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**CLIENT PERCEPTION ON MICROFINANCE ACTIVITIES
OF AUNG NAING TOE CO-OPERATION SOCIETY**

**LWIN MA MA LATT
MBF6th BATCH**

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Client Perception on Microfinance Activities of Aung Naing Toe Co-operative Society

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Submitted by

Lwin Ma Ma Latt

MBF II-28

MBF 6th Batch

Yangon University of Economics

Supervised by

Daw Yee Yee Thane

Associate Professor

Department of Commerce

Yangon University of Economics

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ABSTRACT

This study attempt to investigates client perception on Microfinance Activities of Aung Naing Toe Microfinance Society, Microfinance plays a crucial tool for property reduction in Myanmar. This study aims to identified client perception on Microfinance Activities and to analyze the client perception on Microfinance activities of Aung Naing Toe Microfinance society. five areas of service qualify dimensions: tangibility, reliability, responsiveness, assurance and empathy is used for this for accessing service quality of Aung Naing Toe Microfinance .This Framework is only focus on measuring client perception between customer's perceived service quality performance and expectation on service of Aung Naing Toe Microfinance by client.

To determine client perception, the demographics statistics method is applied to achieve objective of the study. The primary data is collected from 120 respondents who are randomly selected from Aung Naing Toe Microfinance Society in Dagon Seikkan Township, Yangon. Random Sampling method is used complete structural questionnaires.

The finding shows that user are satisfied with the responsiveness of the Aung Naing Toe Co-operative Society. Moreover the user perceive the service quality of service positively clients satisfy the Aung Naing Toe Microfinance and relationship of service quality satisfied by the clients.

Among the customer perception of five dimension offered by Aung Naing Toe Microfinance Assurance is the most satisfactory dimension and its leads to trust and confidence upon Aung Naing Toe Microfinance institution. However tangible is the weakest dimension for customer perception in this study .

All in all the study highlighted client perception of Aung Naing Toe Microfinance. Thus study pointed out customer specific needs should be understood for the progress of service quality Aung Naing Toe Microfinance should know perception to standardize relevant services. Aung Naing Toe management should support effective training on personal finance Loan should be systematically borrowed to improved better cash flow for Aung Naing Toe Microfinance and it customers.

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LIST OF ABBREVIATIONS

ADMA	Association of Medical Doctors of Aisa
ADB	Asia Development Bank
ASA	Association for Social Advancement
BRI	Bank Rakyat Indonesia
GRET	Group de rechercheet. D'echangestechnologies
HDJ	Human Development Initiative
INGOs	International Non-government Organizations
MFIs	Microfinance Institutions
MOU	Memorandum of Understanding
MEB	Myanmar Economic Bank
MADB	Myanmar Agriculture Development Bank
NGOs	Non-government Organization
PACT	People Acting in Community Together
UN	United Nations
UNDP	United Nations Development Program
WVM	World Vision Myanmar
ANTM	Aung Naing Toe Microfiance Society
SHG	Self-Help Group

CHAPTER I

INTRODUCTION

Microfinance plays a vital tool for poverty reduction, which is one of the most important objectives in developing countries in Myanmar. Microfinance refers to the provision of financial services to low-income clients, including consumers and the self-employed, who traditionally lack access to banking and related services. Microfinance offers poor people access to basic financial services such as loans, savings, money transfer services and micro-insurance.

Micro-finance means the provision of financial services to Low-income poor and very poor self-employed people.’’ Moreover, microfinance industry is becoming more sophisticated concerning the quality of service they require or expect (Daubert, 2002), Microfinance not only creates the ways greater employment and income- generation but also allows the poor to smooth consumption from crisis and disasters.

Microfinance is regarded as an effective tool for poverty reduction, which is one of the most important objectives in developing countries including Myanmar. The lender in Myanmar got much more profit by borrowing their money with high interest rate to the borrower before 2011 November. As a result, this situation led to the borrower to become poverty to struggle their lives. At that time, the government encouraged to establish cooperative small business in every village for socio-economic development. Thus, the government adopted a new microfinance law as well as Notification 277 and instructions. The Law allows to local and foreign investors to fully private owned microfinance institutions (MFIS).

Aung Naing Toe Microfinance was established on 4th January 2008 as apart of co-operative. The initial paid up capital was MMK 3,000,000 and funded by central co-operative society (ccs).The funding concept was like a soft loan and it has to pay pack (ccs) when it can manage the Microfinance operation on it own capital. Aung Naing Toe Microfinance has profit every years and MMK 3 million were already paid back to CCs. Aung Naing Toe Microfinance located at Building (16),Room (003),A –Block, the first street,94 Quarter, Dagon Seik Kan Township ,Yangon. The operation area is actually too

risky since most the household,80 percent of households are migrants but Aung Naing Toe Microfinance can manage its business very well with it own techniques.(ANT MFIS) Aung Naing Toe Microfinance not only recover credit risk but also prioritize CSR, which has become its advantages .In this way, Aung Naing Toe Microfinance maintains its business for a long time stability. As CSR performance, Aung Naing Toe Microfinance arrange education loan with less interest rate for the education of client's children to attend the schools peacefully. Moreover it donates certain amount of money for social welfare and funnel of its clients if necessary. It also loan for medical expense for clients, especially poor grassroots, for emergency treatment and arrange to go clinic in case of emergency. Aung Naing Toe Microfinance actually support for loyal customer living standard to be stable than before. Thus its provide long term loan apartments by intently higher living standard and life style of royal customers. In addition Aung Naing Toe Microfinance support for its clients to extend their business by selling cycle, trishaw and other necessary things with monthly installment hire purchase system.(ANT MFIS)

1.1 Rationale of the study

Myanmar is one of the poorest countries in Southeast Asia, with a per capital income of approximately US\$ 1.306.The potential for microfinance in Myanmar is huge and a large part of the country is still in accessible and remote areas have no formal financial service providers. In November 2011, the Myanmar Microfinance Law was passed outlining the framework for the operation of microfinance activities in the country. The enactment of the Microfinance Law in 2011 led to a rapid influx of Microfinance Institutions (MFI) in Myanmar. As of December 2015 there were over 256 MFI, operating in Myanmar.(GIZ report 2016)

Financial sustainability has been defined as permanence also the capability to recurrence performance over time. It allows the continued operation of the microfinance provider and ongoing provision of financial services to the poor.(CGAP ,2004:1) Sustainability in MFIS concerns with the capability of institutions to manage their operation costs through operating revenue generated from their own operations.(Woller et al.. 1999; Ladgeder wood ,1999;Thapa et al.,1992) without depending on external support or subsidy.

Financial viability is measurable in two stages viz. Operation sustainability (OSS) and Financial Self-sufficiency (FSS). Operation sustainability refers to the ability of the Microfinance Institution to capture its operation costs from its operating income whether it is subsidized or not. MFIs are financially self-sufficient when they are able to manage their both operation and financing costs from their own generated income and other from of subsidy valued at market prices.

Aung Naing Toe Microfinance is doing business not only for its stability in finance but also for social welfare matter of every client. Thus Aung Naing Toe has established its services for more than 12 years and its succeed almost 80 percent of its business. The main advantage of Aung Naing Toe is that it tried to recover its credit risk by lending certain amount of money to its clients who save as much as they can. This objective intends to its clients by using its repayment plan in which saving plan is included both client and its society not to be caused losses for their survival life.

In this saving plan, Aung Naing Toe openly mentions its standing policy that its will lend clients if they agree pay its loan to Aung Naing Toe Microfinance, Aung Naing Toe will take the amount of loan from it client and the rest of money is given back to the clients. Therefore, This study will explore the effect of corporate social responsibility Activities on Aung Naing Toe Microfinance Society performance. (ANT MFIS)

So, in this study, to presents evidence of the important contributions made by microfinance in the eradication of poverty by increasing the income generating activities, empowerment of poor people to access development services such as healthy and education and reduction in vulnerability.

1.2 Objectives of the Study

The objectives of the study are as follows

- (1) To identify the client perception on microfinance Activities
- (2) To analyzes the client perception on microfinance activities of Aung Naing Toe Microfinance Society.

1.3 Scope and Method of study

In this study will be focus on the microfinance Activities and the client perception on microfinance Activities of Aung Naing Toe Microfinance Co-operative Society performance. The descriptive statistics method will be applied to achieve objectives of the study. The primary data will be collected from sample of 120 respondents out of the 200 client from the survey conducted in Aung Naing Toe Microfinance Co-operative Society.

1.4 Organization of the Study

The study will be organized into five divisions. In chapter (1), it is included the introduction. In chapter (2) presents literature review of Microfinance Theory. Chapter (3) will describe microfinance in Myanmar. In chapter (4) will include the analysis the client perception on microfinance activities of Aung Naing Toe Microfinance Co-operative Society. Chapter (5) will present conclusion, finding, suggestions and need for further research.

CHAPTER II

THEORETICAL BACKGROUND OF THE STUDY

This chapter presents some related theories that will be used as a framework for this research. It consists of definition of microfinance, characteristics of microfinance, definition of microfinance client's and service quality, dimensions of service quality, definition of client perception, client perception measurement and conceptual frame work of the study.

2.1 Overview of Microfinance Activities

Microfinance is a much researched discipline. Although there is a lot of literature on microfinance, there is hardly any agreement on a universally accepted definition of microfinance. In fact, microfinance is an economic development approach that involves providing financial services through institutions to low-income clients, where the market fails to provide appropriate services. According to Otero (1999, P.8), "Microfinance is the provision of financial services to low- income poor and very poor self-employed people." In addition, Ledger wood (1999) states that these financial services generally include savings and credit but can also include other financial services such as insurance and payment services. Schreiner and Colombet (2001, P.339) define microfinance as "the attempt to improve access to small deposits and small loans for poor households neglected by banks." Thus, microfinance involves the provision of financial services such as savings, loans and insurance to poor people living in both urban and rural areas who are unable to obtain such services from the formal finance sector. According to Sharma (2001), microfinance is generally an umbrella term that refers to the provision of a broader range of financial services such as deposits, loans, payment services, money transfers and insurance to poor and low-income households and their micro-enterprises.

According to Robin Son (2001) and Otero (1999), microcredit and microfinance are relatively new terms in the field of development, first coming to prominence in the 1970s. Robinson states that the 1980s represented a turning point in the history of microfinance in that MFIs such as Grameen Bank and BRI 2 began to show that they

could provide small loans and saving services profitably on a large scale. Microcredit insisted on repayment, on charging interest rates that covered the cost of credit delivery and by focusing on clients who were dependent on the informal sector for credit. The 1990s saw accelerated growth in the number of microfinance institutions created and an increased emphasis on reaching scale (Robinson, 2001, P.54). Dichter (1999, P. 12) also refers to the 1990s as "the microfinance decade." According to Robinson (2001), microfinance had now turned into an industry. The importance of microfinance in the field of development was reinforced with the launch of the Microcredit Summit in 1997, and more recently, the UN declared 2005 as the International Year of Microcredit.

The role of microfinance is important because it produces many benefits for the poor and low income households. One of the benefits is that is very accessible. Banks today simply will not extend loans to those with little to no assets, and generally do not engage in small size loans typically associated with micro financing. Through micro financing, small loans are produced and accessible micro financing is based on the philosophy that even small amounts of credit can help and the cycle of poverty. Another benefit produced from the micro financing initiative is that it presents opportunities, such as extending education and jobs. Families receiving micro financing are less likely to pull their children out of school for economic reasons. As well, in relation to employment, people are more likely to open small business that will aid the creation of new jobs. Overall, the importance is microfinance is set out to improve the standard of living amongst impoverished communities (Rutherford, 2009).

Some Microfinance Institutions (MFIs) provide healthcare services by hiring the services of qualified doctors and providing them with medicine. Some MFIs run school programs for the children whereas other MFIs give loans to the clients and partial savings withdrawal is allowed by them. Interest on savings is given at 5 percent and higher rate of a percent is sometimes given on the voluntary savings. Many MFIs also provide social intermediation services such as training, organizational support, health and skills in line with their development services. Therefore, MFIs is an organization that engages in extending microcredit loans and other financial services to poor borrowers for income generating and self-employment activities. In this way, MFI is usually referred to as a NGO (Non-Government Organization) and INGO (International Non-Government Organization).

2.2 The Nature of Microfinance Clients

Little field and Rosenberg (2004) state that the poor are generally excluded from the financial services sector of the economy so MFIs have emerged to address this market failure. By addressing this gap in the market in a financially sustainable manner an MFI can become part of the formal financial system of a country and so can access capital markets to fund their lending portfolios, allowing them to dramatically increase the number of poor people they can reach (Otero, 1999). It is important consider the impact of microfinance on poverty. In fact, poverty is more than just a lack of income. Wright (1999) high lights the shortcomings of focusing solely on increased income as a measure of the impact of microfinance on poverty. He states that there is a significant difference between increasing income and reducing poverty (1999). Microfinance clients are poor and low-income people that do not have access to other formal financial instructions. Microfinance clients are often self-employed, household-based entrepreneurs and the diverse "micro enterprises" include small retail shops, street vending, artisanal manufacture, and service provision. Most clients below the poverty line are in the upper half of the poor. Nevertheless, it is clear that MFIs can serve clients at the higher end of the bottom half and women often comprise the majority of the clients.

Characteristics: There are significant characteristics of microfinance and it helps very poor households to meet basic needs and protects against risks. Microfinance is also related to the improvements in household economic welfare and it helps to empower women by supporting women's economic participation and so promotes gender equity. Thus, microfinance provides access to financial and non-financial services to low income people, who want to access money for starting or developing an income generation activities. Although the individual loans and savings of the poor clients are small, Microfinance appreciates micro-entrepreneurs and some poor client that can be "bankable," that is, they can repay, both the principal and interest, on time and also make savings, provide financial services are tailored to suit their needs.

The most significant characteristics of microfinance products is it uses little amount of loans and saving. Microfinance has short items loan, usually up to the term of

one year. In terms of loans portfolio, it is highly volatile and risk heavily depends on portfolio management skills. Another characteristic is that payment schedule attributes to frequent installments or frequent deposits. In this case, installment is made up from both principal and interest, which amortized in course of time. Its feature of interest rate is that higher interest rate on credit in microfinance. In other words, its interest rates are higher than commercial bank rates but lower than loan-shark rates. The higher interest rates reflect the labor-intensive work associated with making small loans and allowing the microfinance intermediary to become sustainable over time. Type of client in microfinance are low-income people and most people work in informal sector, so they have low wage bracket. Easy entrance to the microfinance intermediary saves the time and money of the client and permits the intermediary to have a better idea about the clients' financial and social status. In times of lending technology, application procedures are simple and short processing period (between the completion of the application and the disbursement of the loan) is used in microfinance. There is lack of extensive loan records. Information-intensive character-based lending linked to each cash flow analysis and group-based borrower selection. The clients, who pay in time become eligible for repeat loans with higher amounts. The use of tapered interest rates, which is decreasing interest rates over several loan cycles as an intensive to repay on time. Large size loans are less costly to the MFI, so some lenders provide large size.

Loans on relatively lower rates: No collateral is required contrary to formal banking practices. Instead of collateral, microfinance intermediates use alternative method like the assessments of clients' repayment potential by running cash flow analysis, which is based on the stream of cash flows, generated by the activities for which loans are taken. Thus, microfinance typically refers to very small loans for unsalaried borrowers with little or no collateral consumer credit provided to salaries workers based on automated credit scoring is usually not included in the definition of micro credit. Therefore, microfinance normally refers to a range of financial services including credit, saving, insurance, money transfer, and other financial product provided by various service providers targeted at poor and low-income people. The Institutional structure of microfinance is decentralized and there is insufficient external control and regulation. Capital base is quasi-equity (grants, soft-loans). The organizational ideology is

characterized on lost recovery objective vs. profit maximizing. It is also remote from non-dependent on government.

2.3 Service Quality and its Attributes

A service is an activity of more or less intangible nature that normally take place in interactions between the customer and service provider. Service is a vital factor in economic activities and it is invisible operation tools that bring benefits and make customers perception. Service quality is very important, especially for the growth and development of service sector business firms. It is vital to know whether the customer's expectation regarding the service really matches the perceived service in all dimensions of service quality Zeithanm and Parasuraman (2004) defined service quality as the difference between customers' expectation of service and their perceptions of actual service performance. Thus, service quality is the difference between customer's expectation and perception of services delivered by service firms. Niteeki et al. (2000) defined service quality in terms of "meeting or exceeding customer expectations, or as the difference between customer perception and expectation of service. Service quality indicates that the criteria customers use for evaluating service quality that includes comparing customer expectations with the actual service performance. Service quality is considered as an important tool for a firm's struggle to differentiate itself from its competitors. The relevance of service quality to firms is emphasized especially the fact that it offers a competitive advantage to companies that strive to improve it and hence bring customer satisfaction

Service is an action or an activity, that can be offered on a party to another party and it is basically intangible and cannot affect any ownership. A distinction in services must be made between inputs and services.(Philip Kotler(1997). For services, inputs are the customers themselves, and resources are the facilitating goods, employees, labor and capital at the command of the service managers. Consumers basically use the same criteria when they evaluate services. These criteria are seen to fall into ten categories which are labeled service quality determinants as outlined by Parasuraman and Zeithanm (1982).

Service Quality Determinants Are as Follows:

Reliability: Reliability involves consistency of performance and dependability. This suggests that the firm had performed the service right the first time. Thus, reliability refers to the ability to provide the exact required service according to given specification and conditions. Reliability means that the firm performs the service right the first time and the firm honors its promise. This includes punctual service delivery and ability to keep to agreements made with the customer. It concerns the ability to keep service promise accurately and consistently. It includes correct service and accurate record and prompt reply to customer.

Responsiveness: Responsiveness refers to willingness or the reading of employees to provide the service and include timeliness of service, calling the customer, giving prompt attention to service and so on. Responsiveness refers to speed and timeliness of service delivery. It also includes willingness and readiness of employees to provide service. It concerns ability to provide appropriate information to customers when a problem occurs. It includes prompt response, prompt services and quick problem solving.

Competence: Competence is the possession of the needed skills and knowledge in performing the service.

Access: Access involves ease of contact or convenience of service and it includes the time the customer is waiting to receive the service, convenient location of service facility and so on. Access means the ability, right, or permission to approach, enter, speak with, or use; admittance. It is also the state or quality of being approachable.

Courtesy: Courtesy includes politeness, respect, consideration, and friendliness of contact personal including their cleanliness, neatness and smartness. Courtesy is the showing of politeness in one's attitude and behavior towards others.

Communication: Communication is keeping customers informed. It involved such details as explaining the service to them, explaining how much the service will cost, explaining that trade off and assuring the customer that his problem will be rightly handled.

Credibility: Credibility involves trust, worthiness believability, and honesty and so on. It means the quality of being trusted and believed in. It is also called the quality or power of inspiring belief.

Security: Security is the latitude of freedom from danger that a customer enjoys by avoiding risks and doubtful situation. This consists of personal safety, financial security and confidentiality.

Understanding knowing the customer: It involves understanding the customers' needs, wants and preferences, learning about their specific requirement, providing individualized attention and recognizing the regular customer.

Tangibles: Tangibles include physical evidence of the service in terms of physical facilities, appearance of personal tools and equipment used in providing the services, other customers in the service facility and so on. Tangibles are appearance of physical facilities, equipment, personnel, and communication materials. Positive Word of Mouth Communication means the informal conversation between customers about service provided by a bank simply by communicating with a friend, family member, or acquaintance. It also shows that you certainly feel pleased with the service at the point you can advocate for it.

A process that is composed of many intangible activities that normally, but always, take place in interrelation between the customer and service provider having physical resources or things or systems which are provided as solution to customer problem. (Gronroos (2000, P-46)) Marketing researchers identified the dimensions of service quality by studying many different service categories. Five principal dimensions identified that customer use to judge service quality. They are tangibles, reliability, responsiveness, assurance, and empathy, which are listed in order to decline relative importance to customers. (Parasuraman et al. (1988))

2.4 Service Quality and Client Perception

Customers do not have much information about the technical aspects of a service. Thus, functional quality becomes the major factor from which to form perceptions of

service quality (Konabedian 1980). Service quality may be defined as customer perception of how well a service meets or exceeds their expectations (Czepiel 1990). Service Quality can be measured in terms of customer perception, client expectation, client perception and client attitude. LLeDCALL and Paltschik (1989) focus on willingness, ability to serve and (Sachdev and Verma 2004). Gronoos (1984) considers technical, functional and reputational quality. Lehtinen (1982) considers interactive, physical and corporate quality. LLeDCALL and Paltschik (1989) ,the focus on willingness, ability to serve and the physical and psychological access to the service.

In conceptualizing the basic service quality model, Parasuraman et al. (1985) identifies 10 key determinants of service quality as perceived by the service provider and the consumer, namely, reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding knowing the customer, and tangibility to formulate a service quality framework SERVQUAL. Later in 1988, they modify the framework to five determinants: reliability, responsiveness, assurance, empathy and tangibles.

Customer Perception

A very straight forward and inexpensive method of collecting consumer's perceptions of service quality is to gather them at the time of the scale. Service providers can ask customers how they liked the service although customers are reluctant to provide negative feedback directly to the person who provided the service or distribute a simple questionnaire. In some cases customers cannot effectively evaluate the service until several days or weeks later. Customer perception play a significant role in the determination of customer satisfaction. In fact, perception will be influenced by service quality, price and other personal expectations regards to service.

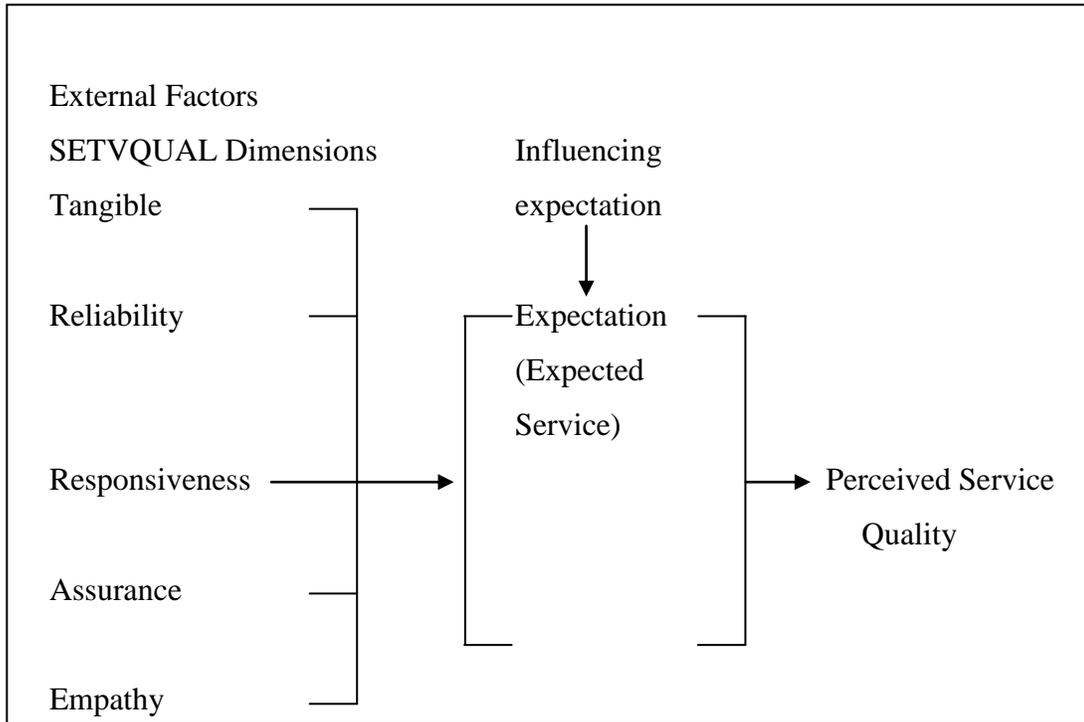
It is a judgment that a product or service feature, or the product or service itself, provides a pleasurable level of consumption related fulfillment (Oliver, 1994). Additionally, disconfirmation of expectations may have an asymmetrical effect, such that negative disconfirmation is more impactful than positive disconfirmation. However, customer satisfaction is based not only on the judgments of customer towards the

reliability of the desired service but also on customer's experience with the service delivery process. In other words, customers who appreciate the core and relational dimensions of service quality provided by a service provider are likely to be satisfied with the services offered by that service provider. (Jamal and Naser, 2002).

There are many techniques and methods for measuring customer perception. The most widely used models in measuring quality in the service industry in general is the SERVQUAL model. The SERVQUAL model is considered as the pioneer model in client perception measurement. Developed by Parasuraman et al. 1985, the model has been recognized as the most representative tool in approaching client perception issues. "SERVQUAL contains 22 pairs Likert scale statement structured around five service quality dimensions in order to measure service quality (Cronin and Taylor 1992): Reliability, Responsiveness, Assurance, Empathy, Tangibles" (Bloemer, Ruyter et al. 1999).

In this perspective, customer perception is analyzed as multidimensional concept resulting from a comparative approach between customer's expectations and perceived quality delivered by the firm (cf. Parasuraman et al. 1985). Based on their finding they developed a service quality based on analysis which is illustrated in SERVQUAL Model (Parasuraman et al).

Figure.2.1 Measuring Perception Service Quality using SERQUAL Model

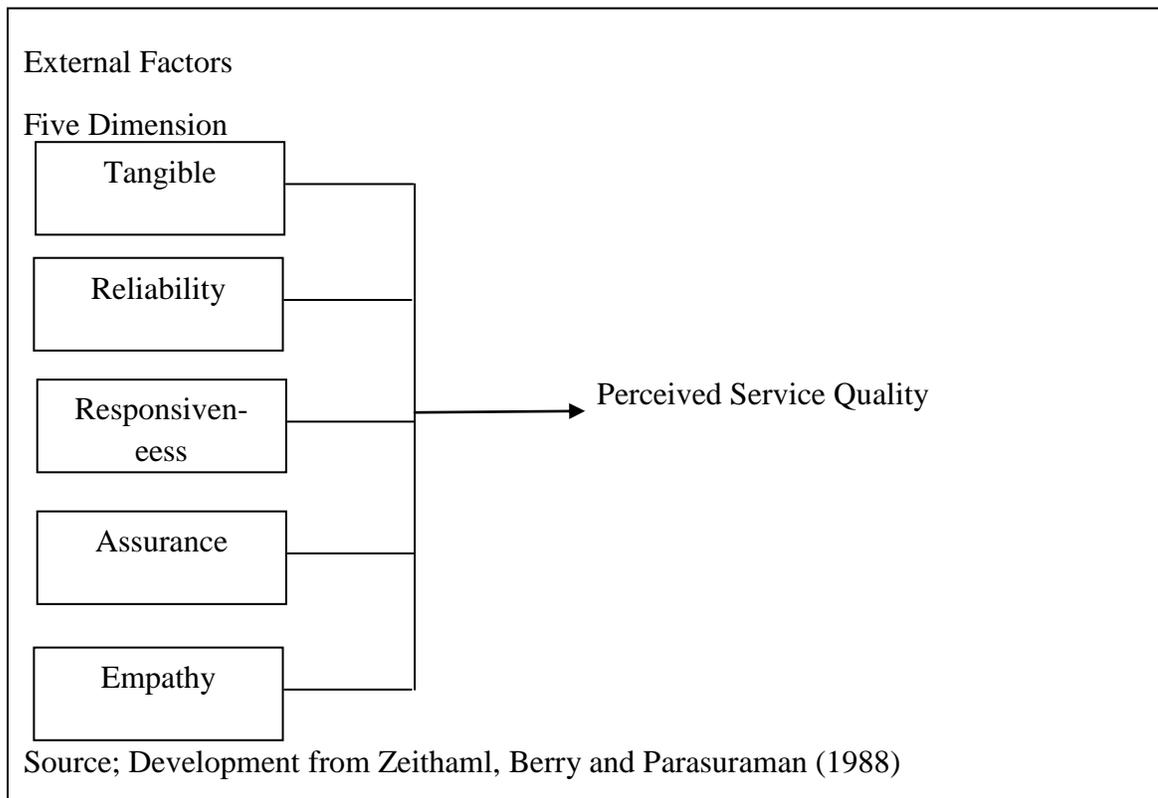


Source; Zeithaml, Berry and Parasuraman (1988)

2.5 Conceptual Framework of the Study

In this framework of the five service quality dimensions have been used for this study; tangible, reliability, responsiveness, assurance and empathy; for accessing service quality of Microfinance Institution in Dagon Seikkan Township. This framework is only focus measuring client perception, between customers' perceived service quality performance of MFI in Dagon Seikkan Township by the clients. The major element of SERVQUAL Model development by Zeithaml, Berry and Parasuraman (1988) is used as the conceptual framework in this study in figure 2.2

Figure 2.2 Measuring Client Perception using Five Dimension



Tangibles: According to figure 2.1, tangibles refer to the facilities that provide by the institution in serving good conditions to their customers. This dimension also appears the personnel and conditions of equipment. In fact, tangibles are the physical evidence of the service, for instance, the appearance of the physical facilities; tools and equipment used to provide the service; the appearance of personnel and communication materials and the presence of other customers in the service facility. Tangibles dimension involves physical facilities, equipment and personal and communication materials. In the education service industry, the condition of the physical surroundings (e.g. cleanliness is tangible evidence of the care and attention to detail that are exhibited by the service provider.

Reliability: Reliability in the context of services means the degree to which a service is fault-free. Ghobadian et al. (1993) Parasuraman et al., also stressed that reliability is the ability to provide the pledged service on time, accurately and dependably. There must be competence in the knowledge and skill of contact personnel, knowledge and skill of operational support personnel and research capabilities of the organization. The service is performed correctly on the first occasion, the accounting is correct, records are up to date

and schedules are kept. Reliability refers to the ability to provide the exact required service according to given specifications and conditions. Reliability involves the consistency and dependability of the service performance. Reliability service performance is a customer expectation and it means that the service is accomplished on time, in the same manner and without errors every time. It is also ability to perform promised service accurately and dependably.

Responsiveness: Responsiveness means the willingness to help customers and to provide prompt service. Responsiveness concerns the willingness or readiness of employees or professionals to provide service. Keeping customers waiting, particular for no apparent reason, creates unnecessary negative perception of quality. In other words, responsiveness means the inclination and willingness of the employees to serve customers quickly and properly. Parasuraman (1998) stated that responsiveness is the tendency and willingness of service provides to help clients and safety their needs, immediately reply to their inquiries and solve their problems as quickly as possible. Responsiveness also concerns the readiness of employees or professionals to provide service. Moreover, keeping customers waiting, particularly for no apparent reason, creates unnecessary negative perceptions of quality. Responsiveness means informing customers in a language they are able to understand and listening to customers. For instance, mailing a transaction slip immediately or setting up appointments quickly. A service provider may need to adjust its language for the varying needs of its customers. For example, information might include explanation of the service and its cost, the relationship between services and costs and assurance as to the way any problems are effectively manages.

Assurance: Assurance is the knowledge and courtesy of employees as well as their ability to convey trust and confidence. The assurance dimension consists of competence to perform the service, politeness and respect for the customer, effective communication with the customer. This determinant encompasses the provider's name and reputation, possession of necessary skills and trust worthiness, believability, and honesty. The assurance dimension also considers that the server has the customer's best interests at heart, moreover, assurance means feeling of trust and confidence in dealing with the

organization. This reflects the workers' knowledge and experience and their ability to build self-confidence as well as confidence in the customers themselves. Assurance is the customer feeling free from danger, risk or doubt including physical safety, financial security and confidentiality .The factors such as trust worthiness belief and honest are basic dimension of service.

Empathy: The dimension of empathy includes the provision of caring, individualized attention to customers. It also means making the effort to know customers and their needs. In other words, empathy means understanding the customers' personal needs, taking care of them individually and showing them all sorts of sympathy and affection, looking at them as close friends and distinguished clients. Empathy refers to making an effort to understand the customer's individual needs, providing individualized attention, recognizing the customer when they arrive and so on. This in turn helps in delighting the customer i.e. rising above the expectation of the customer. Empathy also refers to the service provider's efforts to understand the customer's needs and then to provide, as best as possible, individualized service delivery. To sum, each of these determinants plays a vital role in how the customer views the service quality of a firm. The customers usually use these five dimensions to form their judgments of service quality, which are based on a comparison between expected and perceived service, between expected and perceived service is a measure of service quality.

CHAPTER III

BACKGROUND INFORMATION AND SERVICES OF AUNG NAING TOE CO-OPERATIVE SOCIETY

This chapter mainly consist of the three parts. In first part, History of Microfinance Society, Objective, Mission, Vision, and Organization structure are expected in the second part, Microfinance operation producers, membership producers, financial status and specification of loan services. In the, final, it includes Microfinance of Aung Naing Toe Co-operative society.

3.1 Back Ground History of Aung Naing Toe Co-operative Society

The Aung Naing Toe Microfinance was established on January 4, 2010 as a part of co-operative. The initial paid up capital was MMK 3,000,000 and funded by central cooperative society (CCS). The funding concept was a soft loan and it has to pay pack CCS when it can manage the Microfinance operation on its own capital. Aung Naing Toe Microfinance has profited every year and MMK 3 million has already paid back to CCS. Aung Naing Toe Microfinance is located at Building (16), Room (003), A-Block, the first street, 94 Quarter, Dagon SeikKan Township, Yangon. The Operation area is actually too risky since most the households, 80 percent of households are migrants. But Aung Naing Toe Microfinance (ANTM) can manage its business very well with its own techniques. Its methodology is group lending and all these Self-Help-Group (SHG) members have to guarantee each other Previously, ANTM organized some meetings in order to recruit the new clients by explaining their policies, terms and conditions. Currently, ANTM does not need to do any special meeting to get new clients because word of mouth marketing is automatically happened in their operation area. Now, total active borrowers are more than 600 and the highest number was 1,000 in the past. ANTM does detail discussion with clients and also send field inspection team to the client's business area,

(a) Vision, Mission & Objective of Aung Naing Toe Co-operative Society

Vision: Aung Naing Toe Microfinance Society's Vision is to be Myanmar's leading Institution providing superior financial services to all segment of the community to reduce poverty reduction of low income people in Dagon Seikkan Township.

Mission: We provide micro and small entrepreneurs to manage their financial resources efficiently and by doing so it improve the quality of their lives. In order to achieve these goals, we support and advise financial assistance for low income people in Dagon Seikkan Township to work a job for their earning.

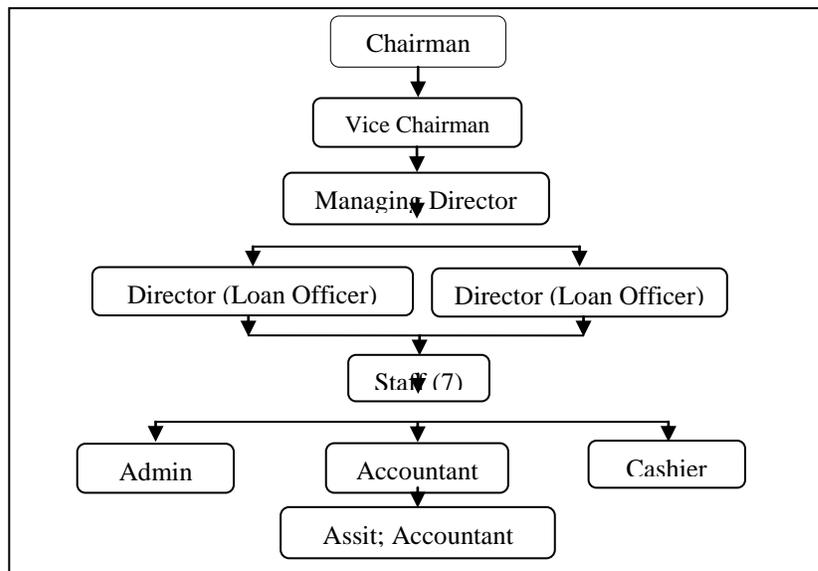
Objectives of Aung Naing Toe Microfinance are:

- ❖ To reduce the poverty of the grass root people
- ❖ To develop Social, Education, Health & Economic Status of the Grass root people
- ❖ To create job opportunities
- ❖ To nature and cultivate the saving habit
- ❖

(b) Organization Structure of Aung Naing Toe Co-operative Society

Management structure of Aung Naing Toe is shown in Figure (3.1)

Figure (3.1) Management Structure of Aung Naing Toe Co-operative Society



Source: Annual Report of Aung Naing Toe Co-operative Society 2019

As shown in (3.1) the board of directors are consisted of a group of five people including chairman, vice chairman, managing director, and two directors in the Aung Naing Toe Microfinance Cooperative Society. Chairperson, vice chairperson and managing director are working as full time members of B.O.D. Chairman is the decision maker of the whole operation whereas vice chairperson organizes members, issues loan, analyzed pay back loans and checks new members and resignation of members. Managing Director is responsible for daily issue loans, return loans with the help of staffs. He also monitors ledgers, accounting and lists of members, lists of saving money and records them at the same time. Microfinance operations are conducted after making decision by the B.O.D. There are only seven staff in ANTM. They are one accountant, one assistant account, four cashier and one admin staff. They conducts daily cash flow, daily loan affairs and book keeping of daily accounts and ledgers.

3.2 Microfinance Operation Procedures in can explained as follows :(ANTM)

(a) Membership Procedure

Procedures of ANTM's membership plays a vital role the success of ANTM.

First, the person who wants to borrow from ANTM has to apply for the desired amount with the application form regarded by that Microfinance. The application forms having free of charges for a new member is guaranteed by two new members.

Second, since the borrower who starts to take any kind of loan amount from ANTM has to become the member of this finance, it is crucial to select the new members with much case. In selecting the members of the group, those who wants to borrow from the finance must present the census of living in that quarter and his or her NRC. Additionally, it is needed to take quarterly administrative department's guarantee. ANTM makes the loan according to the agreement of its all members. The new members are accepted only after investigating their life style and daily income position.

Finally, SHG members have to guarantee each other and each group must be formed by their own management based on mutual trust and one SHG basically have 5 members. Aung Naing Toe Microfinance uses the social collateral concept in order to form SHG.

The member fee is MMK5,000/- for being a new member of Aung Naing Toe Microfinance. In the past, Aung Naing Toe Microfinance was under the management of

Central Cooperative Society. Now it is formed as ANTM cooperative to conduct the microfinance activities in Dagon SeikKan Township, Yangon Region. The number of members in ANTM is 1087 in 2015-2018 and 738 in 2015-2018 financial year. ANTM provides 500,000 kyats for education of children of member's family and 500,000 kyats for social welfare of members for the year 2017 and 2018. ANTM also provides 100 kyat (1.25% per month) for the saving amount of members.

(b) Financial Status

According to the financial status of ANTM, Paid up Capital and total assets are as follows:

Initial paid-up capital was MMK.3,000,000 and current capital at financial year 2017-2018 is MMK 3,860,000. Total asset of recent financial year, 2017-2018 is MMK 117,478,625. Return on asset is $\text{MMK } (814, 088 / 117, 478, 625) = 0.69\%$

Liquidity ratio (current assets current liability) is 0.96: 1, which is almost 1: 1 and it can be accepted as good position of liquidity. Solvency ratio (Total equity, Total assets) is 11.23%, which is slightly lower than the requirement of Financial Regulatory Department (FRD) that is 20%. ANTM is taking saving deposits from members by providing 1.25% monthly interest and 15% interest per year. Although other cooperative MFIs are keeping member saving deposits until one year term, ANTM creates flexible withdrawn system by six months. ANTM profits every year and its financial performance is not so bad according to its current size of business. Their gross revenue is 30% interest per year of total loan outstanding amount and their interest expense is 15% per year of total deposits, since operation and administration costs are not too high, it can maintain the profit ability for years. It can also control the profit margin ratio as average 2 percent.

Aung Naing Toe Microfinance collects social welfare fund that is MMK 4,000 per member per year. Its policy is constantly set as following provisions:

- 1) ANTM has to provide MMK 100,000 for any part of body broken
- 2) ANTM has provide MMK 100,000 for member death
- 3) ANTM has provide MMK 50,000 for child born (with operation)

- 4) ANTM has provide MMK 30,000 for child born (normal born)
- 5) ANTM has provided MMK 30,000 for Funnel.
- 6) ANTM join clinic to care for their emergency client's patient.

Moreover, that fund can be used to recover some losses of loan.

(c) Disbursing Loan Specification of Aung Naing Toe Microfinance

Loan specification of Aung Naing Toe is disbursed as follows:

The application form for leading loan to the borrower is guaranteed by other members in that group. The lending loan amount and the date of lending must be expressed in it. Loan agreement is a contractual agreement stated in the loan application form for the repayment of the amount with interest within sixty days after borrowing

There are four type of loan size for individual such as each having kyats 60,000/- Kyats 90,000/-, Kyats 120,000/- and Kyats 150,000/-. For each group having five members, loan sizes are of having Kyats 150,000/- to 1,000,000/- Kyats. As for educational loan at the opening school period, loan size is 50,000 kyats and 100,000 kyats for social welfare without interest.

Loan interest is 2.5% for a month over the lending loan amount.Loan Duration is 2 months mostly. Each loan size for both individual lending and group lending are described in Table (3.2) and Table (3.3).

Table (3.2) Individual Loan Size

Loan Size	Principle	Interest	Saving	Daily Payment
K 30,000	K 500	K 25	K 75	K 600
60,000	1,000	50	150	1,200
90,000	1,500	75	225	1,800
120,000	2,000	100	300	2,400

Source: Aung Naing Toe Co-operative society

Individual loan amount, repayment system, interest rate, and saving amount are described in Table (3.2). It shows that if user borrows 30,000, its daily repayment is 500

upon principal and 25 upon interest and 75 as saving. Thus, daily total payment is 600Ks. If they delay for one day they collect penalty charges from members.

Table (3.3) Group Loan Size

Loan Size (Kyat)	Principle (Kyat)	Interest (Kyat)	Saving (Kyat)	Daily Payment (Kyat)
150,000	2,500	125	375	3,000
300,000	51,000	250	750	6,000
450,000	7,500	375	1,125	9,000
600,000	10,000	500	1,500	12,000

Data Source: Aung Naing Toe Co-operative Society

Table (3.3) shows that the flow of group lending. It describes if group borrows K 150,000 and it has members of 5 People, its daily repayment is K 2.500 upon pricing and K 125 upon interest and K 375 as saving. Daily total payment is 3,000Ks. If one member defaults to pay, other member has to repay back. If they delay for one day, they collect penalty charges from members.

3.3 Services Provided by Aung Naing Toe Microfinance

Services provided by Aung Naing Toe Microfinance are general loan, special loan, education loan, health loan are follows:

General loan is intended to get daily income for those who wish to work something, vendors and grass root people. In the past, loan size is 30,000 kyats without collateral and interest rate is 2.5% per month. The borrower has to repay either daily or weekly. If one person is absent to repay the loan in the 5 people group, the rest of four people is responsible for that loan. Current, the loan size starts with 60,000 kyats. Based on the human collateral, loan size can be increased due to the repayment at the right time. Table 3.4 shows ANTM's loan size, .Interest Rate and Duration of General Loan.

Table (3.4) Interest Rate and Duration of General loan

Loan size	Monthly Interest Rate (%)	Loan Duration (Month/Days)
60,000	2.5	2/60
90,000	2.5	2/60
120,000	2.5	2/60
200,000	2.5	2/60

Data Source: Survey date, 2019

Special loan is managed by the decision of Board of Directors of ANTM. It is intended to the nature of incentive type. The range of loan size is from 150,000 kyats to 1,000.000 kyats with a five peoples' grantee group. Loan duration is from 6months to one year. The borrower has to save 10% of special loan. The 50% of saving amount is repaid after saving one year. The interest rate for saving is 1.25% per month.

Clients who have students can borrow 60,000 kyats for their children's education and they have to repay the loan daily. In this way, ANTM is committed to support education for children, which is a critical component of microfinance model.

ANTM engaged with a clinic for the health of clients. If a client goes to that clinic, it can claim a voucher with the name of client without interest ANTM claims to the clinic's vouchers once a month .If a client is dead, ANTM provides one lakh kyat. If a family member of a client, ANTM provides 50,000 kyats. For the wedding of a family member of a client, ANTM provides 50,000 kyats. And the customer who have difficulty in repaying their debt are asked about their situation and if it is acceptable, their loan term shall be extended. If a client wants to buy goods, machines, or equipment, ANTM arranges for payment as a loan according to loan procedure in order to support client's business.

Client perception is one of the key factor in order to meet customer satisfaction. Most customer prefer the best service quality and loan procedure for their living .In This way, there is a better relationship between customer and Aung Naing Toe Co-operative society. Thus, client mainly depend on its services that meet their requirements.

CHAPTER IV

CLIENT PERCEPTION ON AUNG NAING TOE MICROFINANCE SOCIETY

This chapter provides from analysis survey data that includes are two sectors. The first one is demographic data of respondents from Aung Naing Toe microfinance society. The second one ask customer perception of the Aung Naing Toe Microfinance Society.

4.1 Research Design

This study is to explore client perception on microfinance activities of Aung Naing Toe Co-operative Society. Thus, this paper aims to identified and analyze the client perception on Microfinance operation and service of Aung Naing Toe Microfinance Society. To achieve the desired objectives, a set of primary and secondary data were used and secondary .In this study, Secondary data were obtained from former research papers, texts, articles from international journal and internet websites. To get the primary data, 120 respondents were asked to answer questionnaires in order to get survey data with the systematic questions. The sample size are calculated by employing SS software.

4.2 Profile of Respondents

The General Information of the Respondents for the Random Sample of 120 from Aung Naing Toe Microfinance Society and include gender, age group, material status, education, occupation, monthly income, number of family, contact life and delinquency. A point scale ranging from very low to indicated very high. Perception are measure with five point liket skill (very low=1, low=2,Natural=3,high=4,very high=5)

4.2.1 Gender of Respondents

Table (4.1) shows the description of Gender, according to the table, the result data shows that89 people of female had a high response of 74.2% and 31 people of responses male 25.8% .Thus the female response rate of three times more than that of male.

Table (4.1) Gender

Gender	Frequency	Percent (%)
Male	31	25.8
Female	89	74.2
Total	120	100.0

Source: Survey Data (2019)

4.2.2 Age Distribution of Respondents

Table (4.2) describe age distribution of respondents was classified into four classes which are under 20,21 to 30 years, 31 to 40 years, 41 to 50 years and above 50 years. The age group respondents are divided into 5 group.

Table (4.2) Age Distribution

Age Group	Frequency	Percent (%)
Under 20 years	1	.8
21-30 years	29	24.2
31-40years	66	55.0
41-50years	5	4.2
Above 50	19	15.8
Total	120	100.0

Source: Survey Data (2019)

Table (4.2) majority of respondents using ANTM was 55% and their age is between 31 to 40 years. The second most age group was 21 to 30 years old and their respondents rates is more than over 50 years and 41 to 50 years. It can be seen that age group over 30 to 50 is the head of households for their living standard.

4.2.3 Marital Status of Respondents

Table (4.3) shows, marital status of respondents .According to the table , 81.7% are married and 18.3% are single. It can be concluded that most of people are depend on microfinance, especially women.

Table (4.3) Marital Status

Marital Status	Frequency	Percent (%)
Married	98	81.7
Single	22	18.3
Total	120	100.0

Source: Survey Data (2019)

4.2.4 Education Level of Respondents

Table(4.4) describes, Education level of respondents. Education level and the results are classified, most of respondents are high school level was 43% and the second largest of Bachelor's Level was 34.2%. It can be seen that high school level of those people can read and write and they can buy and sell for their earning such as vendors.

Table (4.4) Education Level

Level of Education	Frequency	Percent (%)
Literate Person	1	.8
Primary Level	2	1.7
Middle Level	24	20.0
High School Level	52	43.3
Bachelor's Level	41	34.2
Total	120	100.0

Source: Survey Data (2019)

4.2.5 Occupation Status of Respondents

Table (4.5) shows Occupation Status of respondents for the analysis. According to the result data, 38.3 % are the largest vendor person using Aung Naing Toe microfinance institutions. The second largest tailor using Aung Naing Toe microfinance institution was 36.7%.. It can be concluded most of the vendors depend on microfinance because they can loan without collateral.

Table (4.5) Occupation Status

Occupation	Frequency	Percent (%)
Accountant	2	1.7
Cash Collector	1	.8
Tailor	44	36.7
Tea shop	8	6.7
Managing director	1	.8
Seller	46	38.3
Driver	6	5.0
General Worker	5	4.2
Government staff	4	3.3
Goldsmith Business	1	.8
Restaurant	2	1.7
Total	120	100.0

Source: Survey Data (2019).

4.2.6 Monthly Income of Respondents

Using Aung Naing Toe micro-finance institution, table (4.6) shows monthly income of respondents is classified by three classes. There are 50,000 to 100,000 Kyats, Kyat 100,000 to Kyat 150,000 and above Kyat 150,000. These are shown in Table.

From Table, it can be seen that most of respondents are 100,000- 150,000 Kyats and these are 35 % of the total respondents. Monthly income results are classified. It can be seen that those who have 100,000- 150,000 Kyats kyats per month can get loan from microfinance for their necessary income for their living.

4.6 Table (4.6) Monthly Income

Monthly Income Group	Frequency	Percent (%)
50,000-100,000 kyats	39	32.5
100,000-150,000 kyats	42	35.0
Above 150,000 kyats	39	32.5
Total	120	100.0

Source: Survey Data (2019)

4.2.7 Family Members of Respondents

Table (4.7) shows, household members of respondents classified five classes. the survey data shows that frequency of respondents in class number (4) is grader as that of other classes, showing the number of respondents is 28 and percentage is 23.3%.It was followed by 21.7% and 20%.

Table (4.7) No. Family Members of Respondents

No. Family	Frequency	Percent (%)
1	2	1.7
2	24	20.0
3	26	21.7
4	28	23.3
5	14	11.7
6	25	20.8
7	1	.8
Total	120	100.0

Source: Survey Data (2019)

According to the table (4.7) no of 3-4 family size is significant for microfinance .They migrated from rural areas due to one family member is education and working in Yangon. Thus, they depend on microfinance to work another income for their family.

4.2.8 Contact with Microfinance

Table (4.8) shows the client contact years the microfinance. It was founded that more than 5 years had been used with MFI as the greatest time, showing 38% followed by 1-3years,(34%) above 5 years respectively. It can be presumed, that the most clients of ANTM has 1-to3 years and above 5 years to depend on ANTM because they can get a higher loan amount as well as getting saving amount and can support their family's necessity.

Table (4.8) Contact with the Microfinance

Year	Frequency	Percent (%)
Under1 years	20	16.7
1-3 years	46	38.3
3-5 years	11	9.2
Over 5 years	43	35.8
Total	120	100.0

Source: Survey Data (2019)

4.3 Client Perception on Service Quality

Measuring service quality has focused primarily on client perception of services quality. Five dimensions tangible, reliability, responsiveness, assurance and empathy of SERVQUAL model in this study to explore client perception. Each dimension contents five and perception score is based on the user's perceived service level after having experience.

4.3.1 Client Perception of Tangible

As shown in Table (4.9),the survey data indicates that respondents overall mean scores for all variables in this dimension are generally positive. The positive means client the respondents perception by average mean score. Its main statement was microfinance institution provide amount of loan upon perceived.

Table (4.9) shows, ANTM's MFI provide loan to expand business for the client average mean 0.6 is less than standard norm average mean 3.4. This is the weak point of dissatisfied upon tangible. The overall value 3.5 means client agree that they have satisfies the ANTM's MFIs.

Table (4.9) Client Perception of Tangible

Factor	Mean	Std. Deviation
Impact of ANTM 's Loan for Client	3.6	0.7
Client satisfied visual and service	3.5	0.7
ANTM's loan effective more government and private staff	3.2	0.7
Location is convenient for client	3.7	0.7
ANTM's employees give good service and relationship	3.6	0.7
ANTM's employees have team work	3.5	0.8
ANTM's MFI provide loan to expand business for the client	3.4	0.6
ANTM's MFI buy the asset by hire purchase system	3.4	0.6
Over all means	3.5	

Source: Survey Data (2019)

4.3.2 Client Perception of Reliability

Table (4.10) shows, overall mean scores for all variables in this dimension are generally positive. Customer perception are generally higher than the respondent's perception by average mean score. It can be concluded micro-finance institution provided of MFI management, time training and education and weekly meeting was satisfied.

Table (4.10) Client Perception of Reliability

Factor	Mean	Std. Deviation
Suitable interest Loan	3.1	1
Suitable loan Life	3.5	0.7
Believe on saving.	3.9	0.8
Provide important case for client	3.5	0.9
Support education loan for client's children.	3.8	0.7
Solve the personal and family problems	3.4	0.7
Satisfied ANTM's MFIs management	3.9	0.7
Over all means	3.6	

Source: Survey Data (2019)

Above Table (4.10) indicates, that positive are loan lie, microfinance institution perform the service right the first time, believe on your saving, relating saving and perform the service right the first time are satisfied upon reliability.

4.3.3 Client Perception of Responsiveness.

Table (4.11) Client Perception of Responsiveness

Factor	Mean	Std. Deviation
Always help client's need and want	3.7	0.6
Weekly meeting	3.6	0.7
Client repayment is always right	3.6	0.7
Take action immediately ,if repayment default	3.0	1.2
Transparence client loan accounts	3.6	0.7
Over all means	3.5	

Source: Survey Data (2019)

From above Table (4.11), indicated that respondents overall mean scores for all variables in this dimension are general positive. The positive from customer actually perception is average score. The main statement was giving prompt client need and want and transparence client loan accounts was satisfied. The respondents of telling exactly about when repayment will be performed, take actions immediately when you make discuss, and never too busy to respond to your request.

4.3.4 Client Perception of Assurance

Table (4.12) shows, the respondents of all over mean score for all variables in this dimension are generally, positive. The positive mean client higher perception. The mean positive was employees care individual attention to client (3.8) score, employees have good communication skill (3.8) and fast respond to the client request (3.7).

Table (4.12) Customer Perception of Assurance

Factor	Mean	Std. Deviation
ANT MFI's employees have good communication skill	3.8	0.7
ANT MFI's employees have good experience	4.0	0.8
ANT MFI's employees care individual attention to client	3.8	0.7
ANT MFI exactly about when repayment will perform	3.6	0.7
ANT MFI is fast respond to the client request	3.7	0.6
Over all means	3.8	

Source: Survey Data (2019)

The result data shows that, the overall mean is positive (3.8), mean institution has given easy and clear information was perceived.

4.3.5 Client Perception of Empathy

Client perception of empathy means understanding the customer's personnel needs, taking care of them individually and showing them all sorts of sympathy and affection. The overall mean score for all statements in this dimension generally positive. The positive mean customer perceived service.

Table (4.13) Client Perception of Empathy

Factor	Mean	Std. Deviation
ANT MFI's employees have good communication skill	3.7	0.7
Health care satisfied	3.5	0.7
ANT MFI's timely communication with client	3.5	0.6
ANT MFI waiting loan repayment perform	3.6	0.7
ANT MFI solve the client's family problem	3.6	0.7
Over all means	3.6	

Source: Survey Data (2019)

Table (4.13), gives good communication for client and the second solve the client's family problem. ANT MFI's employees have good communication skill and timely communication with client for loan performance.

4.4 Summary of Overall Mean Scores of Client Perception of Aung Naing Toe Services

Table (4.14) indicates the mean overall respondent's precipitations. The study shows that tangible, reliability, responsiveness, assurance and empathy.

Table (4.14) Ranking Overall Average Mean Scores by Five Dimension

No.	Dimension	Overall Score	Rank
1	Assurance	3.8	1
2	Reliability	3.6	2
3	Empathy	3.6	3
4	Responsiveness	3.5	4
5	Tangible	3.5	5

Source: Survey Data (2019)

Table(4.14), shows that assurance is rank one and their ability to convey trust and confidence upon Aung Naing Toe microfinance institution. The second was reliability is also ability to perform promised service accurately and dependability. The third dimension was empathy; understanding the customer's personnel needs, taking care of their individually. The fourth dimension was responsiveness to provide prompt service. The fifth dimension was tangible dimension is the physical evidence of the service, facilities, tools and equipment used to provide the service.

CHAPTER V

CONCLUSION

This study mainly focus on client perception Microfinance Activities Aung Naing Toe Co-operative Society through the five dimension of service quality. This chapter describes finding and discussions from the survey data and suggestion for further study.

5.1 Findings

Client perception are related to customer satisfaction on service quality, which plays a crucial role in the Microfinance society for the survival of business world. As stated earlier, general data of demographic factor consists of Gender, Age Distribution, Marital Status, Education Level, Occupation and monthly income base on the result data of survey , it can be see thus must most female respondents are using Aung Naing Toe Microfinance. It really shows that Microfinance can improve house hold economic welfare as well as provides empowerment of women to promote gender equity by helping women's economic participation in order to higher their living standard.

The survey result of age distribution shows that the majority of respondents are female and their age is between 31 to 40 years. The result data also express that most household heads using Aung Naing Toe Microfinance Society are married respondent in this research is high school level. Thus most respondent using Microfinance institution are educated and they can read and write and they have knowledge about rule and regulation of Microfinance activities.

The result data of occupation status shows that most respondents using Aung Naing Toe Microfinance institution are venders. The second most respondents are factors in this study. The result data also shows that most respondents have the highest income level per month 100,000-150,000 kyats. They can get loan from Aung Naing Toe Microfinance for their survival of living.

The respondent from random survey to Microfinance institution is less than three years and some of respondents more than six years experience. It means that respondents have microfinance experience and knowledge of Microfinance rule and regulations. Thus, it can be seen that all of respondents are not delinquency persons.

The result getting from calculation of survey data for client perception tangible, reliability, responsiveness, assurance and empathy are analyzed to investigate how client perception effect on microfinance activities. The result data shows positive, which means the respondents perception by average means score. In other words, Aung Naing Toe Microfinance can provide amount of loan upon perceived. It can be seen that client satisfies Aung Naing Toe Microfinance and the respondents perceive the quality of service positively.

The result data of client perception Reliability shows that client perception are generally higher than the respondent's perception by average mean score, the result express that reliability of service quality are satisfied by the respondents.

Responsiveness data indicates that respondents overall mean score for all variables .In this dimension are generally positive. Thus means user are satisfied with the responsiveness of Aung Naing Toe Microfinance Co-operative Society. The result data of Assurance dimension reveal that the respondents of overall mean sure for all variables in this dimension are generally positive. It shows higher perception of client that meets the users' expectations. Thus the respondents perceive the quality of service positively.

In the result data of Empathy, the overall mean score for all statement in this dimension is generally positive .Thus positive data means customer perceived Aung Naing Toe Microfinance service activities positively.

In term of five dimensions, most of the respondents in Aung Naing Toe microfinance institution perform the service with the slogans such as "Loan life", right the first time, "believe on your saving", "perform the service right the first time" and "loan officers officer using neat appearance" are satisfied. Among the client perception of five dimensions offered by the Aung Naing Toe institutions, The study indicate that Assurance is the most satisfactory dimension and it lead to trust and confidence upon Aung Naing Toe institutions but Tangible is showed to be the weakest dimension for client perception in this study.

5.2 Suggestions

Aung Naing Toe Microfinance should focus more on service quality in order to understand client perception on Microfinance activities, Thus, customer specific need should be understand for the progress of service quality.

It is suggested that the management of Aung Naing Toe should know customer expectation and standardize relevant services with their expectation to reach the normal standard. According to the finding result data, Assurance is the most satisfactory dimension through high levels of perceived services whereas tangible is the weakest dimension for client perception on Aung Naing Toe Microfinance activities. Therefore, it is suggestive on the subject of tangible that Aung Naing Toe Microfinance management should support effective training on personal finance .Moreover, they should know better social relation with their customer and loan should be systematically borrowed to improve better cash generation for mutual interest between Aung Naing Toe Microfinance Society and its customers.

Therefore, suggested word of mouth is an effective marketing tool to attract new customer and various terms of loans are necessary to reconsider in order to meet customer satisfaction.

5.3 Need for Further Study

As mentioned earlier, suggestion are presented for recommendation of client perception on Microfinance Activities of Aung Naing Toe base on the result data of finings. Additionally these research intend to support microfinance society among customers the priority factors of Aung Naing Toe Microfinance Society are the amount of loan client's social problem solving such as education, health and saving loan weekly meeting training and education system. Customer expect to provide prompt social problem solving and additional loan for customer. In order to get prompt action, it is necessary prompt response, service and physical facilities.

Aung Naing Toe Microfinance needs staff training and special meeting for new client by explaining their terms and conditions and Aung Naing Toe Microfinance policy. It is also important that loan size, loan interest, loan duration and social welfare policy for their clients that can rise market share and word of mouth by their existing clients.

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APPENDIX-1

Aung Naing Toe Microfinance Cooperative

Dagon Seikkan Township, Yangon Region

Questionnaires for Client (Customer)

Part I

General Information

1. Gender

() Male () Female

2. Age

() Under 20 years () 21-30 years

() 31-40 years () 41-50 years

() above 51 years

3. Marital Status

() Single () Married

4. Education

() Literate Only () Primary Level

() Middle Level () High Level

() Bachelor's degree () other

5. Occupation

6. Monthly Income

() Up to 50,000 Kyat () 50,000-100,000 Kyat

() 100,001-150,000 Kyat () Above 150,000 Kyat

7. Number of Family

() Male

() Female

8. How long have you been with MFI's

() Less than 1 year () 2 year

() 3 year () 4 year

() 5 year () More than 5 years

9. Delinquency

() Yes () No.

Part II

Exploitation the client perception of service quality about the Microfinance institution (MFIs) to measure Five dimension from SEQURAL Model.

Please Mark, the extent to which you believe each statement.

- Note
1. Very Low
 - 2 Low
 - 3 Natural
 - 4 High
 - 5 Very High

1	Impact of ANTM 's Loan for Client	3	5	4	3	5	4	3	3	3	4
2	Client satisfied visual and service	4	4	4	3	5	4	3	3	3	4
3	ANTM's loan effective more government and private staff	3	3	3	3	3	3	3	3	3	3
4	Location is convenient for client	4	5	4	3	5	4	3	3	3	4
5	ANTM's employees give good service and relationship	4	5	5	4	5	5	4	3	3	5
6	ANTM's employees have team work	4	4	5	4	5	5	4	4	3	5
7	ANTM's MFI provide loan to expand business for the client	3	4	5	4	5	5	4	4	3	4
8	ANTM's MFI buy the asset by hire purchase system	4	4	5	3	5	5	2	2	3	4
9	Suitable interest Loan	4	1	5	2	5	5	2	2	3	3
10	Suitable loan Life	3	5	5	3	5	5	3	3	3	3
11	Believe on saving.	4	4	4	3	4	5	5	5	3	4
12	Provide important case for client	4	5	4	3	4	5	3	3	4	4

13	Support education loan for client's children.	4	5	5	4	5	5	3	3	4	4
14	Solve the personal and family problems	3	5	5	3	5	5	3	3	4	4
15	Satisfied ANTM's MFIs management	4	5	4	4	4	5	4	4	4	4
16	Always help client's need and want	3	5	4	4	4	5	4	4	4	4
17	Weekly meeting	4	4	4	3	4	5	3	4	3	3
18	Client repayment is always right	4	4	4	4	4	4	3	3	4	4
19	Take action immediately ,if repayment default	3	2	3	1	3	3	1	1	3	3
20	Transparence client loan accounts	3	4	4	3	4	4	5	4	4	4
21	Always help client's need and want	3	4	3	3	4	4	4	3	4	4
22	Weekly meeting	4	4	4	5	4	5	5	5	4	4
23	Client repayment is always right	4	4	3	3	4	5	5	3	4	4
24	Take action immediately ,if repayment default	4	4	5	3	4	5	3	3	4	4
25	Transparence client loan accounts	4	4	5	4	4	5	3	3	4	4
26	ANT MFI's employees have good communication skill	3	4	4	4	4	5	4	4	3	4
27	Health care satisfied	4	4	2	4	3	4	4	4	4	4
28	ANT MFI's timely communication with client	4	4	2	3	4	5	3	3	4	2
29	ANT MFI waiting loan repayment perform	4	4	4	3	4	5	3	3	4	4
30	ANT MFI solve the client's family problem	4	4	3	5	3	4	5	3	4	3

