

YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF COMMERCE
EXECUTIVE MASTER OF BANKING AND FINANCE
PROGRAMME

CUSTOMER ADOPTION OF INTERNET BANKING SERVICES
IN MAB BANK

SI THU WIN
(EMBF-5th BATCH)

DECEMBER 2019

CUSTOMER ADOPTION OF INTERNET BANKING SERVICES IN MAB BANK

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

Supervised by:

Daw Yee Yee Thein
Associate Professor
Department of Commerce
Yangon University of Economics

Submitted by:

Si Thu Win
Roll No. - 56
MBF 5th Batch

DECEMBER 2019

ACCEPTANCE

Accepted by the Board of Examiners of the Department of Commerce,
Yangon University of Economics, in partial fulfillment for the requirements of the
Executive Master of Banking and Finance (EMBF).

(Chairman)
Dr. Tin Win
Rector
Yangon University of Economics

(Supervisor)
Daw Yee Yee Thein
Associate Professor
Department of Commerce

(Examiner)
Dr. Tun Aung
Pro-Rector
Yangon University of Economics

(Examiner)
Professor Dr. Daw Soe Thu
Program Director
MBF Program
Yangon University of Economics

(Examiner)

(Examiner)

(Examiner)

(Examiner)

DECEMBER 2019

ABSTRACT

This thesis reports the findings of a study concerning the factors influencing on the customer adoption and uses of Internet Banking services in Myanma Apex Bank. This study investigates costumers' adoption within the context of MAB Internet Banking services and research framework is based on the extension of Decomposed Theory of Planned behavior which mainly includes the factors such as customer attitude, subjective norms, perceived behavioral Control. For this study, descriptive method is used and questionnaire survey using Google Form was conducted to gather the primary data and 100 complete responses were gathered from banking customers who were internet banking users. The findings show that intention to adopt Internet banking services can be predicted by attitudinal and perceived behavioral control factors, but not by subjective norms. Awareness of internet banking services is essential and effective digital marketing should be needed to educate potential customers. Messenger Chatbot should be used to support the customer experience through customer journey. It is essential to provide a well-designed and user-friendly web site to attract potential customer's attention as effective delivery channels. Regular surveying of customer' requirement should be conducted to ensure continuous improvement. Security provisions should be posted on bank's web site clearly to create customer confidence. Internet banking is a way of cash-less society which play a vital role in socioeconomic. Thus, the banks should implement internet banking system to speed up the digital-economy in the near future.

ACKNOWLEDGEMENTS

First and foremost, I would like to thank Professor Dr. U Tin Win, Rector of Yangon University of Economics, for his kind support and wisdom always granted to MBF students and also grateful to Dr. Daw Nilar Myint Htoo, Pro-Rector of Yangon University of Economics, for his continuous support and encouragement.

I also would like to extend my sincere thanks to Professor Dr. Soe Thu, Programme Director of the Master of Banking and Finance, Head of Department of Commerce, Yangon University of Economics for her monitoring, suggestions and guidance in carrying out this paper.

I wish to extend deepest thank to my supervisor, Daw Yee Yee Thein, Associate Professor, Department of Commerce, who supervised and gave me invaluable advise, helpful encouragement, close guidance throughout my thesis. My sincerest thank go to all lecturers, associate professors, professors of Department of Commerce and all visiting lecturers and professors who actively contributed their valuable knowledge and wisdom to us.

Furthermore, I would like to express my special gratitude and thank the managers and management of MAB Bank for giving an opportunity to study about the adoption of internet banking services for this thesis.

Finally, I would like to thanks my colleagues, customer and all respondents who warmly pay attention for answering the questionnaires.

TABLE OF CONTENTS

Abstract	i
Acknowledgements	ii
Table of Contents	iii
List of Tables	v
List of Figures	vi
List of Abbreviations	vii
CHAPTER 1 INTRODUCTION	
1.1 Rationale of the Study	3
1.2 Objectives of the Study	4
1.3 Scope and Methods of the Study	4
1.4 Organization of the Study	4
CHAPTER 2 THEORETICAL BACKGROUND OF THE STUDY	
2.1 History of Internet Banking	6
2.2 Definition of Internet Banking	7
2.3 International Internet Banking Services	8
2.4 Customer Adoption Theory	10
CHAPTER 3 INTERNET BANKING SERVICES IN MAB BANK	
3.1 Internet Banking Services in Myanmar	14
3.2 Profile of MAB Bank	16
3.3 Organization Structure of MAB Bank	17
3.4 Internet Banking Service of MAB Bank	19
CHAPTER 4 ANALYSIS OF INTERNET BANKING SERVICES	
4.1 Research Methodology	24
4.2 Demographic Characteristics of the Respondent	26
4.3 Analysis on Internet Banking Service Usage	27
4.4 Analysis of Customer Adoption on Internet Banking Services	27
CHAPTER 5 CONCLUSION	
5.1 Findings	33

5.2	Suggestion	34
5.3	Need for the Future Study	35
	REFERENCES	37
	APPENDIX	38

LIST OF TABLES

Table No.	Description	Page No.
4.1	Mean and Level of Agreement	27
4.2	Demographic characteristics	29
4.3	Analysis on Internet Banking Service Usage	30
4.4	Relative Advantage of Attitude	31
4.5	Compatibility of Attitude	31
4.6	Complexity of Attitude	32
4.7	Trialability of Attitude	32
4.8	Risk of Attitude	33
4.9	Self- efficacy	33
4.10	Technological Support	34
4.11	Subjective Norm	35

LIST OF FIGURES

Figure No.	Description	Page No.
2.1	Framework of Adoption of Internet Banking	13
3.1	MAB Bank Organization Structure	20

List of Abbreviations

B2B	Business to Business
B2C	Business to Customers
IT	Information Technology
CBM	Central Bank of Myanmar
ATM	Automated Teller Machine
SMS	Short Message Service
ARPA	Advanced Research Project Agency
ICT	Information and Communication Technology
OTP	One Time Password
TPB	Theory of Planned Behavior
TRA	Theory of Reasoned Action
ATB	Attitude Toward Behavior
SN	Subjective Norm
PBC	Perceived Behavioral Control

CHAPTER 1

INTRODUCTION

Internet banking facilitates for bank customers to carry out financial transactions on their own through the use of a secured internet website operated by the commercial bank, a retail or virtual bank, credit union or building society (Edojariogba, 2014). Internet banking becomes as the new trend and it comes as the latest technology in the current era. Due to the development of technological advancements ATM's, credit cards, debit cards, Tele-banking, internet banking have become as effective delivery channels. It helps to deliver traditional banking products. Banks have realized that the internet helps to expand their performance local into global (Mavri and Ioannou, 2006).

Internet banking becomes popular day by day. Every person is busy with their works. They are seeking immediate services from the banks to maximize their benefits. Instead of paper banking now moves to the paperless banking systems. It helps to get quicker services with a minimum time and cost. Customers can use internet banking facilities during 24 hours while staying anywhere such as home, business, and etc. Moreover, Internet Banking is called many names such as E-Banking, Online Banking and Virtual Banking. Bank customers can access their accounts through the internet. Here, Customers are given their own user names and password, by the banks to access their accounts. By using their own user name and password they can do their all transactions without going to the banks (Burnham, 1996).

The concept of internet banking activities performed through electronic networks. It is the most recent delivery channel of banking services which is used for both Business to Business (B2B) and Business to Customers (B2C) transactions. By using internet banking, customers can get varieties of services such as payment of bills and invoices, transfer of funds between accounts, applying for loans, payment of loan installments, sending funds to third parties via e-mails or internet connections regardless of where the client is located (Rahman, 2002). Internet banking is the cost effective and cheapest delivery channel which reduces a large number of staff needs because no need a large number of employees to do their transactions. All the transactions can be done through the internet. Internet banking provides competitive

advantages to the banks (Ortega, Martínez and Hoyos, 2007). With the development of the information technology banking sector's performance boosts day by day. Banks should consider reducing the inconvenience, minimizes cost of transactions and time saving to be important (Kaleem, 2008).

With the rapid diffusion of the Internet, banking in cyberspace is fast becoming an alternative channel to provide banking services and products in Myanmar. Due to the successful ending off the rule of a military junta which ran over 40 years, the infrastructure facilities are now developing in Myanmar. As well as the education level of Myanmar is in a high position and people are heading towards better life styles. In April 2016, a newly elected government, under the National League for Democracy came into power. According to the party's election manifesto and economic plan, the continuing liberalization of the financial sector was a cornerstone of their future political agenda. The local banks are already providing services on the Internet and Internet banks, Such as CB bank, are beginning to appear in 2013. One of major bank, MAB also started the Internet Banking Services in July 2016 later. The Internet is now being considered as a strategic weapon and will revolutionize the way banks operate, deliver, and compete against on another, especially when competitive advantages of traditional branch network are eroding rapidly (Nehmzow, 1997; Seitz, 1998). Driven by the challenge to expand and capture a larger share of the banking market, some banks invest in more bricks and mortar to enlarge their geographical and market coverage. Others have considered a more revolutionary approach to deliver their banking services via new medium: the Internet.

Indeed, the emergence of Internet Banking has prompted many local banks to rethink their IT strategies in order to stay competitive. Customers today are demanding much more from banking services. They want new levels of convenience and flexibility (Birch and Young, 1997; Lagoutte, 1996) on top of powerful and easy to use financial management tools and products and services that traditional retail banking could not offer. Internet banking has allowed banks and financial institutions to provide these services by exploiting an extensive public network infrastructure (Ternullo, 1997). Despite the many potential benefits, many teething problems will need to be addressed before Internet banking can become widely adopted. It is believe that, in the future, Internet banking will recede in importance as a strategic application

to become a competitive necessity that must be adopted by most, if not all banking and financial institutions.

1.1 Rationale of the Study

The internet banking phenomenon has transformed the way banks across the world carry out banking transactions and has brought about new strategic directions for investment in banking information and communication technologies. Internet banking is becoming increasingly globalized through the use of internet and World Wide Web. Enacted on July 11, 2013, the revised Central Bank of Myanmar Law (CMBL) has far-reaching consequences. It gives the CBM the authority and responsibility to carry out all central banking functions and CBM is no longer under the control of the Ministry of Finance (MoF) but has become an independent institution with its governor being at the minister level. Since then, banking industry is developing as never before and local banks have a huge opportunity for financial inclusion. They are trying to reach their services to the huge unbanked population in Myanmar, with bank branches and services inaccessible in most rural areas using new service channel (ATM, Internet Banking and Mobile Banking) as Digital Banking instead of bricks and mortar. Therefore, the local banks play a vital role in the socio economic matters of the country.

Many researchers conducted on the understanding of how Relative Advantage, perceived ease of use, Perceived usefulness, demographics factors, perceived trust, social influence, Compatibility, perceived Security, Trialability, Service quality, Complexity factors influence on the customer adoption of internet banking (Ghaith, Sanzogni and Sandhu, 2010). In that manner, most of major banks (such as KBZ, AYA and CB) are trying to use internet banking as the competitive tool, in order to get the competitive advantage. They introduced the internet banking in recent years and they have very large customer base in Myanmar. Internet banking allows creating solutions and plans to attract more customers to gain more share in the internet banking market. MAB has launched Internet Banking Services to keep standard with other banks in 2016 and MAB still has many challenges to gain the market share in internet banking sector with scarce resources in short-term. Therefore, to identify the factors influencing on the customer adoption of internet banking services in MAB bank are necessary to leapfrog other Internet Banking Services. In that manner the

major problem associated with this research is whether there are any factors influencing on the customer adoption of internet banking services of MAB in Myanmar.

1.2 Objectives of the Study

The objectives of the study are as follow:

1. To identify the Internet Banking Services provided by MAB.
2. To analyze the customer adoption of Internet Banking Services in MAB.

1.3 Scope and Methods of the Study

This research study focus only on customer adoption of Internet Banking Services in MAB. Descriptive statistics method is used in this research. Quantitative analysis will mainly be applied in this research.

The study employs primary data as well as secondary data. The primary data was collected from 100 respondents (sample size) over 30 branches in Yangon and 10 branches in Mandalay by using simple random sampling and interviewed with structured questionnaire. The secondary data was collected from different published source; reports, research papers, articles and news from Internet.

The questionnaire consists of two sections. The first section gathers general information about respondent like age, occupation, gender, age and so on. The second section is about perception of respondent about internet banking. The five point likert scale is used for statements of the second section ranging from “1” for strongly agree, “2” agree, “3” neutral, “4” disagree, “5” for strongly disagree.

1.4 Organization of the Study

This research study which is presented in five chapters focused on identifying and observing the factor that drive the adoption and acceptance of Internet Banking of MAB Bank. Chapter one describes the introduction of the study, Rationale of the Study, Objective of the Study, Scope and Methods of the Study and Organization of the Study. Chapter two describes the history of internet banking, definition of internet banking, international internet banking services, benefits of internet banking for banks, benefits of internet banking for customer and customer adoption theory. Chapter three includes the internet banking services in Myanmar, profile of MAB

Bank, organization structure of MAB Bank, internet banking services of MAB Bank. Chapter four includes research design, demographic characteristics of the respondent, analysis on internet banking service usage and the analysis of customer adoption on Internet Banking Services. Finally, chapter five conclude with finding of the study, suggestion and need for the future study.

CHAPTER 2

THEORETICAL BACKGROUND OF THE STUDY

This chapter describes the history of internet banking, the definition of internet banking, international internet banking services, benefits of internet banking for banks, benefits of internet banking for customers and decomposed of theory of planned behavior.

2.1 History of Internet Banking

The internet was created by a company called ARPA (Advanced Research Project Agency) in 1966/67 associated with US government for military use. The original name of the internet was ARPANET. Until the introduction of the World Wide Web (www) in 1990, the internet was unknown in universities and corporate. It was only in the late 1980's that electronic banking become popular. Electronic banking was created as a result of various technological changes which have affected the banking industry. The evolution of E-banking started with the Automatic Teller Machines (ATM) and has included payment bill, electronic fund transfer among others. The revolution of information technology in the banking industry began in the early 1970s, with the introduction of the Automated Teller Machine (ATM) which was first installed by Barclays Bank in the United Kingdom (Du, 2011:2). Internet banking was first adopted in New York and banks like Wells Fargo, Chase Manhattan and Security First Network were among the first to provide home banking.

In the late 1990s, internet banking reached its momentum and customers made use of the comfort of transacting over the web. Thus, banking sector embraced a new era of ICT revolution and marked a paradigm shift in the banking services' distribution channels in the form of telephone banking, ATMs, debit cards, internet banking, and mobile banking. All the above channels provides services, which can be also known as "any time anywhere" banking.

As a result of the technology transformation in the 1990s, banks invested great amounts of money in technology in order to edge competitive advantage, reduce costs, improve financial services, enlarge their customer databases, improve profit through innovative products and boost their general customer satisfaction and loyalty. Chandio (2011:51) contends that "internet is one of the most important advances in IT

sector and internet offers a variety of services particularly in carrying out transactions and facilitating communication in business field and E-commerce is a miracle of internet which has potential to transcend the geographical limitation and boundaries”.

2.2 Definition of Internet Banking

Internet banking can be defined as transactional online banking at an advanced level because by using internet banking, customers can possess varieties of benefits such as to access their account via the internet, view their account details, buying financial services through the online, transfer funds. The terms Internet Banking and Online Banking are often used in the literature to refer the same things. Unlike traditional banking, internet banking is available for 24 hours a day. Therefore, customers can access their accounts at any time (Sathye, 1999).

According to the (Tan and Teo, 2000), internet banking facilitates varieties of transactions to their customers. When initially introduced, Internet banking was used as information delivery methods because banks published their information on their websites. Therefore, customers can access and can get much information. With the development of the internet and information technologies, banks tend to adopt internet banking as transaction mode and information mode. Further, he found that internet banking facilitates common banking transactions to their customers such as writing checks, paying bills, transferring funds, printing statements and inquiring about account balances. Internet offers, opportunity with ease and convenience to perform banking transactions such as cash withdrawals, money transfer, payment of goods and services, payment of utility bills (Chavan, 2013). Some authors and researchers have described and defined internet banking in different ways.

On the other hand, electronic banking is the means by which the services and products of banks are made available to their customers through the use of internet and electronic digital devices irrespective of the location of the customer and time of carrying out the transaction. Furthermore, this implies that electronic banking channels enable customers to carry out transactions on their own with ease and convenience (Ovia, 2002). Consequently, customers can carry out banking transactions, such as withdrawal of cash, deposits or transfer of funds, make payment for goods and services online without the direct help of the bank. Internet banking is the use of electronic channels such as telephone, mobile phones, computer systems,

the internet and so on for the delivery of banking services and products. This implies that for a customer to successfully use any e-banking product for performing financial transactions there must be an internet connection and smart digital systems such as computers and mobile phones (Sharma, 2011). Internet banking offers the traditional players in the financial services sector the opportunity to add a low cost distribution channel to their numerous different services. Internet banking also threatens the market share of traditional banks, because it neutralizes so many of the competitive advantages of having a traditional branch network (Nehmzow, 1997). Internet banking services vary from bank to bank. Virtually all banks that offer internet banking services allow consumers to check the balance in their accounts, transfer funds and make electronic bill payments, while the more sophisticated internet banking systems allow customers to apply for loans, trade stocks or mutual funds, and even view actual images of their deposit slips (Tang, 2004).

Internet banking is the term used for new era banking structure (Elisha, 2010). The term can ordinarily be referred to as online banking and it is a product of personal computer banking which uses the internet as the delivery channel (Elisha, 2010). This implies that electronic banking requires the use of computer systems connected to the internet. This method enables customers to carry out banking transactions such as transfer of funds, payment of bills, viewing and checking account balances, payment of mortgages and purchase of financial instruments and certificates of deposits' banking is the automated delivery of existing and new banking products and services to customers through various electronic interactive communication channels.

2.3 International Internet Banking Services

Wells Fargo was the first U.S. bank to add account services to its website, with other banks quickly following suit. That same year, Presidential became the first U.S. bank to open bank accounts over the internet. According to research by Online Banking Report, at the end of 1999 less than 0.4% of households in the U.S. were using online banking. At the beginning of 2004, some 33 million U.S. households (31%) were using some form of online banking. Five years later, 47% of Americans used online banking, according to a survey by Gartner Group. Meanwhile, in the UK online banking grew from 63% to 70% of internet users between 2011 and 2012.

Online banking facilities typically have many features and capabilities in common, but also have some that are application specific. The common features fall broadly into several categories:

- (1) A bank customer can perform non-transactional tasks through online banking, including:
 - a) Online registration
 - b) Viewing account balances
 - c) Viewing recent transactions
 - d) Downloading bank statements, for example in PDF format
 - e) Viewing images of paid cheques
 - f) Ordering cheque books
 - g) Apply for Credit Card
 - h) Apply for Personal Loan
 - i) Downloading applications for M-banking, E-banking etc.
- (2) Bank customers can transact banking tasks through online banking, including:
 - a) Funds transfers between the customer's linked accounts (Internal Account Transfer, Interbank Transfer and International Account Transfer)
 - b) Direct Debits and Standing Orders
 - c) Paying third parties, including bill payments and third party fund transfers
 - d) Investment purchase or sale
 - e) Loan applications and transactions, such as repayments of enrollments
 - f) Credit card applications
 - g) Debit card applications
 - h) Register utility billers and make bill payments
 - i) Online Cheque Deposit
- (3) Financial institution administration
- (4) Management of multiple users having varying levels of authority
- (5) Transaction approval process

Internet banking software provides personal and corporate banking services. Access is usually through a secure web site using a username and password, but security is a key consideration in internet banking and many banks also offer two factor authentication using a security token. Most Internet Banking support OTP SMS for retail banking and RSA Token for corporate banking to keep customer's accounts safe.

In conclusion, needless to say, Internet Banking is the latest service of major bank and it is one channel of digital banking for banks to expand their services and banking network online in the competitive market.

2.4 Customer Adoption Theory

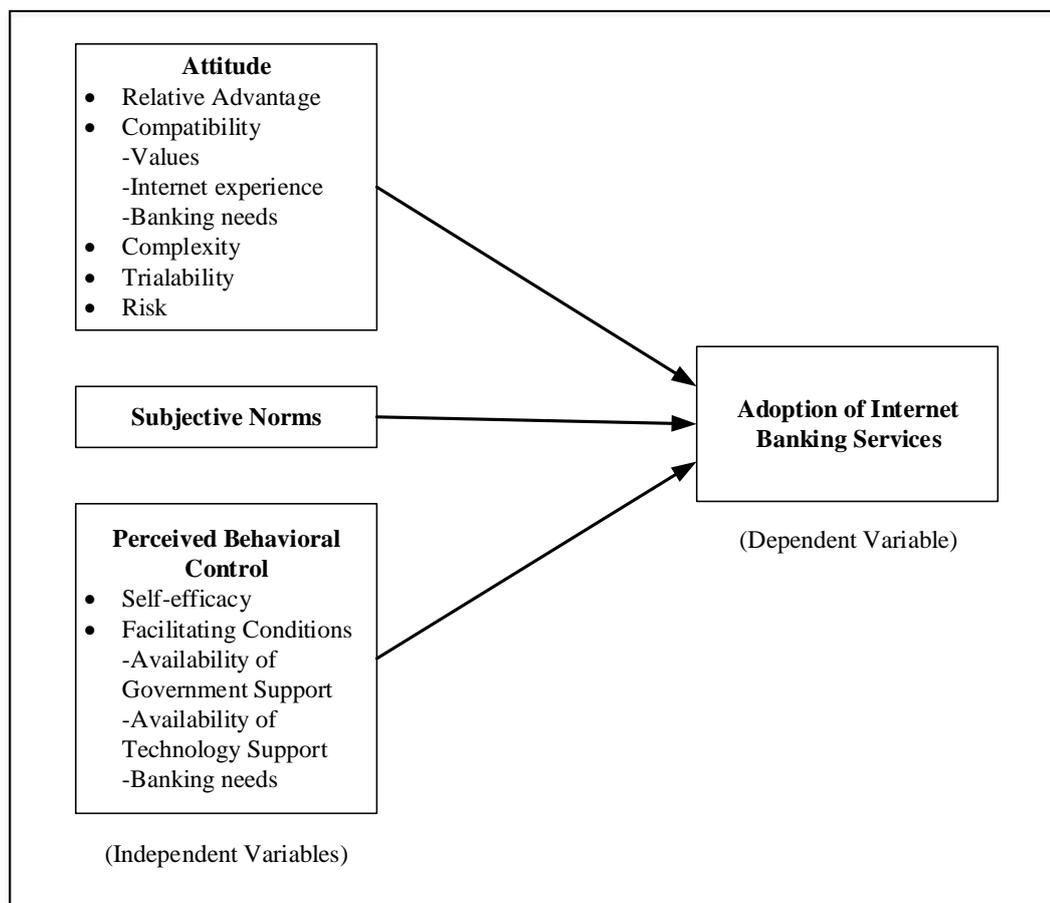
The research framework for this study is based on the extension to decomposed theory of planned behavior (Tan & Teo, 2000). Extension to Decomposed Theory of Planned Behavior (TPB) is widely studied model from social psychology which was extended from the theory of reasoned action (TRA). TPB hypothesized by individual's behavioral intention (BI) to perform a behavior is jointly determined by the individual's attitude toward performing the behavior (ATB), subjective norm (SN) and perceived behavioral control (PBC). Taylor and Todd (1995) extended theory of planned behavior by decomposing the attitude component (as relative advantages, compatibility, complexity, which were mentioned in diffusion of innovation theory by Rogers (1983) and perceived behavioral control component (as self-efficacy and facilitating conditions). Based on the above decomposed theory of planned behavior, Tan and Teo (2000) extended it to identify the factors influencing internet banking adoption behavior on Singapore. So this research study is mainly based on this extended theory of planned behavior and it is composed with:

In extension to decomposed theory of planned behavior, framework proposes that a person's intention to adopt Internet banking is determined by three factors. They are (1) attitude, which describes a person's perception towards Internet banking; (2) subjective norms, which describe the social influence that may affect a person's intention to use Internet banking; and (3) perceived behavioral control which describes the beliefs about having the necessary resources and opportunities to adopt Internet banking. Intention to adopt Internet banking services, in return, is expected to affect the actual adoption of Internet banking. In the context of the framework, intention to adopt Internet banking services is thus the dependent variable, while the independent variables comprise attitude, subjective norms, and perceived behavioral control. Figure 2.1 shows the conceptual framework for the adoption of Internet banking services.

Attitude

Attitude is defined as an individual's positive and negative feelings (evaluative effect) about performing target behavior (Fishbein & Ajzen, 1975). The different dimensions of attitudinal belief toward an innovation can be measured using the five perceived attributes (relative advantage, compatibility, complexity, trialability and observability) specifically first three attributes of an innovation (Taylor & Todd, 1995). These attributes were originally proposed in the diffusion of innovations theory (Rogers, 1983), were applied in this framework with the exception of observability, which is defined as the degree to which the results of an innovation are visible to others (Rogers, 1983). Observability was considered irrelevant in this study because an important characteristic of doing banking is 'privacy'. Therefore, observing others using internet banking services may prove difficult unless one makes a conscious effort to do so (Tan & Teo, 2000).

Figure 2.1 Conceptual Framework of Internet Banking



Source: Tan & Teo, 2000

Related advantage refers to the degree to which an innovation provides benefits which supersede those of its precursor and may incorporate factors such as economic benefits, image, enhancement, convenience and satisfaction (Rogers, 1983). Relative advantages should be positively related to an innovation's rate of adoption (Rogers, 1983; Tan and Teo, 2000).

Compatibility is the degree to which the innovation fits with the potential adopter's existing values, previous experience and current needs (Rogers, 1983). Tornatzkey and Klein (1982) find that an innovation is more likely to be adopted when it is compatible with the job responsibilities and value system of the individual. Therefore, it may be expected that compatibility relates positively to adoption.

Complexity represents the degree to which an innovation is perceived to be difficult to understand, learn or operate (Rogers, 1983). It is also defined as "the degree to which an innovation is perceived as relatively difficult to understand and use". Innovative technologies that are perceived to be easier to use and less complex have a higher possibility of acceptance and use by potential users. Thus, complexity would be expected to have negative relationship to attitude. Complexity (and its corollary, ease of use) has been found to be an important factor in the technology adoption decision (Davis et al.,1989).

Trialability is the degree to which an innovation may be experimented with on a limited basis. Potential adopters who are allowed to experiment with an innovation will feel more comfortable with the innovation and are more likely to adopt it (Rogers, 1983). Thus, if customers are given the opportunity to try the innovation, certain fears of the unknown may be minimized. This is especially true when customers find that mistakes could be rectified, thus providing a predictable situation (Tan & Teo, 2000).

Risk, an additional dimension in diffusion and adoption was introduced by Bauer (1960), Webster (1969), and Ostlund (1974). A common and widely recognized obstacle to electronic commerce adoption has been the lack of security and privacy over the Internet (Bhimani 1996; Cockburn and Wilson 1996; Quelch and Klein 1996; Rhee and Riggins 1997). This has led many to view Internet commerce as a risky undertaking. Thus, it is expected that only individuals who perceive using Internet banking as a low risk undertaking would be inclined to adopt it.

Subjective Norms

Subjective norms refer to the person's perception that most people who are important to him/her think he/she should or should not perform the behavior in question (Fishbein & Ajzen, 1975). It is related to behavior because people often act based on their perception of what others think they should do. Subjective norms have been found to be more important prior to, or in the early stages of innovation implementation when users have limited direct experience from which to develop attitudes (Taylor & Todd, 1995). Most of the consumer oriented services, the consumer-relevant groups around the individual may influence the individual's adoption. Adopter's friends, family, and colleagues/peers are groups that will potentially influence the adoption (Tan & Teo, 2000). Although there is no basis on which to predict how each of these groups will affect adoption of internet banking, it is nonetheless expected that the influence of these groups as a whole will be significantly related to the individual's adoption internet banking (Tan & Teo, 2000).

Perceived Behavioral Control

Perceived behavioral control refers to the factors that may impede the performance of the behavior. This definition encompasses two components. The first component is "self-efficacy" and is defined as an individual's self-confidence in his or her ability to perform a behavior. The second component is "facilitating conditions" and it reflects the availability of resources needed to engage in the behavior.

Self-efficacy predicts intentions to use a wide range of technologically advanced products. Thus, an individual confident in having the skills in using the computer and the internet is more inclined to adopt internet banking. This is because the individual is comfortable in using the innovation (Tan & Teo, 2000).

The second component, facilitating conditions refers to the easy access of technological resources and infrastructure. The government can play an intervention and leadership role in the diffusion of innovation. Potential users, in turn would view new applications such as internet banking services more favorably and hence be more likely to use them (Tan & Teo, 2000).

CHAPTER 3

INTERNET BANKING SERVICES IN MAB BANK

This chapter discusses the internet banking services in Myanmar, Profile of MAB Bank, Organization Structure of MAB Bank and Internet Banking Service of MAB Bank.

3.1 Internet Banking Services in Myanmar

After years of isolation, Myanmar opened up to the global economy in 2010, and its banking sector sprung to life. Consequently, foreign direct investments started to flow, particularly towards the telecommunications sector. Myanmar's mobile phone penetration, once at one of the lowest levels in the world, has grown to 90 percent in recent years, with smartphone ownership rising to 80 percent.

This trend has boosted digital evolution, transforming the financial service environment in Myanmar, both online and offline. In recent years, more ATMs have been installed, more credit cards have been issued and new, modern bank branches have been built. In 2013, CB Bank launched the first mobile banking app and internet banking platform in the country. It has changed the customer's perception of the banking industry in Myanmar. Despite the fact that CB Bank is one of the oldest private banks in the country, it is constantly changing to keep up to date with the challenges and opportunities that new technology brings. Internet banking allows CB Bank's corporate clients to access financial services remotely, meaning their needs are met without the need to travel to branch offices. AYA and UAB launched the Internet Banking service in 2014 later. KBZ and MAB launched Internet Banking Service in 2015 and 2016 respectively. However, the popularity of the usage of internet banking started on 2015. Customer adoption of internet banking is gradually increasing since 2014 onward.

Beside the traditional banking function, most banks added the following features of Internet Banking for being useful in daily transactions of customers.

- (1) Interbank Transfer using CBM.Net: Using CB Bank Internet Banking, customer can transfer money to another bank through Myanmar Financial Network System (CBM-NET) and it is semi-auto process.
- (2) Cross Currency Fund Transfer: Customer can make transfer from Local Currency (MMK) to Foreign Currency (USD), vice versa.

- (3) Mobile Top-up: Customer can top up their mobile number (MPT, Telenor, Ooredoo, MYTEL, MecTel).
- (4) Bill Payment: Customer can pay the utility bill (EPC, YCDC, Telenor Postpaid and 5BB Broadband.) from CASA account.
- (5) Quick Pay: It is a cash collection service serving as a medium between corporate merchants and their clients for Mobile-Wallet Topup, Microfinance Repayment and Ticket Purchase.
- (6) Credit Card payment: Customer can make the repayment for their credit card statement from CASA account.
- (7) Foreign Exchange Calculator: Customer can calculate the exchange rate real time.
- (8) Master/Visa Prepaid Card Top-up: Customer can top up from CASA account to Prepaid Visa Card.
- (9) Cardless ATM Withdrawal: It transfers money to non-account holder. Payee can withdraw money at ATM machine with payer's account number 6 digits and OTP 4 digits.
- (10) Remit2U: It is to transfer money to non-account holder who can withdraw money with NRC and passcode 8 digits at nearest branch.
- (11) Gift Cards: It can purchase the credit of iTunes, Steam Wallet, Google Play, easyPoints, Viber Out.
- (12) Self-Registration at Online Banking: Customer can register themselves as Online Banking User using ATM Card or Bank Account.
- (13) Beneficiary Get Name Button: By entering CASA account number, users can use Get Name Button to check the Name of the account owner.
- (14) Mobile Data Package: MPT, Ooredoo and Telenor Data Package can be purchased without any Limited Transaction.

One of the challenges to development of the internet banking system is the lack of awareness among the population. Myanmar has always been a cash economy, so most of the bank users do not recognize the benefits and the cost and time saved by switching to online banking. Although there are quite a few customers who already have experience with online banking abroad, the overall customer attitude needs to change before online banking can become truly popular.

Another challenge is the security of online financial transactions. Currently, the Myanmar government has yet to pass laws regarding online/mobile banking. As a

result, users cannot put down complete trust in online banking citing card issues and the lack of rules and regulations on card fraud and security breaches. “Without regulatory framework, trust, security and consumer and business protection, the project of online banking could not be successful in Myanmar”, Colin stressed.

Most importantly, the critical issue obstructing the development of internet banking in Myanmar is its inadequate infrastructure, especially in telecommunications and electricity. Currently, banks have to rely on IP star satellite, ADSL, and 3G (GPRS) connection for ATM transactions. However, the internet connection has been less than satisfactory. Online banking also requires stable electricity supply to operate effectively. In order for online banking to be successfully, perennial infrastructure issues such as insufficient internet bandwidth, congested mobile networks and frequent power outages need to be addressed.

Although online banking in Myanmar is still in its fetal stage, it has tremendous potential to become the preferred way of banking. Myanmar’s rapidly growing financial industry will have to contend with many challenges in the political, economic, social, technological, environmental and legal (PESTEL) environments. Providing solutions-both hardware and software- to the needs in Myanmar’s banking sector offers plenty of opportunities to potential investors. With adequate support, the imminent development and implementation of game-changing technological advances are on Myanmar’s horizon.

3.2 Profile of MAB Bank

Myanma Apex Bank Ltd (MAB) was incorporated on 2nd July, 2010 and opened its first branch office in Naypyitaw on 17th August, 2010. There are 98 branches and 310 ATM as of November 2019. Its total assets reached MMK 1592 billion as of fiscal year-end 2017. Since inception, it have extended branch network steadily to facilitate commercial development and investment across all of Myanmar as well as to better serve our growing customer base through a larger banking network. Customer deposits have grown significantly since inception, due to our deliver of quality service, reliable performance, customer satisfaction and trust among the general public. It have within the bank both local and external talents with many years of professional experience in domestic and international banking.

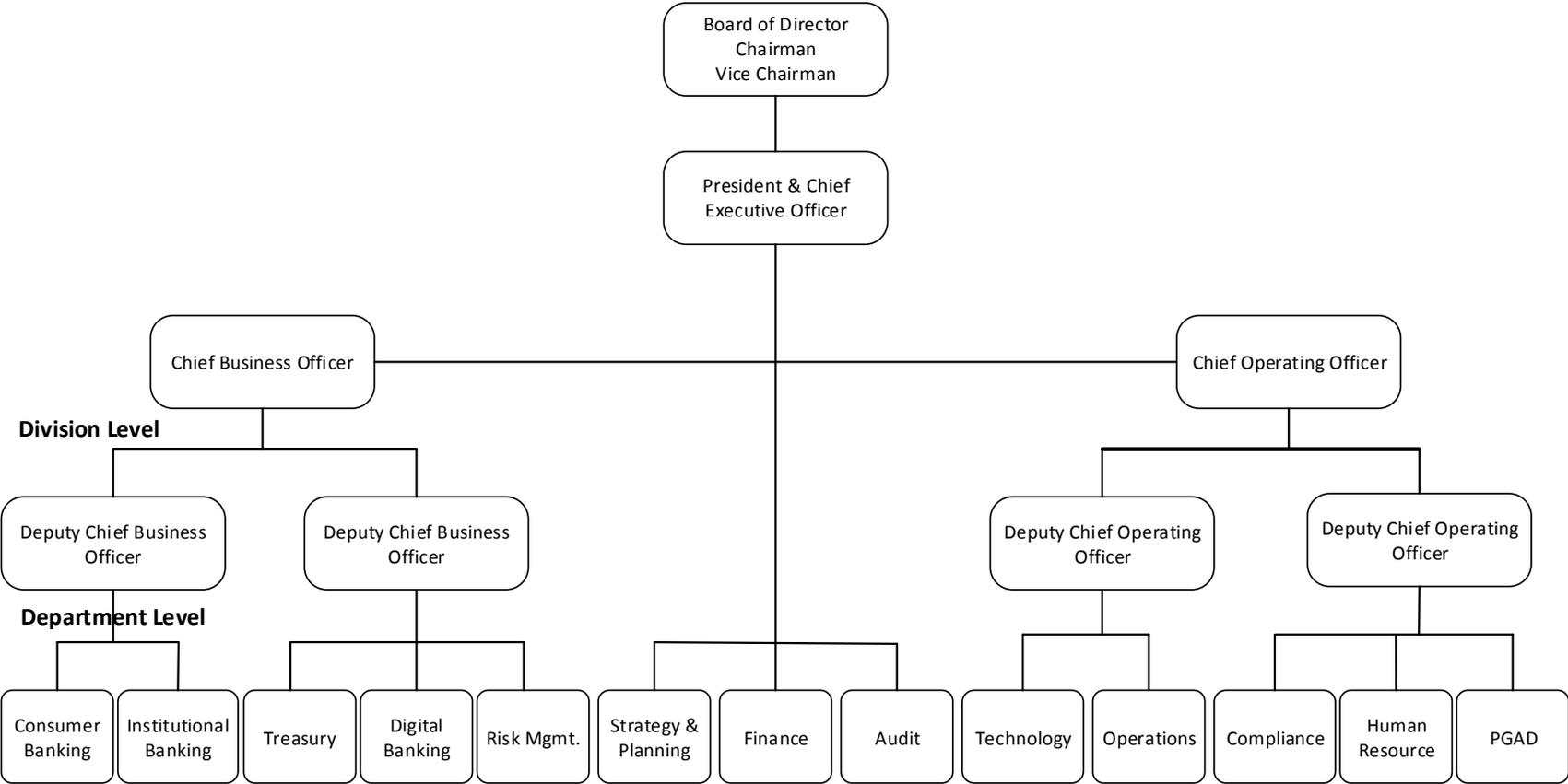
MAB invests extensively in technology and human resources to sustain the future long-term growth and to stay ahead amidst growing competition. For domestic banking, it provide a comprehensive range of deposit products, reliable and extensive ATM, POS service via the Myanmar Payment Union (MPU), VISA and MASTER card network. For international banking, we provide foreign trade finance as well as worldwide payment services with partners, including Western Union, VISA, Master Card, China Union Pay and other major card organizations. It supports commercial financing for small and medium businesses with loans, overdraft, hire purchases options and SME Loan (JICA Two Step Loan, KFW Loan and MAB Loan). Cross-border trade, that provides businesses with foreign trade finance, gift cheques, payment orders, remittance and other ancillary services. It provides Internet Banking and Mobile Banking as digital banking channel. It provides Wealth Banking for corporate customer as prestige service.

MAB continues to evolve with ongoing banking needs of Myanmar people. Our people, technology readiness and product development stands ready to grow with you in the years to come.

3.3 Organization Structure of MAB Bank

MAB Bank is organized with Board of Director (BOD), as board level include Chairman and Vice Chairman. Chief Executive Officer gives the special advice to Board of Director and to be controlled by Nomination & Remuneration Committee, Audit Committee and Risk Management & Compliance Committee according to Corporate Governance. Moreover, Chief Executive Officer has two officers - Chief Business Officer who support business growth processes bank-wide and Chief Operating Officer who oversee the day-to-day administrative and operational functions. In the division level, there are four officers- Deputy Chief Business Officer 1 and 2, Deputy Chief Operating Officer 1 and 2. In the department level, there are Consumer Banking, Institutional Banking, Treasury, Digital Banking, Risk Management, Strategy & Planning, Finance, Audit, Technology, Operations, Compliance, Human Resource, and Property and General Administration Department (PGAD). Figure 3.1 shows the organization structure of MAB Bank.

Figure 3.1 – MAB Bank Organization Structure



Source: MAB (2019)

3.4 Internet Banking Service of MAB Bank

MAB Internet Banking has been operating since 1st July, 2016. MAB ibanking service is designed to deliver a wide range of products and services to our valuable customers. It is a convenient way to do banking from the comfort of home or office. Customers can avoid the queue or delay and try the simple and secure Internet Banking facility for online banking experience. Internet banking service can save time and reduce inconvenience where customers can access 24 hours daily.

Customers can link the following accounts from core banking system (FCUBS- Oracle FLEXCUBE Universal Banking) with Internet Banking for banking transaction:

- (1) Savings Account: Saving accounts are opened to encourage the people to save money and collect their savings. It enables the depositor to earn income by way of saving bank interest. Most businessmen use saving accounts by linking with Current Account.
- (2) Current Account: Current account is opened by business men who have a higher number of regular transactions with the bank. Customers can use cheque for both cash in/cash out transactions.
- (3) Fixed Deposit Account: The term ‘fixed deposit’ means that money is deposited for a fixed period. The interest rate of fixed deposit is higher than other deposit accounts; therefore fixed deposit accounts are opened by the customers who are interested to save extra money and the parents who would like to save money for their children. Interest will be calculated to the nearest of respective terms if premature withdrawal.
- (4) Call Deposit Account: Call Deposit is like a type of interest bearing account that allows customer to get their interest on their account’s day-end balance. Interest will be deposited quarterly with interest rate (6 %p.a).
- (5) Loan Account: The bank has laid down “Lending Policies” “Customer Acceptance Policies” and disbursed loan to those acceptable customers who actually need fund for business expansion, capital investment etc.

MAB Internet Banking has the following significant function:

- (1) Fund Transfer: In fund transfer, there are three type of account transfer such as Own Account Transfer, Internal Account Transfer and Multiple Account Transfer. Customer can make five transactions at maximum in Multiple Account Transfer at once. It supports 4 currencies (MMK, USD, SGD and EUR) for all account transfer and it can make fund transfer within same currency account only.
- (2) Bulk Payment (Salary Credit): Only corporate user can have this function and they can make salary payment to their many staff at once. The maker have to prepare the well-formatted excel file with salary details and then need to upload file using credentials. The checker finishes checking and has to approve that upload file in 7 days since Grace Period is 7 days in system.
- (3) Apply MPU: Internet banking customer can apply MPU-UnionPay Platinum Debit Card through internet banking and it will take 3 working days to collect card.
- (4) Loans and Fixed Deposits Inquiry: In this section, customer can see Loan Interest Rates for Over Draft (Land and Building), Loan (Gold Pledge & Lien), Hire Purchase and Auto Finance. Moreover, customer can check internet rate of Saving Account, Call Deposit Account and different tenor of Fixed Deposit account.
- (5) Collection and Remittance Inquiry: In this section, there are Inward Remittance Inquiry and Outward Remittance Inquiry to oversee the international transaction transfer through SWIFT (Society for Worldwide Interbank Financial Telecommunication) and TT (Telegraphic Transfer) at over-the-counter.
- (6) Cheque Book Function: In this section, customer can request new cheque book and it will take 3 working days and customer has to collect the new cheque book at respective current account opened branch. Customers can inquiry their cheque status (such as Not Used, Used, Stopped) and customer can stop the cheque so that someone cannot withdrawal money with that cheque and unblock that cheque again if necessary.
- (7) Account Balance Alert / Fund Transfer Alert: System send the fund transfer alert via SMS and email to customer after he/she makes account transfer. It send the account balance alert via SMS and email to customer when CASA account is debited or credited every time.

- (8) Account Statement (Bank Statement): Customer can see the account statement (Bank Statement in branch) online and they can download the account statement in PDF or excel file for business.
- (9) Account Summary/ Account Details/ Account Activity: This account summary option allows customer to view a summarized view of all their accounts and gives various details such as the account number, the description of the account, the base currency of the account, the current balance and the other currency equivalent of the current balance. The account details option provides the user to view important details (such as Account Currency, Current Balance, Amount on Hold, Overdraft Limit, Balance Available) of a selected Current or Savings account. The account details can be viewed separately for each of the CASA accounts under the various customer IDs mapped to the user. The account activity option allows customer to view and download the account activity for any CASA account under the customer IDs mapped. You can get the transaction details based on different transaction dates, by specifying the amount range and sorting on the transaction date, value date and the amount.
- (10) Open/ Amend/ Redeem Term Deposit: This open term deposit option allows user to open a new term deposit account online with one hundred thousand at minimum from 9:00 am to 3:00 pm. This amend term deposit option allows user to modify the maturity instructions of the selected Term Deposit. The maturity instructions include the principal and interest amount transfer details. This redeem term deposit option allows user to redeem a Term Deposit opened by internet banking on maturity or prematurely but customer can do a full redemption only.
- (11) Credit Card Functions: Using this credit card summary option, customer can view the credit card summary and details. By using this credit card statement option, customer can view the credit card statement for specific month of selected year including the unbilled transactions and they can download the statement in PDF file. Customer can make the credit card payment for the billed amount from Current Account. Customer can block the specific credit card when his/her card is lost or stolen to prevent from fraud. Customer can activate his/her credit card to use as first time. Generally, MAB branch will activate customer's credit card when they collect the credit card at branch.

- (12) Prepaid Card Functions: Using prepaid card summary option, customer can view the prepaid card summary and details. By using this prepaid card statement option, customer can view the prepaid card statement for specific month of selected year and they can download the statement in PDF file. Customer can block the specific prepaid card when his/her card is lost or stolen to prevent from fraud. Customer can activate his/her prepaid card to use as first time. Generally, MAB branch will activate customer's prepaid card when they collect the prepaid card at branch.

There are only two type of customer in MAB internet banking - Retail user for personal and Corporate user for Company and Association.

Retail user can do the normal banking transaction and they can use Credit Card function and Prepaid Card function as well. Retail customers can transfer money maximum amount of 50 million per day and the transactions are secured by OTP SMS as 2-Factor Authentication. These OTP SMS can be accessed not only from Mobile Phone SMS but also through customer's personal Email. Corporate Customers have no limited transferable amount and it is secured by RAS Token. Both Maker/Checker must input 6 digits shown on the RSA Token to make transfers. Corporate user has Bulk Payment (Salary Credit) additionally.

If Joint Account Customers would like to apply for Internet Banking, all customers must sign in Internet Banking Application Form and have to agree to Terms and Conditions of Joint Customers in Internet Banking. Minor Accounts are not allowed to open for Internet Banking. MAB Internet Banking can be accessed from any devices such as Computer, Laptop, Tablet, Smart Phone and Android/iOS devices. To Log in to Internet Banking, customers will need their correct User ID and Password. However, if they input incorrectly over 5 times, the account will be locked. If the iBanking account is locked, customers do not need to go to nearest MAB branches. They can unlock by calling Internet Banking Department or Call Center.

By using MAB Internet Banking, Customers can operate their banking services from any location with trustworthy security and can check their accounts (Saving, Loan, Current) details and amounts. Since Internet Banking uses User ID and Password, customers can feel secure with their account information. Customers can get their account information and bank statement in PDF without waiting at the bank. MAB Internet Banking satisfies customers with fast, simple, secure interface.

MAB internet banking system (FCDB- Oracle FLEXCUBE Direct Banking) is hosted in MAB datacenter protected by high end security for physical intrusion and firewall for digital intrusion. Server farms are used for web, application and database layer (3-Tier) and backup using Disaster Recovery (DR). It is using the secure socket layer (SSL) for the data encryption between customer and system.

MAB Internet Banking Department is moving forward to Digital Banking by cooperating with Oracle Technician and in-house Developer. By using Newspapers, Journals and Social Media, Internet Banking Team will provide and update customers with new products, services and changes with time.

Eligibility:

- Must be an adult at the attainment of 18 years of age
- Non- Resident Individual with permanent resident (PR)
- Private Limited Company registered with the ministry of Governing of concerned
- Must have E-mail and Individual/Joint Account

CHAPTER 4

ANALYSIS OF INTERNET BANKING SERVICES

This chapter described and discussed the research methodology, demographic characteristics of the respondent, analysis on internet banking service usage, followed by analysis of customer adoption on internet banking services.

4.1 Research Methodology

1. Research Design

The conceptual framework also shows that there is a relationship between customer adoption and three factors (*attitude, subjective norms and perceived behavioral control*). The study will enable the bank to understand the factors of Internet Banking which actually helps to improve customer adoption and retention too. Thus bank can plan for their future plan of action or strategies and try to provide a good Internet Banking service to retain more customers.

Interpreting the average (Mean Value) and level of agreement will be using the “Statistical Standard” table below:

Table 4.1 Mean and Level of Agreement

Average (Mean)	Level of Agreement
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

2. Research Sample Size

Probability sampling is the most commonly associated with survey – based research where researcher needs to make inferences form the sample about a population to answer the research questions or to meet research objectives(Saunders et al., 2000). In probability sampling, sampling units are selected randomly. One type of probability sampling, the random sampling was employed in this study. The random sampling technique is used in this research paper to approach the respondents and collect the data on time and also to avoid low response rate. In the process of sampling, 100 questionnaires are distributed by hand and email to selected bank

customers and enough time given to respondents to fill the questionnaire to reduce sampling error.

3. Research Instrument

The main research instrument used for this study was the questionnaire. The questionnaire used for the study was divided broadly into two sections. These are the demographic section and the customer adoption. Under the demographic section, variables such as gender of the respondent, age, education level, occupation, income and usage frequency of internet banking service was asked. The section 2 on customer adoption was also divided into 7 sub-sections. These sub-sections are Relative Advantage, Compatibility, Complexity, Trialability, Risk, Self- efficacy and Technological Support. The seven sub-sections used a five point Likert Scale where respondents were asked to indicate the extent to which they agree/disagree with various statements. The Five Point Likert's scale having the ratings of "strongly disagree" (1) and "strongly agree" (5) were used.

4. Research Data Collection Procedure

In this study, structured questionnaire (Appendix) is used as a data collection method. As we mentioned before, the main goal of this study is to find factors influencing the adoption of internet banking from customer point of view. Sample was taken randomly from customer of internet banking. Data collection was conducted by online survey using Google Form because of time constraint. Total number of distributed questionnaire was equal to 100, from which 0 were incomplete. Thus, survey covered a sample of 100 respondents about their demographic and adoption on Internet Banking service for the purpose of analysis.

5. Research Data Analysis

After receiving the raw data from 100 respondents, the questionnaires administered were recorded and import into Statistical Package for Social Science (SPSS) software (Version 25) for the data analysis. In analyzing the data gather from questionnaires, frequencies and descriptive statistics have been conducted to test the strength of associations between the study variables. Finally, these analysis are discussed in term of customer adoption towards the internet banking and interaction with bank managers in MAB.

4.2 Demographic Characteristics of the Respondent

All the 100 respondents of the questionnaire were internet user. The following table represents the demographic characteristics of the respondents.

Table 4.2 Demographic characteristics

Variable	Classification of Variables	Frequency	Percentage
Gender	Male	43	43
	Female	57	57
Age	Under 20	-	-
	20-29	28	28
	30-39	38	38
	40-49	22	22
	50-59	12	12
	Over 59	-	-
Education	High School	-	-
	Undergraduate	-	-
	Bachelor Degree	57	57
	Master Degree	39	39
	Doctorate Degree	-	-
	Others	4	4
Occupation	Student	-	-
	Unemployed	-	-
	Professional employee	54	54
	Own Business entrepreneur	46	46
Income	Less than 500,000 MMK	3	3
	MMK 500,000 – 999,999 MMK	22	22
	MMK 1,000,000 – 1,499,999 MMK	12	12
	MMK 1,500,000 – 1,999,999 MMK	-	-
	MMK 2,000,000 – 2,499,999 MMK	29	29
	Over 2,500,000 MMK	34	34

Source: Survey Result December 2019

The result shows that most of the respondents are female (57 %) and between 30-39 years old (38 %). 57 % have bachelor, 54 % are professional employee, and income of 34 % is over 2,500,000 per month.

4.3 Analysis on Internet Banking Service Usage

According to the observation, most of Internet Banking users are found using regularly 49 %, 27 % users use Frequently, 18% users use Sometimes, 6 % users use Occasionally, 0 % users use Rarely and 0 % users use Not at all.

Table 4.3 Analysis on Internet Banking Service Usage

No.	Duration	Number of Respondents	Percentage
1	Regularly	49	49
2	Frequently	27	27
3	Sometimes	18	18
4	Occasionally	6	6
5	Rarely	-	-
6	Not at all	-	-

Source: Survey Result December 2019

4.4 Analysis of Customer Adoption on Internet Banking Services

The following results represent the appropriateness of theoretical model and confirmation for explaining voluntary individual behavior. The results show the customer perception on factors influencing adoption of Internet Banking service, which there are three main factors ; Attitude, Subjective Norms and Perceived Behavioral Control. According to Tan and Teo, Decomposed TPB can provide a comprehensive way to understand how all these three factors can influence each individual's intention and determination to use the banking service on Internet and it is able to explore customer perception on it factors. The "attitude" of Decomposed Theory of Planned Behavior is broke it down into five different factors, which are relative advantages, compatibility, complexity, trialability and risk. The breakdown of each factor of "Attitude" function will be further analyzed later in this research and will be presented in the mean value. By analyzing that way, it can be evaluated which aspect of the "Attitude" factor shall be concerned in customer's adoption in using Internet Banking service.

Relative Advantage seems to have quite significant and positive influence on the adoption of internet banking service. By looking at the table below, overall mean value is high as respondents strongly agreed that internet banking is easy to conduct transaction and very convenient to manage their finances and gives greater control and can manage their finances efficiently. Therefore, basically the level of agreement in relative advantages is high for using Internet Banking services.

Table 4.4 Relative Advantage of Attitude

No.	Description	Mean	Level of Agreement
1	Internet banking makes it easier for me to conduct my banking transactions.	4.26	Very High
2	Internet banking gives me greater control over my finances.	3.83	High
3	Internet banking allows me to manage my finances more efficiently.	3.91	High
4	Internet banking is a convenient way to manage my finances.	4.08	High
5	I find Internet banking useful for managing my financial resources.	4.05	High
Average		4.02	High

Source: Survey Result December 2019

Compatibility measures how Internet Banking service is compatible with each individual's lifestyle and by using the service, how will it impact the day to day life. The greater the perceived compatibility of Internet banking with one's values, the more likely that Internet banking will be adopted. By looking at the table below, the overall mean value is 4.13 and respondents agreed that banking on internet is compatible with both their life and working style.

Table 4.5 Compatibility of Attitude

No.	Description	Mean	Level of Agreement
1	Internet banking is compatible with my lifestyle.	3.87	High
2	Using Internet banking fits well with the way I like to manage my finances.	3.93	High
3	Using the Internet to conduct banking transactions fits into my working style.	4.32	Very High
4	It is compatible because it eliminates the risks of carrying cash.	4.41	Very High
5	Internet banking manages my financial services well.	4.10	High
Average		4.13	High

Source: Survey Result December 2019

Complexity requires more technical skills and needs greater implementation and operational efforts to increase its chances of adoption As the internet is very user

friendly with its “point and click” interface, it is likely that potential customers may feel that internet banking services are less complex to use, and hence would be likely to use such services. The below table result shows that Internet banking is not difficult to use and users can peruse the functions and its features without a negative impression.

Table 4.6 Complexity of Attitude

No.	Description	Mean	Level of Agreement
1	Using Internet banking requires a lot of mental effort.	2.77	Medium
2	Using Internet banking can be frustrating.	2.50	Low
3	Internet banking is an easy way to conduct banking transactions.	4.04	High
4	Using Internet banking can be difficult for language.	2.53	Low
5	Internet banking requires many steps and more complex.	3.02	Medium
Average		2.97	Medium

Source: Survey Result December 2019

The table below describes the importance of Trialability aspects. Most of the respondents reacted very positive for Trialability aspect. Overall mean value is 3.60 and most of the respondents believe that if they could use Internet Banking on trial basis would be very effective. With that being said, the bank must take this aspect into consideration whenever promoting the internet banking service to consumers.

Table 4.7 Trialability of Attitude

No.	Description	Mean	Level of Agreement
1	I want to be able to try Internet banking for at least one month.	3.02	Medium
2	I want to be able to use Internet banking on a trial basis to see what it can do.	3.50	High
3	If I have the opportunity to try Internet banking, certain fears of the unknown may be minimized.	3.45	High
4	If I am allowed to experiment with Internet banking, I am more likely to use Internet banking.	3.90	High
5	I started to use Internet banking for account transfer.	4.15	High
Average		3.60	High

Source: Survey Result December 2019

The lower the risk of using internet banking, the more likely that internet banking will be adopted. Table 4.8 describes the risks of factor influencing internet banking on customer adoption and total mean of result “Medium” shows people would not like to take risk by using internet banking.

Table 4.8 Risk of Attitude

No.	Description	Mean	Level of Agreement
1	I am confident over the security aspects of Internet banking at MAB bank.	3.64	High
2	Internet banking is insecure.	3.18	Medium
3	Using Internet banking may expose me to fraud.	2.87	Medium
4	Using Internet banking is as safe as using other modes of banking.	3.79	High
5	Information concerning my Internet banking transaction will be known to others.	2.78	Medium
Average		3.252	Medium

Source: Survey Result December 2019

Perceived Behavioral Control

Perceived Behavioral Control refers the factors that may impede the performance of the behavior. This definition encompasses two components. The first component is “self-efficacy” and is defined as an individual’s self-confidence in his or her ability to perform a behavior. The second component is “facilitating conditions” and it reflects the availability of resources needed to engage in the behavior. Perceived behavioral control (Ajzen, 1991) is a function of control beliefs (self-efficacy) and perceived facilitation conditions. Control belief basically measures the self-confidence in own ability to perform a behavior (Bandura 1977, 1982).

Table 4.9 Self- efficacy

No.	Description	Mean	Level of Agreement
1	I am confident of using Internet banking if I have only the online instructions for reference.	3.76	High
2	I am confident of using Internet banking even if there is no one around to show me how to do it.	3.63	High
3	I am confident of using Internet banking even if I have never used such a system before.	3.34	Medium
4	Learning to use Internet banking won’t be difficult for me.	3.65	High

5	Less cost and saving time of Internet banking is the most comfortable for me.	4.29	Very High
Average		3.73	High

Source: Survey Result December 2019

The greater the self-efficacy toward using internet banking, the more likely that internet banking will be adopted and it can be accepted. Overall mean value is 3.73 and making the degree of approval to “HIGH”. Most of the respondents are quite confident in self-ability to adopt and use internet banking of MAB Bank as long as there are necessary resources presences to support such as online instruction on how to navigate Internet Banking and an opportunity is given.

Table 4.10 Technological Support

No.	Description	Mean	Level of Agreement
1	Advances in Internet security technology provide for safer Internet banking.	4.0	High
2	Faster Internet access speed is important for Internet banking.	4.51	Very High
3	Internet technology makes Internet banking more feasible.	4.12	High
4	Security measures are implemented to protect customers and have adequate safeguard mechanisms.	4.01	High
5	Internet network is available nation-wide.	3.57	High
Average		4.04	High

Source: Survey Result December 2019

The effects of a customer’s internet experience and technical support on internet banking acceptance explains show how some available affect this intention. The greater the extent of technological support for internet banking, the more likely that internet banking will be adopted and can be accepted. As supporting technological infrastructures become easily and readily available, internet commerce applications such as banking services will also become more feasible. The above table of overall mean value shows “High” and it expresses lots of technological supports are required to adopt and use internet banking at MAB Bank.

Subjective norm represent the individual’s behavior that they perform, even if they are not inclined toward the behavior and its consequence. An adoption factor which looks at the influence exerted by the social environment of the adopter i.e other

people which the adopter may perceive as importance. The influential measures are interpersonal and external influences such as family, friends and media. In the table below (Table 4.11) shows that mostly the decision to adopt is interpersonal while family and friends' influences were slightly significant, compared to media influence, which have a very minimum effect.

Table 4.11 Subjective Norm

Subjective Norm	Number of respondents	Percentage
Friends	20	20
Media	16	16
Family	19	19
Myself	45	45

Source: Survey Result December 2019

In summary, overall mean value between relative advantages and adoption of internet banking is 4.02 and level of agreement is high. This shows that there is a strong directly relationship between relative advantages and adoption of internet banking. Overall mean value between compatibility and adoption of internet banking is 4.13 and level of agreement is high. This shows that there is a strong directly relationship between compatibility and adoption of internet banking. Overall mean value between complexity and adoption of internet banking is 2.97 and level of agreement is medium. This shows that there is a fair indirectly relationship between complexity and adoption of internet banking. Overall mean value between trialability and adoption of internet banking is 3.60 and level of agreement is high. This shows that there is a strong directly relationship between trialability and adoption of internet banking. Overall mean value between risk and adoption of internet banking is 3.26 and level of agreement is medium. This shows that there is a fair indirectly relationship between risk and adoption of internet banking. Overall mean value between self-efficacy and adoption of internet banking is 3.73 and level of agreement is high. This shows that there is a strong directly relationship between relative advantages and adoption of internet banking. Overall mean value between technological support and adoption of internet banking is 4.04 and level of agreement is high. This shows that there is a strong directly relationship between technological support and adoption of internet banking. Finally, all factor influencing the adoption of internet banking is strong directly impact on internet banking of MAB Bank.

CHAPTER 5

CONCLUSION

This chapter describes the finding of the study, suggestion and needs for future study. This study provides observation on current situation of customer adoption of internet banking services in MAB Bank.

5.1 Findings

The ultimate objective of the research is to identify the factors influencing in the use of internet banking services in MAB bank to increase returns on their investment and to reduce the bank-wide operation cost. The findings show that intention to adopt Internet banking services can be predicted by attitudinal and perceived behavioral control factors, but not by subjective norms. The attitudinal factors that are significant since their level of agreement is high generally include relative advantage; compatibility with respondent's values, experience, and needs; trialability; and risk. Although the findings show that perceived complexity has a negative relationship with adoption intentions, this relationship is not significant since level of agreement is medium. One possible reason is that since Internet banking in Myanmar is relatively new, most Internet users have yet to try it. As a result, they are unable to effectively assess the complexity of using such systems and the influence that such complexity may have on their intentions.

Subjective norms, in the form of the influence of the Internet user's consumer-relevant groups, are found to have no significant relationship with intention to adopt Internet banking is influenced by themselves (45%). One possible reason is that relevant information is readily available from banks, thereby reducing the reliance of potential adopters on their friends, family, or colleagues for information about these services. Alternatively, the fact that Internet banking in Myanmar is relatively new may mean that Internet user's consumer-relevant groups have yet to try them out. As a result, they are unable to provide the necessary information and give knowledgeable recommendations.

With regard to perceived behavioral control, both self-efficacy and technology support are found to be important since there is a strong positive impact of perceived behavioral control on the uses of Internet Banking service according to survey (their level of agreement is high). One possible reason is that customer is confident of using

internet banking since resources are handy nearby and the necessary technology for providing Internet banking services is already in. Consequently government support is important in Myanmar where government's role in encouraging innovation adoption may be more salient due to the lower role of the private sector.

The findings generated from this study have important implications for both research and the banking community. In terms of research, this study provides further evidence on the appropriateness of using Rogers innovation attributes to measure the different dimensions of attitude toward Internet banking. Of the four innovation attributes measured, only the relationship between perceived complexity of using Internet banking services and intentions to adopt such services was not supported. This discrepancy could be due more to the inherent characteristics of the sample of Myanmar Internet users rather than the inappropriateness of the measure.

The findings of this study also hold important practical implications for banks that are currently offering Internet banking services as well as banks that are planning to offer such services. For example, in promoting Internet banking, since potential adopters are found to rely more on their own efforts to search for information rather than rely on referent groups, banks offering Internet banking services should launch campaigns to direct awareness to these individuals. Issues such as fears of privacy and security risks together with relative advantages of using Internet banking services could be highlighted to educate potential customers.

Being a less developing country, the customers had psychological problems on language, technical hardships and security concerns at the beginning of internet banking use. Customer would not like to take risks by using internet banking and banks should be supported technological infrastructures become easily and readily available, internet commerce applications such as banking services will also become more feasible. Comparing with total bank account of Myanmar population, it is found that the numbers of internet banking users are considerably less.

5.2 Suggestion

Internet banking in Myanmar should be developed to reduce cash economy to reduce cost and save time by switching to online banking. The entire customer attitude needs to change to become truly popular of internet banking. Private bank also need to support to people the trust online financial transactions. In addition to lobbying the government, banks should also proactively participate in improving

internet services in order to increase internet banking. For example, electronic laws should be promoted by the banks in order to reduce customer's perception of risks.

Awareness of internet banking services is essential in the early adoption stages. As internet banking services are still new in Myanmar, effective digital marketing will be useful to introduce the services to a wider audience and educate potential customers about the benefits of internet banking. Using Messenger Chabot, banks can give the best customer service through customer journey.

In addition, banks should design their web sites as effective delivery channels and offer information beyond banking services. It is essential to provide a well-designed and user-friendly web site to attract potential customers' attention. The customer should not be required to expend a lot of effort or time to adopt internet banking services.

Information and instruction on the web should be provided in both Myanmar and English in order to make the adopter comfortable. Wide publicity underscoring the benefit and ease of use by demonstrating internet banking services should be provided. Regular surveying of customers' responses and opinions of the services should be conducted to ensure continuous improvement.

While reliability is a key element from a customer's perspective, so is the security system. It must be enhanced continuously to guarantee integrity of online transactions as this will build customer confidence. Security provisions should be posted on bank's web site clearly and understandably to create customer confidence and improve the trustworthiness reputation of bank. Security information should be provided in non-technical terms, and be accompanied by standard security statements.

To conclude, Internet Banking is worldwide phenomenon engendered by the revolution in computer and telecommunications. To survive against non-banks and foreign banks, that is in banking industry must adapt to the digital age, and exploit it.

5.3 Need for the Future Study

This study was conducted to explore the factors influencing intentions to adopt Internet banking services in MAB Bank. There is still room for further investigation into the adoption of Internet banking services. Following are some recommendations for future studies. First, future studies should be carried out on non-Internet users to investigate their adoption intentions of such services. Second, as Internet banking services are still relatively new in Myanmar, this study has been unable to measure

the actual usage behavior of such services, which was suggested by the theory of planned behavior (Ajzen 1985). Future studies should incorporate this measure once the number of Internet banking customers has reached a critical mass. In this way, a more comprehensive investigation of Internet banking intentions and usage behavior can be conducted. Third, since there is a small sample size which is 100 MAB iBanking customer surveyed by online Google Form and it did not cover the nationwide branches. Future studies should need a larger sample size for more accurate data and should cover all branches across country.

REFERENCES

- GIZ (2016). *Myanmar's Financial Sector: A Challenging Environment for Banks* (3rd ed.). Yangon: GIZ
- GIZ (2018). *Myanmar's Banking Sector in Transition : Current Status and Challenges Ahead* (4th ed.). Yangon: GIZ
- Dhanushanthini Ajanthan. (2018). Customers' Adoption and use of E-Banking Services: A Study in Public Commercial Banks, Sri Lanka. *Global Journal of Management and Business Research*, Volume 18
- Tan, M., & Teo, T. (2000). Factors influencing the adoption of Internet Banking. *Journal of the Association for Information System*, Vol 1
- Myo Win Yee (2016). *Customer Adoption on Internet Banking of AYA Bank* (Master's Thesis), Yangon University of Economics, Yangon, Myanmar.
- Sara Naimi Baraghani (2007). *Factors Influencing the Adoption of Internet Banking* (Master's Thesis), Lulea University of Technology, Lulea, Sweden.
- MAB Bank (2019, June 1). *MAB iBanking*. Retrieved from <https://www.mabbank.com/ibanking-page/>
- KBZ Bank (2019 July 5). *Online Banking*. Retrieved from <https://www.kbzbank.com/en/i-banking/>
- Thiha (2017, December 7). *CB Bank Leads Myanmar's Drive for Digitalisation*. Retrieved from <https://consult-myanmar.com/2017/12/07/cb-bank-lead-myanmars-drive-for-digitalisation/>
- Wikipedia (2019, December 11). *Online banking*. Retrieved from https://en.wikipedia.org/wiki/Online_banking

APPENDIX

Yangon University of Economics
Department of Commerce
Master of Banking and Finance Programme
(Questionnaire for customer adoption of MAB Internet Banking Services)

Part 1 –Personal Information

1. Gender

- Male
- Female

2. Age

- Under 20
- 20-29
- 30-39
- 40-49
- 50-59
- Over 59

3. Education

- High School
- Undergraduate
- Bachelor Degree
- Master Degree
- Doctorate Degree
- Others

4. Occupation

- Student
- Unemployed
- Professional employee
- Own Business entrepreneur

5. Income

- Less than 500,000 MMK
- MMK 500,000 – 999,999 MMK
- MMK 1,000,000 – 1,499,999 MMK
- MMK 1,500,000 – 1,999,999 MMK
- MMK 2,000,000 – 2,499,999 MMK
- Over 2,500.000 MMK

6. I use Internet Banking

- Regularly
- Frequently
- Sometimes

- Occasionally
- Rarely
- Not at all

Part 2 –Customer Adoption of Internet Banking Service

Please state your level of agreement or disagreement to the following statements regarding your attitude toward Internet Banking.

1. SD = Strongly Disagree
2. D = Disagree
3. N = Neutral
4. A = Agree
5. SA = Strongly Agree

No.	Statements	SD	D	N	A	SA
Relative Advantage						
1	Internet banking makes it easier for me to conduct my banking transactions.					
2	Internet banking gives me greater control over my finances.					
3	Internet banking allows me to manage my finances more efficiently.					
4	Internet banking is a convenient way to manage my finances.					
5	I find Internet banking useful for managing my financial resources.					
Compatibility						
6	Internet banking is compatible with my lifestyle.					
7	Using Internet banking fits well with the way I like to manage my finances.					
8	Using the Internet to conduct banking transactions fits into my working style.					
9	It is compatible because it eliminates the risks of carrying cash.					
10	Internet banking manages my financial services well.					
Complexity						
11	Using Internet banking requires a lot of mental effort.					
12	Using Internet banking can be frustrating.					
13	Internet banking is an easy way to conduct banking transactions.					
14	Using Internet banking can be difficult for language.					
15	Internet banking requires many steps and more complex.					

Trialability						
16	I want to be able to try Internet banking for at least one month.					
17	I want to be able to use Internet banking on a trial basis to see what it can do.					
18	If I have the opportunity to try Internet banking, certain fears of the unknown may be minimized.					
19	If I am allowed to experiment with Internet banking, I am more likely to use Internet banking.					
20	I started to use Internet banking for account transfer.					
Risk						
21	I am confident over the security aspects of Internet banking at MAB bank.					
22	Internet banking is insecure.					
23	Using Internet banking may expose me to fraud.					
24	Using Internet banking is as safe as using other modes of banking.					
25	Information concerning my Internet banking transaction will be known to others.					
Self- efficacy						
26	I am confident of using Internet banking if I have only the online instructions for reference.					
27	I am confident of using Internet banking even if there is no one around to show me how to do it.					
28	I am confident of using Internet banking even if I have never used such a system before.					
29	Learning to use Internet banking won't be difficult for me.					
30	Less cost and saving time of Internet banking is the most comfortable for me.					
Technological Support						
31	Advances in Internet security technology provide for safer Internet banking.					
32	Faster Internet access speed is important for Internet banking.					
33	Internet technology makes Internet banking more feasible.					
34	Security measures are implemented to protect customers and have adequate safeguard mechanisms.					
35	Internet network is available nation-wide.					

36. My decision to adopt Internet Banking is influenced by

- Friends
- Media
- Family
- Myself