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CHALLENGES OF THE KBZPAY AGENTS

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MBF (DAY) 1st BATCH**

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**A Thesis submitted as a partial fulfillment towards the requirement for the
degree of Master of Banking and Finance (MBF)**

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ABSTRACT

The objectives of this study are to identify the services provided by KBZ Pay agents and to analyze the challenges faced by KBZPay Agents. The survey results are summarized based upon the primary data and secondary data. Primary data is collected from 120 KBZPay Agents in Yangon through interview with structured questionnaires. The methods used in this study are the descriptive and quantitative research methods. The secondary data was collected from text books, journals, previous research papers and various websites. According to the result of the survey, the study found that mobile network unstable in some places of urban and rural area and weakness in technology that can be inefficient operations of agents. The study observed that more ATM machines are needed when the user and agents want to withdrawal E-money or physical cash. One of the challenges of agents is that the lack of awareness on users because they don't know how to use mobile money and the benefits of mobile money. Therefore the bank should educate to user to improve awareness and to give training to their agents. Moreover, the bank needs to expand their branch network and agent network. Since some agents don't have enough money to make transactions, the bank should provide the loan to their agents. The bank should give the incentive schemes when the agent has good performance of using KBZPay services.

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LIST OF ABBREVIATIONS

ATM	Automatic Teller Machine
CBM	Central Bank of Myanmar
MFS	Mobile Financial Services
MNOs	Mobile Network Operators
MPT	Myanmar Posts and Telecommunications
NFC	Near Field Communication
NRC	National Registration Card
OTC	Over-the Counter
OTP	One Time Password
POS	Point of Sale
P2P	Peer to Peer Money Transfer
SMS	Short Message Service

CHAPTER I

INTRODUCTION

The financial sector plays a vital role in every country. Being a developing country, the financial transactions in Myanmar is cash based system. As cashless systems continue to put the global economy on the ever stable condition; mobile money is just another way to beat the hassle associated with traditional banking. Mobile money generally refers to payment services operated under some financial rules and performed from or through a mobile device. Instead of paying with cash, cheque, or credit cards, a consumer can use mobile to pay for a wide number of goods and services.

Mobile Money has played a critical role for traditional banks that are seeking a low-cost approach to network expansion. In Latin America, Africa, and Asia, Mobile money can be used to make payments on bills such as utility, rent and retail, to individuals and small businesses.

A regulation on mobile financial services on 30 March 2016 was allowed by the Central Bank of Myanmar (CBM) to create an enabling regulatory environment for efficient and safe mobile financial services. This regulation allows mobile financial service providers can serve a number of services including cash transfers and domestic payments and so forth.

Seeing a lot of opportunities in this sector, several banks are preparing to jump into the market on mobile financial services to develop mobile applications, which offer services like bulk disbursements, airtime top-ups, e-commerce and remittances.

With the introduction of KBZ Pay, KBZ bank has been created a digital wallet or purse that stored in an application on the mobile phone. KBZ Pay application allows the user to make cashless financial transactions, to send and receive money, and to withdraw physical cash via authorized agents. The bank expect to get millions of people in Myanmar into the digital economy that can create 100% financial inclusion a certainty and ultimately support improve lives with KBZ Pay and setting an striving target of reaching 30 million KBZPay users in the next 10 years.

1.1 Rationale of the Study

In many developing countries, the application of mobile money is rising and the numbers of users are increasing. It is becoming essential in day to day business, serving as a platform for money transfer and other mobile related services. These changes also have evolved in Myanmar, starting to transform the way of people doing business with mobile phones. In 2014, Myanmar's government granted new mobile licenses to two qualified foreign operators (Ooredoo and Telenor), to increase coverage and drive adoption of mobile phones. In 2018 GIZ Report, Myanmar currently had the highest mobile phone domination in the region with close to 95% rate domination but just 10 percent have bank accounts. The majority of the population, in particular those in rural areas, with bank branches and services inaccessible in most rural areas as well as remote areas, outskirts of Yangon. Financial exclusion still is a big sweating situation for the improvement of Myanmar, especially in villages. But, due to the ahead of mobile financial services that can be financial inclusion is rising.

In developing economies, traditional banks have a difficult time for reaching financial services to customers. Bank branches are more expensive to set up because which needs at least one teller at the bank counter, a branch manager, other relates bank employees. Mobile Money services are important in banking sector, for they can significantly reduce the costs (in cash and time) associated with queuing in the bank or the coordination costs between firms, suppliers and customers. Banking and other formal financial services are not available in rural and remote areas and this area mobile money acts as an engine for financial inclusion of unbanked people. Mobile Money is being applied across the world in different ways. Asia and Africa could observe significant growth for mobile money with technological innovation.

The three main stakeholders in the agent banking include the bank, mobile money agents, and customers. The bank does not have the resources to provide the financial services to their customers in everywhere and therefore it needs mobile money agent because ATMs and bank branches are out of reach, or too costly. In this way, mobile money agents have played a crucial role in strengthening the banking industry and they effectively work as an intermediary role between banks and mobile money user in the agent banking, that are improving to access financial services for unbanked population.

Mobile Money agents also have a key role to play in the promotion of the Mobile Money service and supporting the mobile money users. The agents serve as the most crucial partners for the bank, help the bank to connect with numerous customers without having invested a lot of money like opening a bank, and help to decrease the cost of operation and other facilities. They are the ones who are in direct contact with the customers on a day to day basis and are an ambassador for mobile Money service. KBZPay application allows user to make financial transactions at retail shops and other places in where KBZPay services run smoothly through QR Codes receive and send money, or even withdraw physical cash or fill Electronic-money via authorized agents, providers, bank's branches concerned. KBZPay Agent is a third-party operator has an contract with KBZ Bank to do certain bank related functions on behalf of KBZ Bank. Therefore, this study aims to identify the services provided by KBZPay Agents and analyze the challenges faced by KBZPay Agents from the KBZ bank; was proposed possible recommendations which could be used to address the issues they are facing.

1.2 Objectives of the Study

The objectives of the study are as follows:

- (1) To identify the services provided by KBZPay Agents
- (2) To analyze the challenges faced by KBZPay Agents

1.3 Scope and Method of the study

This study focuses on challenges of Mobile Money Agents in KBZ Pay. The methods used in this study are the descriptive and quantitative research methods. This study used primary data as well as secondary data. According to the data from KBZ Bank (2019), the total number of KBZPay agents and merchants are 230,000 (as in September 2019). Among them, primary data was collected from 120 KBZPay Agents in Yangon through interview with structured questionnaires. Secondary data was collected from report, previous research papers, relative websites and other publications. Five-point likert Scale was used to measure the challenges of KBZPay agents.

1.4 Organizational of the study

This study is organized into five main chapters. Chapter (1) is the introduction section which includes rationale, objectives, scope and method of study and organization of the study. Chapter (2) is theoretical background of the study. Chapter (3) services provided by KBZ Bank and KBZPay agents. Chapter (4) Analysis on the challenges of KBZPay agents. Chapter (5) is the conclusion part, which included findings, suggestions and need for further research based on the survey results and secondary data.

CHAPTER II

THEORETICAL BACKGROUND OF THE STUDY

This chapter consisted of the theoretical background of the study. It was followed by studying on the definition of mobile money, Mobile payment system, Mobile money ecosystem, Agent Banking, challenges of mobile payment system respectively.

2.1 Definition of Mobile money

The mobile money can be defined as a digital system, applying mobile technology, which allows person to person transactions (P2P) between mobile devices of users who use same mobile money platform. Being a normal physical wallet, it has got the ability to store money and credit and debit card. Being a safe and easy way of transferring money, it is helping a lot of people to make easy and quick remittance.

The service of mobile money transfer has assisted people who do not have access to bank “unbanked people” to send sums of money to\from any other mobile user (even though the users may not use same mobile network) across the different regions in the country.

The available and liable services so called mobile money services in many nations allows its users to store, send and collect money in an easy way. Mobile money services mostly give its users or agents to special chances to make online shopping. Moreover, bills, school fees and top up also can be transferred between one after another if ones are in a hurry, with the help of mobile payment system.

On the other hand, paying with mobile money is just like delivering a text message to those who apply to this method. One crucial phenomenal for mobile money wallet, which means a way to carry credit and debit card information in a secure digital form on smart phone or tablet, is depended on users who need a must to check their recipient to confirm correct numbers. To add more, mobile money is a certain words used to refer the money stored using (SIM) card as an identifier as opposed to an account number in the ordinary banking sense.

2.2 Mobile payment system

The rising popularity of mobile payment system is alternative payment methods to cash, cheques or credit cards. Most of the countries in Europe, Asia and USA are using this effective payment system to transfer money and make transactions

and other form of services. The main advantage of mobile money is with the touch of phone screen, consumer can purchase service or goods. There are seven primary models for mobile payments: (Brett King 2013). They are SMS-based transactional payments, Direct mobile billing, In-app payments, Mobile commerce and/or web payments, Peer-to-peer payments, Virtual currency payments and contactless payments.

Figure 2.1 Models for mobile payments



Source: Brett King (2013)

Mobile payments is payments for goods, services, and bills/invoices with a mobile device (such as a mobile phone, smart-phone, or Personal Digital Assistant) by taking advantage of wireless and other communication technologies (such as mobile telecommunications networks,). Mobile devices can use in a variety of payment scenarios such as payment for digital content (e.g. music, news, ring tones, logos, games, concert, flight tickets, parking fees, and bus, train and taxi fares, or to access and use electronic payment services to pay bills and invoices).

Digital money is penetrating in human society, rising popularities of mobile payment are high up during these years. Now a day, it emerges that around half of the developed world has already made a mobile payment when buying apps. The phone becomes a primary mechanism to take a payment; the plastic cards are being replaced by a mobile service.

When it comes to SMS based processes, to do payment , a customer has to wait for some messages or code numbers, this number being the recipient’s number or merchant ‘s numbers, the recipient can then be informed about the payment transaction successes and then complete the transactions.

Another form of mobile payment is using mobile device attached with a smart card or a microchip that is included in the phone, customers can make payment just by waving phone near a reader module, such as a credit card scanner to make

payment. Authentication is not required in most of the transactions, but some needs authentication using PIN, before the transactions end or finished.

Main advantage of mobile payment operation does not need credits, debits card or bank account for money transferring between one another's. It is simply called direct billing or direct services operating service providers or companies. The two mainly important things are a pin and a onetime password that will appear on the phone of messages.

According to USA think tank based research, though banking is essential in every one life now, in some places of the world, there are still people who do not trust banking services. The distinction of mobile banking with tradition banking is that the latter have services like top up, fees; online shopping's and so forth easily, can do exchange of goods and services. The creation of mobile payment system is really good for much society.

But there are also challenges for mobile payment system; the future of a specific electronic payment system depends upon how it overcomes the practical and analytical challenges faced by various means of online payments. The challenges of mobile payment are issues of law and regulation, technological capabilities of e-payment service providers, commercial relationship, and security considerations such as verification and authentication issues.

It is true that mobile is fast becoming a important element to different aspects of life, and mobile devices become the most reliable medium to perform fast and secure financial transactions, there are hurdles, it is known that these issues are resolved with a well-designed platform.

2.3 Mobile money ecosystem

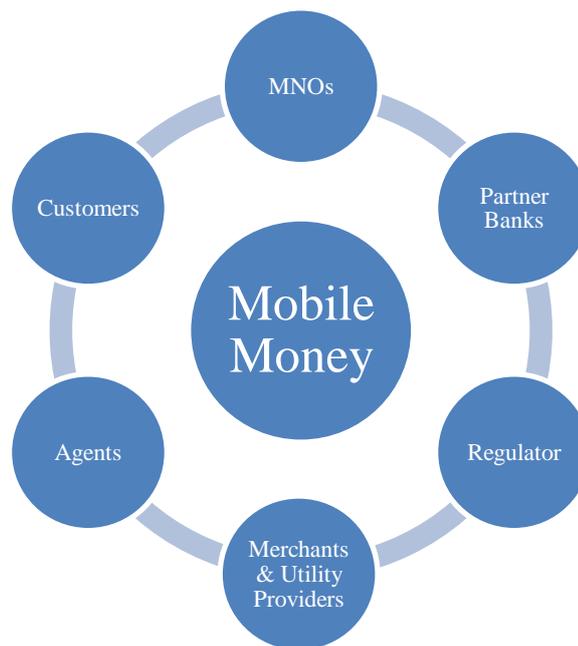
The terminology of business ecosystem is referred to a business system, serving as an economic community in which different organization and individual interact each other Moore (1993). Many mobile money services have started to offer such services. For example, merchant payment and bulk payment services are now offered by mobile money operators.

Besides, the mobile money ecosystem like above passages can make transactions from different sectors, such as retail, utilities, health, education, agriculture, and transportation in addition to credit, insurance and savings. Given these unique opportunities to digitize transactions and solve the "cash pain"

experienced by customers and businesses across the developing world, mobile money is the best way in technological scope.

To be able to implement business ecosystem of mobile money, collaboration between mobile network operators (MNO), banks, consumers, agents, merchants and the regulators, the key players in the system, is essential for success.

Figure 2.2 Mobile Money Ecosystem



Source: Peter Tobbin (2011)

Mobile Network Operator

For the Mobile Network Operator, being the most core player in the system, it needs to build the sound infrastructure, supporting wireless communication, equipment, server and creations of application, the existing subscription and prepaid can be used for more sale of subscription and prepaid airtime into mobile money ecosystem.

Bank

Bank is also plays some role in this place. The fundamental functions of banks works as the payment systems and mechanisms to store value on which bank provide the banking lances and store the mobile money customers deposit in trust accounts. In

most implications, the banks act as the intermediary between the agents and MNOs in acquiring the electronic-value.

Agent

Agent is the second runners after providers or companies. They are first one who has to communicate the customers from all sides. The commission from each transaction can be enjoyed by agents. Another advantage for agent is that agent can reduce the risk of holding huge cash.

Merchant and Utility Providers

In mobile money ecosystem, the role of merchants and utility providers are offering addition service to customers who use mobile services. Online shops, retail shops, lottery and shops that sell other form of services are called merchants, who apply mobile money service as a way of receiving payments from users.

Customers

Customers who need to be trained how to use mobile payments bring its diverse needs as chances for mobile money ecosystem because they are the final recipients and important players in mobile ecosystem because the behavior of customers towards can decide the success and failure of mobile money services.

Regulator

For long-term survival of mobile ecosystem, the role of regulators is crucial. They work to provide the stability between effectiveness, value creation, modernization, financial role between competing parties by enforcing compliance to the different regulations. Moreover, they play a refereeing.

2.4 Agent Banking

Agent banking is the latest innovation in banking services available in everywhere. It represents another channel, like mobile financial services to promote financial inclusion. It aims to provide formal banking services to the unbanked, including populations that have traditionally been more inaccessible in some parts of the nations.

Features of Agent Banking are clearly described that Agent banking services are provided by authorized banking agents. These agent points are much smaller than bank branches and are set up with point of sales (POS) devices, smart phones, barcode scanners, computers, biometric devices and so forth. By reducing the overhead required to set up a bank branch and through its use of technology, agent

banking allows financial institutions to reach the population around the lands, particularly in rural and remote areas, in a more cost effective way. In particular, it may focus on rural access banking services, and must be potentially attractive to TV channel for the populations that are often supported by the development sector, especially in agriculture and other sectors focused on rural populations.

In addition to mention, some of the other features embedded with agent banking are particularly well-suited for rural customers as well. For example, biometric verification means that individuals no longer need to remember a PIN, which is often a challenge illiterate population's face when using ATMs or MFS accounts.

Mobile financial services are liable and accessible to corporate clients through transaction records and monthly bank statements which means that they are more transparent than cashes and easy to manage from a financial auditing view. Transactions made through agent banking, however, are more secure than those using mobile financial services (MFS) due to its use of biometrics. Since individual account holders must be biometrically authenticated before accessing their accounts, nearly every organization, on the agent banking services that send money via this channel, can be more confident that the intended individual can access the funds easily.

Given the entire above, agent banking has the potential to both contribute to increased financial inclusion in everywhere, as well as to serve as a payment channel for development organizations. On the other hand, Financial Institutions can build a sustainable and data-driven agent network while activating a new bank accounts in real-time.

In emerging markets, reaching under banked consumers with the traditional distribution model is a costly endeavor. For consumers, brick-and-mortar facilities are not effective as well: the territory is wide, branches are located far away from rural areas and people have to travel and wait in long lines. Even when in place, agency channels struggle with bank processes in the field due to a large number of paper forms, manual compliance checks, lack of network access, and limited functionality.

The application works on basic smartphones and allows agents to work anywhere. They can check liquidity overview any time they want and can have information cash under management. This way, the agents can be better equipped to deal with cash shortage by planning their rebalancing times, raising collected deposit by reducing the risk of dormant accounts.

2.5 Challenges of mobile payment system

Mobile payment is the new innovation in financial sector, the scope of this system is wide spreading and many stakeholders and people are applying this technology to transfer payment or other form of services available in mobile payment technology. It is indeed helping millions of people to be able to do payment transfer with ease. However, there are many factors of challenges in carrying out this technology. This chapter identifies the main challenges of mobile payment system.

(a) Business infrastructure

It is regarded that mobile payment has a big potential in future, playing such an important role in e-commerce and other mobile business. Due to the mobile payment, many new business opportunities are open up, resolving the existing needs. However, it is important to identify and discuss the challenges of the mobile payment.

Key actors of the payment service involve in business infrastructure are banks, Mobile operators, ATM, Customers, Merchants, Developers, Initiators, License holders, Service providers and Suppliers. This whole business infrastructure need to collaborate together to be able to create a successful mobile payment system. Unlike bank, where well-trained staff who know about finance and transactions, but there are common stakeholders like merchant, agents, shop owners who may not have sound knowledge about this system. It is important to consider as a whole of these players functioning in mobile business infrastructure.

Basic infrastructure consists of physical stuff like mobile network, electricity, and mobile commutation devices, while financial infrastructure is made of management of payment and banking transactions. With the combination of these basic infrastructure, it create a system, offering security and convenience advantages compared with existing methods, like debit credit cards.

As the part of mobile payment operation, mobile money agent plays a crucial role in operational infrastructure and success of services. They are required to offer quality service, while maintaining strong operational foundations (Mats Granryd 2015). To be able to provide quality service, reliable and effective mobile network is critical part of mobile service. Without having a good connection, the operation can face delay and hindrance which can impact customer satisfaction.

(b) Fraud and Money laundering

Another aspect of risk in mobile money operation is fraud, having the risk of money fraud is one of the challenges faced by mobile money operators. The fraud may occur between many actors like service provider, agents, merchants and other individual.

The major risk for mobile payment is money laundering and terrorist financing which allow criminals the ability to transfer money and funding their projects, which are used to do destruction and involve in many illegal business Sal Jadavji, (2011). Fraud is a crime (crimes which are the underlying source of money laundering), the challenge of money laundering and fraud pose threat to mobile payment. The flow of cash and transactions need to be watched with caution in order to protect money laundering. The occurrence of fraud emerges as a result of poor personal guidelines, poor internal management and practices, having errors in technology itself and lack of honesty.

In the other hindrances for electronic system, it may find money laundering which make defined as the act of disguising the origin or ownership of illegally get funds to make them appear legitimate. Huge money in this way may disappear. Money laundering was initially stated as a crime under the money laundering control ACT of 1986 of the US code.

The main cause of fraud can occur from three dimension, and players like customers called (transactional risk), the agent (channel risk) and the employee (internal risk). (Lara Gilman and Michael Joyce 2012) The transactional risks arise from the lacking knowledge of how to use mobile payment, entering wrong password or sending to the wrong number. The cheater is always watching the weakness of that person, and because of weak password, the transaction money can be directed to cheater.

The agent risks need to be highlighted as well. Being the agent is building a good medium between customers and mobile money operator. Sometimes the agent mistakes can mislead to frauds as well. There are also some agents who operate mobile money as a cover to money laundering. Another risk is internal risk, the risk which is having a bad impact on operator itself. This is mostly the result of weak internal policy, having not enough well-trained staff and not having ability to encounter the breach of technology.

(c) Technology

When it come mobile payment system, Technology plays an important role and creates many positive things. It has helped develop more advanced economies (including today's global economy) and has allowed the rise of mobile payment platform. It helps especially during emerges when customers are applying this mobile technology.

The rise of mobile payment begins in 2014, by the Apple Pay. But in the last two years, mobile wallets have flooded the market with offerings such as Samsung Pay, Android Pay, Microsoft Wallet, Wal-Mart Pay, and Kohl's Pay. Each of these offers unique benefits to the user and encourages customers to form shopping habits around them. Due to the high and advanced technology, the volumes of mobile payment have reached \$75billion this year alone and the figure is likely to rise up as well to \$503 billion by 2020. (Business Insider's premium research)

The technology upgrading helps increase firm performance by reduced cycle time, enhanced customer service and reduced procurement costs. On the other hand, technology which beings represent a better capacity of conducting business.

Hardships or some challenges in technological enhancement and the large cost of adoption to both service providers and customers who run this Mobile Money Service. In many developing nations, internet connection network and speed is not performing well, creating delay in money transaction. In some cases, the loss of mobile network and connection can mislead to high risk to users and cause fraud.

According to (Samuel Liyala 2016), in term of technology, there are many other obstacles like heavily reliance on inappropriate technology, lack of awareness of the changing technology, lack of skills on enhanced technology, poor dissemination mechanisms between and among the different levels of enterprises, and poor technology linkages between the private and public sector institutions.

To have a smooth and speedy commutation, extending telecommunication is important task for the company and one of the issues that the company needs to resolve, and improving the connection can help in engaging in more e-commerce services as the user need one phone line and good internet to have more access to these services.

And other difficulty to internet line access on mobile is ‘data traffic, the agents may sometime face ‘data traffic jams’. It can have major impact on the most of the business based on digital and online system. Another challenge is not having enough

knowledge in using application. The agent or the customer doesn't have enough mobile knowledge and cause errors in transactions.

(d) Security frame work

How to conquer security challenging is that the banking service delivery platform must provide end-to-end security to safeguard the information exchange between the bank and the customer. To be able to build robust security framework is key factor for bank and mobile operator. As the mobile technology and platform has created potential revenue stream for bank, with the application of that technology, they can generate major revenue. As the mobile platform is getting important, the attention to build strong and secure security framework is essential, which can perform efficient and quick transaction and at the same time eliminate frauds and boost trust among the customers.

Still, in order to make continuous mentions, internationally, various occasions of hacking occur, of databases, email accounts, bank information hacking are occurring from time to time; from moment if agents who are out of awareness and lack of experiences about network hindrances. Not only digital Payment but also government websites and public accounts such as Facebook, Twitters and etc. are really risky from the past time to the current time for cyber-attacks.

Having access to no-secure public Wi-Fi networks in the mobile phone can pose a threat of cyber criminals who plans exploit an existing online banking sessions to cheat funds and crucial data. There are some following requirements & needs are mentioned. The secret PIN, PASSWORDS, and other things during transactions are considered important to do transactions.

(e) Agent distribution and Liquidation & Rebalancing Requirement

The four principle operational elements of an agent distribution network are agent onboarding, agent training, liquidity management and agent monitoring.

Traditionally, providers have kept wide distribution teams or outsourced agent recruitment to third-party entities and have the manual agent onboarding processes including a lot of paperwork and documentations that can take some days and weeks. Today, mobile money providers are changing to data collecting and analytics to change new onboarding processes that include digitizing contracts and paper application forms by using of upgrading data and technology.

Moreover, providers in different nations see the growth in agents using mobile devices as benefit in training for agents. The rehearsal's videos or short cut videos is

how to apply mobile money to their agents. This is the certain way to learn of new products and service developments or take refresher training before agents start to run this digital business.

They, provider, are sometimes give their agents who are really difficult to be learned, cost –effective training .For example, self-directed learning that get them to take diverse training modules at their convenience. All these above trainings are the effective method for agents, and they can make wider approaches to audiences in real time, coming future. In one certain statement that (Jacqueline Jumna & Nick Was Unna 2018) mobile money agents are a crucial asset for mobile money providers and have been key to the growth of the industry over the last decade. Another risk for agent is not having a good handling skills and lack of management over the wallet, which contain physical money. The training about mobile money application need to be highlighted this gap as well to the agents.

These video over there can available not only on the mobile but also as the offline that is the application that should be downloaded or shared by Bluetooth or Zapyra. By seeing a number of time, both users or agents can be able to understand. When it comes to digital Payment in India, the people who like to run this only region on youtube in which videos of how to use digital payment service are shown if agents want to see them.

The reason for agents' training does not just understand this business to be run easily but just to explain about this some of theories to users so called customers when they want their agents to explain about this mobile money. In this way, the customer relationships that make will be bright before ones, agents, become rich with the help of this business. These include enhancing traditional agent networks with innovative technologies to make operations more efficient, reviewing business processes to strengthen agent loyalty and increase margins, forging strategic partnerships to lower network operating costs, and redesigning network models.

But in fact, agents, traditionally, have received three kinds of training programed.

- first training instantly after on boarding process or when new agents hired;
- Periodic refreshers relying upon provider schedule; and
- One-off training sessions whenever new products, features or services are put or there are changes to operational procedure.

Liquidity management is the highest expenses for many mobile money agents, particularly they are small business in rural areas and remote areas. These are likely

to see mostly cash-in, cash-out transactions, have limited capital, and operate far from rebalancing points. The amount of liquidity and the frequency of rebalancing are important. In the mobile money system, the agents responsible for handling cash-in/cash-out have adequate electronic money (E-money) or physical cash to serve the customer transaction they need to perform. In agent monitoring process, provider needs to monitor an agent's financial performance to ensure they comply with the procedure guidelines of the business. The main focus for this challenge is to provide different ways to boost revenue margins. This is highly related with higher agent activity rates, higher quality agents and increased service adoption.

All the statement told in the previous passage, most of the mobile money agents second runes of this digital's business after the owners. In some cases, the transaction doesn't occur due to the fact that some agents do not possess enough liquidity when customers want to transfer money. Another privilege from mobile payment service provider gives a loan to their agents if they have no enough money to run this business.

(f) Customer Education, Awareness, Trust and Support operation

Consumers need education in mobile payment technology. According to Wakefield Research survey (2004), consumers were unfamiliar with mobile technologies such as mobile wallets communication. This is not strange for customers who have also little knowledge how to make their money transferring, top up and any other cities. The agents or providers share some knowledge's before transferring are done, and how much this digital services belief for all people.

It is essential that standardized operational procedure that institutions will use need to function properly in the hands of users. That is main reason why consumer education is necessary for customers, this program need to be delivered in a systematic way how transactional procedures should be. The benefit of consumer education adds value not only for clients, but also for mobile providers and the finical institution partners. By doing that kind of training support, it can help to identify problems and find solutions which can be applied to address problems clients face.

Moreover awareness campaign need to be launched so that the mobile payment system is both beneficial and can support both customers and agent. Advertising is another way of promoting awareness and spreading good news about

mobile money. Repeating these camping and advertising can truly raise awareness about usefulness of mobile money.

There are five components of trust issues rising between clients and mobile money operators. The first one is fraud, which is significantly impacting customer experience, the fraud which cause because of fake agents, impacting the customer registration and usage. Another concern is service downtime which result because of poor connection, affecting cash in and cash out transaction, not having the success payment transfer, which can reduce trust of customer. Another downside about trust issue is having not enough liquidity. When customers want to withdraw a large amount of money, if agents do not possess enough liquidity, customers may end up being disappointed have to run around and looking for another agent, delaying client payment transfer, which can impact the trust on mobile money. Another problem is charging unauthorized fees to customers, the agents who do not follow regulations may do that type of thing, resulting customer trust on mobile money (Graham Wright 2015)

The roles of agents are important in mobile money, they are the key players in promoting the mobile payment system and it is essential that these agents have good performance to maintain good integrity of business. The well-being of agents is taken care of by providing loan and giving incentives to the service provider, which can be used in promoting their existing business and future projects they are going to launch. The support from the mobile money operators is essential in recognizing the crucial role of agents. Training and support provides agents the knowledge and tools to communicate more effectively with customers. The materials using in training support the delivery of consistent and accurate messages in the network of agents.

CHAPTER III

SERVICES PROVIDED BY KBZ BANK & KBZPAY AGENTS

This chapter presents the services provided by KBZ Bank and KBZPay agents such as overview of mobile financial services in Myanmar, profile of KBZ Bank, organization structure of KBZ Bank Limited, products and services of KBZ Bank, profile of KBZPay, services provided by KBZPay agents.

3.1 Overview of mobile financial services in Myanmar

The world of 4.5 billion populations on their mobile phone is to turn the mobile phone into their bank account when it comes to their emergency cashes flows encouraging and going towards the cashless payment systems, mobile financial service providers creating banks become the vital role to cashless society. Among many types of digital payments, a mobile payment is the most efficient methods of digital payments in Myanmar from the side of merchants, agents, banks as well as for the financial service users.

In Myanmar, 44 million people out of 53 million owning mobile phones as of November 2016 which is the best way to enables the access to financial services by the unbanked and under banked people. In 2011, the biggest telecom operators Oreedoo and Telenor had got the license which will support the development of digital payments channels to operate in Myanmar .The banks also started e-payment (digital payment services)such as CB pay, KBZ pay, AGD pay, AYA M-banking, AGD pay and MAB mobile banking for financial transactions process more in the digital manners which make convenient way of making the payment .

There are many benefits of using the mobile payment systems. However, in 2018 Asia report, over 60 percent of Myanmar is unbanked and cannot access to the physical banking and financial services well. In some areas, using cash is inefficient, takes time, unsafe and lack of transparency for income source. The rise of the mobile wallets and payments support and encourage the unbanked population to access the financial services which can benefits to both users, nations, banks and business in terms of cost saving, transparency, security and financial inclusion. Digital payment systems are cost saving and efficient way of payment methods that saves time, money and efforts whereas the cash payments are insecure and wasting time, and easy to

minimize the corruptions, theft and money laundering whereas the cash are difficult to trace the source of payment. The emergence of mobile wallets makes the unbanked population to have proper access of financial services without having the physical bank accounts.

Central Bank of Myanmar has also provided the mobile banking license to the private banks to operate the mobile banking services under the CBM directive (NO .4/2013) bank-led model. Banks require the permission from CBM to operate the mobile banking services with their own technology infrastructure or by partnering with the mobile network operators (MNO) and mobile banking financial solution providers to develop the financial products and platforms. There are two models for operating mobile financial services in Myanmar: Bank-led Mobile Banking Services and Mobile Financial Service Providers.

Under Mobile Banking Directive (Directive 4/2013) there are seven Mobile financial services providers such as CB Pay, KBZ Pay, Myanmar Mobile money (Inca Bank), On-Go (MOB Bank), MAB Mobile, My Kyat (First Private Bank),633 (Myanmar Citizen Bank).

Under Mobile Financial Service Providers Regulation (MFS Regulations-30 March 2016) there are five Mobile financial services providers such as- Ok Dollar Company Ltd, True Money Ltd (AGD Bank), Ooredoo Myanmar Ltd.'s M-Pitsaw (CB Bank), Myna Pay, Telenor Myanmar Ltd.'s Wave Money (Yoma Bank).

3.2 Profile of KBZ Bank

The name Kanbawza is a conservative name for Shan State, an racial minority state of the Republic of the Union of Myanmar. In first July 1994, the Kanbawza Bank was first founded in Taunggyi, positioned in the southern part of shan state. Kanbawza Bank (KBZ Bank) Limited, some portion of the KBZ Group of companies, is Myanmar's biggest bank. At first, the bank provided the local population in Taunggyi. In November 1999, attained the present management organization and oversaw its betterment into one of the largest private commercial banks in Myanmar, now working more than 18,000 employees.

In April 2000, KBZ headquarters was relocated to Yangon Township, the business capital of Myanmar. At present, KBZ Bank has over five hundred branches including mini branches through the whole country with over one thousand ATMs

machine. In 1999, initial capital of KBZ Bank was MMK 477 million and the Bank has extended their capital to MMK 113 billion in 2014.

In November 2011, the Central Bank of Myanmar permitted an Authorized Dealer License (ADL) to KBZ Bank as the first step to start foreign banking business and the bank will retain a sustainable enhancement in financial industry along with the improvement of Myanmar.

In 2015, KBZ bank has become Authorized Fund Settlement Bank of the Yangon Stock Exchange by the Securities and Exchange Commission of Myanmar. KBZSC is the joint venture between the KBZ Group and Sterling Coleman Holdings that provided broking, dealing, underwriting and investment advice-giving on the Yangon Stock Exchange in Myanmar. KBZ Bank is the first Myanmar bank in history to open internationally, the bank's representative offices situated in Malaysia, Thailand and Singapore. KBZ Bank has been paid advanced taxes of K32 billion for 2017-18 and K38 billion for 2018-19. Now, KBZ Bank was largest taxpayer for six consecutive years in Myanmar.

Vision statement of KBZ Bank is:

To become the best-managed bank in the world. That is simply what Myanmar needs and deserves.

Mission statement of KBZ Bank is:

To improve the quality of life through banking.

Core Values statement of KBZ Bank are:

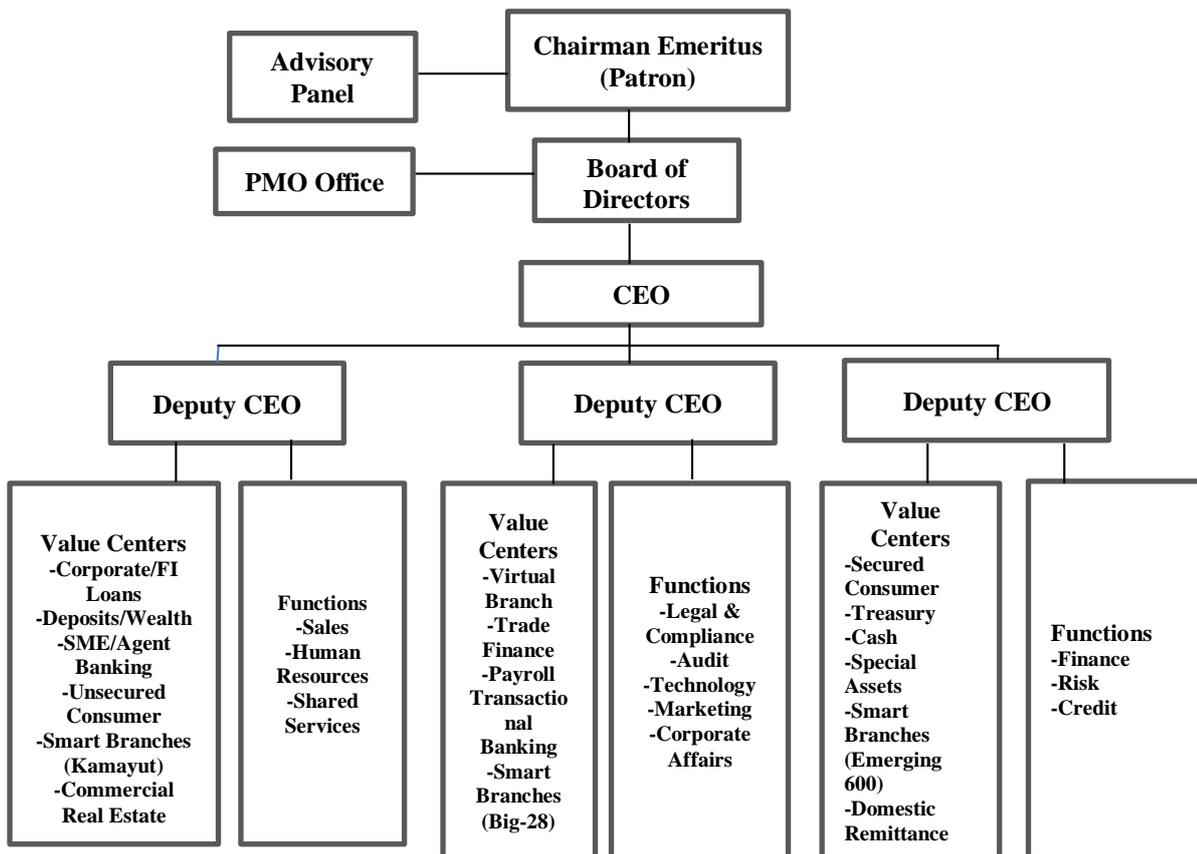
KBZ Bank is guided by a belief and a culture that runs throughout the entire organization: being good to people and doing the right thing.

3.3 Organization Structure of KBZ Bank Limited

In May 2017, KBZ Bank Limited has been transformed new organization structure and management after hiring new Chief Executive Officer (CEO) of KBZ bank. According to the new organization structure, Chairman Emeritus, Chairman, two vice chairmen, one executive director, one non-executive director, one independent director, Deputy Chief Executive Officer (1) and Deputy Chief Executive Officer (2), Deputy Chief Executive Officer (3), Sr. Managing Director, Managing Director, Deputy Managing Director in Board of Director of KBZ Bank. Three Deputy Chief Executive Officers manage and control their respective Value Center and Function.

Under KBZ Bank new organization structure, seventeen value centers and eleven functions have been structured. There are seventeen Value centers which involves Commercial Real Estate, Corporate/FI Loans, SME/Agent Banking, Virtual Branch, Trade Finance, Payroll, Deposits/Wealth, Unsecured Consumer, Smart Branches (Kamayut), Transactional Banking, Smart Branches (Big 28), Secured Consumer, Treasury, Cash, Special Assets, Smart Branches (Emerging 600) and Domestic Remittance. There are eleven functions which involve Finance, Risk, Corporate Affairs, Sales, Credit, Legal & Compliance, Human Resources, Shared Services, Audit, Technology and Marketing. The organization structure of KBZ Bank Ltd is shown in the Figure (3.1).

Figure (3.1) Organizational Structure of KBZ Bank Limited



Source: KBZ Bank Ltd, (2019)

3.4 Products and Services of KBZ Bank

As the leading private commercial banks in Myanmar, KBZ Bank offers many kinds of banking products and services. There are nine types of products and services

of KBZ Bank, they are remittance, cash management, accounts, cards, loan, trade finance, trust services, agent banking and other services. The products and services of KBZ Bank are shown in Table (3.1).

Table (3.1) Products and Services provided by KBZ Bank

No.	Financial Services	Categories
1	Remittance	Local Remittance, International Remittance
2	Cash Management	Collection Management (Quick Pay), Supplier/Dealer Payment, Payroll
3	Loan	Hire Purchase, Overdrafts, Demand Loans, Home Loan
4	Accounts	Current Accounts, Fixed Deposits, Saving Accounts, Call deposit Account, Foreign Currency Account, Children's saving Account
5	Cards	Prepaid Card, Explore Debit Card, Teens Card, Credit Card, International Card Acceptance
6	Trade Finance	Import Documentary Credit, Export Document Credit, Documents Collections, Bank Guarantee
7	Agent Banking	KBZ pay (mobile money)
8	Trust services	Escrow Services, Onshore Security Agent services
9	Other services	Bank Guarantee, Bank Certificate, E-commerce, Gift Cheques, Safe Deposit Boxes, KBZ i-Banking, KBZ m-Banking

Source: KBZ Bank Ltd, (2019)

KBZPay Customer Transaction Limit

KBZPay Customer Transaction Limit types are divided into two Levels, which are Level 1 user and level 2 user. Level 1 user has self-registered for KBZPay via his/her mobile phone and Level 2 user can upgrade to this account type in accordance with KBZ Bank KYC Policy at KBZPay agents/merchants or KBZ branches. The KBZPay customer transaction limit is shown in Appendix (A).

KBZPay Agent Transaction Limit

KBZPay Agent Transaction types include customer cash-in, cash-out, remittance, top up, quick pay, transfer to KBZ bank account, request cash, transfer to

KBZ bank account, transfer from KBZ Bank Account, ATM cash-out and transfer to other agent. The KBZPay Agent Transaction Limit is shown in Appendix (B).

3.5 Profile of KBZ Pay

KBZPay is a mobile wallet platform driven by KBZ Bank, Myanmar's biggest privately-owned bank in Myanmar. The mobile wallet creates users to make cashless transactions, store, send or receive cash, and withdraw cash through authorized agents.

In March 2018, it is a joint venture between KBZ Bank and Huawei Company to provide safer, simpler and easier, faster and reliable mobile financial services through all of KBZ Bank's Branches and a national agent network. This cooperation of Huawei Company and KBZ Bank is to be rapidly growing technology and to drive this leapfrog in financial inclusion in Myanmar. When it comes to (ICT) - information and communications technology -solutions, Huawei is a popular global (ICT) solutions provider all over the world. An end-to-end or win – win for ICT solutions portfolio has been established by Huawei that provides customers or users competitive beliefs in telecommunication and network connectivity, devices and cloud computing. Huawei industries in which 180,000 employees are employed over the world are committed to creating maximum value for telecom operators, enterprises and consumers. Their updated ICT solutions, products and services are applied in more than 170 nations and home, serving over one-third of the world's population. Huawei Founded in 1987 is a private company completely owned by its employees.

In July 2018, corporation of KBZ Bank ICT Teams and Huawei Company which start to pilot test KBZPay's Version 1.3 for internal using of mobile payment of KBZPay. The application was updated new feature of quick pay services with version 1.4 in September 2018. KBZPay has been launched in November 2018 by the KBZ Bank that application's version 2.0 was upgraded for public start to used mobile payment in the country. In 30 November, "KBZPay Day" public event was held at Myanmar Plaza, that event had signed-ups and mindfulness of thousands of people how to apply that mobile wallet and then national sale event for member campaign was held in December 2018. In January 2019, KBZPay application with version 2.1 had linked with KBZ bank account that was reached to one million users of KBZPay services. KBZPay had got the top of cashless mobile payment market in Myanmar

and they had got 60,000 of agents and merchant users in March 2019. KBZPay application with version 2.2 can withdrawal by users at any of KBZ Bank's 1,500 ATMs nationwide which was the first mobile wallet system in Myanmar and the number of KBZPay users had reached 2 million in April 2019.

In July 2019, KBZPay has chosen by Advanced Education Department of the Ministry of Education which was released guideline to universities and colleges to accept payments of school fees using KBZPay services and KBZPay had extended one hundred thousand numbers of their agents and merchants in this month. Number of KBZPay users had gradually increased to three million in August 2019. The upgraded version 2.4 of KBZPay can pay YCDC bill (that included utilities, kitchen waste, land rental fees, land tax, goods tax as well as commercial and hospital waste) after KBZPay had a contract signing with Yangon City Development Committee (YCDC) and also that version can get promotion from their merchant in September 2019. Within this month, the number of agent and merchant of KBZPay had increased to two hundred thirty thousand (230,000) across the country. In October 2019, KBZ Bank was held one-year celebration of their mobile wallet of KBZPay that was reached to 3.5 million of users, more than 230,000 agents and merchants across the country and KBZPay transactions had averaging over 300,000 transactions per day.

KBZPay goals to reach 30 million customers in the next 10 years in Myanmar. Further step is KBZ bank expects to be 100% financial inclusion in Myanmar. That shows KBZPay is to be the fastest growing and awareness of mobile money in Myanmar.

3.6 Services provided by KBZPay Agents

KBZPay app allows user can make transactions at various shops and other places in where KBZPay services run easily through QR Codes send and receive money, or even withdraw physical cash or fill Electronic-money via authorized agents, providers, bank's branches concerned. KBZPay Agent is a third-party operator has an contract with KBZ Bank to make certain bank related functions on behalf of KBZ Bank. An agent refers to a person officially contracted by KBZ Bank to provide agent banking services on the Bank's behalf.

KBZPay Agents can perform the following services, which are customer account registration / upgrade, cash in & cash out, money transfer, air time top up, bill payment or quick Pay, QR code payment acceptance.

(a) Customer Account Registration / Upgrade

KBZ Pay app which can be taken on Google Play Store or Apple App Store or at www.kbzpay.com is a digital wallet or purse service which is stored in an application on one's mobile devices. Onus's phone, MPT, Telenor, Ooredoo, and Mytle, number can be used for registering KBZPay. But, MEC mobile number is not supported to register it. Customer can find a list of merchants and agents. Tap on the "Nearby" icon on the KBZPay app can see a whole list of authorized agents and merchants that take KBZPay as well as their contact numbers and addresses. Unverified KBZPay customers and self-registered can visit any KBZ branches or KBZPay agents to be registered and proved with NRC so called identity cards and enjoy the full functions and benefits of KBZPay app. KBZPay no need to have the bank account can be unlock self-registration or to unlock via branches and authorized financial service agents or bank's branches. Customers who have already registered, and have completed the onboarding process receive their identity verified by KBZ authorized agent(s). If the KBZPay users have the bank account, user can also opt to link their KBZ bank account with KBZPay app. KBZPay users can able to carry out financial services definitely through their mobile services and KBZ appointed Agents.

- **Level 1** Customer Account: Customer require self-registered for KBZPay via his/her mobile phone.
- **Level 2** Customer Account: Customer upgrade to this account type in accordance with KBZ Bank Know Your Customer (KYC) Policy at KBZPay agents/merchants or KBZ branches.

(b) Cash in and out

Cash in Cash out which means to put the amount of money and to exchange for money, can be via agents or branches. When registered customers go about physical cash-in or physical cash-out with KBZPay mobile wallet, they need to visit the nearby KBZPay agent and branches to do so. They can be filled Electric-money from Branches or Agent Shops and can withdraw physical cash in their E-money through agents, KBZ Bank Branches, KBZ ATM machines. And also, user can be link mobile-wallet with Bank Account, they can be filled E-money from their bank account to E-wallet Account.

(c) Money Transfer

Money transfer means ones give the money to someone's who in return also give like this. Transfer funds to/from KBZPay Accounts, KBZ accounts and others and those users, right away, transfer and accept money to and from their family, friends and others. In their phone's contact list, users can make payment transfer money to anyone who have a local mobile number or include anyone with a KBZPay mobile wallet to transfer money. There is a limit for KBZPay users who can transfer to amount of money. But for registered and verified customers are allowed a maximum of 5,000,000 kyats credit transaction or 5,000,000 kyats debit transaction per day. Self-registered but unverified customers are allowed a maximum of 50,000 kyats debit transactions per day and 200,000 kyats per month. There are four types of transfer money with mobile wallet.

(i) R2R - Registered to Registered (Peer to Peer / P2P)

Money transfer procedure in which a KBZPay registered user transfers money to another registered KBZPay user. The user can also make the money, mobile wallet account; to make purchases at merchants or cash out should be learned before he or she region on these services.

(ii) R2U - Registered to Unregistered

Money transfer procedure where a KBZPay registered user transfers money to a non KBZPay user (unregistered) that does not have a wallet account. The sender will receive 6-digit security code and the receiver will receive 4-digit security code via SMS. The sender sends the 6-digit security code to the receiver so that the receiver can withdraw physical cash at a nearby Agent by providing both security codes.

(iii) U2U - Unregistered to Unregistered

A non KBZPay unregistered user can transfer money to other non KBZPay unregistered user via an Agent. The money senders will receive 6-digit code and the receivers will receive 4-digit security codes through SMS. The senders send the 6-digit security codes to the receivers so that the receivers can withdraw physical cash at a nearby Agent by providing both security codes.

(iv) U2R - Unregistered to Registered

An unregistered user can transfer money to registered user via a KBZPay Agent. That is, the user pays physical cashes to the agents and the agent transfers electronic-money to registered user's KBZPay accounts.

(d) Air Time Top up

User can top up mobile bills so called prime time directly through banking to every operator at any time by getting the discounts. KBZPay users make top-up all mobile numbers of all mobile operators and service providers but (MEC).

(e) Bill Payment or Quick Pay

The definition of payment is the act of giving something or being paid. Users or customers who can do bill payment by using Quick pay services via agents or their self-making that, such as for utility, microfinance loan payment, donation, school fees, online booking and other, can check their mobile wallet balance and transactions almost all the time 24/7. On the other hand, KBZPay application allows user can see the all detail of every single transaction. For example, names, date, time and so on.

(f) QR Code Payment Acceptance

To use a QR code payment the user scans the QR code showed by the merchant with their mobile device to pay for their products and services. Another KBZPay user can scan this QR Code when he or she needs to transfer electronic-money to another. User makes daily purchases and makes payment through QR Code transactions at especially KBZPay merchant or agent shops. For users, they can simply scan the merchant's QR Codes and add the amount that customers have to pay to the merchants. When it gets to confirmation code, payments can be immediately transferred through their KBZPay accounts to the merchant shop's accounts. Businesses and customers can save time and cost by using QR Code payments to reduce.

When the agents have liquidation of cash flow of their wallet, they need to visit near branches to fill their E-money or cash out. On the other hand, the agent claims to bank for their E-money or physical cash needs and the bank to serve mobile financial services to their agent's requirement within Bank hour. After bank hour, the agent wants to exchange E-money to physical cash and then they visit near KBZ ATM machines to cash out and linked of their mobile wallet with bank account that can fill E-money to their mobile wallet when the agents need to fill E-money. The agents can get the loan from the bank for their cash flow requirement and that loan can help to agents who can serve fully mobile financial service to their mobile money user. As a bank account, a mobile wallet also cannot able to be personally stolen or lost, not like a physical wallet or cash. Safeguards have also been applied to protect user digital wallet. Their money is safe and can access the KBZPay App with their

secret password even if they, users or customers lose their phones. If users have suspected someone has known their password/PIN, they can change it immediately. The call center in which many users or customers region on solve the problems of cheating and hacking. It can query with email to KBZ Bank.

Fee Structure of KBZ Pay Services

The Table (3.2) indicates the service fees range of KBZ Pay Account. That includes cash withdrawal at KBZPay agent shop, People to People transfer (register account to unregister, unregister to register), People to People (unregister to unregister), Quick Pay, register account to register account transfer and cash deposit fees for KBZPay account.

Table (3.2) Services fee for KBZ Pay Account

Services Types	Amount Transfer (MMK)	Fee (MMK)
Cash Withdrawal at KBZ Pay Agent Shop(Register Account to Register Account)	1 - 10,000	300
	10,001 - 25,000	600
	25,001 - 50,000	800
	50,001 - 100,000	1,200
	100,001 - 150,000	1,600
	150,001 - 200,000	2,000
	200,001 - 300,000	2,400
	300,001 - 400,000	3,200
	400,001 - 500,000	4,000
	> 500,001	4,800
People to People Transfer (Register Account to Unregister) (Unregister to Register Account)	1 - 10,000	400
	10,001 - 25,000	700
	25,001 - 50,000	900
	50,001 - 100,000	1,400
	100,001 - 150,000	1,800
	150,001 - 200,000	2,300
	200,001 - 300,000	2,800
	300,001 - 400,000	3,500
	400,001 - 500,000	4,000
	> 500,001	4,800
People to People Transfer (Unregister to Unregister)	1 - 10,000	400
	10,001 - 25,000	700
	25,001 - 50,000	1,000
	50,001 - 100,000	1,500
	100,001 - 150,000	2,000
	150,001 - 200,000	2,500
	200,001 - 300,000	3,000
	300,001 - 400,000	4,000
	400,001 - 500,000	4,500
	> 500,001	4,800
Quick Pay	one transaction	500
Register Account to Register Account Transfer	any transaction	Free
Cash Deposit for KBZ Pay Account at KBZ Pay Shop	any transaction	Free

Source: KBZ Bank Ltd, (2019)

CHAPTER IV

ANALYSIS ON THE CHALLENGES OF KBZPAY AGENTS

This chapter includes the research methodology, the analysis on the challenges of KBZPay Agents from KBZ Bank. This chapter is a presentation of results and findings obtained from field response and data of the survey.

4.1 Research Design

In this section, the objectives of this study are to identify the services provided by KBZ Pay agents and to analyze the challenges faced by KBZPay Agents. The survey results are summarized based upon the primary data and secondary data. The method used in this study is the descriptive and quantitative research method. According to the data from KBZ Bank (2019), the total number of KBZPay agents and merchants are 230,000 (as in September 2019). Among them, primary data was collected from 120 KBZPay Agents in Yangon through interview with structured questionnaires. Secondary data was collected from report, previous research papers, relative websites and other publications.

To have more valid data, the research takes into serious consideration of having reliable questionnaires. It is important that the questionnaires reflect the objectives of study so that the prepared questionnaires do not deviate from the core of aim of the research. To be able to align with theoretical framework presented in literature review, the structuring of questionnaires are based on the important aspects of challenges of mobile money agents with the aim of exploring the challenges faced by mobile money agents.

In this study, there are two parts in the questionnaires. The first part is the demographic profile for the respondents such as gender, education level, age and business relationship with KBZPay services to show the types and nature of the respondents. The second part is the challenges of agents about using KBZPay services from KBZ Bank. This part is formed of five point Likert scale ranking from “strongly disagree=1 disagree=2, Netural=3, agree=4, strongly agree=5” and forty five questions were asked the agents in order to collect data about challenges of using Mobile financial services. Mean value is used to analyze the agreement level of the challenges of KBZPay agents.

Table (4.1) Mean and Level of agreement

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

Source: Tan and Teo, 2000

According to Tan and Teo (2000), the average mean of 1.00-1.80 is very low agreement level, the average mean of 1.81-2.60 is low agreement level, the average mean of 2.61-3.40 is medium agreement level, the average mean of 3.41-4.20 is high agreement level and the average mean of 4.21-5.00 is very high agreement level.

4.2 Demographic Profile of respondents

This section presented the demographic characteristics of 120 respondents who are agents of KBZPay services in this study such as gender, age, education level, relationship with KBZPay services which is interpreted and summarized in frequency distribution and percentage distribution.

(a) Gender of Respondents

The first analysis of the demographic profile of respondents is the gender of respondent that include males and females.

Table (4.2) Gender of Respondents

Gender	Number of Respondents	Percentage
Male	63	52.5
Female	57	47.5
Total	120	100

Source: Survey Data, (2019)

Base on the survey result, Tables (4.2) shows the result of analysis on the gender of respondents. The genders of respondents are 52.5% of males and 47.5 % of female out of 100% respondents. This shows that the male of respondents are more than female of respondents of using KBZPay services as agents.

(b) Age of Respondents

Age of the respondents are divided by five categories, they are under 20 Years, Between 21 to 30 Years, Between 31 to 40 Years, Between 41 to 50 Years and Between 51 years above. Below Table (4.3) states the result from the analysis of their age level.

Table (4.3) Age of Respondents

Age	Number of Respondents	Percentage
21 to 30 Years	30	25
31 to 40 Years	39	32.5
41 to 50 Years	33	27.5
51 years above	18	15
Total	120	100

Source: Survey Data, (2019)

According to the Table (4.3) the age group of between 31 to 40 Years is the largest respondents with 32.5%, second is the age group between 41 to 50 Years with 27.5% and third is age group between 21 to 30 Years with 25%. The age group of 51 years above with 15% is the lowest group of respondents.

(c) Education level of Respondents

Education level of respondents is divided into four groups, Under High school, High school, University Graduate, Professional level/Master Level. Below table (4.4) represent the Education level of respondent.

Table (4.4) Education Level of Respondents

Education Level	Number of Respondents	Percentage
High school	3	2.5
University Graduate	105	87.5
Professional Level/Master Level	12	10
Total	120	100

Source: Survey Data, (2019)

According to the Table (4.4), the largest group 87.5% of respondents is University Graduate that shows the most agents in this survey have graduated from university. Professional Level/Master Level is 10% of respondents. The lowest group 2.5% of respondents is High school level. In this result, most of agents have graduated from university but some agents are high school level.

(d) Years of Business Relationship with KBZPay Services

Years of Business Relationship with KBZPay Services is divided into four groups. The table (4.5) represents years of business relationship as agents using of KBZPay services.

Table (4.5) Years of Business Relationship with KBZPay Services

Duration of relationship	Number of Respondents	Percentage
Less than 3 months	6	5
3 months to 6 months	6	5
over 6 months to 9 months	30	25
over 9 months	78	65
Total	120	100

Source: Survey Data, (2019)

According to the observation, 65% of the respondents had been used KBZPay services over 9 months as agents, 25% of the respondents use over 6 months to 9 months and 5% of the respondents using that mobile financial services as agents are less than 3 months and 3 months to 6 months. Therefore, the most of KBZPay agents had been used the mobile financial services over 9 months.

4.3 Analysis on Challenges of the KBZPay Agents

This section included the analysis of the challenges of agents by using KBZPay services. All of statements are measured by the Five Likert scale which consists of five degree (Strongly Disagree, Disagree, Netural, Agree and Strongly Agree).

(a) Business Infrastructure Challenge

As per Table (4.6), this part of the study presents the mean score of the business infrastructure challenge on KBZPay agents.

Table (4.6) Mean of Business Infrastructure Challenge

No.	Statement	Mean
1	User need to have latest smartphone to use Mobile Money function.	3.35
2	Mobile networks are unavailable everywhere.	3.53
3	Agents shops and bank's branches are not available in everywhere.	3.50
4	More ATM machines are required when agents and customers want to withdrawal E-money to cash.	4.03
5	Bank's branches are not always near to support every agents.	2.95
Overall Mean		3.47

Source: Survey Data, (2019)

From the result of the study, the overall mean score is 3.47 and it's in high level of challenge on KBZPay agents. The mean value of all range is between 2.95 to 4.03 respectively. The highest mean score is 4.03 with More ATM machines are required when agents and customers want to withdrawal E-money to cash and thus indicating that the bank can support to E-money or Physical cash to agent needs within bank hour so the more ATM are required for agents. The lowest mean score is 2.95 with Bank's branches are not always near to support every agents and thus indicating that some agent shops are located in remote and rural area. It could be concluded that ATM machines are required is high challenge to agent and customer, that can help to user or agent when they want to withdrawal cash because some agent shops and bank's branches are not available in everywhere and the mobile network are not available in everywhere.

(b) Fraud and Money Laundering Challenge

As per Table (4.7), this part of the study presents the mean score of Fraud and Money Laundering challenge on KBZPay agents.

Table (4.7) Mean of Fraud and Money Laundering Challenge

No.	Statement	Mean
1	Agents afraid the risk and fraud if the user do the large amount of transactions.	3.68
2	Fraud account can create easy and can do dirty money transfer.	2.90
3	User's Phone lost can happen fraud.	3.03
4	Fraudster will cheat to user as they pretend as bank staff.	3.63
5	Mobile money can't protect money laundering eventhough the providers restrict the transaction amount per day.	2.88
Overall Mean		3.22

Source: Survey Data, (2019)

From the result of the study, the overall mean score is 3.22 and it's in medium level of challenge on KBZPay agents. The mean value of all range is between 2.88 to 3.68 respectively. The highest mean score is 3.68 with Agents afraid the risk and fraud if the user do the large amount of transactions, it can be showed that agents afraid the user make the large amount of transaction with the fraud account using their services. The lowest mean score is 2.88 with Mobile money can't protect money laundering even though the providers restrict the transaction amount per day and thus indicating that agents believed the transaction limitations of mobile payment is not protected money laundering and that is not helped to agents when they need to make more transaction for user. It could be concluded that the agent afraid the risk of fraud of doing large amount of transaction by user and the risk of fraudster who they pretend as bank staff.

(c) Technology Challenge

As per Table (4.8), this part of the study presents the mean score of the Technology challenge on KBZPay agents

Table (4.8) Mean of Technology Challenge

No.	Statement	Mean
1	Losing of technology and mobile network is a main risk of users.	4.10
2	Due to loss of connectivity during the transaction, the risk of cash losing can happen.	3.35
3	Agents face problem for technical error when transfer money.	4.05
4	Not all Agent are definitely aware the KBZPay Application usage.	2.88
5	If the version upgrades frequently that is not ease to apply KBZPay application by user.	3.63
Overall Mean		3.60

Source: Survey Data, (2019)

From the result of the study, the overall mean score is 3.60 and it's in high level of challenge of KBZPay agents. The mean value of all range is between 2.88 to 4.10 respectively. The highest mean score is 4.10 with Losing of technology and mobile network is a main risk of users and thus indicating that some area and rural area are poor mobile connection and technology losing is affected the risk to user and agents who are using of mobile payment. The lowest mean score is 2.88 with Not all Agent are definitely aware the KBZPay Application usage and thus indicated that the agents know how to use the mobile money application but they need to some training when the application to make update version or to add some features. It could be concluded that the respondent believe losing of technology and mobile network is a main risk of challenges and also they face some technical error when making their transaction and the mobile application version upgrade frequently is not easy to use it.

(d) Security Framework Challenge

As per Table (4.9), this part of the study presents the mean score of Security Framework challenge on KBZPay agents.

Table (4.9) Mean of Security Framework Challenge

No.	Statement	Mean
1	Agents and users must keep their passwords without talking to others even family member.	4.18
2	Loss of money can happen by transaction errors.	3.60
3	Phone loss can happen to lose their money.	3.10
4	Customers can't believe safety and security in the interaction with the agents.	2.60
5	Users afraid of their personal data and security when the hackers access from Providers database.	3.45
Overall Mean		3.39

Source: Survey Data, (2019)

From the result of the study, the overall mean score is 3.39 and it's in medium level of challenge on KBZPay agents. The mean value of all range is between 2.60 to 4.18 respectively. The highest mean score is 4.18 with Agents and users must keep their passwords without talking to others even family member and thus indicating that the agents face the lack of user awareness about the important of their security password. The lowest mean score is 2.60 with Customers can't believe safety and security in the interaction with the agents and thus indicating that users is believed to safe and security in the interaction with agents. It could be concluded that the respondent believe a lot of mobile wallet security is must to keep their password themselves without knowing and talking to other. And other is they afraid of their personal data and security when the hacker access from Providers database and transaction error can happen to loss of their money.

(e) **Agent Distribution Challenge**

As per Table (4.10), this part of the study presents the mean score of the Agent Distribution challenge on KBZPay agents.

Table (4.10) Mean of Agent Distribution Challenge

No.	Statement	Mean
1	Agents don't have enough money to make transaction.	3.35
2	Agents are not available in all network coverage areas.	3.25
3	Agents face to block their account when using unacceptable mobile system in KBZPay.	3.18
4	Agents face the difficult due to the user don't know how to apply mobile software.	3.95
5	Customer cannot transfer his/her desired location around the country.	3.40
Overall Mean		3.43

Source: Survey Data, (2019)

From the result of the study, the overall mean score is 3.43 and it's in high level of challenge on KBZPay agents. The mean value of all range is between 3.18 to 3.95 respectively. The highest mean score is 3.95 with Agent face the difficult due to the user don't know how to apply mobile software and thus indicating that the bank need to educated their mobile money user how to use the mobile payment. The lowest mean score is 3.18 with Agents face to block their account when using unacceptable mobile system in KBZPay and thus indicating that sometimes the respondents face to block their account or can't make transactions using mobile financial services. It could be concluded that the most of user don't know to use mobile wallet well and they cannot transfer any desired location are the main challenge of agents. And other challenge is agents don't have enough money to make transaction when the users make cash in, cash out or other mobile financial service through the agent shop.

(f) Liquidation and Rebalancing Challenge

As per Table (4.11), this part of the study presents the mean score of Liquidation & Rebalancing challenge on KBZPay agents.

Table (4.11) Mean of Liquidation and Rebalancing Challenge

No.	Statement	Mean
1	E-money filling and physical cash can't support to Agents whenever they need.	3.20
2	It is not easy to balance wallet amount if not link with bank account.	3.63
3	Agents can't make transaction in restricted amount as per bank regulations.	3.50
4	Agents faces the risk of handling physical cash when users filling their E-money and Money transfer at agent shop.	3.10
5	Users are not reliable can make Mobile money via agents, they believe some agents can't support enough to make transactions.	3.15
Overall Mean		3.32

Source: Survey Data, (2019)

From the result of the study, the overall mean score is 3.32 and it's in medium level of challenge on KBZPay agents. The mean value of all range is between 3.10 to 3.63. The highest mean score is 3.63 with It's not easy to balance wallet amount if not link with bank account and thus showing that the agents need to link bank account with their mobile wallet account that making is easy to balance mobile wallet amount. The lowest mean score is 3.10 with Agents faces the risk of handling physical cash when users filling their E-money and Money transfer at agent shop and thus indicating that handling more physical cash is could be more risk to agents. It could be concluded that the agent's mobile wallet is not link with the bank account and agent's mobile financial transaction limit amount as per bank regulation are the main risk of the challenge on KBZPay agent. Agent faces the requirement of E-money or physical cash when they need to make mobile financial service to their user.

(g) Customer Education and Awareness Challenge

As per Table (4.12), this part of the study presents the mean score of Customer Education and Awareness challenge on KBZPay agents.

Table (4.12) Mean of Customer Education and Awareness Challenge

No.	Statement	Mean
1	Providers couldn't advertise in public how much mobile money application is convenience for them.	2.53
2	Customers don't know how much get the benefits when using mobile money.	3.13
3	Agents face the risk of lack of user awareness.	3.75
4	Providers need to educate and to get awareness of users about mobile payment.	4.18
5	Most users are not familiar with banking and Mobile money.	3.63
Overall Mean		3.44

Source: Survey Data, (2019)

From the result of the study, the overall mean score is 3.44 and it's in high level of challenge on KBZPay agents. The mean value of all range is between 2.53 to 4.18 respectively. The highest mean score is 4.18 with Providers need to educate and to get awareness of users about mobile payment and thus indicating that agents face the lack of user awareness and they believed that the bank is need to educate and to share the knowledge of the mobile financial services. The lowest mean score is 2.53 with Providers couldn't advertise in public how much mobile money application is convenience for them, it can be showed that the respondents believed the bank could advertised in public well about mobile money benefits and usage. It could be concluded that the respondents believe that the providers need to educate and to get awareness of users about mobile payment so that the user are not aware of mobile payment's benefits and process and they not familiar with mobile financial services are the main challenge of Customer Education and Awareness on KBZPay services.

(h) Customer Trust Challenge

As per Table (4.13), this part of the study presents the mean score of the Customer Trust challenge on KBZPay agents.

Table (4.13) Mean of Customer Trust Challenge

No.	Statement	Mean
1	Users feel unsafe and not reliable to make mobile payment.	3.50
2	Users feel agent is not secure to take their passwords and other reasons, eg..6 digits.	2.78
3	Some users afraid of making mistake of using Mobile wallet.	4.20
4	Providers must to educate and awareness to user about their mobile payment system is safe and security.	4.25
5	Users believe over the counter transaction in bank is more secure than mobile payment.	3.83
Overall Mean		3.71

Source: Survey Data, (2019)

From the result of the study, the overall mean score is 3.71 and it's in high level of challenge on KBZPay agents. The mean value of all range is between 2.78 to 4.25 respectively. The highest mean score is 4.25 with Providers must to educate and awareness to user about their mobile payment system is safe and security and thus indicating that the respondents believed the bank need to educate to user about their mobile payment system is safe. The lowest mean score is 2.78 with User feels agent is not secure to take their passwords and other reasons, eg..6 digits and thus indicating that user believed to make mobile financial services via agents. It could be concluded that most of user afraid of making mistake and they think the mobile payment is not safe and security than over the counter transaction in bank are the main challenges of Customer Trust on KBZPay Agents.

(i) Customer Support Operation Challenge

As per Table (4.14), this part of the study presents the mean score of the Customer Support Operation challenge on KBZPay agents.

Table (4.14) Mean of Customer Support Operation Challenge

No.	Statement	Mean
1	The companies can't support to the agents 24/7.	3.75
2	Call center can't reply immediately to any inquiry.	3.20
3	Training and user guide are not sufficient when agents need.	4.18
4	Providers can't support some providing point of sale material for agents (eg.QR Stand, Signboard,Sticker,Vinyl,Pamphlet,other).	2.93
5	Providers can't give enough incentives schemes and other benefits to agents for their high performance.	3.78
Overall Mean		3.57

Source: Survey Data, (2019)

From the result of the study, the overall mean score is 3.57 and it's in high level of challenge on KBZPay agents. The mean value of all range is between 2.93 to 4.18 respectively. The highest mean score is 4.18 with Must give user guide and train whenever Agents required and new issues outcomes and thus indicating that the agents need to train and give user guide regularly because they need the knowledge of the mobile payment and face new issues outcomes. The lowest mean score is 2.93 with Providers can't support some providing point of sale material for agents (eg.QR Stand, Signboard, Sticker, Vinyl, Pamphlet, other) and thus indicating that the bank need to provide point of sale material requirement. It could be concluded that the agent need the some training of mobile payment and the bank can't support to the agent 24/7 so that the agent can't easily run on mobile financial service.

4.4 Overall Mean score of KBZPay Agents Challenges

As per Table (4.15), this part of the study indicates the mean score of KBZPay agents challenges.

Table (4.15) Overall Mean of KBZPay Agents Challenges

No.	Statement	Mean
1	Business Infrastructure	3.47
2	Fraud and Money Laundering	3.22
3	Technology	3.6
4	Security Framework	3.39
5	Agent Distribution	3.43
6	Liquidation and Rebalancing Requirement	3.32
7	Customer Education & Awareness	3.44
8	Customer Trust	3.71
9	Customer Support Operation	3.57

Source: Survey Data, (2019)

According to the Table (4.15), the high agreement level of mean score are the statement that customer trust, technology, customer support operation, customer education and awareness, agent distribution and business infrastructure. The average agreement levels of mean score are security framework, liquidation and rebalancing requirement, fraud and money laundering. It could be concluded the highest mean score is Customer Trust because some user afraid of making mistake of using mobile wallet and they feel not reliable to make mobile payment. The second and third highest mean score are the statement that technology and customer support operation because agents encounter losing of technology, mobile network and the bank can't support to the agents requirement, performance. The lowest mean score is fraud and money laundering is not fully affected to mobile money agents.

CHAPTER V

CONCLUSION

This chapter includes findings, suggestions based on analysis that is presented in chapter (4) and need for further research regarding with the challenges of the KBZPay agent.

5.1 Findings

KBZPay app allows user to make transactions at shops and other places in where KBZPay services run smoothly through QR Codes send and receive money, or even withdraw physical cash or fill E-money via authorized agents, providers, bank's branches concerned. KBZPay Agent is a third-party operator has an agreement with KBZ Bank to perform certain bank related functions on behalf of KBZ Bank. An agent refers to a person officially contracted by KBZ Bank to provide agent banking services on the Bank's behalf, these services can include customer account registration / upgrade, cash in & cash out, money transfer, air time top up, bill payment or quick pay, QR code payment acceptance.

In this study, demographic factors include gender, age, and education level. Regarding gender group of agents using by KBZPay services, the male of respondents are more than female of respondents. The majority of respondents are the age group of between 31 to 40 years. According to the analysis on education level of agents which indicates most of mobile money agents are graduated. With regard to business relationship with KBZPay services, the most of agents had been used KBZPay services over 9 months.

Business infrastructure is required for providing mobile money services. Business infrastructure of mobile money includes Mobile Sims & Phone, Mobile Tower, Mobile network, agent network, branch network and technology that can support to smooth the transactions and available every time, to make more coverage network of agents. When the Business Infrastructure is poor that can be lower network, not reliable to use mobile money services and that can be unbanked population is high. According to the survey results, agent face the shortage of physical cash when they want to exchange E-money to physical cash or physical to E-money but the bank can fill their requirement of physical cash or E-money within banking hour. Hence, the more ATM machines are required by agents who can

withdrawal physical cash from their E-wallet after banking hour but most ATM machines are located in urban area and sometimes ATM machines are out of services. Users and agents are needed to have latest smartphone that can support to use mobile payment function fully. When the users want to transfer some places of remote or rural area, the agents are unable to transfer mobile money to everywhere, and most of bank branches and mobile network are not available in rural area and some urban area and that can't support to agent's operation to be efficient.

Agents are afraid of risks and frauds when a user does the large amount of transactions from agent's shop. They are also afraid of some users who will cheat them as they pretend as bank staff. The frauds come from some weakness of lack of agent's mobile money knowledge. Agents believe the limitation of mobile money transaction amount of agent and users that can't protect money laundering; they want to operate more amount of daily, weekly and monthly of mobile money transactions. Therefore, agents can fully operate and serve to user by using of mobile financial services.

Mobile network and technology are important for user by using of mobile wallet but mobile network and connection are poor in some urban and rural area in Myanmar. Agents sometimes face losing of technology and mobile network that are the main risk of them. That can be some technical errors to make problem when the agents make financial transactions with mobile wallet. KBZPay upgrade frequently their version of mobile application for adding some feature and some technical update that is not easy to use for agent and user and therefore they need some training and the update user guide.

Security challenge mostly occurs in users on their mobile wallets. Some users are not aware of their password, and talk to other people or to write somewhere that lead to lose their security and other people can withdrawal at some agent's shop. Agent and user are sometimes afraid of their personal data and security of their mobile wallet when the hacker access from provider's database because they are not familiar about mobile payment and banking. And also, the agents afraid of loss of money when they making mobile financial services that happen to transaction error.

Most of users don't know how to use mobile wallet well. That is to be the agents face the difficulty, and will spend a lot of time for servicing mobile financial services to user. Customer cannot transfer his/her desired location around the country because some area is not available of mobile financial services especially rural area

which are not enough mobile network and not available the bank's branches to support its agents which is also to be difficulty for agents. And also, sometimes agents face to block their account when using unacceptable mobile system in KBZPay because of the lack of awareness using mobile wallet by agent.

Today, most of Myanmar people have mobile phones, but they don't have bank account. Thus, unbanked population is high. Bank can't run fully all the region and rural areas. Agents can't handle fully cash flows for mobile money services. The bank has to create more cash flows or E-money for agent's when users are likely to fill more of their E-money and Money transfer at agent shop and also agents face the risk of handling physical cash. KBZPay mobile wallet account can link with bank account that is need to link for agent and user. Most of respondents believe that if they have no mobile wallet links with bank accounts are to be more difficulty to manage of their wallet account. Other challenges are the agent's mobile financial transaction amounts are restricted as per bank regulations that is the agents can't make more mobile financial transaction and can't operate efficiently and users believe that some agents can't support enough to make transaction via agents.

A lot of Myanmar people think cash is easily to pay anything, but cash handling is very risky, not transfers other region quickly. The users are not familiar with banking and mobile money and they don't know how much get the benefits when using mobile money. So agents face the main risk of lack of user awareness. Most of respondents who are agents believed that providers need to educate and to get awareness of users about mobile payment.

Users feel mobile money is not safe and not reliable to transfer and pay other and the users afraid the loss of money when they make mistake of using mobile wallet. And also, they believe over the counter transaction in bank is more secure than mobile payment. Therefore agents face the risk of customer trust and they believed that providers must to educate and awareness to user about their payment system is safe.

The agents need some training of mobile payment and give the user guide when agents required and new issues outcomes. The bank can't support to the agent 24/7 when they need some support of E-money or physical cash of their mobile wallet and other assistance. Although agents have good performance but the bank can't give enough incentives schemes and other benefits to agents. And also, sometimes call

center can't reply immediately to some inquiry. Above the challenges on KBZPay agents are affecting to implementation of financial inclusion of KBZPay.

As per the analysis on the overall Mean of KBZPay Agent Challenges, the highest challenge is Customer Trust challenge. The second highest challenge is Technology challenge and the third one is customer support operation challenge. The lowest challenge is Fraud and Money Laundering. It could be concluded that the agents face the customer trust for using mobile money that can be mobile money user adoption is low. And also the second and third high mean score are technology and customer support operation challenges that represent the agent face the technology risk and the bank need to support the requirement of agents using of mobile money. The lowest mean score is fraud and money laundering is not fully affected to mobile money agents and user.

5.2 Suggestions

As per survey result, Mobile Financial service providers should support their agents' requirement and to solve their difficult and risk. In Myanmar, business infrastructure, Mobile Tower and Mobile network connection are poor that make to obstacles for implementation of mobile money business and the agents face loss of connection of using mobile payments. The bank and mobile network operator need to access more coverage of the mobile network and agent network. Most of unbanked population is located in rural area and some urban area, in this area the bank branches are not available everywhere and the bank can't support to agents fully. The bank needs to expand their branch network and need to acquire more agents through the country. KBZPay has the innovative system of mobile wallet that can withdraw at any KBZ ATM machines but KBZ ATM machines are not available in some area. The bank should support more ATM machines in somewhere because the bank can support the agent's requirement of more E-money or physical cash within banking hour.

Agent afraid the risk and fraud when the some user behavior is abnormal and they also worry fraudsters pretend as bank staff to make fraud account and to make fraud transaction, the bank must be aware of security of operation, process and database and need to educate or give the user guide to agent for that they can handle to solve the fraud case well. And also the agents are also to worry about facing of technical error, losing of technology and mobile network when they making of

mobile financial transactions, so the bank must to ensure of their technology enhancement and need to have good network of their server.

User awareness is important for mobile money because a lot of Myanmar citizens are not familiar with banking and mobile money, they afraid of making mistakes when using of mobile payment and some users are not aware of their security password, and talk to other people or to write somewhere. Therefore Provider has to educate to user awareness and to make the events for mobile financial services which are useful for their daily life. Another side, Providers should advertise in public the benefits of using mobile money and how mobile money service is suitable for the users, and need to educate their mobile wallet is reliable that is to be more trust to user.

The bank ought to fill their liquidation of cash or E-money when the agent wants to fill E-money or physical cash after banking hour, so the bank need to open extra hour for supporting to agents and need to appoint some agency to support for liquidation requirement of agents. Agents don't have enough money to make transaction because a lot of agents are small business-like retail shop, Grocery shop. Therefore Providers should give a loan for agents if it is necessary, that can be agents make more transactions, and to be more agents' coverage network. Agents and user can't make transaction in restricted amount as per bank regulations, the regulator and bank allowed to more amounts to run mobile financial services that make to more successful of implementation of mobile wallet to be financial inclusion.

The bank must support incentive schemes when their agents have good performance and other is need to consider about their agent's service fees is suitable for agents by using of KBZPay servies. Sometimes Call center can't reply immediately to any inquiry when the agents have some troubles, the bank need to appoint more call center staff who are enough to know mobile money services well and need to give user guide and train to agents that can handle to solve their agents difficult and requirement of any enquiry.

In Conclusion, the providers need to be support all of agent's requirements and problems. According to above suggestion, user awareness and user education are very important. Security and process should be considered for any fraud. Successful Mobile Money Business can be operated properly true to persuading above mention.

5.3 Need for Further Research

This study only focuses on challenges of agents using KBZPay services from KBZ Bank. This research is only selected 120 KBZPay agents who are located in Yangon and it does not cover other region and around the Myanmar. Therefore, the further research should be more focus not only customer but also agent and the bank as well as, with larger sample size, expended survey on all rural area and urban area in Myanmar that will get better results is to be more successful of mobile money implementation. Another gap for further research is comparison study of various mobile payment platforms and measuring their strength and weakness.

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APPENDIX (A)**KBZPay Customer Transaction Limit**

No.	Transaction Limit (MMK)	Level 1	Level 2
1	Transfer to Bank Account Each Transaction Maximum	Not Applicable	300,000
2	Transfer to Bank Account Total Daily	Not Applicable	1,000,000
3	Transfer From Bank Account Each Transaction Maximum	Not Applicable	300,000
4	Transfer From Bank Account Total Daily	Not Applicable	1,000,000
5	Top Up Total Daily	50,000 per SIM	50,000 per SIM
6	Quick Pay Each Transaction Maximum	50,000	5,000,000
7	Quick Pay Total Daily	50,000	5,000,000
8	Pocket Money Each Transaction Maximum	50,000	300,000
9	Pocket Money Total Daily	50,000	1,000,000
10	Buy Goods Each Transaction Maximum	200,000	5,000,000
11	Buy Goods Total Daily	200,000	5,000,000
12	Cash In at Agent Each Transaction Maximum	50,000	300,000
13	Cash In at Agent Total Daily	200,000	1,000,000
14	Cash In at Merchant Each Transaction Maximum	50,000	300,000
15	Cash In at Merchant Total Daily	200,000	1,000,000
16	Cash Out at Agent Each Transaction Maximum	50,000	1,000,000
17	Cash Out at Agent Total Daily	200,000	1,000,000
18	Cash Out at Payroll Agent Each Transaction Maximum	Not Applicable	5,000,000
19	Cash Out at Payroll Agent Total Daily	Not Applicable	5,000,000
20	Transfer to Registered Customer Each Transaction Maximum	50,000	1,000,000
21	Transfer to Registered Customer Total Daily	200,000	5,000,000
22	Transfer to Unregistered Customer Each Transaction Maximum	50,000	1,000,000
23	Transfer To Unregistered Customer Total daily	200,000	5,000,000

Source: KBZ Bank Ltd, (2019)

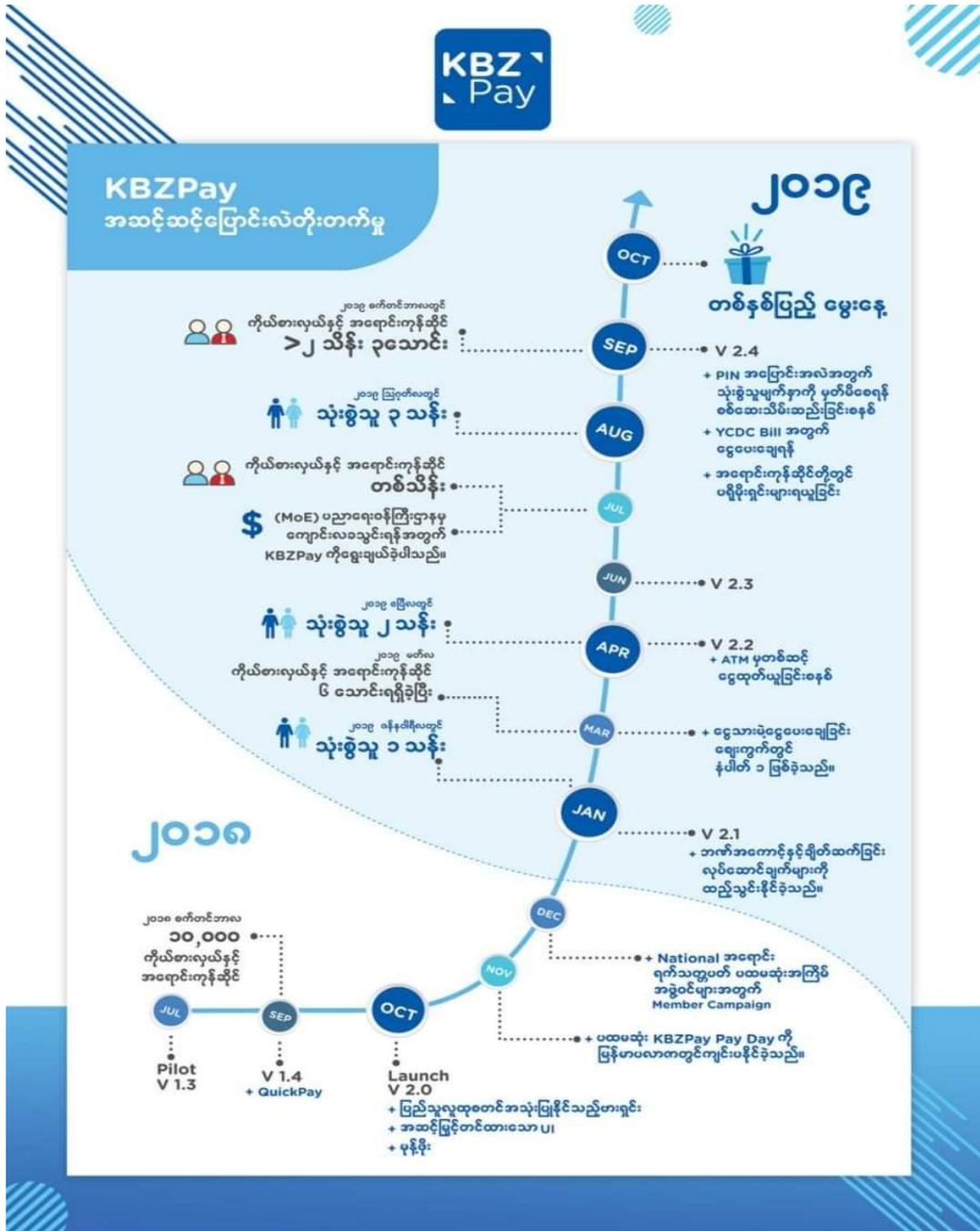
APPENDIX (B)

KBZPay Agent Transaction Limit

Transaction Type	Minimum	Maximum	Daily Total
Customer Cash in	No Limit	No Limit	50,000,000
Register Customer Cash Out	No Limit	50,000,000	10,000,000
Unregister Customer Cash Out	No Limit	1,000,000	5,000,000
Remittance to KBZPay Customer	1000	1,000,000	50,000,000
Remittance to non KBZPay Customer	1000	1,000,000	50,000,000
Top Up	No Limit	No Limit	50,000
Quick Pay	No Limit	5,000,000	10,000,000
Request Cash	No Limit	5,000,000	10,000,000
Transfer to KBZ Bank Account	No Limit	1,000,000	5,000,000
ATM Cash Out	No Limit	300,000	1,000,000
Transfer to other agent	No Limit	1,000,000	5,000,000
Transfer form KBZ Bank Account	No Limit	5,000,000	10,000,000

Source: KBZ Bank Ltd, (2019)

APPENDIX (C)



Source: KBZ Pay, (October 2019)

APPENDIX (D)
Questionnaires Form
Yangon University of Economics
Master of Banking and Finance (MBF) Program, Day 1st Batch
Challenges of the KBZPay Agents

Part (1) Demographic Profile of Respondents

1. Gender

Male

Female

2. Age

Under 21 Years

21 to 30 Years

31 to 40 Years

41 to 50 Years

51 years above

3. Educational Level

Under High School

High School

University Graduate

Professional Level/Master Level

4. Business relationship as an agent with KBZPay

Less than 3 months

3 months to 6 months

Over 6 months to 9 months

Over 9 months

Part (2) Analysis on Challenges of the KBZPay Agents

Scales (1: Strongly Disagree, 2: Disagree, 3: Neutral, 4: Agree, 5: Strongly Agree). Please use this scale (Tick one box against each statement) for the following statements.

“Business Infrastructure Challenge”

No	Statement	1	2	3	4	5
1	Users need to have latest smartphone to use Mobile Money function.					
2	Mobile networks are unavailable everywhere.					
3	Agents shops and bank's branches are not available in everywhere.					
4	More ATM machines are required when agents and customers want to withdrawal E-money to cash.					
5	Bank's branches are not always near to support every agents.					

Fraud & Money Laundering Challenge

No	Statement	1	2	3	4	5
1	Agents afraid the risk and fraud if the user do the large amount of transactions.					
2	Fraud account can create easy and can do dirty money transfer.					
3	User's Phone lost can happen fraud.					
4	Fraudster will cheat to user as they pretend as bank staff.					
5	Mobile money can't protect money laundering even though the providers restrict the transaction amount per day.					

Technology Challenge

No	Statement	1	2	3	4	5
1	Losing of technology and mobile network is a main risk of users.					
2	Due to loss of connectivity during the transaction the risk of cash losing can happen.					
3	Agents face problem for technical error when transfer money.					
4	Not all Agent are definitely aware the KBZPay Application usage.					
5	If the version upgrade frequently that is not ease to apply KBZPay application by user.					

Security Framework Challenge

No	Statement	1	2	3	4	5
1	Agents and users must keep their passwords without talking to others even family member.					
2	Loss of money can happen by transaction errors.					
3	Phone loss can happen to lose their money.					
4	Customers can't believe safety and security in the interaction with the agents.					
5	Users afraid of their personal data and security when the hackers access from Providers database.					

Agent Distribution Challenge

No	Statement	1	2	3	4	5
1	Agents don't have enough money to make transaction.					
2	Agents are not available in all network coverage areas.					
3	Agents face to block their account when using unacceptable mobile system in KBZPay.					
4	Agents face the difficult due to the user don't know how to apply mobile software.					
5	Customer cannot transfer his/her desired location around the country.					

Liquidation & Rebalancing Challenge

No	Statement	1	2	3	4	5
1	E-money filling and physical cash can't support to Agents whenever they need.					
2	It is not easy to balance wallet amount if not link with bank account.					
3	Agents can't make transaction in restricted amount as per bank regulations.					
4	Agents faces the risk of handling physical cash when users filling their E-money and Money transfer at agent shop.					
5	Users are not reliable can make Mobile money via agents, they believe some agents can't support enough to make transactions.					

Customer Education and Awareness Challenge

No	Statement	1	2	3	4	5
1	Providers couldn't advertise in public how much mobile money application is convenience for them.					
2	Customers don't know how much get the benefits when using mobile money.					
3	Agents face the risk of lack of user awareness.					
4	Providers need to educate and to get awareness of users about mobile payment.					
5	Most users are not familiar with banking and Mobile money.					

Customer Trust Challenge

No	Statement	1	2	3	4	5
1	Users feel unsafe and not reliable to make mobile payment.					
2	Users feel agent is not secure to take their passwords and other reasons, eg..6 digits.					
3	Some users afraid of making mistake of using Mobile wallet.					
4	Providers must to educate and awareness to user about their mobile payment system is safe and security.					
5	Users believe over the counter transaction in bank is more secure than mobile payment.					

Customer Support Operation Challenge

No	Statement	1	2	3	4	5
1	The companies can't support to the agents 24/7.					
2	Call center can't reply immediately to any inquiry.					
3	Training and user guide are not sufficient when agents need.					
4	Providers can't support some providing point of sale material for agents (eg. QR Stand, Signboard, Sticker, Vinyl, Pamphlet, other).					
5	Providers can't give enough incentives schemes and other benefits to agents for their high performance.					