

YANGON UNIVERSITY OF ECONOMICS
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CUSTOMER PERCEPTION ON RETAIL LOANS OF UAB BANK

THEIN ZAW HTUN

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Supervised by

Submitted by

Daw Khin Nwe Ohn

Thein Zaw Htun

Associate Professor

Roll No.65

Department of Commerce

MBF (Day) First Batch

Yangon University of Economics

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ABSTRACT

The aim of this study is to identify the retail loans provided by UAB bank and to examine the customer perception on retail Loans of UAB bank. The study was analyzed on 100 customers as sample unit out of 1350 existing loan customers of UAB bank from Yangon branches, to deliver the questionnaires to customers. Simple Random Sampling method was used to collect the data and the results were analyzed and discussed in order to assess the customer perception on Retail Loans of UAB bank on five dimensions as perception on Information Accessibility, Perception on Convenience, perception on Assurance, Perception on Retail Loan factor and perception on Trustworthiness. Analytical descriptive method has been used to sustain quantitative measurement and analysis. Data has been collected through structured questionnaire as a main tool for the study. The study found that the customer perception on Information Accessibility is highest and lowest on Retail Loan factors among five dimensions regarding to Retail Loan of UAB bank. Overall perception is in high agreement level of perception on retail loans of UAB bank and perception on Retail Loan factor is the lowest one among five dimensions. Even the retail loan factor is lowest perception level, the average mean score is still high and it may be due to the respondents who are existing customer of UAB bank. Bank management team need to revise the Retail Loan policies and procedures in order to meet with the customer expectation.

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LIST OF ABBREVIATIONS

ATMs	Automatic Teller Machines
CBM	Central Bank of Myanmar
CEO	Chief Executive Office
DICA	Directorate of Investment and Company Administration
EMI	Equated Monthly Installment
FAFSA	Free Application for Federal Student Aid
ICT	Information and Technology
JICA	Japan International Cooperation Agency
KYC	Know Your Customer
LC	Letter of Credit
MD	Managing Director
MFI	Microfinance Institution
NRC	National Registration Card
POS	Point-of-Sales
RPH	Repayment Holiday
SME	Small and Medium Enterprise
SWIFT	Society for Worldwide Interbank Financial Telecommunication
SRS	Simple Random Sampling
TT	Telegraphic Transfer
UPI	UnionPay International

Chapter I

Introduction

Retail loan is not the new word for Myanmar banks and issuance of Credit cards by Asian Wealth Bank and Yoma bank was done in 2002. Unfortunately, with the collapse of major banks of Myanmar in 2003, the growth of retail loan by private banks was slow down. A retail loan is borrowing money from a lender, either unsecured or secured. There are many types of retail loans and some of the most popular types include mortgages, home equity, credit cards, auto loans, education loan and personal loans. Retail loans are used to finance the purchase of expensive items or goods. Without consumer loan, many people would be unable to buy a vehicle or house. Personal loans typically are unsecured. When the loan is secured, the lender takes a lien (security) as collateral for the loan. Home loan and auto loans can be assuming as secured while other type of loans such as educational loan, credit cards and other personal loans are unsecured.

There are two major types of customers: owner of small businesses and salary earners. Process and policy on assessment of loan application vary on case-by-case. There are two basic forms of credit extension: open-end and closed end. Open-end credit is a form of loan in which the lender, in making the credit available, contemplates repeated transactions. Credit card debt and home equity line of credit are two most common examples of open-end credit. Closed-end credit, in contrast, is just about everything else and generally refers to loans with a fixed amount that is borrowed in a lump sum with no right to take loan again any principal repaid. A typical first mortgage loan is closed-end credit because the loan is paid to or on behalf of the borrower at closing and must be repaid or refinanced within a pre- established number of months or the loan term.

The most common purposes of retail loans are for the personal requirements such as buying mobile handsets, electronic goods, renovation and/or purchase of house/apartment, education of their children, wedding and emergency expenses for medical treatment. Last 20 to 30 years ago, the concept of banking was not aware among the people and they had to rely on unofficial money lenders with the very high interest rate for their financial needs. After MFI Law was enacted in 2012, many local

and international Microfinance institutions set up in Myanmar and provide financial services to unbanked people with lower interest rate than money lenders but still higher than the banks.

Retail loan is really helpful and needed for the people but there are still limitations to some customers. In compare with the other countries, Myanmar financial market is only in the developing stage and limited services offered by financial institutions and high interest even from the bank in compare with regional countries. Banks are competing not only among them but also with non-bank financial institutions as well. So customer satisfaction and perception is very import for the bank to grow the portfolio of the consumer loan market share.

1.1 Rationale of the Study

This thesis is aimed to identify the retail loans provided by UAB bank and to examine the customer perception on retail Loans of UAB bank. By the result of this study, customer perceptions and opinions were learned and analyzed technically to effectively manage the customer lending scheme and this can assist the financial institutions to offer better services and more needy products.

The trend of market competition for the banks to loan customers had changed a lot and it is now on customers' market. Most of the banks are doing marketing and promotion of varieties of loan products to customers not only for business loans and retail loans for individual customer as well. It is very crucial for the bank to pay high attention for releasing of loan to customers. It should not be loose lending and should not be too strict on loan policy. It needs the balancing of customer satisfaction and compliance with the rules and regulation prescribed by internal and external context.

UAB bank promoted the retail loan products more actively in the year 2018 due to the demand of the market and to play the role of major service provider in retail loan market. For the banking sector perspective, retail loan history is relatively new and over the last ten years, Myanmar banking sector had substantially promoted the retail financing by unleashing a wide range of products such as credit cards, auto loans, home loans, education loan and consumption loans by some financial institutions.

1.2 Objective of the Study

The objectives of the study are:

- (1) To identify the retail loans provided by UAB bank.
- (2) To examine the customer perception on retail Loans of UAB bank

1.3 Method and Scope of the Study

Descriptive method is used for this study. This study will be used both primary and secondary data. Primary data is collected by interviewing and raising questions in meetings with customers of UAB bank. The structured questionnaires will be also used to analyze the objectives. The 100 customers out of 1350 existing retail loan customers are used as a sample unit for this study. Besides, this study is only on customer perception on Retail Loans of UAB bank not study on retail loan of other local private banks and the study period is within one month of November 2019. Some secondary data like the background of the bank and Retail Loan products of UAB bank have been collected from websites, brochures and annual report of UAB bank.

1.4 Organization of the Study

This study is organized into five chapters. The chapter one is the introduction including the rationale, objectives, scope and method of the study and organization of the study. Chapter Two mentions theories and literature reviews that are relevant to this study. Chapter three is the Profile of UAB bank and products and loan policy of UAB bank. Chapter four is data collection and analysis of Survey Data. Chapter five is reporting the conclusion with findings and recommendation of the study.

CHAPTER II

LITERATURE REVIEW

This chapter comprises of the theoretical background of Customer perception, concept of retail loans, types of retail loans in which describe the major types of retail loans such as Credit cards, Auto Loan, Home loan, staff loan and education loan for study of consumer perception on UAB retail loans.

2.1 Literature Review on Previous Research

The applicant has learnt various research papers and thesis. First of all studies, it was by Khin Sone (2016), MBF Thesis in Myanmar, “The Perception of Unbanked People on Banking Services in Myanmar”. The study found that to promote the awareness of banking service performance to be convenience and for the trustworthy on banking services. In addition, Shin Phone Wai (2017), MBF Thesis in Myanmar, “Perception of Unbanked People on Baking Services”. It is also found that banks need to promote trust in banking and no default situation even on banking crisis. Tthe applicant has learnt Myat Mon Mon Yee (2017), MBF Thesis in Myanmar, “Consumer Perception on Baking Services of State-Owned Banks and Private Banks”. The study found that the perception of consumer perception on private banks is higher than that of state-owned banks.

The applicant has studied Hein Nandar Aung (2018), MBF Thesis in Myanmar, “Influencing Factors on Consumer Loan Products”. The study found that Customers’ general attitude on the consumer loans is high and the certain types of loans such as education loans are yet to be developed well by financial institutions and certain constraints to use credit cards and consumer durable loans should be carefully solved to promote the usage of consumer loans in general public. Moreover, the applicant has taken reference from Nway Nway Wint (2018), MBF Thesis in Myanmar, “Customer perception on Shwe Agent Banking Service”. The study found that customer perception on Convenience is highest and lowest on Cost-effectiveness among four dimensions regarding to their intentional use of Shwe Agent Banking Services.

At last, the applicant has studied Pieter Gerhardus Mostet (1996), Magister Commercii (Marketing Management) Thesis in University of Pretoria in South Africa, "Consumer Perceptions of Displayed Product Attributes in Advertising". The study stated that perception process may be the most significant barrier to effective communication due to the number of different influences on the perception process. Important to note is the fact that the total perception process is highly individual and that the same person may devote a different meaning to the same stimuli in different situations. Information to be retained passes through the perception process.

2.2 Concept of Retail Loan

A retail loan is given to an individual by a commercial bank, a credit union, or a financial institution to purchase assets like property, vehicles, consumer electronics, etc. Generally, a bank or a financial institution lends to customers with a high enough credit score in order to ensure they repay the money and do not default. Customers pay interest on a monthly or annual basis, for the entire term of the loan based on a pre-agreed rate. The simple reason why people opt for retail loans is that many people would want to make a purchase sooner, but might not have the full amount until much later. A typical example is the purchase of a house. Real estate is expensive, and it is unlikely that an average worker will have the entire amount required for a purchase in full. It may take years until he can gather the amount needed to buy a house. So, the bank lends him the money and the consumer agrees to pay the money back bit by bit over the course of several years. It should be clear how this benefits a home buyer. He did not have to pay the full amount now but gets to live in a house of his own. If not for the loan, it would've taken years for him to make the purchase, all the while wasting money in rent.

The major benefit here is that a customer can enjoy a certain asset long before he can actually afford it. Some of you may be thinking about interest payments. Sure, borrowing money costs extra, so then, why should one do so. There are two main factors that prove borrowing to be a logical option: All the money that would've been wasted in rent and perhaps even moving every year would not be wasted, and instead would build up equity as the homeowner continues to make his payments. The prices of real estate are known to gain as years pass, so waiting too long to make a purchase may actually cost way more than what one may pay in interest.

Banks and consumer finance companies 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 borrowed amount is paid back through Equated Monthly Installments (EMI). Affordability is not usually the issue here. The consumer may be able to afford to pay the full amount, but through retail lending, he can purchase several appliances at once. Another popular area where retail lending comes into play is automobile purchases. A consumer can immediately drive out in his car, instead of otherwise waiting for seven to 10 years until he can gather the full amount to make a purchase. Retail Loans, hence, are an exceptionally valuable tool available to an average consumer to make use of, saving time, and offering them convenience. The Retail Loan industry not only benefits consumers, but also provides employment to a huge number of people in the banking sector. Moreover, it makes earning interest on one's savings possible.

2.3 Types of Retail Loans

Retail Loan types are well diversified as Credit cards, Auto Loans, Home Loans, Consumer Durable Loan, Staff Loan and Education Loan etc.

2.3.1 Credit Cards

Credit cards can assist with bridge financing when a family is experiencing interruption in income, in that if they have loss of employment, they are unlikely to get a conventional loan. It was suggested that high credit card borrowing might reflect use of credit cards to meet crisis-level expenses to ease the short-term financial pressure faced by a family, and hence may be a useful short-term financing tool. The plastic card, to the extent that it has facilitated entrepreneurial activity and consumer borrowing, has been an important component of a modern economy, but that there are social costs associated with credit cards, in the form of financial distress.

However, there can be problems where consumers did not intend to use credit cards as a borrowing mechanism, or where they spend more than they would otherwise and acquire unanticipated debt. In the effort to meet fixed debt commitments, such as mortgage and utilities payments, consumers often rely on credit cards to bridge expenses, without fully appreciating the real costs of carrying that

debt. Retail stores have added to the proliferation of credit cards, and while they assist with access to credit in the short term, it is often difficult to maintain payments on multiple cards, in turn impairing the consumer's credit rating. By the time the consumer approaches a bank or credit union for assistance, the credit is already seriously impaired and difficult to fix.

Credit cards have been used as a means of facilitating delayed payments purchased since early in the century. Retailers and service organizations in connection with the merchandising of their products operated the first credit card systems. The efforts of the new, independent issuers were concentrated upon the solicitation of accounts, the evaluation of cardholder credit standing and the development of centralized accounting and the processing systems. Since these services are closely related to services provided by the traditional financial institutions, it is not surprising that banks undertook to create their own credit card systems (Weistart, 1972).

Credit cards were the first major consumer-lending product to experience risk-based pricing, but by the late 1990s, the practice was common across all consumer loan products. Using Federal Reserve Board survey data, Edelberg (2006) and Athreya et al. (2012) found evidence of widespread risk-based pricing and its impact on consumers. There are several definitions of credit card. One of these definitions (Naim, 1995) states that credit card is "a contract whereby the card issuer be committed to credit a certain amount of money for someone who is the cardholder in order to meet her or his personal purchases from shops that are associated with the issuer of the card with a contract to accept the fulfillment of cardholder's purchases, and that is the final settlement after each specified period". According to (Al-Zubaidi, 2002), credit card was defined as "a card that gives the holder the right to deal with many shops that are consistent with the issuer of the card to accept the granting of credit for the cardholder to pay off her or his purchases, who will repay the value of purchases to the bank through 25 days from the date of the purchase. The customer pays no interest to the bank for this service if the payment was done during the period, but she or he bears an interest of 1.5% on the remaining balance without payment. The bank earns a commission of 3-5% from the seller of the total value of the invoice.

Another definition by (Ababneh, 2008) indicate that it is "a contract between two parties, namely, the financial institution (the card issuer) and the customer (the

cardholder), whereby the card issuer be committed to pay the consequences of client funds to commercial entities, and the cardholder will payback these funds to the bank. Finally, Al-Swah (2006) defined credit card as “a banking tool used to meet the obligations, issued by a financial institution (issuer) to a natural or legal person (the cardholder), in order to make her or him able to make cash withdrawals from banks or buying goods and services from Merchants, with a commitment to rules and conditions specified by the contract between them.

2.3.2 Auto Loans

According to Aizcorbe, Kennickell, and Moore (2003), automobiles are the most commonly held non-financial asset. Loans related to automobile purchases are one of the most common forms of household borrowing (Aizcorbe and Starr-McCluer 1997; Aizcorbe, Starr, and Hickman, 2003) consistent with the high penetration of automobile ownership among households and the average automobile purchase price, Dasgupta, Siddarth, and Silva-Risso (2003) note that the vast majority of auto purchases are financed. In fact, Aizcorbe, Starr, and Hickman (2003) report that in 2001 over 80 percent of new vehicle transactions were financed or leased. As a result, given the size of the U.S. automotive market, it is not surprising that automobile credit represents a sizeable portion of the fixed-income market. For example, in 2002, debt outstanding on automobile loans was over \$700 billion, and a growing percentage of this debt is held in “asset backed securities.” Financing for automobile purchases comes from three primary sources: dealer financing, leasing, and third-party loans. Based on a sample of auto sales in Southern California between September 1999 and October 2000, Dasgupta, Siddarth, and Silva-Risso (2003) report that 24 percent of the transactions were leased, 35 percent of the sales were dealer-financed, and the remaining 40 percent of the cash transactions were most likely financed from third-party lenders (credit unions or banks).

2.3.3 Home Loans

Housing loan is one of the services provided by mostly commercial institutions. In the current trend, banking institution is losing their market shares (Mylonakis, 2007). Due to technology advancement, information about every product and services in banking industry are transparency. Potential customers are able to

compare the interest rates, packages and services offered by each and every bank. Likewise, internet banking had widely spread across the whole nation due to the convenient of places, time and cost saving (Arnold and Ewijik, 2011).

The price of a typical house was above 3 times the annual families' income of the borrowers. In spite of, the entire system of housing allocation and credit the supply of affordable funds was much smaller than demand. Thus, large growth in urban population and the historically low priority given to housing, supply falls very short of demand and need. Therefore, not only that the volume of saving and investments should increase but also larger volumes of capital should flow into housing. Also, accessibility and terms and condition of housing credit will determine the long-term redistribution performance in housing. (Housing Credit Situation in Eighties, Lall Vinay, 1984) public investment in and promotion of homeownership and the home mortgage market often relies on three justifications to supplement shelter goals: to build household wealth and economic self-sufficiency, to generate positive social psychological states, and to develop stable neighborhoods and communities. On the conditions under which homeownership is obtained, maintained, leveraged, and in some situations exited. Given that high leverage or trigger events such as job loss and medical problems play significant roles in mortgage delinquency independent of loan terms, better origination practices cannot eliminate the need for delinquency management.

2.3.4 Staff Loans

In general, researchers agree on lending techniques or modalities used in granting credit facilities by large and small banks in recent times to their customers. They distinguish between financial statement lending, asset-based lending, credit scoring, and relationship lending (Mitchell, 2004). Typically, most banks usually issue forms to their borrowers in seeking information about their current status, their credit worthiness and whether they could be given a certain amount requested. Employees and corporate bodies acquire forms from the lending institutions; complete these forms stating the reasons for the loan, terms of repayment, the amount involved and other contact details. Most individuals or employees submit an authorization letter signed from their employers committing them of the loan deductions at source till the loan is fully paid.

2.3.5 Education Loan

An education loan is a sum of money borrowed to finance college or other school-related expenses. Payments are often deferred while students are in school and for a six-month grace period after graduation. Education loans are issued for the purpose of attending an academic institution and pursuing an academic degree. Education loans can be obtained from the government or through private-sector lending sources. Federal loans often offer lower interest rates, and some also offer subsidized interest. Private-sector loans generally follow more of a traditional lending process for application, with rates typically higher than federal government loans. Although there are a variety of education loans, they break down into two basic types: public (federal) loans and private loans.

2.4 Theoretical background of Customer Perception

The Internal influences that have effect on consumer behavior consist of an individual's perception, learning, memory, motives, personality, emotions and attitudes. (Hawkins & Mothersbaugh, 2010, 274-275). Perception plays a major role in the processing of information and consumer decision making. It begins with consumer exposure and attention to marketing stimuli and ends with interpretation. These three stages make up the process of perception. There is a very small amount of information that the consumer processes during the stages of exposure and attention which make these stages highly selective. The stimulus that does enter the conscience is not processed objectively. The meaning of the stimulus is interpreted differently from person to person and is influenced by unique biases, needs and experiences. (Solomon, Bamossy, Askegaard & Hogg, 2010)

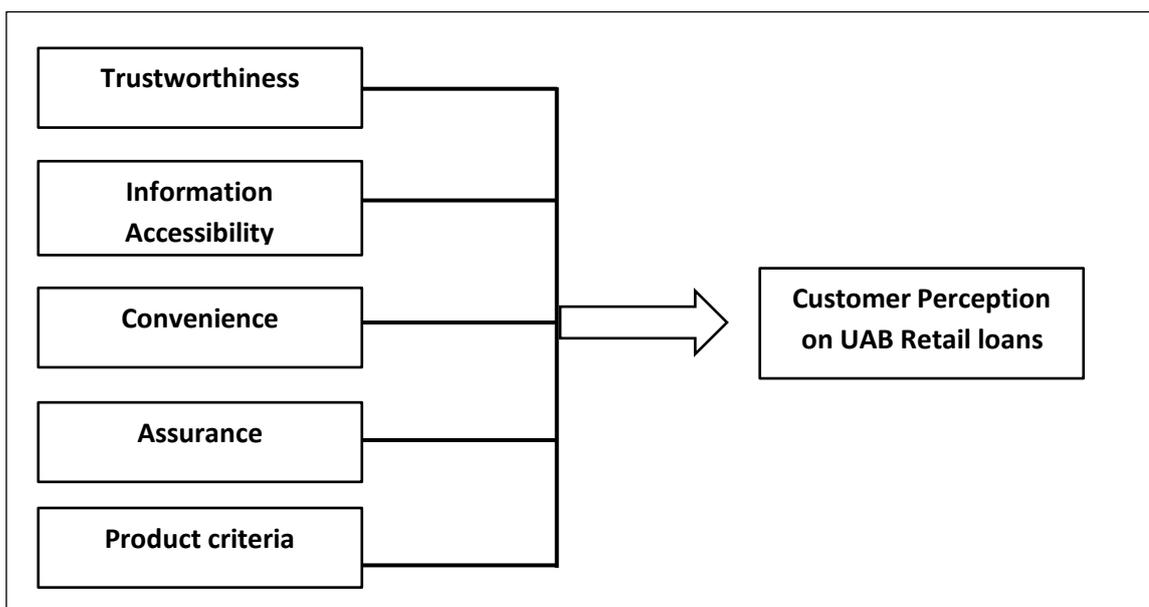
In order for a marketer to communicate their brand or products message effectively to the consumer, it is important for them to understand the nature of perception. Information processing is a process whereby stimuli is perceived, transformed into meaningful information and then stored. The process begins with exposure which is when stimulus such as an advertisement leads to an immediate response of sensory receptors (e.g. sight, smell, hearing, touch etc.) Due to the subjective nature of perception, it is vital the message the marketer is aiming to achieve is portrayed in a very clear manner so that the consumer does not interpret the

advertisement incorrectly. A controversial advertisement could be interpreted by its consumers wrongly as it was perceived falsely. The consumer's prior assumptions influenced this opinion which shaped the advertisements meaning to them. In this way it is paramount to take into consideration the sensitivity of the design and selection of the advertisement in order to avoid controversial interpretation. Customer perception leads to thought and thought leads to action. Perception is the process whereby stimuli are received and interpreted by the individual and translated into a response. In other words, perception is the process by which the mind receives, organizes and interprets physical stimuli. To perceive is to see, hear, touch, taste, smell and sense internally something or some event or some relation. Perception is selective because, and individual cannot possibly perceive all stimulus objects within his perceptual field; hence, he perceives selectively. Perception is organized because, perceptions have meaning for the individual and they do not represent a buzzing confusion.

4.5 Conceptual Framework

The framework designed into five dimensions that are stated as customer perception on trustworthiness of banking services, perception on information accessibility, perception on conveniences, and perception on Assurance, perception on product criteria of retail loans.

Figure 2.1 Conceptual Framework



Source: Self Compilation

Chapter III

Profile of UAB bank and Retail Loan products

The aim of this chapter is to present the profile, organization structure and policy and procedure of UAB bank retail loan in detail.

3.1 Milestone of the UAB bank

UAB Bank Limite is a Private Bank Limited incorporated and domiciled in Myanmar and has its registered office at Bank Development Zone, No.3, Corner of Kyaing Tone Road and Mawlamying Road, Oaktaya Thiri Township, Nay Pyi Taw. The Directorate of Investment and Company Administration (DICA) has issued incorporation certificate to United Amara Bank Limited on 14 June 2010 as per Registration No.390/2010-2011 under The Myanmar Companies Act. The Bank has renewed its incorporation certificate on 25 May 2015 valid five years through 13 June 2020. The Bank was permitted to carry out banking business under License No. MaVaBa/PaBa(R) 14/8/2016 which was issued by the Central Bank of Myanmar (CBM) on 24 August 2016 under Section 14(A) of Financial Institutions of Myanmar Law (2016). The principal activities of the Bank are to carry out the domestic remittance business and other financial services subject to the approval of the CBM. On 25 November 2011 the bank was granted to carry out the banking business in local and foreign currencies both through Authorized Dealer License No. CBM / FE-MD (78/2011).

The Bank is currently operating with Seventy-Eight (78) branches in total in wide spread locations in Myanmar. There are 44 branches in Yangon division, 16 branches in Mandalay Division and 18 branches in Upper and Lower Myanmar cities. Total staff force was about 2069: Male 1029 and Female 1040. Currently there are 140 ATMs in Yangon, Mandalay, Naypyidaw and other cities. ATMs are connected to the MPU system which allows customers to access to about 2,000 ATMs throughout Myanmar.

3.2 Organizational Structure of UAB bank

The Bank's Board of Directors is the highest authority led by the Chairman and made up of 6 directors and CEO is also playing the role of Managing Director. Except MD, all the directors including Chairman are non-executive directors. The Board lays down policies of the bank whereas Functional Committees led by the MD/CEO are to execute the operations of UAB Bank. UAB bank has sixteen departments. (Appendix A)

They are as follows;

- i. Administrative Department
- ii. Human Resources Development Department
- iii. Compliance Department
- iv. Finance Department
- v. Banking Operation Department
- vi. Retail Banking Department
- vii. Corporate Banking Department
- viii. Treasury Department
- ix. ICT Department
- x. Digital Banking Department
- xi. Trade Finance Department
- xii. Credit Management Department
- xiii. Internal Audit Department
- xiv. Legal Department
- xv. Marketing Department
- xvi. CEO Office.

3.3 Products and Services of UAB Bank

Banking Operations in UAB Bank can be classified into five categories: to acquire deposits, (2) to encourage the businesses and individual by providing related financings (3) to provide international trade financing facilities, (4) to facilitate the local and international remittance and (5) provide electronic banking service to customers through online banking and mobile banking application. The funds acquired are loaned out as short term, medium term and long-term loans, Hire

Purchase loans, Leasing loan, Commercial loans, Project loans, Loans for Rural Area, Loans for Urban Area as major investments of the bank. UAB bank will provide in local and international Remittance service, ATM Card, Mobile Banking, Bill Collections services. UAB online banking service was launched since 2013 and uab mobile banking application was launched in September 2018.

Domestic Banking Services for Deposit are Current, Saving, Fixed Deposit, Call Deposit and Special Deposit. Other Services are (i) Safe Deposit (ii) Internal Remittance (iii) Debit Card (iv) Gift Cheque and (v) Payment Order (P.O). Corporate Banking department is providing financial service such as (i) working Capital Financing, (ii) Machinery Financing, (iii) Construction financing, (iv) Receivable Financing, (v) Export and Import Financing to large corporate companies.

SME Financing means UAB bank is encouraging the Myanmar Small and Medium Enterprises to grow their business size by financing working capital and necessary fixed assets acquisition for production growth through uab SME loans and JICA 2 Step loans as well. UAB customers who are eligible for JICA 2-Steps loan can avail the loan tenure up to five years period with 8.5% interest rate. Trade Finance department is providing the trade facilities like Letters of Credit (LC), Telegraphic Transfer (TT), Bank Guarantees, Bill handling and Money transfer to international remittance. Fund Transfer services are CBM Net Interbank Payments, International SWIT Payments, Western Union Money Transfer and RIA Money Transfer Service. Electronic services are Internet Banking, Mobile Banking and ATMS. Card Services are VISA Credit card, VISA Prepaid card and MPU & UPI Debit cards.

3.4 Retail Loan Provided by UAB bank

In this section, the objective (1) of this study “to identify the retail loans provided by UAB bank” will be presented. UAB bank has six major types of retail loans: Credit card, Auto loan, Home Loan, staff loan, corporate salary loan and education loan.

3.4.1 UAB Visa Credit Card

UAB Visa Credit Card offers convenience in payments and takes life-style to the next level. This international recognized Card can be used at any Visa outlet both

in Myanmar and in over 160 countries globally. UAB offers the Visa Credit Cards in 3 (three) variants namely: Platinum, Gold and Classic. VISA Credit can use for Online Purchase (Ecommerce, Hotels, Exam fees, Air tickets, Play store and Apple Store) and Cash withdrawal at oversea ATM and Balance Inquiry from oversea ATM, Pay Wave and POS. It is Global Visa Merchant Acceptance and Cash Withdrawal at more than 2 million ATM over 160 countries. Major benefit is No interest upon the credit limit during 15 days to 45 days and fully repayment. Instalment Repayment is available and interest will be applicable on remaining amount. The person who has the monthly income minimum 300,000 kyat can apply UAB VISA Credit card. Supplementary Card is available for the customers who want to share the card limit to partners, spouse or children. Interest rate is 16% per annum.

3.4.2 UAB Auto Loan

UAB bank has launched the most convenient automobile hire-purchase loan plan for any Myanmar citizen who is above the age of 20 years and older with stable and reasonable income. UAB Bank's automobile hire-purchase loan is a way to finance buying a new or used car. Customers can pay a deposit and pay off the value of the car in monthly installments, with the loan secured against the car. Firstly, customers need to put down a deposit on the car they want to buy; 30% of the vehicle's value. The rest of the value of the car will then be paid off in installments over a period up to 5 years. A customer who is interested in this opportunity shall have to apply at any UAB Yangon Branches to know the estimated eligible loan amount along with basic personal documents such as NRC, household list, original testimonial letter from Ward Administration office, income documents such as salary slip (minimum 3 months), employment confirmation letter, business registration documents, income statement, tax receipts and professional license (e.g. Doctor License and so on) as the loan amount is based on the income and repayment capability of a customer. Then the bank would process the document for assessment and discuss with the applicant about the authorized car dealers list so that a customer can choose a car at UAB Bank's authorized dealer showroom. A customer will then obtain a final loan approval within 5 working days with approved limit for auto loan amount. Original owner book of the vehicle will be kept at the branch as security.

Customers need lowest interest rates to check the total amount repayable and our interest rate is as low as 13% per annum.

3.4.3 UAB Home Loans

UAB Bank intends to assist customers in purchasing the residences of their choices without the constraint of paying the total selling price in one lump sum basis and to provide suitable installment plans where customers will be able to start living in their residences accordingly while making monthly repayments. Besides, the bank and its authorized dealers also help customers to identify individual eligible loan amounts and to choose their dream homes and the customers can also choose from the existing real estate market as well. UAB home loan repayment period is up to 15 years and repayment on monthly installments basis. Borrowers can enjoy maximum Repayment Holiday (RPH) for 6 months in case of construction or renovation of the house. Interest rate is 13% per annum.

3.4.4 Staff Loan

Permanent employees of UAB bank with minimum one-year service can apply UAB staff Loan. The objective of this loan type is to provide the financial need of UAB staffs who want to use the loan for their general purposes. At least one co-worker and one immediate family member need to be guarantor as security. Approved Loan limit depend on the salary range of the staff and maximum 10 million for this type of loan. Repayment period is 24 months with EMI installment and interest rate is 11% per annum. Since staff detail information is already in HR department, there is not much requirement for KYC documents. UAB Staff can apply Auto loan and Home loan as well with the same policy like normal staff loan. Repayment period for Auto loan and Home loan can be adjusted depend on income level of individual staff. UAB staff can apply VISA credit cards but interest rate and repayment period is same with other ordinary customers.

3.4.5 Corporate Salary Loan

With a fixed monthly income, salaried individuals may enjoy personal loans against undertaking of employers to deduct monthly instalments from salary. Typically, employers are larger Corporates who make arrangements with the

Bank to support their employees with such personal loans. Repayment period will be up to 3 years and repayable on monthly installments. Maximum Loan amount is 10 Million kyat and interest rate is 13% per annum. Undertaking of employer to deduct salary and pay to bank is compulsory. Employer should request for salary loan scheme for their staff and execute necessary agreements. Permanent employees with minimum completed 2 years of working service in the following institutions; (a) Government / Semi Government institutions, (b) Central Bank and other Banks in Myanmar,(c) JV companies/ Foreign companies, (d) Other reputed Myanmar companies, (e) Government schools/colleges and (f) Reputed Private Schools/ colleges.

3.4.6 UAB Education Loan

Education is indeed a basic need like food, clothing and shelter. UAB bank provides various kinds of education loans for studying in Myanmar as well as abroad. Borrower can apply maximum 80% of cost of study in reputed Universities and Educational institutions in Myanmar and overseas as well. Loan will be disbursed on stage wise, where an invoice from the college/ University is received. Repayment period will be 5 years after course period. Students who secured admission to the reputed Universities/Institutions in Myanmar and in renowned foreign Universities/ Institutions are eligible to apply. Student along with Father and Mother as joint borrower and if father and/or mother is not alive, another blood relative should be joint borrowers as guarantee. Requirement of security may be decided based on the quality of the course and chance of getting high employment.

Chapter IV

Analysis on Customer Perception on Retail Loans of UAB bank

This chapter describes a detailed presentation of methodology and procedures which have been followed in conducting the study about analyzing the customer perception on retail loan of UAB bank. Then, the demographic characteristic of 100 sampled customers of UAB bank and analyze the customers perception on retail loans of UAB bank are describes based on the survey data collected by 2019 (November). Results of data are calculated on the study sample have been explained, then the results were analyzed, discussed and compared in order to assess the customer perception on retail loans of UAB bank.

4.1 Research Design

This section describes a detailed presentation of methodology and procedures which have been followed in conducting the study about analyze the customer perception on consumer of UAB bank. Analytical descriptive method has been used to sustain quantitative measurement and analysis. Data has been collected through structured questionnaire as a main tool for the study. The structured questionnaire has been designed especially for this study and contains three parts. First part of the questionnaires is the primary information about the demographic specifications of the sampled individuals. Second part is descried some questions regarding the practices of customers on consumer loans of UAB bank and the last part describes the 27 statements regarding to the customer perception on the consumer loan of UAB bank. This part has five dimensions which are Trustworthiness, information accessibility, conveniences, Assurance, retail loans criteria. Every question has five alternative answers according to Likert Scale which consists of five degrees (Strongly Disagree, Disagree, Neutral, Agree, and Strongly Agree). (See Appendix B)

The study sample has been selected by simple random sampling (SRS). Primary data is collected by delivering the questions to the random customers through UAB customers from Yangon branches. The questionnaires have been collected within one week with a response rate of (90%).In order to be able to select the appropriate method of analysis; the level of measurement must be understood. For

each type of measurement, there is an appropriate method that can be applied. In this study, ordinal scales were used. Ordinal scale is a ranking or a rating data that normally uses integers in ascending or descending order. The number assigned to the important (1, 2, 3, 4, 5) do not indicate the interval between scales are equal, nor do they indicate absolute quantities. They are merely numerical labels.

This study would use data analysis qualitative and quantitative data analysis methods. This study would utilize the following statistical tools:

- (1) Cronbach's Alpha for Reliability Statistics
- (2) Spearman Rank Correlation for Validity
- (3) Frequency and Descriptive analysis

4.1.1 Defining the Mean and Level of Agreement

The interpretation of the agreement level of the survey results will be measured by the following table (4.1):

Table (4.1) Mean and Level of Agreement

Mean	Agreement Level
1.00 – 1.80	Very Low
1.81 – 2.60	Low
2.61 – 3.40	Medium
3.41 – 4.20	High
4.21 – 5.00	Very High

Source: Tan and Teo, 2000

As per the table (4.1), that shows the average mean of agreement level, the average mean of 1.00 – 1.80 is very low agreement level, the average mean of 1.81 - 2.60 is low agreement level, the average mean of 2.61 – 3.40 is medium agreement

level, the average mean of 3.41 – 4.20 is high agreement level and the average mean of 4.21 – 5.00 is very high in agreement level.

4.2 Demographic Profile of Respondents

This section presents the profiles of selected 100 sampled customers who are existing consumer loans customers of UAB bank. The profiles cover the gender, age, marital status, education, occupation and level of income. All the data obtained from the questionnaires collected are interpreted and summarized in average, frequency distribution and percentage distribution. The frequency analysis of respondents' demographic data is illustrated in pie chart and bar chart in this chapter while the table of frequency counts, percentages and cumulative percentages of these data can be found details.

4.2.1 Respondents by Gender

The respondents are not only males but also females. Table (4.1) shows the gender of respondents. As shown in Table 4.1 and Figure 4.1, the male consists of 58 males and 42 females. In terms of the percentage, male respondents are 58% of the sample while female respondents are 42 % of the sample. Therefore, male respondents are more than female.

Table 4.1 Respondents by Gender

Category	No of Respondents	Percentage
Male	58	58.0%
Female	42	42.0%
Total	100	100%

Source: Survey Data 2019.

4.2.2 Respondents by Marital Status

Marital status is divided into four categories; single, married, Widow/Divorced and not to answer. The survey data regarding to the marital status of the respondents are as shown in the following table (4.2).

Table 4.2 Marital Status

Marital Status	Frequency	Percentage
Married	70	70.0
Single	26	26.0
Widow/divorced	2	2.0
Not to answer	2	2.0
Total	100	100.0

Source: Survey data, 2019.

The Married respondent take 70% of the largest portion of the sample, single are 26% of the sample, 2% are Widow/ Divorced and only 2% of respondents do not want to answer.

4.2.3 Respondents by Age

The respondents are distributed into 6 groups that they are Under 18, 18-24, 25-34, 35- 44, 45-54 and Above 54 years. Table (4.3) reflects the distribution of age of respondents.

Table 4.3 Age Group

Age (in year)	Frequency	Percentage
18 – 24	7	7.0
25 – 34	58	58.0
35 – 44	29	29.0
45 – 54	4	4.0
54 years and above	2	2.0
Total	100	100.0

Source: Survey data, 2019

According to the data shown in the above table and figure, the 58 respondents (58%) fall into the age-group between 25-34 years, followed by 29 respondents (29%) fall into the age group of 35-44 years, 4 respondents (4%) fall into the age group of 45-54 years, 7 respondents (7%) fall into the age group of 18-24 years and only 2 (2%) respondent is in the age-group of over 54 years.

4.2.4 Respondents by Education level

Regarding to educational level, respondents are distributed into seven categories: Elementary, Secondary, High school, Undergraduate, Graduate, Master and Doctorate as shown in the Table (4.4).

Table (4.4) Number of Respondents by Education

Education	Frequency	Percentage
High School	2	2.0
Graduate	96	96.0
Master	2	2.0
Total	100	100.0

Source: Survey data, 2019.

Most of the respondents are graduate (96, 96%) and high school and master levels are 2% according to the result of the above Table.

4.2.5 Respondents by Occupation

The respondents by Occupation are divided into 5 categories; Business owners, Government staff, Professional, Company staff and other. The distribution by Occupation of the respondents is shown in Table (4.5).

Table (4.5) Number of Respondents by Occupation

Occupation	Frequency	Percentage
Business Owner	30	30.0
Government Staff	3	3.0
Professional	18	18.0
Company Staff	39	39.0
Other	10	10.0
Total	100	100.0

Source: Survey data, 2019.

According to the result table, most of the respondents are Company staff because 39 (39%) of them are fall into the category of it, 30 (30%) respondents fall into the category of business owners, and 18 (18%) respondents fall into Professionals. 3 (3%) respondents are government staff and 10 (10%) do the other types of businesses other than the above categories.

4.2.6 Respondents by Monthly Income

The respondents by Monthly Income are divided into six levels; 300,000 kyat – 500,000 kyat, 500,001 kyat - 750,000 kyat, 750,001 kyat – 1,000,000 kyat, 1,000,001 kyat – 1,500,000 kyat, 1,500,000 kyat – 2,000,000 kyat and More than

2,000,000 kyat. Distribution of respondents by Monthly Income is shown in the following Table (4.6) and Figure (4.6).

Table (4.6) Number of Respondents by Monthly Income

Income (Kyat)	Frequency	Percentage
300000-500000	3	3.0
500001-750000	12	12.0
750001-1000000	23	23.0
1000001-1500000	14	14.0
1500001-2000000	22	22.0
More than 2000000	26	26.0
Total	100	100.0

Source: Survey data, 2019.

According to the Table (4.6) and Figure (4.6), 26 (26%) respondents fall into the level of at – 2,000,000 kyat. 23 (23%) respondents fall into 750,001 kyat – 1,000,000 kyat, 22 (22%) fall into 1,500,001 kyat – 2,000,000 kyat, 14 (14%) fall into 1,000,001 kyat – 1,500,000 kyat, 12 (12%) into 500001 kyat – 750,000 kyat and only 3 (3%) fall into 300,000 kyat – 500,000 kyat.

4.2.7 Experience of Respondent on UAB Consumer Loans

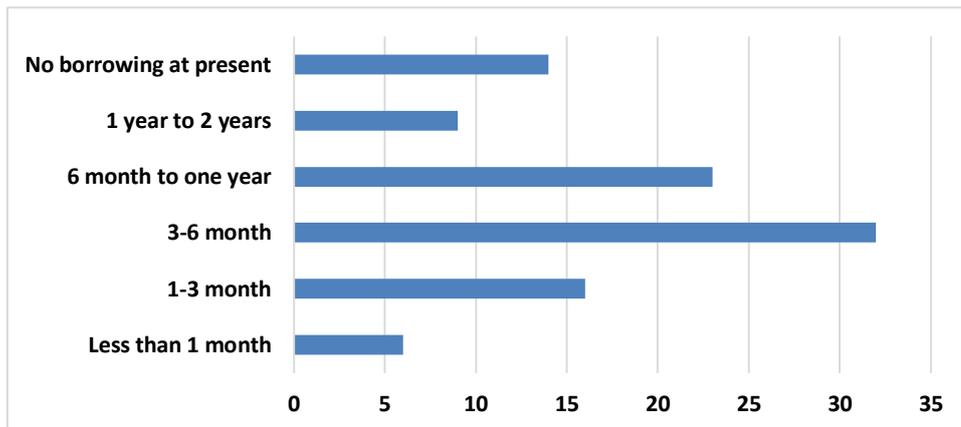
The respondents by Loan exposure at UAB are divided into 6 categories; less than 1 month, 1-3 months, 3-6-month, 6 months to one year, 1 year – 2 years and Not borrowing at present. The distribution by Occupation of the respondents is shown in Table (4.7).

Table 4.7 Year of Experience for UAB Retail Loans

Year	Frequency	Percentage
Less than 1 month	6	6.0
1-3 month	16	16.0
3-6 month	32	32.0
6 month to one year	23	23.0
1 year to 2 years	9	9.0
No borrowing at present	14	14.0
Total	100	100.0

Source: Survey data, 2019

Figure 4.1 Year of Experience for UAB Retail Loans



4.2.8 Reason for Choosing UAB Retail Loan

The respondents by reason for choosing Retail loans at UAB are divided into 6 categories; convenient to apply, Loan products are met with customer's requirement, Service is good, interest rate is lower than other banks, and processing time for loan approval is quick, due to referral from friend & relative and other. The distribution by Occupation of the respondents is shown in Table (4.8).

Table 4.8 Number of Respondents by their reason to choose UAB Consumer loans

Reason	Frequency	Percentage
Convenient to apply	32	32.0
Loan product are met with customer's requirement	19	19.0
Service is good	12	12.0
Interest rate is lower than other banks	2	2.0
Processing time for loan approval is quick	19	19.0
Due to referral from friend & relative	16	16.0
Total	100	100.0

According to the table, 32 (32%) fall into Convenient to apply, Loan products are met with customer's requirement and processing time for loan approval is quick both together fall into 19 (19%), 16 (16%) fall into due to referral from friend and relative, 12 (12%) fall into service is good and only 2 (2%) fall into interest rate is lower than other banks.

4.2.9 Sources to know about UAB Retail Loans

The respondents by sources to know about UAB Retail loans are divided into 5 categories: Newspaper/journal, Television/Radio, Social Network, from friend/colleagues and other. The distribution by sources to know about UAB Retail Loans of the respondents is shown in Table (4.9).

Table 4.9 Number of Respondents by sources to know about UAB

Sources	No of Respondents	Percentage
Newspaper/Journal	1	1.0
Television/Radio	7	7.0
Social Network	64	64.0
From Friend/Colleges	14	14.0
Other	14	14.0
Total	100	100.0

According to the table 4.9, 64 (64%) of the respondents fall into social network, both from friend/ colleagues and other fall into 14 (14%), 7 (7%) fall into Television/radio and 1(1%) fall into Newspaper/journal respectively.

4.3 Respondents on Type of Retail Loans

The purpose of this section is to examine the types of Retail loans, frequency of applications and applied financial institutions of the respondents.

4.3.1 Types of Retail Loan Customers

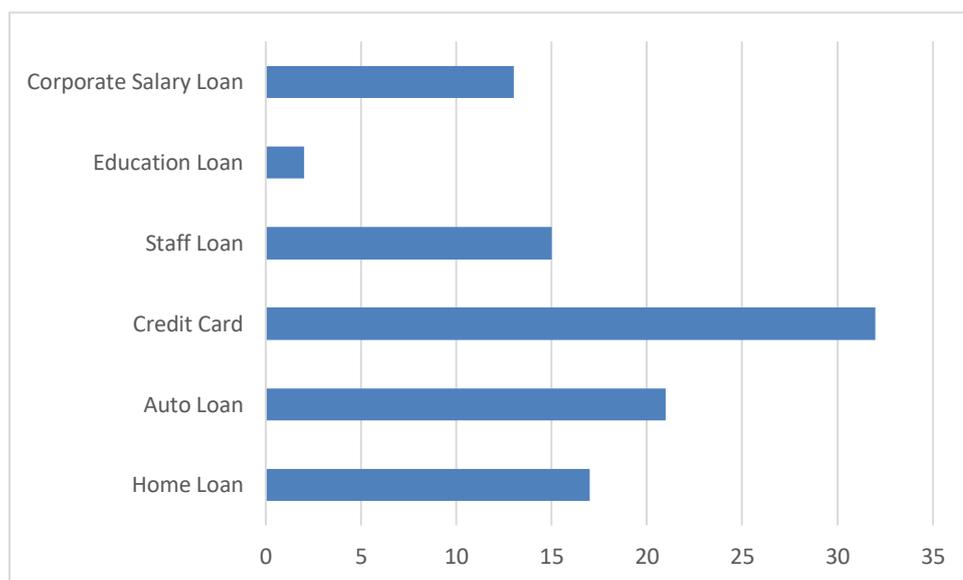
The respondents by type of retail loans are divided into 6 categories: Home loan, Auto loan, Credit card, Staff loan, Education loan and Corporate Salary Loan. The distribution by Type of consumer of the respondents is shown in Table (4.10).

Table 4.10 Number of Respondents by Type of Retail Loan

Types	Frequency	Percentage
Home Loan	17	17.0
Auto Loan	21	21.0
Credit Card	32	32.0
Staff Loan	15	15.0
Education Loan	2	2.0
Corporate Salary Loan	13	13.0
Total	100	100.0

Source: Survey data, 2019

Figure 4.2 Types of Retail Loan Customers



According to the table 4.10, majority of the respondents are 32 (32%) from Credit Card users. Auto loan customers are 21 (21%), Home Loan customers are 17, Staff loan and Corporate Salary loans customers are 15 (15%) and 13 (13%) respectively. Education loan customers are only 2 (2%).

4.3.2 Frequency of application for Retail Loan

The respondents by frequency of application for UAB consumer loans are divided into 3 categories: One time, 2-3 times and 4-9 times. The distribution by frequency of application for UAB consumer loans of the respondents is shown in Table (4.11).

Table 4.11 Number of Respondents by Frequency of Application for Consumer Loan

Financial Institution	No of Respondents	Percentage
One time	85	85.0
Sometimes	11	11.0
Never	4	4.0
Total	100	100.0

Source: Survey data, 2019

According to the table 4.11, the frequency of majority of the respondents are applying one time and it is 85 (85%) of the respondents. Only 11 (11%) of the respondents are using more than one time and 4 (4%) never applied yet.

4.3.3 Financial Institution to apply Retail Loan

The respondents by frequency of application for UAB retail loans are divided into 5 categories: UAB, CB, AYA, Yoma and KBZ. The distribution by frequency of application for UAB retail loans of the respondents is shown in Table (4.12).

Table 4.12 Number of Respondents by Financial Institution to apply Loan

Financial Institution	No of Respondents	Percentage
UAB	79	79.0
CB	7	7.0
AYA	8	8.0
Yoma	3	3.0
KBZ	3	3.0
Total	100	100.0

According to the table 4.12, 79 (79%) of respondents fall into UAB, 8 (8%) fall into AYA, 7(7%) fall into CB and 3 (3%) fall into Yoma and KBZ both.

4.4 Customer Perception on Retail Loan of UAB bank

This section presents the sampled the customers' perception in the products and service of UAB bank Retail loan. There are five dimension that are stated as Customer perception on Trustworthiness, Perception on Information Accessibility, Perception on Convenience, Perception on Assurance and Perception on Retail loan factor of UAB bank. Total 100 Respondents were examined to rate the perception of UAB bank retail loan. Every question has five alternative answers according to Likert Scale which consists of five degrees (Strongly Disagree, Disagree, Neutral, Agree and Strongly Agree). The translation of level ranking was analyzed mallow exterior of candidate's perception designed by Best (1997:174).The results are shown according to their perception levels on five dimensions; Customer perception on Trustworthiness, Perception on Information Accessibility, Perception on Convenience, Perception on Assurance and Perception on Retail loan factor of UAB bank in the following tables.

4.4.2 Customer Perception on Information Accessibility

Table (4.13) reports the information accessibility factors on consumer loans. It is found that the mean score of consumer loan products information are important for choosing products is 4.65, indicating that customers can easily access consumer loan products information and then they can consider which type of products will meet with their requirement. Table (4.13) also shows that the mean score of consumer loan products information are readily accessible is 4.32; higher than the cut off value of 3. It shows that product information data are easily accessible via various media channel. Regarding the mean score of staffs can efficiently explain their product information is 4.0, higher than the cut off value of 3, thus indicating that in-house and off-house training of financial institution for their employees are getting paid off to their objectives. Table (4.13) states that the mean value of “consumer loan products are well diversified with customer” need is 4.3, is much higher than the cut off value of 3, customers feel that UAB retail loans products are well diversified and targeting to different market segment. Table (4.13) states that the mean value of online loan application is useful for interested customers is 3.85 and it is higher than the cut off value of 3, customers agree that online loan application can assist them for quick assessment. Among the five aspects of perception on information processing on consumer loans, it is found that the mean score of consumer loan product information are important for choosing loan products share the largest while online loan application is useful for interested customers share the smallest.

Table 4.13 Customer Perception on Information Accessibility

No	Statement	Mean	Std. Dev
1	Consumer loan products information are readily accessible	4.32	.469
2	Consumer loan products are well diversified with customers’ needs	4.30	.659
3	Staffs can efficiently explain their product information	4.00	.348
4	Consumer loan product information are important for choosing products	4.65	.557
5	Online loan application is useful for interested customers	3.85	.479
Total Average Scores		4.2	

Source: Survey result, 2019

4.4.2 Customer Perception on Convenience

Table (4.14) indicates the relationship between the perception and conveniences as customers apply UAB retail loans. Loan products information should be easy to understand for everyone. Documents and data requirement also should be

compulsory data collection only. Customer will expect the communication and service of bank staff to be in good and loan processing time also should not take too long for decision making. Loan approved amount can be related to income level of the customer for their affordable to repayment capacity. To develop the banking services the decision makers need to ware of the customers need and requirement as today business world has a lot of competitors in all areas. The average score of the perception and convenience is 3.92 which show higher level than the average.

Table 4.14 Customer Perception on Convenience

No	Statement	Mean	Std. Dev
1	Consumer loan products information are easy to understand	4.11	.399
2	Minimum Data Requirement	3.85	.609
3	Loan amount given is directly related with customers' income	3.90	.438
4	Good relation and service of bank staff	4.01	.389
5	Less time is required between gaining information and loan decision making	3.76	.712
Total Average Scores		3.92	

Source: Survey result, 2019

4.4.3 Customer Perception on Assurance

Table (4.15) presents the relationship between the perception and assurance of bank staffs that is importance to know well about the products of UAB Retail loan.

Table 4.15 Customer Perception on Assurance

No	Statement	Mean	Std. Dev
1	Bank staff have very good knowledge about retail loan products	3.85	.500
2	Bank staff can explain the features of the loan's products according to their categories	3.89	.510
3	Bank staff knows and can support when customers have service-related problems.	3.86	.493
4	Bank staff clarify the doubt of the customers	3.87	.464
5	Bank staffs are humble, polite and professional skill when customers deal with them.	3.93	.326
Total Average Scores		3.88	

Source: Survey result, 2019

UAB bank recruits and trains the staff properly for the product knowledge and customer communication and service to assist the customer's requirement in real time. Bank Sale staff and operation staff need to understand the internal practices of UAB bank for retail loans and should be able to compare with the products of other banks to explain the customer for their best choices. Therefore, UAB bank staffs provide the best assurance to the customers which can develop the business rapidly. The average score of the perception on assurance is 3.88 which is higher in agreement level than the average as well.

4.4.4 Customer Perception on Retail Loan Factor

The result of the customer perception on retail loan of UAB bank is presented on the Table (4.16).

Table 4.16 Customer Perception on Loan Factor

No	Statement	Mean	Std. Dev
1	Interest Rate is competitive in the market	3.66	.924
2	Credit decisions for consumer loans are Fair for customers.	3.66	.924
3	Minimum Down payment requirement for Home/ Auto loan	3.98	.724
4	Repayment Period is preferable.	3.83	.514
5	Grace Period for repayment is Good.	3.97	.481
6	Services charges are acceptable.	3.82	.557
Total Average Scores		3.82	

Source: Survey result, 2019

It indicates that the mean score of minimum down payment requirement for Home/Auto loan is higher than the cut off value (3.98 over 3), customers consider the minimum down payment requirement for Home Loan and Auto Loan to be the real incentive for choosing between loans. It can be found that the average score of Grace period for repayment is 3.97, much higher than the cut-off value of 3. It shows that customers prefer to enjoy the repayment holiday for housing loan when choosing consumer loans. Regarding the mean value of repayment timeline (3.83) is higher than the cut off value of (3), thus indicating that people normally wants to repay their loan with long time horizon. The mean value calculated of acceptable service charges is very much higher than the cut off value (3.82 over 3); customers can agree on service charges incurred by various consumer loans. The average mean value for Credit decisions for consumer loans are fair for customers is 3.66 and it is above the cut off value of (3). Among the six aspects of motive factor on consumer loans, it states that minimum down payment requirement for Home/Auto loan share the largest

while Interest rate is competitive in the market and Credit decisions for consumer loans are fair for customer are lowest.

4.4.5 Customer Perception on Trustworthiness

Table (4.17) indicates the relationship between the perception and trustworthiness of UAB bank. Total average score is 4.07 and it mean that Trustworthiness is in good position and customers have high trust on UAB retail loans.

Table 4.17 Customer Perception on Trustworthiness

No	Statement	Mean	Std. Dev
1	Bank staff can protect customers' private data and keep it confidential.	4.22	.504
2	Customers feel that their transactions are safe and secure in UAB.	4.26	.463
3	Consumer loans practices are effectively regulated by authorities and bank follow the compliance.	4.24	.474
4	Interest Rate and charges are competitive and fair.	3.88	.498
5	Consumer loan procedures are simple and straightforward	3.91	.379
6	Consumer loans policy are balance for customer and bank side both.	3.96	.470
Total Average Scores		4.07	

Source: Survey result, 2019

It is found that the mean score of 4.07 of respondents feel that Bank staff can protect customers' private data and keep it confidential is high in agreement level, it can be said that customers are confident enough to share their information to the bank. Regarding the customers feel that their transactions are safe and secure in UAB, the mean score 4.26 is rated as very high, it can be concluded that customers think that their financial data are safe to transact in UAB bank. It is found that the mean score of respondents think that consumer loans practices are effectively regulated by authorities and bank follow the compliance is 4.24; the customers have very good perception on UAB bank that bank management is practicing the and following the prescribed rules and regulations and they are treated as fair and square in loan policies and procedures. The mean score of respondents' opinion on interest rate and charges are competitive and fair is 3.88 which is lowest response but still in high agreement level. The mean score for "retail loan procedures are simple and straightforward" and "Retail loan policy are balance for customer and bank side both are 3,91 and 3.96 respectively and both are in high agreement level for positive perception.

4.5 Overall Customer Perception on UAB Retail Loan

According to the results is most the respondents show their perception on high level on each five dimension that are stated as perception on perception on Trustworthiness, perception on Information Accessibility, perception on conveniences, perception on Assurance and perception on Retail loan factors.

Table 4.18 Comparison for Customer's Perception on Consume Loan of UAB Bank

No	Factor	Mean
1	Turstworthiness	4.07
2	Information Accseesibility	4.2
3	Convenience	3.92
4	Assurance	3.88
5	Retail Loan Factor	3.82

Source: Survey result, 2019

In the comparative analysis of five dimensions that high perception on Information Accessibility on UAB Retail loans and low perception on Retail Loan Factor. The overall mean average scores of each factor are illustrated in Table (4.18).

Chapter V

Conclusion

The main objectives of the study are to examine of the customer perception on the retail loans of UAB bank. The findings and discussion, suggestion and need for further research are presented in this chapter.

5.1 Findings

This study has analyzed about the customer perception on retail loans of UAB bank. The finding of the study presents the customers' responses and justifications about factors of Information Accessibility, Convenience, Assurance, Retail loan factors and Trustworthiness on UAB retail loans.

Customers agree that the information processing related to consumer loans is easily accessible and loan products information is readily accessible and it make them more convenient to consider which products will meet their requirement. They persist that sufficient information sharing is very important for decision of consumer loans. They can apply home loan through online application form on UAB bank website. Average mean score for Customer perception on information accessibility is 4.2 and it mean high agreement level from survey result. It is clear that product information provided by UAB bank is easy and fully accessible for customers to compare and explore the retail products in the market.

For using what types of loan which the customers are using, most of the respondents use Credit card, using Auto Loan, Home Loan, staff loan and Corporate Salary Loan customers are around 15% each. There are very few respondents for "Education Loan".

For promotion and awareness, most of the respondents answer that they know about the UAB retail loans through the "Social network" is majority and it is 64% of the respondents and "From friends/colleges", for the channels like Newspaper/Journals and Television/Radio, the answers are very few. Some respondents answer that they know about the agent banking through other media sources as well.

For the customers' perception on UAB retail loans, most the respondents show their perception on high level on each five dimension that are stated as perception on information accessibility, perception on conveniences, perception on Assurance, perception on Loan factor and perception on trustworthiness on banking services. For perception on information Accessibility, some respondents show their perception as high agreement level on "consumer loan product information are important for choosing products".

For perception on Convenience, some respondents show average in "Loan amount given is directly related with customer's income". For perception on Assurance, some respondents show high agreement level in "Bank staffs are humble, polite and professional skill when customers deal with them". For perception on Loan Factor, some respondent show high agreement level in "Repayment period is preferable". For perception on trustworthy, some respondents show high agreement level in "Consumer Loans policies are balance for customer and bank side both". In the comparative analysis, highest perception on Information Accessibility of UAB Retail Loans and lowest perception on Loan factor are found.

5.2 Suggestion

UAB Bank needs to revise the loan policies and interest rate and charges on retail loans. It needs to give the required skill trainings to the staff who directly dealing with the customers such as loan products training, sale guideline and communication skill training. Today banking market is very challenging and highly competitive. Banker must be aware of what the competitors initiates the new products and services in the market that is in an innovative approach. They have to find the way out how to sell the bank retail loans product to existing and potential customers both. Positive customer perception on the quality of services and products are very important for all the service providers so that they have to know how and in what extent of their customers will satisfy on their products sold or service provided them by checking.

Findings from the analysis can give them the great idea to support the bank management team to do better and effective decisions on setting loan policies and procedures in regard with retail loans perspective. In the comparative analysis of five

dimension of customer perception, the study found that highest perception on Information Accessibility of UAB Retail loans and lowest perception on Loan factor. It means that UAB management team need to revise the Retail Loan policies and procedures in order to meet with the customer expectation.

5.3 Limitation and Needs for Further Research

This study can enable to do research on small sample size, 100 respondents from UAB Yangon branches according to the limitation. The future study can extend on this area for wider perspective with bigger sample size and wider study area. This study can only focus on the few customers through UAB existing customers. So, the future studies can do the nationwide UAB branches than Yangon area to examine the geographical perspective of the respondents as well.

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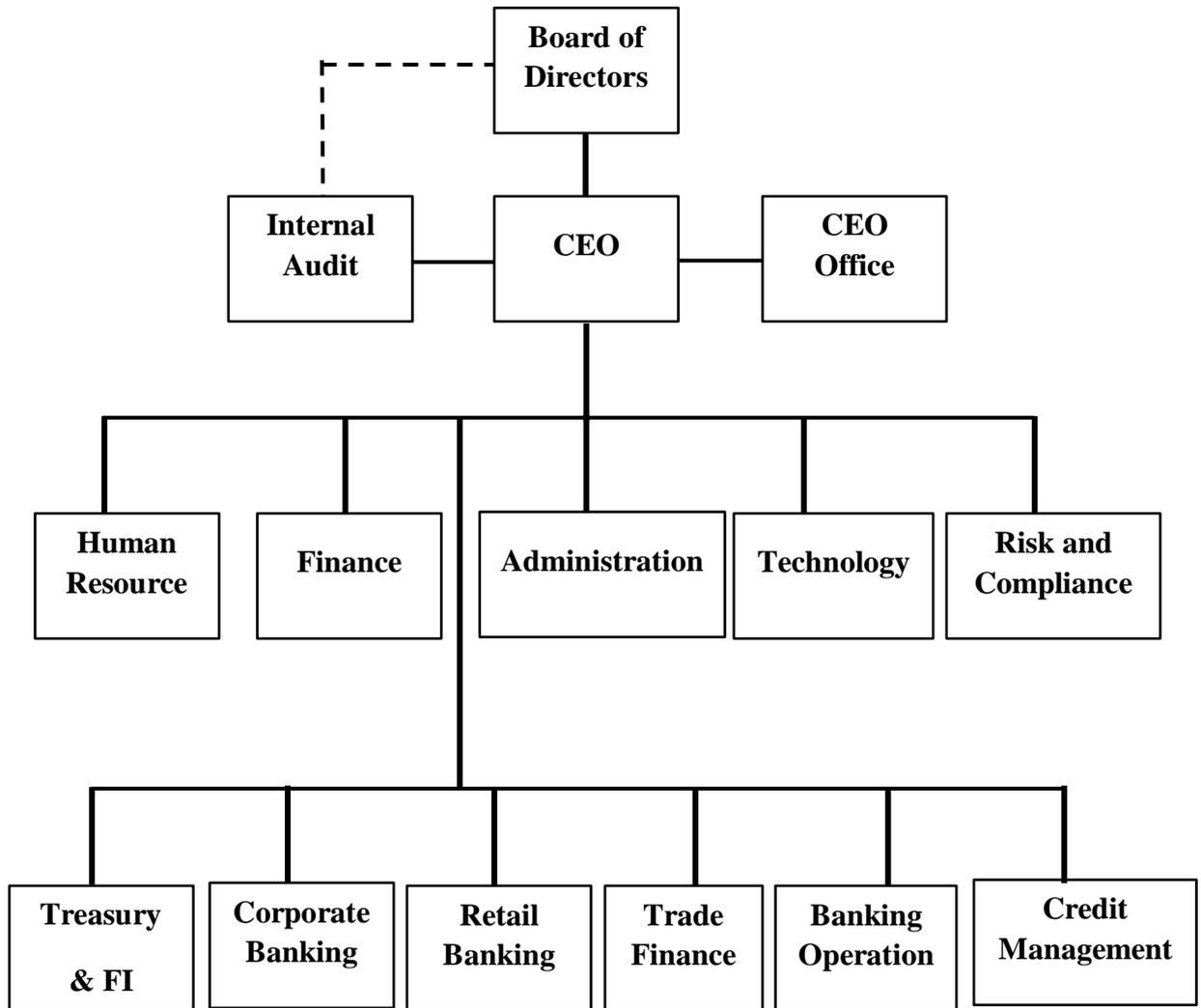
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Organization Structure of UAB bank



UAB bank branches in Yangon

Appendix (B)

Branch Code	Branch Name	Township
002	LATHA	Latha
005	TAMWE	Tamwe
008	BAYINTNAUNG	Mayangone
010	THIN GAN GYUN	Thingangyun
016	SANCHAUNG	San Chaung
020	SHWE BON THAR	Pabedan
021	KYIMYINDINE	Kyimyindine
022	MYINPYAINGKWIN	Tamwe
023	NORTH DAGON	North Dagon
024	PHONE GYI ST	Lanmadaw
025	SHWE GONE DINE	Bahan
026	HLAING	Hlaing
028	SAW BWAR GYI GONE	Mayangone
027	THEIN PHYU	Thein Phyu
034	YANKIN (SHWE OHN PIN)	Yankin
035	NORTH OKKALARPA (WAIPONLA)	North Oakkalapa
036	PAZUNDAUNG (YAEKYAW)	Pazundaung
040	SOUTH DAGON	South Dagon
041	YANKIN(KYAUKKONE)	Yankin
042	PABEDAN	Pabedan
045	NORTH OKKALAPA(THIRIYDN)	North Oakkalapa
048	AHLONE	Ahlon
049	THAMINE	Insein
050	MINGALARTAUNGNYUNT	Mingalartaungnyunt
051	THUWANNA	Thingangyun
052	YAZADIRIT	North Dagon
053	KAMARYUT (HLEDAN)	Kamaryut
054	SOUTH OKKALAPA	South Oakkalapa
055	KAMARYUT (SINMALITE)	Kamaryut
056	KYAUKTADA (SULE)	Kyauktada
057	KYIMYINDINE (PANN PIN GYI ST)	Kyimyindine
058	DAGON (NAWADAY St.)	Dagon
059	LANMADAW (WAH TAN STREET)	Lanmadaw
060	BOTAHTAUNG (BOMYATHTUN)	Botahtaung
064	THIN GAN GYUN(ZAWANA)	Thingangyun
066	THAKETA (AYER WUN ROAD)	Thaketa
067	LATHA (STRAND ROAD)	Latha
070	MINGALAR TAUNG NYUNT (BANYARDALA RD)	Mingalartaungnyunt
071	PAZUNDAUNG (MAHABANDULA 54 ST)	Pazundaung
072	BAHAN (NEW UNIVERSITY ROAD)	Bahan
073	LATHA (SHWEDAGON PAGODA ROAD)	Latha
074	SOUTH OKKALAPA (NANDAWIN MARKET)	South Oakkalapa
076	KYAUKTADA (PANSODAN ST)	Kyauktada
077	PAUK TAW WA	Insein

Source: UAB bank

Personal Data ----- (Name optional)

Please tick () in the box appropriate to the answers of your choice.

1. Sex

- Male
- Female

2. Marital status

- Married
- Single
- Widow/divorced
- Not to answer

3. Age

- Under-18
- 18-24
- 25-34
- 35-44
- 45-54
- 54 years above

4. Education

- Basic Education
- High school
- Undergraduate
- Graduate
- Master
- Doctorate

5. Occupation

- business owner
- Government staff
- Professional/Expert
- Company staff
- Other

6. Monthly income

- 300,000 kyat – 500,000 kyat
- 500,001 kyat – 750,000 kyat
- 750,001 kyat – 1,000,000 kyat
- 1,000,001 kyat – 1,500,000 kyat
- 1,50,001 kyat – 2,000,000 kyat
- More than 2,000,000 kyat
- Prefer Not to Mention

7. How long have you taken retail loan from UAB?

- Less than 1 month
- 1 to 3 months
- 3 to 6 months
- 6 months to 1 year
- 1 year to 2 years
- Above 2 years
- No borrowing at present

8. Why do you want to choose UAB retail Loan?

- Convenient to apply
- Loan products are met with customer's requirement
- Service is good.
- Interest rate is lower than other banks
- Processing time for loan approval is quick
- Due to referral from friends & relatives
- Other

9. From which sources do you know about UAB retail loans?

- Newspaper/Journals
- Television/Radio
- Billboard/Broachers
- Social network
- From friends/colleges
- Other

Section Two

Please complete the following section, which asks for your consumer loan knowledge and usage.

1. Please specify the types of consumer loans you have used (Please tick. You can tick more than one circle)

- Home Loan
- Auto Loan
- Credit Card
- Staff loan
- Education Loan
- Corporate Salary Loan
- Other ----- (Please specify)

2. Please specify the financial institution you have chosen to apply loans (Please tick. You can tick more than one circle.)

- UAB bank
- CB bank
- AYA bank
- Yoma bank
- KBZ bank
- Other ----- (Please specify)

3. Please specify frequency of your application for retail loans (Please tick. You can tick more than one circle.)

- One (1 time)
- Sometimes (2-3 times)
- Often (4-9 times)
- Never

Section Three

Strongly Disagree (SD) = 1,

Disagree (D) = 2,

Neutral (N) = 3,

Agree (A) = 4

Strongly Agree (SA) = 5

No	Using the scale above (1-5) please tick the levels of agreement in each of the items below with regards to the customer behavior of consumer loans.	1	2	3	4	5
	Customer Perception on Information Accessibility Factor					
1	Consumer loan products information are readily accessible					
2	Consumer loan products are well diversified with customers' needs					
3	Staffs can efficiently explain their product information					
4	Consumer loan product information are important for choosing products					
5	Online loan application is useful for interested customers					

No	Customer Perception on Convenience Factor	1	2	3	4	5
1	Retail loan products information are easy to understand					
2	Minimum Data Requirement					
3	Loan amount given is directly related with customers' income					
4	Good relation and service of bank staff					
5	Less time is required between gaining information and loan decision making					

No	Customer Perception on Assurance Factor	1	2	3	4	5
1	Bank staff have a very good knowledge about the consumer loan products					
2	Bank staff can explain the features of the loans products according to their categories					
3	Bank staff know and can support when customers have service related problems.					
4	Bank staff clarify the doubt of the customers					
5	Bank staffs are humble, polite and professional skill when customers deal with them.					

No	Customer Perception on Retail Loan Factor	1	2	3	4	5
1	Interest Rate is competitive in the market					
2	Credit decisions for consumer loans are Fair for customers.					
3	Minimum Down payment requirement for Home/ Auto loan					
4	Repayment Period is preferable.					
5	Grace Period for repayment is Good.					
6	Services charges are acceptable.					

No	Customer Perception on Trustworthiness	1	2	3	4	5
1	Bank staff can protect customers' private data and keep it confidential.					
2	Customers feel that their transactions are safe and secure in UAB.					
3	Consumer loans practices are effectively regulated by authorities and bank follow the compliance.					
4	Interest Rate and charges are competitive and fair.					
5	Retail loan procedures are simple and straightforward					
6	Retail loans policy are balance for customer and bank side both.					

Give your suggestion (if any)

Thank You