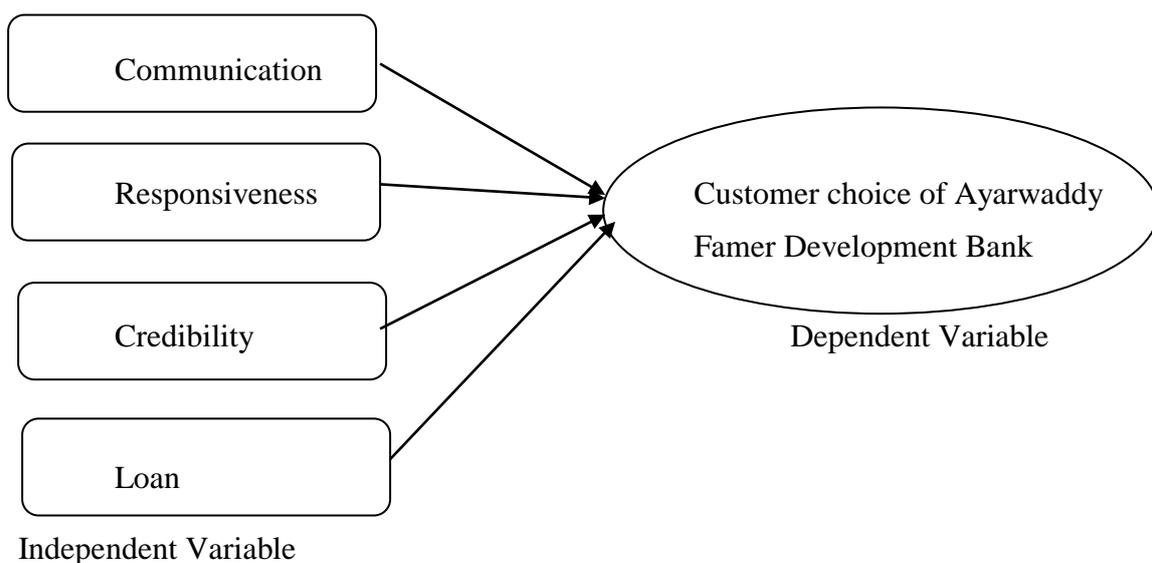
Relationships in this industry are often long term as it does take time for a customer and institution to create a trustful partnership. After the partnership has been residential and customer feels safe and trusts the organization, she/he will not want to finish it because of high switch costs, contractual conditions, lack of superior alternative and inertia. Thus, emotions are significant in shaping the financial institution outcomes and influence numerous organizational phenomena: customer satisfaction and service quality (Buciuniene et al., 2009; Liljander & Stranvik, 1997; Freemantle, 1998; Youngdahl & Kellogg, 1997), organizations culture and leadership (Buciuniene & Skudiene, 2008; Gibson, 1995), and others (Grandey, 1998; Arora, 1996). Along-term relationship in retail bank industry is based on touching rather than functional benefit; therefore, emotional customer value width is critical to financial institution success, in particular during the economic downturn time.

Angelis et al. (2005) disagree that the functional value of the financial service (professional service, marketing efficiency due to wider network and the approving pricing policy) and communication is mainly important to bank customers. Many authors have worried the importance of banks' personnel in as long as customer value. Banks' front line employees play a important role in creating positive impression and making customer feel safe (Roig et al., 2009), thus requirement and emotional intelligence of bank personnel are imperative determinants of perceived value (Titko & Lace, 2010). However, it is stated that financial crisis provokes changes in bank's customer's perception and customers focus on security and hope instead of functional profit (Kim et al., 2009). (Neringa Ivanauskien, 2012)

2.4 Conceptual Framework of the Study

This research draws from trust and social influence theories. The trust theory studies the behavioral and computational trust among people, organizations, computers and networks. There are four constructs related to the trust theory, and they are expectation, belief, attitude and willingness. A consumer's trust level builds upon these four constructs, as it is essential for conformity to his or her behavior. The factor influencing customer choice focus on the various customers, providing customized services and products. Transparent and definite system, Bank website is user welcoming, communication paraphernalia are very effectual, well developed privacy strategy, increasing customer convenience, consistent customer experience, customer is the biggest asset of the organization, Retaining existing customer, Conducting customer loyalty Program, Excellent employee responses, credit assessment are adequately provided based on theory (Beyari,H.,& Abareshi, A 2016). And then, bank's credibility level will be test by survey questionnaire in order to know how this factor can influence customers' choice to Ayeyawaddy Farmers Development Bank's service. As another factor, loan condition will be analyze by customer's survey answers because loan is one of the popular services both in the field of retail banking and customers' choice. So, in this research, Ayeyawaddy Farmers Development Bank's loan was investigated as a influencing factor.

Figure 2.1 Conceptual Framework of the Study



Source: Own compilation, 2019.

According to the figure (2.1), the conceptual frame work of this study is composed of four independent variables such as communication, responsiveness, credibility and loan of bank. And, it was tested how this independent variables will be explained each in detail as follows:

Communication

In this study, the researcher's hypothetical structure was based on the "The Communication theory". According to Leonarda and Susana (2009) communication theory outlines how the fundamentals of communication procedure would connect the others in conversation. Wolfgang (2006) posited that the presence of a general language between sender and receiver enhances statement. According to Shannon & Weaver (1949) communication course consists of seven steps: message, encoding, transmitting, receiving, decoding, understanding and feedback. Thus according to Shannon the first cause which is the information cause produces messages to be communicated to the getting terminal. (Odero, 2016)

Responsiveness

Responsiveness is defined as the ability to respond to customer necessities timely and athletically. Mariappan (2006) stated that uprising of information technology has brought shocking changes in business background which no other sector has been subjective by advancement in knowledge as much as banking and financial institution. Banks have to accept technology to bring their services and at same time reduce cost due to making of value added services for customers (Zhu, Wymer and Chen, 2002). It is crucial for banks to better appreciate the changing customers' needs and take on the latest information technology system in order to compete more efficiently with global organizations (Malhotra & Mukherjee, 2004).

Credibility

Credibility is defined by Oxford Advanced Learner's Dictionary [17] as "the quality that someone or something has that make people believe or trust them." central bank credibility (CBC) is the authority of the CB, central bank independence (CBI) supported by the public, Competence Monetary Policy, Keeping the Unemployment Rate to a Minimum Level, Promising the Expectations of the Private Sector in Price Stability, the Appreciation of the Private Sector to the Objectives of the Policy Makers, the Effectiveness of the CB itself, and Keeping the Inflation Low [18]. "The central bank is

credible if people believe it will do what it says” [19]. The researcher believes (FORDER) is measuring credibility while (Blinder) is defining it. The definition of this study was derivative from Blinder [19] that defines central bank credibility (CBC) as people believe the central bank will do what it says. So the gap is the Somali Central Bank (SCB) needs credibility through independence, transparency, and accountability (Irbad, 2016)

Loan

A retail loan is specified to an individual by means of a commercial bank, a credit union, or a financial institution to acquire assets like property, vehicles, consumer electronics, etc. Generally, “A” bank or a financial institution lend to customers with a high as much as necessary credit score in order to make sure they repay the money and do not defaulting. Customers pay attention on a monthly or yearly basis, for the whole term of the loan based on a pre-agreed rate. So why do people choose for Retail Loans? A simple reason is that that lots of would want to create a purchase sooner, but might not have the full quantity until much later. A typical example is the purchase of a house. Real estate is expensive, and it is improbable that an average worker will have the complete amount required for a purchase in full. Banks and consumer finance company also finance customers to buy electronics like laptops, refrigerators, HD TVs and home theatre systems, washing machines, etc. The concept remains the same: the consumer pays a part of the total cost of the electronic item as down payment and borrows the rest. The on loan amount is paid reverse through Equated Monthly Installments (EMI).(Chawla, 2018).

CHAPTER III

PROFILE OF AYARWADDY FARMERS DEVELOPMENT BANK

This chapter consists of the backgrounds of the Ayarwaddy Farmers Development Bank, extension of bank branches, mission, corporate value, vision and corporate objectives of the bank, financial services provided by the bank, and the organization structure of Ayeyawaddy Farmers Development Bank.

3.1 History of the Ayeyawaddy Farmers Development Bank

The Ayeyawaddy Farmers Development Bank is a commercial bank established in accord with Financial Institutions of Myanmar Law. It is one of the organizations under Ayeyar Hinthar Holdings Co., Ltd and opened on 27 November 2015. The bank under the permission granted by the Central Bank of Myanmar, the Ayeyawaddy Farmers Development Bank opened its Head Office and Patheingyi Branch on 27 November 2015 with the Paid-up-Capital of Kyat 15 billion. The bank has now (15) branches in Myanmar. The Ayeyawaddy Farmers Development Bank Paid-up-Capital was increased to Kyat 26.8 billion at the end of September 2018. (Ayeyawaddy Farmers Development Bank, 2019)

The Ayeyawaddy Farmers Development Bank started with the intentions of developing the banking industry in Myanmar and to provide top quality banking services to local people. The Ayeyawaddy Farmers Development Bank's current remittance services to foreign countries include banks in Singapore, Hong Kong, Korea, China, Bangkok, Taipei, Malaysia. They also have plans to expand their international financial services in coming future. (Ayeyawaddy Farmers Development Bank, 2019)

Mission and Vision of Ayeyawaddy Farmers Development Bank

Missions

- (1) To deliver authentic, accessible, adjustable, advanced and accommodating products and services.
- (2) To employ asset-light, cost-efficient and digital-driven approach.

- (3) To leverage our network of local and international partners to deliver positive impacts.
- (4) To strengthen national financial inclusion efforts with providing accessible and equal financial opportunity for all underserved populations through innovative channels. (Ayeyawaddy Farmers Development Bank, 2019)

Vision

To become an innovative and dynamic bank in Myanmar with strong commitments to cultivate positive and sustainable outcomes for all stakeholders. (Ayeyawaddy Farmers Development Bank, 2019)

3.2 The Organization Structure of Ayeyawaddy Farmers Development Bank

Ayeyawaddy Farmers Development Bank has a proper organization structure which is started below. The Board of Directors sits on the top of the organization chart which directly goes down to Chief Executive Officer. The Chief Executive Officer is supported by Chief Operating Officer in second tier. The Bank's Management Board consists of eight members. The Bank has one Chairman, one Vice Chairman, one Chief Executive Officer, one Chief Operating Officer, one Chief Information Officer, two Executive Directors, five General Managers and sixteen Heads of Departments. At the Bank Head Office, there are sixteen Departments. The number of Bank's Staff reached total 350 at the end of March 2019. The Bank's Management and Organization Structure are shown as in Figure (3.1).

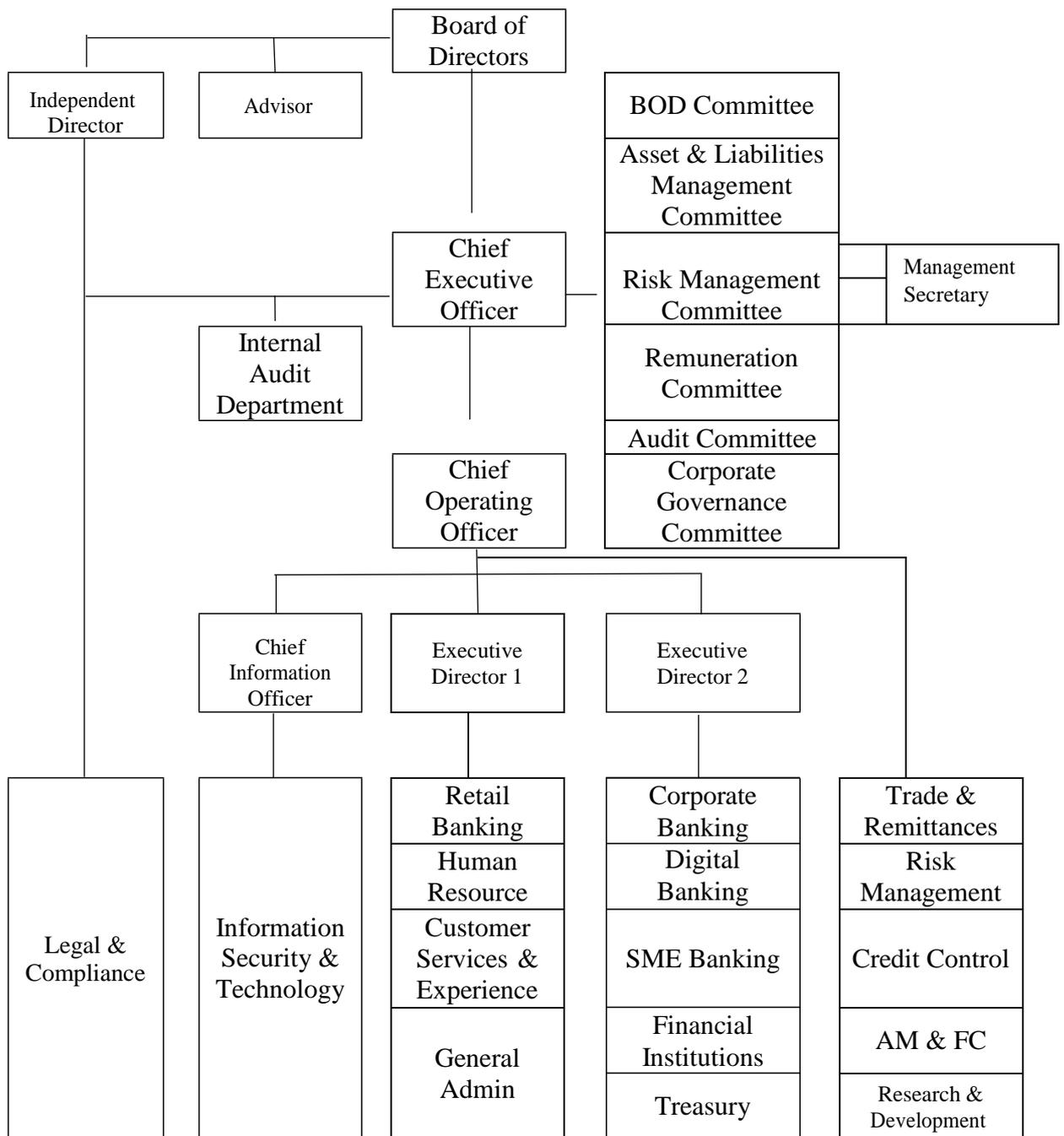
3.3 Services Provided by of Ayeyawaddy Farmers Development Bank

The bank aim to provide as many financial services as possible for the convenience and satisfaction of bank's customer. Currently, financial services offered by the of Ayeyawaddy Farmers Development Bank are shown as in Table (3.1). Financial services provided by of Ayeyawaddy Farmers Development Bank can divided into five categories such as deposits management which include current account, saving account and fixed account. Cash services include collection. Overdraft loans and housing mortgage loan services are available under bank loans. Other services such as bank guarantee, Money changer, Hire purchase are also provided by of Ayeyawaddy Farmers

Development Bank. Its remittance services are offered for Domestic Telegraphic Transfer and Payment.

The bank is now providing money changer service in Yangon, Mandalay. The maximum amount of foreign currency that banks' money changer can exchange is 10,000 USD requiring no documents the exchange rates for those money changers are set by the Central Bank of Myanmar. Daily exchange rates are also updated on A of Ayeyawaddy Farmers Development Bank's social networking page. (Ayeyawaddy Farmers Development Bank, 2019)

Figure (3.1) Ayeyarwaddy Farmer Development Bank Organization Chart



Source : Ayarwaddy Farmer Development Bank, 2019

Table (3.1) Financial Services Provided by Ayarwaddy Farmers Development Bank

No	Financial Service	Categories
1	Deposits Management	Current Account
		Saving Account
		Fixed Account
		Special Account
		Foreign Currency Account
2	Cash	Collection
3	Loans	Loans
		Overdraft
		Hire Purchase
		Corporate Staff Loan
		Housing Mortgage Loan
4	Other Services	Bank Guarantee
		Money Changer
		Foreign Banking
5	Remittance	Domestic Telegraphic Transfer
		Payment Orders

Source: Ayarwaddy Farmer Development Bank, 2019

3.4 Retail Banking Services of Ayarwaddy Farmer Development Bank

Retail banking, also known as consumer banking, is the typical mass-market banking in which individual customers use local branches of larger commercial banks. Services offered include savings and checking accounts, mortgages, personal loans, debit/credit cards and certificates of deposit (Majaski, 2019). Retail Banking Services are as per follows:

(1) Payment Order (PO)

Payment Orders are also available to pay for tender fees and guarantee fees and the goods purchased to government organizations. As these orders are guaranteed by the bank, this is a safe means of payment. The commission is collected pyas 10 for K 100, and the commission ranges from K100 to K 30,000. (Ayeyawaddy Farmers Development Bank, 2019)

(2) Internal Remittance

As “A” bank is co-operating under a mutual benefit basis with Ayeyawaddy Bank, Myanmar Apex Bank, Global Treasure Bank in doing the business of internal remittance, we can offer a more convenient and faster remittance to towns where there are their branch banks. (Ayeyawaddy Farmers Development Bank, 2019)

(3) Current Account

Cheques can be used with the current account. This type of account particularly suits companies, business organizations and entrepreneurs. Cash can be credited to current account. Payment can be made by cheques. A wide range of banking services including cash deposit into the current account, paying the bills using cheques, setting up standing instructions to provide regular payments, paying bills, and direct debits. (Ayeyawaddy Farmers Development Bank, 2019)

(4) Savings Deposits Account

Account can be opened with a minimum amount of K1,000. Savings account can be opened for individuals, joint accounts, minors, social, religious and business organizations. An annual interest rate of 8.7 % is offered. Interests will be credited to the saving accounts every quarter. (Ayeyawaddy Farmers Development Bank, 2019)

(5) Fixed Deposit Account

Account can be opened with a minimum amount of K100,000 and there is no limit in the amount. 9% p.a interest for 30days deposit. 9% p.a interest for 60days deposit. 9.25%p.a interest for 90 days deposit. 9.5% p.a interest for 180 days deposit. 9.75% p.a interest for 270 days deposit and 10% p.a interest for 365 days deposit will be offered. (Ayeyawaddy Farmers Development Bank, 2019)

(6) Working Capital Loan

Short-term financing to the everyday operations of a business such as sales and marketing, product development, wages and other activities. The short-term financing provided by working capital loans helps companies bridge financial gaps—for example the time between the collection accounts receivable and payments of accounts payable, or in a seasonal business to cover periods of low activity. Required documents of working capital loan are show as in table (3.2).

Table (3.2) Required Documents of Working Capital Loan

Types of Documents	For Individual		For Company
	Borrower	Guarantor	
Copy of ID card and House Registrations	√	√	√
Copy of DICA Company Registrations			√
Copy of collateral ownership evidence	√		√
Copy of Marriage/ Divorce/ Name change certificate	√	√	√
Copy of taxpayer slip	√		√
Photo of interior / Exterior of business place and products	√		√
Copy of financial statement dating back at least 1 year	√		√
Company Profile and Business Plan	√		√
Copy of Collateral documents	√		√

Source: Ayeyawaddy Farmers Development, 2019

Individual business owner or juristic person, Age 20-65 years old (for individual customers), Good business performance and financial record, other conditions as specified by “A” bank. Note: The Bank reserves the right to approve loans under our terms and conditions. Other need of working capital loan is as per follows:

Credit Limit : 3 Million MMK – 100 Million MMK

Loan Term	:	Up to 12 months (Depends on loan type, borrower's request and A Bank consideration)
Interest Rate	:	13% per annum
Collateral	:	Lands and Building, Hypothecation with vehicles and machines, Deposits Account, Pledge, Government Treasury Bond, Gold and jewelry, Warehouse Receipt (Ex: Paddy stock locked by third party and locked receipt is given as proof), Personal and Organization Guarantee, real estate, or moveable properties
Repayment	:	Monthly/Quarterly Amortization
Fees	:	Service Charges of up to 3% of approved loan

(7) Fixed Assets Loan

Medium-term loans with repayment terms more than one year for every business type. You can take out a loan to invest in a new business, improve business efficiency, and to buy fixed assets such as vehicle or machinery, to build or renovate factory and building. Required documents of fixed assets loan are show as in table (3.3).

Table (3.3) Required Documents of Fixed Assets Loan

Types of Documents	For Individual		For Company
	Borrower	Guarantor	
Copy of ID card and House Registrations	√	√	√
Copy of DICA Company Registrations			√
Copy of collateral ownership evidence	√		√
Copy of Marriage/ Divorce/ Name change certificate	√	√	√
Copy of taxpayer slip	√		√
Photo of interior / Exterior of business place and products	√		√
Copy of financial statement dating back at least 1 year	√		√
Company Profile and Business Plan	√		√
Copy of Collateral documents	√		√

Source: Ayeyawaddy Farmers Development, 2019

Individual business owner or juristic person, age 20-65 years old (for individual customers), Good business performance and financial record, other conditions as specified by “A” bank. Note: The Bank reserves the right to approve loans under our terms and conditions. Other need of fixed assets loan is as per follows:

- Credit Limit : 3 Million MMK – 100 Million MMK
- Loan Term : Up to 36 months (Depends on loan type, borrower’s request and A Bank consideration)
- Interest Rate : 13% per annum
- Collateral : Lands and Building, Hypothecation with vehicles and machines, Deposits Account, Pledge, Government Treasury Bonds, Gold and jewelry, Warehouse Receipt (Ex: Paddy stock locked by third party and locked receipt is given as proof), Personal and Organization Guarantee, real estate, or moveable properties
- Repayment : Monthly/Quarterly Amortization
- Fees : Service Charges of up to 3% of approved loan
- : Other fees per Bank’s announcement

CHAPTER 4
ANALYSIS PERCEPTION ON RETAIL BANKING SERVICES OF
AYEYAWADDY FARMERS DEVELOPMENT BANK

In this chapter, it report the result from the analysis of The Factor Influencing Customer Perception on Retail Banking Service of Ayawaddy Farmers Development Bank. It starts with the research method used in the study. It is followed by demographic profiles of respondents and characteristics on the use of “A” bank service facilities as follows.

4.1 Research Design

To achieve designed objectives of the study and to analyze the different factors with appropriate methodology has been adopted. The present study is exploratory as well as descriptive. The survey was conducted during December 2019. The present study is based on primary and secondary data. The primary data has been collected from a sample of 150 customer of three Source: Ayeyawaddy Farmer Development Bank, 2019 Branches of Yangon. Base on five point Likert scale, secondly data has been collected through internet and websites of selected banks. The customer perception of Source : Ayeyawaddy Farmer Development Bank, 2019 Bank on retail banking was judged on the variables like Routinely asking the customer to provide feedback, Providing customized services and products, Transparent and well defined system, Bank website is user friendly, Communication tool are very effective, Well developed privacy policy, Increasing customer convince, Consistent customer experience, Customer is the biggest asset of the organization, Retaining existing customers, Conducting customer loyalty programmes, Excellent employee response, ATMs are adequately provided. The data so collected has been analyzed with statistical techniques like percentages, averages and charts.

4.2 Demographic Profile

In this study, the sample size is 150. Profile of respondents includes demographic factors such as gender, age, employment position, and level of education which are studied as follows.

(1) Gender of Respondents

Table (4.1) Gender of Respondents

Sr No.	Gender	No of Respondent	Percentage
1	Male	85	56.7
2	Female	65	43.3
	Total	150	100

Source: Survey Data, 2019

Table (4.1) shows represent the condition of gender for 150 sample customers. According to this result, the sample customers include 80 people of Male customers as a percentage of 56.7. And for the rest of customers, there are 65 Female customers as a percentage of 43.3. Based on this gender factor, most of customers at “A” bank are male but female also have and there is no too much gap between man and female gender for choosing this bank.

(2) Age Classification of Respondents

Table (4.2) Age Classification of Respondents

Sr No.	Age	No of Respondent	Percentage
1	Between 20 - 25	49	32.7
2	Between 26 -30	33	22.0
3	Between 31 - 35	40	26.7
4	Over 36 year	28	18.7
	Total	150	100

Source: Survey Data, 2019

Table(4.2) shows the sample customers' age factor condition. For the age factor, there are four main groups of customer who choose "A" bank. They are between 20 – 25 years old customers, between 26 -30 years old customers, between 31 – 35 years old customers and over 36 year old customers. According to SPSS results, the customers between 20-25 years old include 49 people and as a percentage of 32.7. This age portion customers are more prefer than other three kinds of age classifications. Its mean most of customers who choose "A" bank are young customers around 20 to 25 years old.

(3) Employment Position of Respondents

Table (4.3) Employment Position of Respondents

Sr No.	Employment Position	No of Respondent	Percentage
1	Student	3	2.0
2	Dependent	9	6.0
3	Government Employee	24	16.0
4	Company Employee	94	62.7
5	Self-Employee	10	6.7
6	Other	10	6.7
	Total	150	100

Source: Survey Data, 2019

Table (4.3) shows the contribution of customer position in sampling. According to the above table and chat, there are commonly six types of customer employment positions in this research. Among 150 sample customers, 94 people are from various kinds of companies workers in percentage of 62.7. It means that most of the customers who choose the "A" bank's retail banking services are from private companies.

(4) Education Level of Respondents

Table (4.4) Education Level of Respondents

Sr No.	Education Level	No of Respondent	Percentage
1	Up to High school	8	5.3
2	Secondly school (Under graduate)	12	8.0
3	College and University level	1	.7
4	Post - Graduate	93	62.0
5	Master	18	12.0
6	Professional	8	5.3
7	Vocational Training	10	6.7
	Total	150	100

Source: Survey Data, 2019

Table (4.4) shows that the condition about educational levels of sample customers in this research. According to the above result, there are seven types of education levels among 150 sample customers. But for the case of choosing “A” bank, most of customers are in postgraduate level education because there are 93 postgraduate people as the percentage of 62. And secondly, apart from postgraduate education level customers, there are some master education level customers of 18 also include.

4.3 Analysis of Customer Choice of Ayeyawaddy Famer Development Bank

In this study, sample customers are required to respond their characteristics of using “A” bank’s product and services. Respondents are required to answer of product usage characteristics of respondents, awareness of customer’ service, awareness of product and services, and awareness of customer care service improvement.

(1) Product Usage Characteristics of Respondents

Regarding the characteristics of customer using “A” bank product an service, the sample customers are required to respond the question of “ What types of services do you

use in “A” bank?” with Current Account.” “Saving Account,” “Loan,” “Transfer,” “Other, Please specifies.” Table (4.5) shows the result of product usage characteristics of respondents, as follow.

(2) Awareness of Customer Satisfaction Degree with the Service Offered

Regarding the awareness of customer services, sample customers are required to respond the question of “To what degree are you satisfied with the service offered?” with “As a “A” bank customer, satisfied with the current services offered,” “There is the need for additional services to be offered.” Table (4.6) shows the result of the awareness of customer services, as follows.

(3) Awareness of Intend to Current Services Offered

Regarding the awareness of customer services, sample customers are required to respond the question of “Do you intend to current services offered?” with “You Intend to continue,” “You do not intend to continue.” Table (4.7) shows the result of the awareness of customer services, as follows.

(4) Awareness on Products and Services

Regarding the awareness of products and services, sample customers are required to respond the question of “How long have you been using products and services of “A” bank?” with “Under 6 months,” “Over 6 months to 1 year”, “1-2 year, Over 3 years.” There is the need for additional services to be offered.” Table (4.6) shows the result of the awareness on products and services, as follows.

(5) Awareness of Customer Care Services

Regarding the awareness of customer care services, sample customers are required to respond the question of “Does “A” bank’s customer suggestions box can improve and effective customer service care improvement?” Whether “A” bank has a customer suggestion box or not. Table (4.8) shows the result of the awareness of customer care service, as follows.

Table (4.5) Product Usage Characteristics of Respondents

5	What types of services do you use in “A” bank?	No of Respondent	Percentage
1	Current Account		
	Yes	94	62.7
	No	56	37.3
	Total	150	100
2	Saving Account		
	Yes	126	84.0
	No	24	16.0
	Total	150	100
3	Loan		
	Yes	81	54.0
	No	69	46.0
	Total	150	100
4	Transfer		
	Yes	73	48.7
	No	77	51.3
	Total	150	100
5	Other, Please specify		
	Yes	64	42.7
	No	86	57.3
	Total	150	100

Source: Survey Data, 2019

Table (4.6) Awareness of Customer Satisfaction Degree with the Services Offered

7	To what degree are you satisfied with the services offered?	No of Respondent	Percentage
	As a “A” bank customer, satisfied with the current services offered	142	94.7
	There is the need for additional services to be offered.	8	5.3
	Total	150	100

Source: Survey Data, 2019

Table (4.7) Awareness of Intend to Current Services Offered

8	Do you intend to continue using the current services offered?	No of Respondent	Percentage
	You Intend to continue	142	94.7
	You do not intend to continue	8	5.3
	Total	150	100

Source: Survey Data, 2019

Table (4.8) Awareness on Products and Services

9	How long have you been using products and services of “A” bank?	No of Respondent	Percentage
	Under 6 months	25	16.7
	Over 6 months to 1 year	21	14.0
	1-2 year	30	20.0
	Over 3 years	74	49.3
	Toal	150	100

Source: Survey Data, 2019

Table (4.9) Awareness on Customer Care Service

10	Does “A” bank’s customer suggestions box can improve and effective customer service care improvement?	No of Respondent	Percentage
	Yes	133	88.7
	No	17	11.3
	Total	150	100

Source: Survey Data, 2019

4.4 Analysis of Perception on Retail Banking Services of Ayeyawaddy Farmers Development Bank

Analysis of Perception on Retail Banking Services of “A” bank includes there major sections; demographic profile analysis of respondents, characteristics of customer using “A” bank Retail Banking Product and Services, and the last section is the analysis on the bank customer perception on “A” bank as follows. Now, the four main factors that can influence on customer choice for “A” bank’s retail banking service will be interpreted by explaining one by one.

(1) Influence of Communication on Customer Choice

In order to identify the influence of bank’s communication factor in customer choice, sample customers are inquired by the survey questions which related with “Friendly of “A” bank’s Website”, “Mobile Communication Channels assessment of “A” bank”, “After transaction report SMS message system for customer”, “the condition of “A” bank’s Electronic Communications Channels such as email, internet, intranet and social media platforms”, “Customer assessment condition of “A” bank’s information from Broadcast Media Communications Channels likes TV, Radio and Event”, ““A” bank’s Face to Face or Personal Communication”, “the reliable condition of “A” bank’s Written Method Communication Channels likes Polices, Letter and Announcements” and “Communication service of “A” bank’s influence to choose this bank again and again”.

Table (4.10) Influence of Communication on Customer Choice

Sr No.	Statement	Mean	Std. Deviation
1	“A” bank’s website is user friendly designed.	3.26	.55
2	Mobile Communications Channels (Telecommunication Channels) of “A” bank can easily access.	3.55	.67
3	Customer can receive SMS message for every transaction after you are using with “A” bank services.	3.43	.61
4	Customer can access “A” bank’s Electronic Communications Channels (email, Internet, intranet and social media platforms)	3.60	.62
5	Customer used to get “A” bank’s information from Broadcast Media Communications Channels (TV, Radio, and Event)	3.40	.58
6	As a customer, “A” bank’s Face-to-Face or Personal Communication Channels services are satisfied. (Meeting with other organization)	3.57	.65
7	“A” bank’s Witten Method of Communication (Policies, letters, and announcements are all messages that work well for this) are reliable and useful for customers.	3.37	.62
8	Customers want to choose “A” bank again because of its smooth communication channel services.	3.57	.67
	Overall Mean	3.47	.23

Source: Survey Data, 2019

Table (4.10) describe individually the mean score results of the eight statements which are related with communication factor influence in customer choice for “A” bank. According to the SPSS result, the mean score for the statement of “Customer can access “A” bank’s Electronic Communications Channels (email, Internet, intranet and social media platforms)” is 3.6 and it is the most highly score among other statements of communication. . It means most of the customers are satisfied with “A” bank’s Electronic communication services and want to continue working with this bank because the mean score is higher than the cut-off value of 3. Secondly, the mean scores for the statements of “Mobile Communications Channels (Telecommunication Channels) of “A” bank can easily access”, “As a customer, “A” bank’s Face-to-Face or Personal Communication

Channels services are satisfied. (Meeting with other organization)” and “Customers want to choose “A” bank again because of its smooth communication channel services” are 3.54, 3.55 and 3.57 respectively. It means that most of “A” bank customers are satisfied with this communication services and they want to continue working with “A” bank. The mean score of the statement for the ““A” bank’s website is user friendly designed” is shown that 3.26 as a lowest mean score level among eight statements of communication. But, it is still higher than the cut-off value 3 and thus indicating customer are still satisfied upon this communication service but not more than others. Generally, the analysis results of communication factor represents highly, thus there is the high level relationship between customer choice of “A” bank and bank’s communication services.

(2) Influence of Responsiveness on Customer Choice

In order to investigate the influence of bank’s responsiveness in customer choice, the eight statements about responsiveness was used to survey the sample customers. This eight statements of responsiveness are based on the concepts of ““A” bank’s services loading and unloading conditions, the response time which is taken by “A” bank’s receptionist, customer responsiveness influence on bank’s new product developing process, bank’s staff promptly response upon customer requests, bank’s usage of modernized machines for quick transaction service and the problem solving skills of “A” bank’s staffs can make convenience for customers, etc.”

Table (4.11) shows the individual mean scores of the eight statements about bank’s responsiveness influence upon customer choice. Among eight statements of bank’s responsiveness, the mean score of the statement for the “Complaint handling processes of “A” bank are convenience for customers” gets 3.73 as a highest level. According to this result, the customers are really enjoy with the complaint handling services by “A” bank’s staffs and they want to chose this bank again. In addition, the mean scores for the statements of ““A” bank’s staffs’ usually responded customer requests promptly” and ““A” bank’s service can meet customer’s need, want and their expectations each time” also get 3.67 and 3.62 respectively. It means these statements are also influence on customer choice. And then, these two statements’ mean scores are still greater than the cut-off value 3. The statement of ““A” bank’s staff can solve the problem of long waiting lines” gets the lowest mean score, 3.32 among eight statements of responsiveness, but it is still greater than the cut-off value 3. Finally, the overall mean

scores of eight statements for responsiveness are higher than 3 and it represents the responsiveness of “A” bank can influence on the customer choice.

Table (4.11) Influence of Responsiveness on Customer Choice

Sr No.	Statement	Mean	Std. Deviation
1	“A” bank’s services are in the condition of active security service such as unloading/loading.	3.47	.56
2	The response time taken by the receptionist of “A” bank is quite reasonable and satisfied for customer to choose “A” bank again.	3.51	.62
3	Customer responsiveness helps “A” bank to develop new products.	3.44	.62
4	“A” bank’s staffs usually responded customer requests promptly.	3.67	.50
5	Modernized machines and well-defined banking system to offer quick transaction.	3.35	.61
6	“A” bank’s staff can solve the problem of long waiting lines.	3.32	.61
7	“A” bank’s service can meet customer’s need, want and their expectations each time.	3.62	.59
8	Complaint handling processes of “A” bank are convenience for customers.	3.73	.53
	Overall Mean	3.51	.21

Source: Survey Data, 2019

(3) Influence of Credibility on Customer Choice

Regarding to the influence on credibility and customer choice, the seven statements were used as survey questionnaire to the sample customers. In order to explore the influence of bank’s credibility upon customer choice, the seven statements mainly

based on the concepts about “bank’s transactions’ transparency and understandable condition, the security and accountability of bank’s transactions, the security services of bank’s environment, bank’s staffs’ treatment to customers with the same service quality every time and the same reflection with the bank’s promotion advertisements.”

Table (4.12) Influence of Credibility on Customer Choice

Sr.	Statement	Mean	Std. Deviation
1	The process for a transaction are easy to understand and transparent for the customer.	3.29	.54
2	The transactions are secured and accountable.	3.70	.58
3	The bank environment is secured and protected customers from the risk of cash carrying.	3.36	.63
4	Bank employees remember and treat same service as previous time to me.	3.63	.61
5	Bank delivers all the services within the promised deadlines.	3.43	.55
6	You feel safe in all your transactions with the bank	3.69	.56
7	The advertising and promotional messages of bank reflect reality.	3.63	.52
	Overall Mean	3.53	.22

Source: Survey Data, 2019

As shown in Table (4.12), the mean scores of seven statements are within 3.2 to 3.7. The most highly mean score is 3.70 for the statement of “The transactions are secured and accountable”. This answer means that the customer feels secure and “A” bank has accountability for their transactions. As the second stronger mean scores, 3.63, 3.69 and 3.63 for the statements of “Bank employees remember and treat same service as previous time to me”, “You feel safe in all your transactions with the bank” and “The advertising

and promotional messages of bank reflect reality” respectively. According to these mean scores, customer chooses “A” bank because of its staffs’ accountability, secure bank services and the real reflect of advertisement too. In this factor analysis, the statement of “The process for a transaction are easy to understand and transparent for the customer” gets the lowest response mean score of 3.29, but it can say that this statement is still influence on customer choice because it is still higher than the cut-off value 3. As a conclusion for the credibility factor, the overall mean score are still above 3, so, there is a strong relationship between customer choice and bank’s credibility.

(4) Influence of Loan on Customer Choice

In the section of analyzing the influence of loan on the customer choice, there are seven statements that were used as survey questionnaire. For these statements, the basic concept of loan in retail banking such as “the easiness of “A” bank’s loan application, staffs’ ability of explanation about mortgage process, the convenience of “A” bank’s EMI (Equal Monthly Installment) system, the flexible of “A” bank’s interest rate, the service that is given by the loan department and the influence of loan for the next time choosing”.

Table (4.13) Influence of Loan on Customer Choice

Sr No.	Statement	Mean	Std. Deviation
1	The application form of loan is easy to understand for customers.	3.38	.56
2	Staffs from “A” bank can explain thoroughly about the mortgage process.	3.25	.45
3	You are convenience with the system of EMI (Equal Monthly Installment) fixed by “A” bank.	3.57	.57
4	The interest rate charged by “A” bank is reasonable for customers.	3.78	.50
5	You are satisfied with loan faculty’s service provided by the “A” bank.	3.40	.59
6	To what extent do you agree that the interest charged by bank should be varying on the basic of the income level?	3.67	.51
7	As a customer, you prefer “A” bank for loan to choose as a financial supporter for next time.	3.27	.56
	Overall Mean	3.47	.20

Source: Survey Data, 2019

Table (4.13) shows the individual mean scores of the seven statements of loan factor influence on customer choice. In this analysis section, the statement of “The interest rate charged by “A” bank is reasonable for customers” gets the highest mean score with 3.78 among seven statements. It indicates customer choice with this statement is the strongest influence one. Secondly, the statements of “To what extent do you agree that the interest charged by bank should be varying on the basic of the income level” and “You are convenience with the system of EMI (Equal Monthly Installment) fixed by “A” bank.” get the mean scores of 3.67 and 3.57 respectively. It means that statements also have strong influence on the customer choice as well. The mean score of “Staffs from “A” bank can explain thoroughly about the mortgage process” statement is 3.25; the lowest mean score but still higher than the cut-off value 3. So, this statement can still influence the customer choice but not more than others. Finally, the loan factor’s overall mean scores are also standing above 3. According to this result, loan has a strong influence on customer choice of retail banking.

Table (4.14) The Factors Influencing Customer Perception Factors

Sr No.	Statement	Mean	Std. Deviation
1	Communication	3.47	.23
2	Responsiveness	3.51	.21
3	Credibility	3.53	.22
4	Loan	3.47	.21

Source: Survey Data, 2019

Table (4.14) according to the four main factors’ mean score which is related to customer choice for “A” bank. According to SPSS analysis of survey answers by 150 sample customers, the credibility factor has the highest mean score of 3.53 among four factors. It means that the credibility of “A” bank can influence most of customer to choose retail banking services again. Secondly, the factor of responsiveness has mean score of 3.51 and this is second highest one. It means that the “A” bank’s responsiveness can also influence for customer choice behavior. The third one is about loan factor and it gets the mean score of 3.47 among four factors. This result represents loan service of “A”

bank can influence its customer choice behavior but not more than credibility and responsiveness factors. Finally, the communication factor gets the lowest mean score of 3.47, but the communication service of “A” bank can still influence on customer choice. Although four factors have the highest to the lowest mean scores differently, all of these scores are standing above the cut-off value of 3 and not too much different each other. So, the final result can conclude that all of four factors can influence and important for customer choosing “A” bank continuously. So, the four main independent variables influence nearly the same on dependent variable of customer choice.

CHAPTER 5

CONCLUSIONS

This chapter represents the finding results of this research, suggestions and needs for the further studies.

5.1 Findings

Since this study aims to investigate and analyze the factors that can influence on customer choice for Source : Ayeyawaddy Farmer Development Bank's retail banking services, the conceptual framework for this study based on some theories about customer perception and choice such as communication, responsiveness, credibility and loan factors of retail banking services. The survey questionnaire included three main sections like demographic information, customer choice and factors influencing on retail banking services. In the third section of questionnaire, the statement questions are built by the potential factors of communication services, responsiveness of bank, credibility of bank and loan service of bank.

The result finding of the analyzing the influencing factors on customer's choice, the credibility of bank can strongly influence on customer choice in this study because the mean score of analysis get the highest value of 3.53 other than the rest factors. For the factor of credibility, sample customers agreed with the survey statement of "The transactions are secured and accountable".

As a second strongest factor influencing on customer choice, responsiveness by bank and bank's staffs are really important for customers for choosing bank services again and again. According to the analysis results, the mean score for responsiveness factor located as the second highest one with the value of 3.51. For this factor, most of sample customers agreed with the statement that "Complaint handling processes of Ayeyawaddy Farmer Development Bank are convenience for customers.

Thirdly, loan service system is also influence customer choice behavior because of the mean score value of 3.47. And this mean value is the third highest one among other factors. For this result, many of sample customers answered agree the statement of "The interest rate charged by "A" bank is reasonable for customers". In this study, many of

customers are convenience with “A” bank’s loan service and EMI system. So, it can also attract the customer to choose again.

Finally, the last factor of communication also gets the mean value of 3.47 too. For this result, many of sample customers agreed with the statement of “Customer can access “A” bank’s Electronic Communications Channels”. According to this result, bank communication plays as an essential factor which can influence customer choice behavior. According to this study, communication channels of “A” bank can also contribute customer to choose this bank again and again. All of four independent variable can nearly strongly influence on customer choice that is dependent variable for this study.

After analyzing all of factors influencing on customer choice, Ayeyawaddy Farmer Development Bank can say that it has good potential customers and good reputation which related with sound safety, better services and smooth communication with customers.

5.2 Suggestions

Based on the finding results of this study, there are four main factors that can strongly influence customer choice for the Ayeyawaddy Farmer Development Bank’s retail banking services. Regarding to the credibility factor, bank should maintain its reliability and accountability services for customers. Because of the SPSS mean result, credibility of “A” bank can mainly influence the customer choice behavior.

According to the responsiveness factor, it can also influence on customer choice. “A” bank should care about its responsibility for customers and maintain the quality of staffs’ responsiveness levels in order to keep customer choice. Regarding to the loan factor, many of the Ayeyawaddy Farmer Development Bank’s customers are enjoying with its loan services and EMI (Equated Monthly Installments) system. So, “A” bank should know their customer preference and needs in order to keep good relationships with customers. Bank should create more and more loan services that can make convenience to customers, so that, customer want to choose “A” bank again.

According to the communication factors, it can also influence on customer choice. In this study, the Ayeyawaddy Farmer Development Bank’s electronic communication channel can mainly make convenience for customers. Because today is IT innovation age and most of business must heavily rely on communication channels for their successful.

So, “A” bank need to maintain its current smooth communication channels and also should upgrade bank communication channels too.

5.3 Needs for Further Study

In this study, it can cover only three branches of Ayeyawaddy Farmer Development Bank from Yangon because of their branches’ customers’ verities and level of bank’s deposit and loan. The further study should be cover all over the branches of Ayarwaddy Farmer Development Bank in order to represent the whole bank’s result. Moreover, this study is only focus on factors influencing upon customer choice only. Further study should analyze the scope of customer satisfaction and their choice on Ayeyawaddy Farmer Development Bank’s retail banking services.

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APPENDIX (1)
QUESTIONNAIRE

Dear Sir/Madam,

This questionnaires survey is proposed for my research to execute MBF Programme in Yangon University of Economics (YUE). The purpose of this Questionnaire is to search for the factor influencing customer choice on retail banking service of Ayarwaddy Farmer Development Bank three Yangon Region. The information that you will relate is for statistical and academic point only and individual responses will continue strictly confidential. Thus, your reaction will never be individually recognized on any prepared by means of the results from this questionnaire. Your involvement however is important to academic researchers.

MA THIN THIN HTAY
MBF (5th Batch)
Department of Commerce
Yangon University of Economics

9. Does “A” bank’s customer suggestions box can improve and effective customer service care Improvement?

() Yes

() No

SECTION III- FACTORS INFLUENCING ON RETAIL BANKING SERVICE

Indicate in the following table, the level of importance of the criteria you did consider when choosing the bank on a scale of 1 to 5 as follows: 1 = Strongly disagree 2 = disagree 3 = neutral 4 = agree 5= strongly agree.

Factors and Items

Factors 1: Communication

Sr No.	Statement	1	2	3	4	5
1	“A” bank’s website is user friendly designed.					
2	Mobile Communications Channels (Telecommunication Channels) of “A” bank can easily access.					
3	Customer can receive SMS massage for every transaction after you are using with “A” bank services.					
4	Customer can access “A” bank’s Electronic Communications Channels (email, Internet, intranet and social media platforms)					
5	Customer used to get “A” bank’s information from Broadcast Media Communications Channels (TV, Radio, and Event)					
6	As a customer, “A” bank’s Face-to-Face or Personal Communication Channels services are satisfied. (Meeting with other organization)					
7	“A” bank’s Witten Method of Communication (Policies, letters, and announcements are all messages that work well for this) are reliable and useful for customers.					
8	Customers want to choose “A” bank again because of its smooth communication channel services.					

Factor 2: Responsiveness

Sr No.	Statement	1	2	3	4	5
1	“A” bank’s services are in the condition of active security service such as unloading/loading.					
2	The response time taken by the receptionist of “A” bank is quite reasonable and satisfied for customer to choose “A” bank again.					
3	Customer responsiveness helps “A” bank to develop new products.					
4	“A” bank’s staffs usually responded customer requests promptly.					
5	Modernized machines and well-defined banking system to offer quick transaction.					
6	“A” bank’s staff can solve the problem of long waiting lines.					
7	“A” bank’s service can meet customer’s need, want and their expectations each time.					
8	Complaint handling processes of “A” bank are convenience for customers.					

Factor 3: Credibility

Sr No.	Statement	1	2	3	4	5
1	The process for a transaction are easy to understand and transparent for the customer.					
2	The transactions are secured and accountable.					
3	The bank environment is secured and protected customers from the risk of cash carrying.					
4	Bank employees remember and treat same service as previous time to me.					
5	Bank delivers all the services within the promised deadlines.					
6	You feel safe in all your transactions with the bank					
7	The advertising and promotional messages of bank reflect reality.					

Factor 4: Loan

Sr No.	Statement	1	2	3	4	5
1	The application form of loan is easy to understand for customers.					
2	Staffs from “A” bank can explain thoroughly about the mortgage process.					
3	You are convenience with the system of EMI (Equal Monthly Installment) fixed by “A” bank.					
4	The interest rate charged by “A” bank is reasonable for customers.					
5	You are satisfied with loan faculty’s service provided by the “A” bank.					
6	To what extent do you agree that the interest charged by bank should be vary on the basic of the income level.					
7	As a customer, you prefer “A” bank for loan to choose as a financial supporter for next time.					

THANK FOR YOUR KIND ANSWERING