

YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF MANAGEMENT STUDIES
MBA PROGRAMME

CUSTOMER SATISFACTION AND LOYALTY ON
MOBILE BANKING SERVICE OF MYANMA APEX BANK

SU SU ZIN

MBA II – 92

MBA 23rd BATCH

SEPTEMBER, 2019

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ACADEMIC YEAR (2017 – 2019)

Supervised by

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A thesis submitted to the Board of Examiners in partial fulfilment of the requirements for
the degree of Master of Business Administration (MBA)

Supervised by

Daw Kay Thi Soe

Associate Professor

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ACCEPTANCE

This is to certify that the thesis entitled “**Customer Satisfaction and Loyalty on Mobile Banking Service of Myanmar Apex Bank**” has been accepted by the Examination Board for awarding Master of Business Administration (MBA) degree.

Board of Examiners

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ABSTRACT

This study intends to analyze the customer satisfaction and customer loyalty on Mobile Banking Service of Myanmar Apex Bank. The main objectives of the study are: to examine the customer perception on Myanmar Apex Bank's mobile banking service, to analyze the effects of customer perception on customer satisfaction and to examine the relationship between customer satisfaction and their loyalty on mobile banking service of Myanmar Apex Bank. To achieve these objectives, the primary data for this study are collected from the responsible persons of MAB and also from 382 respondents who use MAB's mobile banking service by using the structured questionnaires with Five-Point Likert scale. The secondary data are collected through journals, relevant textbooks, other online sources, the records and interviews with the authorized persons in MAB's mobile banking service. The results reveal that customers have highest positive perception on usefulness of mobile banking service. Respondents have highest satisfaction on ease of use. Tangibility, reliability, assurance, empathy, usefulness and ease of use have significant positive effect on customer satisfaction. Moreover, customer satisfaction has significant positive effect on customer loyalty.

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LIST OF ABBREVIATIONS

ATM	Automated Teller Machine
AYA	Ayeyarwady Bank
CASA	Current and Savings Account
ICT	Information and Communication Technology
KYC	Know Your Customer
LC	Letter of Credit
MAB	Myanma Apex Bank
MPU	Myanmar Payment Union
SQ	Service Quality
SWIFT	Society for Worldwide Interbank Financial Telecommunications
TAM	Technology Acceptance Model
VISA	Visa International Service Association

CHAPTER 1

INTRODUCTION

With the emergence of Information and Communication Technology (ICT), the banking industry has many technological changes in the recent years leading into technologically dependent one. The more competitive economic environment becomes today, the more satisfying services of the banks tend to offer their customers. Moreover, as lifestyle becomes fast-paced in nature, many people start to find the ways to decrease time-consuming. As a result, many banks try to persuade their customers for increasing market shares and provide latest financial service technologies by using e-banking technologies. The customers are provided with the quick, speedy and reliable service through e-banking. Mobile banking is also the e-banking technology.

Mobile banking service becomes very popular among bank customers in the recent years. A bank or other financial institution give mobile banking service and the customers can do financial transactions with the mobile device such as a smartphone or tablet. With the help of mobile banking service, people are able to perform banking activities at home via internet without the need to wait to get banking service. It is not necessary for people to go to banks to be able to do banking activities. It offers the various banking services such as fund transfer, bill payment, mobile phone top-up, online shopping, donation, etc. It benefits not only the customers but also the bank because the banks can expand their market share at low cost.

With the easy access of the mobile phones, fast mobile network and internet speed, people in Myanmar demand for quick modern technology services instead of the slow ones. Therefore, the banks in Myanmar tried to introduce mobile banking service to their customers. At the beginning of the launching of mobile banking service, most people in Myanmar opposed the idea of the service due to their concern about security issues. However, nowadays, they gradually accept and trust the mobile banking service. Therefore, many banks in Myanmar provide mobile banking service in order to attract many customers. The mobile banking service providing Myanmar banks include KBZ, AYA, CB and MAB, etc. In a competitive environment, it is necessary for banks to realize customer

satisfaction and loyalty towards their services so that they can know their strength and weakness. By using that knowledge, they can fix their weakness and increase their strength. Moreover, they can offer more services in the future based on the needs and wants of their customers.

Therefore, this study intends to explore the customer satisfaction and loyalty on mobile banking service by determining the effect of customer perception on customer satisfaction and the relationship between the customer satisfaction and loyalty on mobile service provided by MAB (Myanma Apex Bank). This study can give better ways to provide mobile banking service so that they can meet the customer expectation and gain customer satisfaction and loyalty gaining more market share and success.

1.1 Rationale of the Study

Recent years, Myanmar has experienced the improvement in technology such as fast internet speed, increased availability of mobile phones and people's familiarity with technology. Therefore, many banks offer many services for more convenient banking experiences for customers. Moreover, in Myanmar, the banking industry develops faster than other sectors. As the government allows opening the public, commercial and private banks, banking sector has been strong competitive. Currently, every private bank are offering mobile banking services like KBZ Bank, CB Bank, AYA Bank and MAB are rivals for market share.

Therefore, it is important for the banks to gain competitive advantage. The service quality plays an important role in getting competitive advantage. As a result, several banks are quickly implementing and delivering mobile banking services in order to successfully interact with their customers because their satisfaction represents a key factor of success in mobile banking. Customers of the mobile banking service of one bank are the potential customers for the mobile banking service of other banks. Therefore, it can be said that customer satisfaction and loyalty are essential both to make old customers loyal and attract new customers.

Myanma Apex Bank (MAB) is one of the businesses of the Eden Group of Company Limited in Myanmar and was incorporated on 2nd July, 2010. There are ninety-four branches all over the country. In 2016, MAB Mobile Bank was launched as the first

mobile bank service which could be used to link mobile wallet with current bank account. However, nowadays, there is many choices offered to customers for mobile banking services.

Thus, this study tries to analyse and explore the customer satisfaction and loyalty towards the MAB mobile banking service, the first mobile banking service in Myanmar so that they can realize their customer perception towards their mobile banking service. Moreover, they can develop better ways to provide mobile banking service in order to retain existing customers and gain new customers.

1.2 Objectives of the Study

The main objectives of the study are:

1. To examine the customer perception on service quality dimension of Myanmar Apex Bank's mobile banking service
2. To analyze the influencing service quality dimension on customer satisfaction with mobile banking service of Myanmar Apex Bank.
3. To examine the effect of customer satisfaction on their loyalty towards mobile banking service of Myanmar Apex Bank.

1.3 Scope and Method of the Study

The study focuses on the customer satisfaction and loyalty on MAB's mobile banking service in Yangon, not the whole country due to limited time and other resources. Data collection is done based on primary data as well as secondary data. Primary data is collected from the surveys of the customers who are using MAB's mobile banking service. The data collection period is from April to June 2019. During this period, the data regarding the customer satisfaction and their loyalty on MAB's mobile banking service in Yangon is collected with structured questionnaires, as research instrument, the self-administered questionnaires were used in this study. As research participants, total samples of 382 respondents were chosen by two-stage systematic random sampling method among the total 331 mobile banking agents of MAB in Yangon Region.

In first stage of sampling, a systematic random sample method is applied in choosing 66 agents (20% of total) from the total 331 mobile banking agents of MAB. In second stage, sampling size for each selected sample agents are chosen proportionately based on the clients of mobile banking users at each agent. In this stage, random sampling method was applied. Each respondent was provided questionnaire to be able to self-administer in response to interview.

Secondary data is collected from Myanmar Apex Bank's authorized persons, official websites, textbooks, relevant books, previous research papers, respective organizations and internet websites.

1.4 Organization of the Study

This paper is organized by five chapters. Chapter one is the introduction, rationale, objectives, scope and method and the organization of the study. Chapter two includes the theoretical background of the customer satisfaction on mobile banking service of MAB. Chapter three presents the profile of MAB and its mobile banking service. It also includes the customer perception on mobile banking service. Chapter four includes the analysis of the effects of customer perception on customer satisfaction and their loyalty on mobile banking service. Chapter five concludes with the findings, discussion, suggestions, recommendations and needs for further study.

CHAPTER 2

THEORETICAL BACKGROUND

This chapter gives further explanation about the theoretical background of the thesis with three different parts. The first part is the definitions of customer satisfaction, loyalty and mobile banking service quality. The second part is the models used in this study, SERVQUAL Model and Technology Acceptance Model (TAM). The third part is the description of the conceptual framework of the study.

2.1 Service Quality

Service quality is a business administration concept used to describe achievement in service. It can be used to achieve efficient operation and improved business performance. Importance of quality to service firms and have demonstrated its positive relationship with profits, increased market share, returns on investment, customer satisfaction, and future purchase intentions. Service quality is a form of attitude which is related but not equivalent to satisfaction (Parasuraman, Zeithaml and Berry 1988).

Service quality can be related to service potentials; such as competence of workers, the speed of service process or the quickness of service and service result or customer satisfaction. The workers must have required skills and knowledge to perform the quality service. For customer service improvement, the operation implementation workers and the operation support workers must have competence in the knowledge and skill about the service they provide. Service quality acts as a crucial role for a firm in differentiating itself from its competitors. The service quality can offer competitive advantage to the companies which continuously try to improve the service quality in order to bring customer satisfaction. Service quality and customer satisfaction are very important for a service provider for the competitiveness and growth of the business.

There are a number of different definitions as to what is meant by service quality. Commonly used definition is the service quality as the extent to which a service meets customer needs or expectations. Service quality can be defined as the difference between customer expectations of service and perceived service. Service quality can also be defined

as the overall assessment of a service by the customer. Therefore, if the service provider understands existing quality of his product or service, he will be able to deliver services with higher quality level resulting in increased customer satisfaction. Therefore, during customers' comparison of perceived service with expected service, if the perceived service value is not as great as the expected, the customers are disappointed. Service quality is measured in order to assist managers in ensuring service quality and customer satisfaction (Webster, 1988). Measurement is a necessary step towards devising any action plan.

2.2 Measuring Service Quality

Service quality is measured in both subjective and objective processes. The carefully predefined criteria are needed to measure the objective aspect of customer service precisely. Measuring service quality objectively involves measuring quantifiable factors such as numbers of customer complaints or numbers of returned goods. However, the subjective measurement of customer service relies on whether the expected benefit conforms with the perceived result. The characteristics of SERVQUAL method can be used for the subjective measurement. This method is based on the customer's expectation in terms of service and the service provider's ability and talent to present this expected service. However, customer satisfaction is an indirect measure of service quality.

Service quality is defined as the difference between customer expectation for service performance prior to the service encounter and their perception of the service received. Customer expectation also acts as a basis of service quality measurement. The higher the quality, the more the actual performance exceeds expectation and vice versa. Expectation is defined as desires or wants of consumer (Parasuraman et al., 1988, p.17). Perceived service is seen as the outcome of the consumer's view of the service dimensions, which are both technical and functional in nature (Gronroos, 1984, p.39).

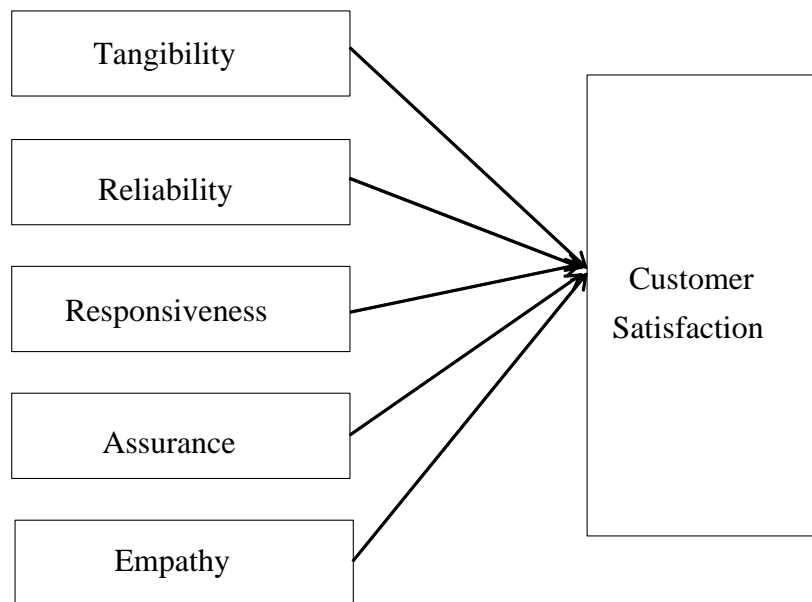
2.2.1 SERVQUAL Model

The SERVQUAL Model is one of the models of service quality known as the Gaps model. A group of American authors, A. Parasuraman, Valarie A. Zeithaml and Len Berry, developed the Gaps model in a systematic research program between 1983 and 1988. The model was developed by identifying the principal dimensions (or components) of service

quality and proposing a scale for measuring service quality (SERVQUAL). The model comprises seven major gaps in the service quality concept.

The first six gaps (Gap 1, Gap 2, Gap 3, Gap 4, Gap 6 and Gap 7) are identified as functions of the way in which service is delivered, whereas Gap 5 is considered to be the true measure of service quality. The Gap on which the SERVQUAL methodology has influence is Gap 5. Parasuraman (et al. 1985, 1988) conducted a qualitative and quantitative research in order to conclude to the original five dimensions (tangibles, reliability, responsiveness, assurance and empathy) and 22 items of SERVQUAL model. The model develops through many stages into its final model. So, according to Parasuraman et al. (1988) the five dimensions of Service Quality Theory are Tangibility, Reliability, Responsiveness, Assurance and Empathy.

Figure 2.1 SERVQUAL Model



Source: Parasuraman et al. (1988)

(a) Tangibility

Tangibility includes the physical facilities, equipment used to deliver service, communication materials, external appearance of store and appearance of personnel. It measures the level at which physical facilities, equipment, and appearance of personnel are adequate. The tangible evidence also includes the conditions of physical surroundings provided by the service provider.

(b) Reliability

If the service provider company is able to provide the service dependably and precisely as promised, it is called that service reliable. The company keeps his promises to his customers about his service and products and delivers accordingly. Customers are willing to buy products and services from companies that keep their promises. Therefore, the companies need to pay attention to what customers expect about the reliability. If the companies fail to provide the service of the customer expectation, it will upset the customers directly.

(c) Responsiveness

Responsiveness “is the willingness to help customers and provide prompt service” (Zeithaml et al., 2006, p. 117). It measures whether the service providers can deal with customer’s requests, questions and complaints promptly and attentively. We can call a company responsive if it tells its customers details such as the time taken to get answers or the solutions for their problems. Therefore, the companies need to view the responsiveness from the customer point of view instead of the companies’ in order to become successful business (Zeithaml et al., 2006).

(d) Assurance

Assurance is defined as “the employees’ knowledge and courtesy and the service provider’s ability to inspire trust and confidence” (Zeithaml et al., 2006, p. 119). It includes the competence, courtesy, credibility and security. The person who communicates with the customer as a representative of the organization may convey the trust and confidence to the customers (Zeithaml et al., 2006).

(e) Empathy

Empathy is defined as the “caring, individualized attention the firm provides its customer (Zeithaml et al., 2006, p. 120). In other words, the service provides regards and communicate with the customer as a unique and special person. The company can provide the empathy in various ways such as knowing the customer’s name, his preferences and his

needs. Many small companies use empathy as a competitive advantage when competing with larger firm by offering customized services to the customers (Zeithaml et al., 2006).

2.2.2 Mobile Banking Service Quality

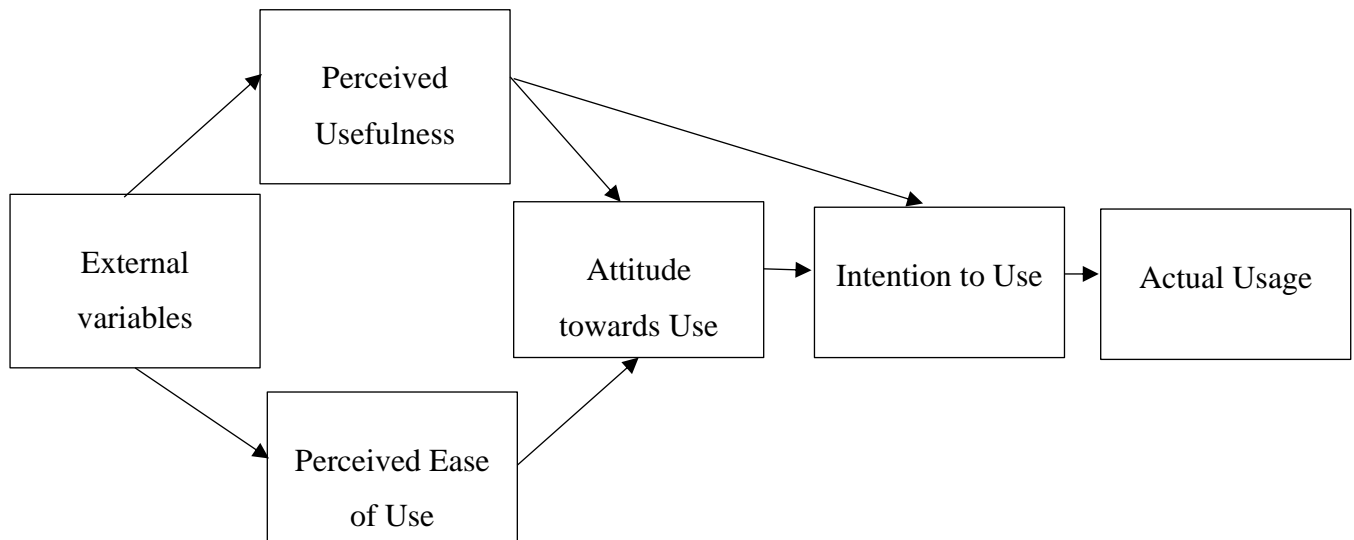
Mobile banking service quality is also one of e-service quality. From numerous studies, it was found that service quality (SQ) plays a vital role in customer service. It helps company and organizations gain competitive advantages. Traditional SQ is defined as customer attitudes or beliefs concerning the degree of service excellence given at organizations physical facilities in this case bank branches. (Santos, 2003).

For the measurement of SQ, Parasuraman et al, (1988) created the SERVQUAL instrument. This instrument used the following variables; tangible, reliable, assurance, responsiveness and empathy. With the growth of online network service, it changes the communication between the company and customers. Key dimensions of e-SQ created by Ranganathan and Ganapathy (2002) were information content, security and privacy and design. This was followed by the creation of an instrument to measure online service quality based on these factors; web design, reliability, fulfilment, customer service, security and privacy (Wolfenbarger and Gilly, 2003). In Zeithaml, Parasuraman and Malhotra's (2002) e-SQ study, eleven dimensions; site aesthetics, ease of navigation, personalization, assurance, privacy, reliability, access, responsiveness, flexibility, efficiency and price knowledge were identified. Parasuraman et al (2005) then developed E-SQUAL instrument consisting of system availability, efficiency, fulfilment and privacy. They also developed E-RecSQUAL which was made up of eleven dimensions that centred on contact, responsiveness and compensation.

2.2.3 Technology Acceptance Model

The technology acceptance model (TAM) is an information system theory which explains how customers come to accept and use a technology. The TAM was specifically made to know the willingness of the users to accept and use new technology or media in the field of information system management. The model tells that encountering with a new technology, there were a number of factors influencing their decision about how and when they will use it.

Figure 2.2 Technology Acceptance Model



Source: Fred Davis (1989)

Figure 2.2 presents Technology Acceptance Model of Fred Davis (1989). In the model, the attitude of the person towards a particular system and his perception towards the usefulness of that system determine his behavioural intention which is used to measure the likelihood of a person using application. The behavioural intention determines the use of the information system. As said in the model, even if the person doesn't welcome the system, the probability that he will use a particular information system is high if he regards it as useful for his performance. Ease of use and perceived usefulness are the most important determinants of actual system use. These two important determinants are explained as follows:

(a) Usefulness

Usefulness is one of the factors of Technology Acceptance Model. This factor is considered in adoption of new technology whether the new system is good or useful for the users. It means the degree to which a person believes that using a particular system would enhance his or her job performance.

(b) Ease of Use

Ease of Use is one of the important factors of Technology Acceptance Model. It is defined as "the degree to which a person believes that using a particular system would be free from effort". People are more likely to use the application which they perceived to be

easier to use. Additionally, Guriting (2006) examined the determinant to use internet banking in Malaysia Borneo. He found out that “the perceived ease of use and perceived usefulness factors are considered to be fundamental in determining the acceptance and use of various information technologies”.

2.3 Customer Satisfaction

When purchasing the products, the customers think about the customer perceived value. It is a value that the customers perceive regarding the benefit of a product or service as compared to the cost of getting the product or service. The customer perceived value is the customer perception of what is received and what is given (Zeithaml, 1988). Better customer value as compared to what the competitors deliver will make customer feel satisfied and in turn will drive him to be loyal. Therefore, Kotler (2000) said that the customers will purchase from the supplier which they regard to have the highest customer value.

The customers compare their expectation on the product performance with the actual performance delivered. If they meet, the customers are satisfied. McQuity et.al. (2000) states that consumers learn from their experience and therefore, they are satisfied if there are less expectation that are not met. Further, Kotler and Armstrong (2004) mention that: “Consumers always require a product or service that is able to satisfy their needs. How do they choose among the marketed products? Consumers choice is based on their perception on the value and satisfaction of the product and service they receive”.

About the relationship between satisfaction and customer loyalty, Kotler (2000) said that “a highly satisfied customer generally stays loyal longer, buys more as the company introduces new products and upgrade existing products, talk favourably about the company and its product, pay less attention to competing brands, and is less sensitive to price, offers product or service ideas to the company, and costs less than new customers because transaction is routine.” Based on the theory mentioned by Kotler and Armstrong (2004) and by Kotler (2000), it shows that consumers will choose product or service in accordance with the customer perceived value which fulfils their needs. If the customers are satisfied, this kind of customers are good for the business. Thus, in conclusion, it can be said that theoretically a relationship exists among customer perception, customer

satisfaction, and customer loyalty. Due to the finding of previous research, it can be said that the customer perceived value is the forerunner of satisfaction. Therefore, customer satisfaction acts as one of the factors causing customer loyalty. Wang et.al. (2004) found that the role of customer perceived value on customer satisfaction, brand loyalty, and customer behaviour based on customer relationship management (CRM) performance.

According to Richard L. Oliver (1980), customer satisfaction occurs by comparing their expectation before the purchase of the product to their subjective perception regarding the actual performance. According to Philip Kotler & Kevin Lane Keller (2006), “Satisfaction is a person’s feeling of pleasure or disappointment resulting from comparing a product’s performance (outcome) in relation to his or her expectation”. Pairot (2008) also said that if the company is able to fulfil the business, emotional, and psychological needs of its customers, the customer satisfaction occurs. It acknowledged that customers usually have varied levels of satisfaction since they have different attitudes and experiences as perceived from the company. According to Churchill and Surprenant (1982), customer satisfaction can be defined as a “disconfirmation paradigm” since it is a result of confirmation/disconfirmation of expectation that evaluates a product’s performance with its expectation and desire.

In Johnson and Gustafsson (2000, p. 63), the two authors said that service attributes provide customers with benefits and the benefits cause overall satisfaction. Therefore, if the customers gain more benefits from the production, their satisfaction level is higher.

Bank customer satisfaction is regarded as banks fully meeting the customer expectation (Bloemer, Ruyter, and Peeters, 1998) and also said to be a feeling or attitude formed by bank customers after service, which expressly connects the various purchasing behaviour and serves as a link between the various stages of consumer buying behavior (Jamal and Nasser, 2002). In another study, (Oluoch, 2012) examined the factors affecting the adoption of online banking by customers where she looked at the relationships between the perceived usefulness, perceived ease of use, perceived risk toward the use of mobile banking technology and found out that customers were opened to use of mobile banking technology but some were put off by the perceived risk element which is the concern of their security in using the technology.

Customer satisfaction has received wide attention as an important variable in business strategy in a very dynamic and competitive market (Lovelock and Wirtz, 2007). This study approaches customer satisfaction in a process perspective because in mobile banking, customer evaluation of quality happens during the delivery process.

2.4 Customer Loyalty

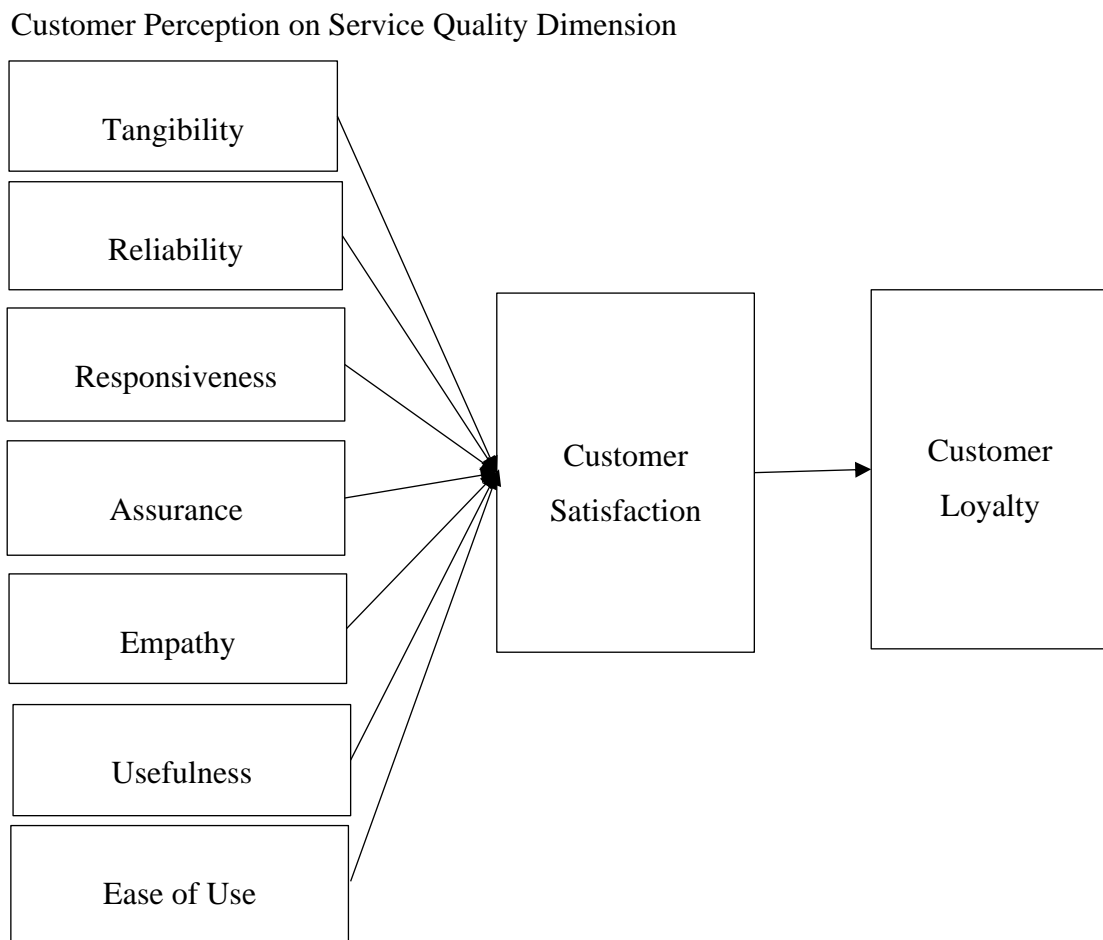
It indicates the extent to which the commitment and devotion of the customers to certain product or service. As a result, the customers have strong tendency to select that certain brand over its competitors in the future without the care of the situational influences and marketing efforts which have potential to make them switch. Nowadays, it becomes more complicated to create and maintain customer loyalty than it used to be in the past years. This is because of technological breakthrough and widespread of the internet uses. For loyalty building, the company needs to focus the value of its product and services in order to reveal that it is eager to fulfil the desire or build the relationship with customers (Griffin 2002). It could be seen that the expenses to gain a new customer is much more than retaining existing one. Loyal customers will encourage others to buy and think more than twice before changing their mind to buy other services. That's the reason building customer loyalty is important.

Customer loyalty is not gained by an accident; they are constructed through the sourcing and design decisions. Designing for customer loyalty requires customer-centred approaches that recognize the want and interest of service receiver. Customer loyalty is built over time across multiple transactions. It can be seen that good relationship with customers is important in customer loyalty. Gremler and Brown (1999) categorized the customer loyalty into three different kinds such as behaviour loyalty, intentional loyalty, and emotional loyalty. Behaviour loyalty is the act of repeating purchasing behaviour. Intentional loyalty is the possible buying intention. Nevertheless, emotional loyalty gained only when a customer feels that a brand corresponds with their value, ideas, and passion.

2.5 Conceptual Framework of the Study

A conceptual framework is an analytical tool with several variations and contexts. Based on the above concepts and theories studied from the literature reviews, conceptual framework of the study can be depicted as following model, Figure 2.3. This conceptual framework is crafted from the empirical literature in this study. Following figure is conceptual framework for this study is based on the Technology Acceptance Model (TAM) and SERVQUAL Model.

Figure 2.3 Conceptual Framework of the Study



Source: Own Compilations (2019)

This study focuses on the customer satisfaction and loyalty on mobile banking service of MAB. In the framework, two major parts are included. These are customer satisfaction and loyalty. The factors such as the tangibility, responsiveness, assurance,

empathy, usefulness and ease of use have effects on customer satisfaction and loyalty on the mobile banking service of MAB.

To measure the mobile banking service, the following variables are used.

1. *Tangibility*: It include the physical facilities of mobile banking service providers, the outlet of mobile banking service agents and materials such as form, posters, leaflets, pamphlets provided by Mobile Banking service.

2. *Reliability*: It measures whether the bank can provide the quick and speedy mobile banking service, error free service and the sufficient number of mobile banking service agents.

3. *Responsiveness*: measures the willingness of mobile banking service agents and providers to help the customers and responsiveness to customers.

4. *Assurance*: It measures the safety of the mobile banking transactions, knowledge sufficiency of the service providers to answer questions and courteous behaviour.

5. *Empathy*: It measures the personal attention given by the mobile banking service providers and agents.

6. *Usefulness*: It measures the degree to which customers believes that using mobile banking is beneficial to them.

7. *Ease of use*: It measures the user's perception of the amount of effort required to utilize the mobile banking or extent to which a user believes that using a particular technology will be effortless.

CHAPTER 3

PROFILE AND MOBILE BANKING SERVICE OF MAB

This chapter describes the profile of the Myanmar Apex Bank (MAB) which includes the background of MAB, mission, services provided by the bank and mobile banking service. It also describes the demographic profile of respondents and customer usage of mobile banking service.

3.1 Profile of Myanmar Apex Bank (MAB)

Myanmar Apex Bank is a private commercial bank in Myanmar. The government issued banking licenses to the four private banks in May, 2010. Four private banks started operations in August 2010 since the establishment of Innwa Bank in 1997. MAB is one of them. In July 2012, the government allowed the permission to use the letter of credit (LC) service for the eleven private banks including MAB. It received the permission to open foreign current accounts.

The bank was founded by U Chit Khaing, owner of Eden Group of Company Limited. The company was registered on 2nd July, 2010 and started operating with its first branch office in Naypyitaw on 17th August, 2010. The head office of the bank is located at Block (10), Asint Myint Zay, Yaza Thingaha Road, Oattara Thiri Township, Nay Pyi Taw. It has opened many branches and already opened 94 branches across the country with 196 ATMs and 47 currency exchange counters. SLCM Group (Sohan Lal Commodity Management), the only Agri Logistics Group which provide Warehouse Management and Collateral Management Services in Myanmar through its wholly owned subsidiary, SLCM Ltd. has signed a MoU with Myanmar Apex Bank for collateral financing in Myanmar on 19th December 2015. It is the first private bank to offer warehouse and collateral management in Myanmar. It recently launched premium banking service called MAB Gold wealth banking in January 2019.

It has personal banking, business banking, institutional banking, mobile banking, ibanking service, loan service and other services. For domestic banking, there are a range of deposit products, financing options for large and small businesses through loans,

overdraft and hire purchases, reliable and extensive ATM, POS service via the Myanmar Payment Union (MPU), VISA and MASTER card network. For international banking, it provides foreign trade finance as well as worldwide payment services with partners, including Western Union, VISA, Master Card, China Union Pay and other major card organizations. Other services include gift cheques, payment orders and local remittance and other ancillary services.

The vision of the bank is “To be a multi-service bank providing financial solutions to both individual and corporate customers, in accordance to their needs, while maintaining excellence in our customer service at all times.

3.2 Services Provided by MAB

MAB provide the following main banking services. They are personal banking, business banking, institutional banking, mobile banking, ibanking and loan services.

Table 3.1 Personal and Business Banking Services Provided by MAB

No.	Type	Personal Banking Services	Business Banking Services
1	Accounts	Saving Account Current Account Fixed Deposit Account Call Deposit Smart Deposit	Saving Account Current Account Fixed Deposit Account Call Deposit Smart Deposit
2	Other services	Gift Cheque Bank Guarantee Remittance Bank Certificate Payment Order	Gift Cheque Bank Guarantee Remittance Bank Certificate Payment Order

Source: Myanma Apex Bank (2019)

As shown in Table 3.1, Personal banking services include account saving services such as current saving, fixed account saving, call deposit, smart deposit, etc. and other services such as gift cheque, bank guarantee, remittance, bank certificate and payment order.

Business banking services include account saving services such as current saving, fixed account saving, call deposit, smart deposit, etc. and other services such as gift cheque, bank guarantee, remittance, bank certificate and payment order.

Table 3.2 Institutional Banking Services Provided by MAB

Sr.No.	Institutional Banking Services Provided by MAB	
1	Foreign Exchange Service	
2	Foreign Currency Account	
3	Western Union	
4	Trade Finance Services	LC Advising LC Negotiation Export Collection Transferrable LC LC Confirmation LC Discounting Import LC Banker's Guarantee
5	Fund Transfers and Payments (Telegraphic Transfers)	Outward SWIFT Telegraphic Transfer Inward SWIFT Telegraphic Transfer
6	Bank Guarantee	Performance Guarantee Tender Guarantee or Bid Bond Guarantee Trade Guarantee

Source: Myanma Apex Bank (2019)

As shown in Table 3.2, Institutional banking services include foreign exchange service, foreign currency account, trade finance services, fund transfers and payments (Telegraphic Transfers), Western Union and bank guarantee.

Table 3.3 iBanking Services Provided by MAB

No.	iBanking Services Provided by MAB	
1	Accounts	Saving Account Current Account Fixed Deposit Account Loan Account Call Deposit Account Smart Saving
2	Services	Account Enquirers Pay Later Payment Standing Instructions Own Account Transfer Internal Account Transfer Loan and Other Deposit Enquiries Inward Remittance and Outward Remittance Inquires Interest Rate Inquires Cheque Status Inquires Cheque Book Request Online Bank Statements Apply for MPU card Request Notifications Change Password Pay roll services Bill Payment Services Mobile Top-up Services

Source: Myanma Apex Bank (2019)

As shown in Table 3.3, ibanking services include accounts and other services. The type of accounts which can be used in ibanking services are saving account, current account, fixed deposit account, loan account, call deposit account and smart saving.

Table 3.4 Loaning Services Provided by MAB

No.	Loaning Services Provided by MAB	
1	Individual and Joint Personal Lending	
2	Company or Joint Venture Lending	
3	Special Types of Lending	Account Pledge Lending Gold Pledge Lending Hire Purchase Lending Auto Finance Lending SME Loans

Source: Myanma Apex Bank (2019)

As shown in Table 3.4, Loaning services include Individual and Joint Personal Lending, Company or Joint Venture Lending and other special types of lending. Special types of lending include Account Pledge Lending, Gold Pledge Lending, Hire Purchase Lending, Auto Finance Lending and SME Loans. SME Loans include JICA Two step Loan, SME-KfW Loan and SME-MAB Loan.

3.3 Mobile Banking Service of MAB

MAB launched its mobile banking service in July 2016. The first mobile bank service which links mobile wallet with current bank account is MAB Mobile Bank. Because it targets both account and non-account holders, MAB Mobile Bank can also be utilized by customers without an account at MAB. The service can be enjoyed as soon as the users install the mobile banking application in their smart phones and make mobile banking account according to instructions. All mobile banking users can transfer money to both account holders and non-account holders through the agents and branches around the country.

It has tight security system. In addition, the highly secure central computer at MAB store the user information. The transactions are encrypted at both ends and for every transaction i.e the send and receive transmissions. Therefore, in the case of lost or stolen phones, there is no risk of losing mobile bank account because the other person can't have no access to the accounts. Additionally, it has provided dual factor authentication. To make

the transactions accurate, MAB app uses multi steps data confirmation to minimize the chance of making a wrong transaction.

There are three ways to open MAB Mobile Bank account by self-registration (self KYC), at the local mobile banking agents around the country and at all the MAB branches around the country. User can self-register and open self-account without the need to go to MAB branches and MAB Mobile Agent counters. To open account, users need to download MAB Mobile Banking Application first and fill in required information and then submit photo of NRC (or) Driving licence (Passport for foreigners). For the first time after opening the account, user has to use the user name and six-number PIN code sent by MAB via SMS to the mobile bank registered phone numbers. After that, users will be able to make transactions with account holders and non-account holders around the country. The users can enjoy banking services everywhere anytime as long as they have mobile banking account and application in their phones. They can do banking services such as balance checking, money transfer to account-holders and non-account holders, bill payments, top up phone charges, top up Visa and Master Cards and many more additional services.

There is also 24/7 call center which can be accessed if the customers encounter problem or have question. MAB Mobile Bank users can also use mobile banking to pay at places like supermarkets, convenience stores, and city bus and toll gates. Users who lives in Yangon, Mandalay and NayPyiDaw can also pay electricity bill with their mobile banking account. Currently, MAB has partnership with Telenor, MPT, Ooredoo, MecTel, 4TV, Columbus Travels and Tours, Sun Far Travels and Tours, Signature Fine Dining, Fuji Coffee House, The Garden Bistro Titan Source, BNF and JCGV Cinemas. There are also MAB Merchant which are retail shops, companies and enterprises where the customers can make payment with MAB mobile banking. MAB Supplier which are nation-wide distribution companies and organization can also accept payment transfer from their retail shops via MAB mobile banking. It has 132 mobile banking merchants/ suppliers all over the country.

MAB Mobile Banking Service can be used with any types of phones whether keypad phones or smartphones and any types of SIM cards. It can be downloaded from Google Play Store for Android Version and Apple App Store for iOS version. The MAB's mobile banking channels are application and SMS.

Table 3.5 Mobile Banking Services Provided by MAB

No.	Mobile Banking Service Services Provided by MAB	
1	Money Transfer	Send to Own Account Send to Other MAB Accounts (CASA / Wallet) Send to Non-Account Holder
2	Payment Services	QR Pay Bills Payment Mobile Prepaid Top Up MAB Visa / MasterCard Prepaid Top Up Buy Travel Ticket / Movie Ticket Pay to Merchant Pay to supplier
3	Banking Services	Statement Request
4	Inquiry Services	Deposit Rate Inquiry Foreign Exchange Rate Inquiry Interest Rate Calculator

Source: Myanmar Apex Bank (2019)

As shown in Table 3.5, MAB’s mobile banking service offers both financial and non-financial transactions. Financial transactions include money transfer and payment services. Non-financial transactions include banking services such as statement request and inquiry services about deposit rate, foreign exchange rate and interest rate. The users of MAB mobile bank apps can easily find special offers & deals such as latest promotion and MAB branches, ATMs, Agents, Merchants.

Mobile Banking Agents

MAB mobile agents are the ones appointed by MAB both for account and non-account holders so that the users can enjoy mobile banking services easily and conveniently as the agents provide cash in, cash out and cash remittance services on behalf of MAB. There are 1559 mobile banking agents all over the countries. The mobile agents are located in 14 Regions/ States. The number of mobile banking agents in each state/ region can be

seen in Table 3.6. Customers can also make the mobile banking accounts at the mobile banking agents.

Table 3.6 Mobile Banking Agents in Myanmar

No.	State/ Region	Number of mobile banking agents	Percent (%)
1	Yangon	331	21.2
2	Mandalay	242	15.5
3	Tanintharyi	129	8.3
4	Kachin	87	5.6
5	Magway	133	8.5
6	Bago	127	8.1
7	Sagaing	124	8.0
8	Shan	126	8.1
9	Rakhine	55	3.5
10	Ayeyarwaddy	82	5.3
11	Naypyidaw	50	3.2
12	Mon	45	2.9
13	Kayah	17	1.1
14	Kayin	11	0.7
	Total	1559	100.0

Source: Myanma Apex Bank (2019)

According to Table 3.6, Yangon has the maximum number of mobile banking agents, 331 mobile banking agents representing 21.2% of MAB mobile banking agents across the country. The second largest number of mobile banking agents are located in Mandalay (242, representing 15.5% of all MAB mobile banking agents in Myanmar. Kayin State has the minimum numbers of mobile banking agents having only 11 MAB mobile agents.

3.4 Demographic Profile of Respondents

In this section, the demographic factors of respondents are analyzed with their gender, age, marital status, education level, employment status and income per month. Demographic profile of respondents is shown in Table 3.7.

Regarding to gender of respondents, as shown in Table 3.7, 58.1% of the respondents (222 out of total 382) are male and 41.9% (160 out of total 382) are female.

For the age of the respondents, the six age groups are formed for analysis. These groups are under and equal to 20 years old, 21-30 years old, 31-40 years old, 41-50 years old, 51-60 years old and over 60 years old. The results show that the largest numbers of respondents (53.9%) are 21- 30 years old. The second (27.7%) and third largest age group categories (11.0%) of the respondents who are using MAB's mobile banking service are 31-40 years old and under 20 years old. Therefore, majority of the respondents who are using MAB's mobile banking are middle aged people.

The marital status of the respondents is classified into single, married and other. From the study, 46.9% of the total respondents are single, 50.0% are married and 3.1% are divorced.

The education level of the respondents is classified into primary school, secondary school, high school, under graduate, graduate, master's degree/ post graduate, PhD and other. The largest group of the respondents is graduate with the percentage of 56.0%, the second being under graduate with the percentage of 24.1% and the third being education level of high school with the percentage of 12.6%. Therefore, the majority of mobile banking customers have achieved the education level above high school.

For the occupation of the respondents, the types of occupation are classified into student, government staff, Company staff, self-employed, unemployed and other. The group of company staff is the largest group with the 69.1% of the total respondents. The second largest group is the government staff (12.0%) and the third one is the student (11.0%) group. It shows that the most of the customers who are using MAB's mobile banking service are employees who are too busy to go to banks.

Table 3.7 Demographic Profile of Respondents

No.	Demographic Factor		No. of Respondents (N= 382)	Percent (%)
1	Gender	Male	222	58.1
		Female	160	41.9
2	Age Group	Under and equal to 20 years old	42	11.0
		21- 30 years old	206	53.9
		31- 40 years old	106	27.7
		41-50 years old	25	6.5
		51- 60 years old	3	0.8
3	Marital Status	Single	179	46.9
		Married	191	50.0
		Divorced	12	3.1
4	Education Level	High school	48	12.6
		Under Graduate	92	24.1
		Graduate	214	56.0
		Master's Degree or Post-Graduate	28	7.3
5	Employment Status	Student	42	11.0
		Government Staff	46	12.0
		Company Staff	264	69.1
		Self-employed	30	7.9
6	Income per Month	Less than and equal to 250,000 MMK	81	21.2
		250,001 to 500,000 MMK	141	36.9
		500, 001 to 750,000 MMK	107	28.0
		750,001 to 1,000,000 MMK	46	12.0
		Above 1,000,000 MMK	7	1.8
		Total	382	100.0

Source: Survey Data (2019)

The income per month is classified into less than and equal to 250,000 MMK, 250,001 to 500,000 MMK, 500,001 to 750,000 MMK, 750,001 to 1,000,000 MMK and above 1,000,000 MMK. According to the survey results, most customers (36.9%) earn

monthly income 250,001 - 500,000 MMK. It is followed by 28.0% for 500,001- 750,000 MMK, 21.2% for less than and equal to 250,000 MMK, 12.0% for 750,001 – 1,000,000 MMK and 1.8% for above 1,000,000 MMK respectively.

3.5 Customer Usage on MAB’s Mobile Banking Service

In this study, the customer usage on MAB’s Mobile Banking Service is analyzed by frequency of usage, number of transactions in a month, purpose and reasons of using MAB’s Mobile Banking Service.

Table 3.8 Customer Usage on MAB’s Mobile Banking Service

No.	Customer Usage on MAB’s Mobile Banking Service	No. of Respondents (N=382)	Percentage (%)	
1	Frequency of using MAB’s Mobile Banking Service	Daily	26	6.8
		Weekly	213	55.8
		Monthly	143	37.4
2	Number of transactions made in a month	1 to 10	283	74.1
		11 to 25	73	19.1
		Above 25	26	6.8
3	Purposes of using MAB’s Mobile Banking Service	Money transfer	218	57.07
		Mobile Phone Top-up	294	77.0
		Bill Payment	194	50.8
		Check the account balance	282	73.8
4	Reasons for choosing MAB mobile banking	Good Reputation	16	4.2
		Good Customer Service	11	2.9
		Easy Availability and Accessibility	145	38.0
		Fast Banking Service	67	17.5
		My salary is given through MAB account	134	35.1
		My company asks me to do	9	2.4

Source: Survey Data (2019)

According to Table 3.8, most respondents (55.8%) use MAB mobile service weekly. 74.1% of the respondents mostly make the transactions of 1 to 10 times in a month. Most respondents (77%) use mobile banking for the purpose of mobile phone Top-up. 38.0% of mobile banking users choose MAB mobile banking service due to easily available and accessible.

CHAPTER 4

ANALYSIS ON CUSTOMER PERCEPTION, SATISFACTION AND LOYALTY OF MOBILE BANKING SERVICE IN MAB

This study explores the customer perception, satisfaction and loyalty of MAB mobile banking service. For this purpose, customer perception, satisfaction and loyalty are measured by the responses from 382 mobile banking users in Yangon by using structured questionnaire. This chapter presents the detail information about customer perception towards mobile banking service and the analysis on customer perception, satisfaction and loyalty.

4.1 Reliability Test

The reliability of the scales used in the questionnaire can be examined by using the Cronbach's alpha reliability test. In this study, customer perception on service such as tangibility, reliability, responsiveness, assurance, empathy, usefulness, and ease of use, customer satisfaction and customer loyalty are measured. Each factor includes different number of items and each item is measured on five-point Likert scale. A scale consists of more than one item. Only when items within the scale are internally consistent, they can be reliable. Because of Cronbach Alpha value can be interpreted as a correlation coefficient, it ranges in value from 0 to 1. Cronbach's Alpha values near to zero indicate low reliability while the values close to one indicate high reliability. Cronbach Alpha value is a measure of internal consistency. If alpha value is equal or more than 0.7, this variable is accepted as a reliable variable. The summary of the reliability test based on Cronbach Alpha Coefficient for the scale items in the study are mentioned in the Table 4.1.

Table 4.1 Summary of Reliability Test on Customer Perception, Customer Satisfaction and Customer Loyalty

Sr. No.	Scale items	No. of Items	Cronbach's Alpha
1	Tangibility	5	0.824
2	Reliability	5	0.782
3	Responsiveness	5	0.776
4	Assurance	5	0.703
5	Empathy	5	0.747
6	Usefulness	5	0.875
7	Ease of use	5	0.883
8	Customer satisfaction	8	0.731
9	Customer loyalty	5	0.839

Source: Survey Data (2019)

According to Table 4.1, it is found that the Cronbach's alpha values for all values are higher than the cut-off value of 0.7, indicating high reliability and thus it can be expected that the scales used in this study are producing highly reliable data.

4.2 Customer Perception towards Mobile Banking Services of MAB

This section examines the customer perception on MAB's Mobile Banking Service. The five-point Likert scale questionnaire is used to measure the customer perception level on the following factors. The value for the scales were given as: 1= Strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree. Thus, the mean value of each statement can range between 1 and 5. It can be assumed that the respondents have more agreement on a particular statement if their mean value for the statement is larger than 3.0. Otherwise, they will have more disagreements.

4.2.1 Tangibility

The descriptive analysis of the customer perception on tangibility of MAB's mobile banking service including means, standard deviation of each statement for tangibility of MAB's mobile banking service are also mentioned in Table 4.2.

Table 4.2 Customer Perception on Tangibility Dimension

No	Description	Mean	Std. Dev
1	Providing the up-to-date equipment and technology in mobile banking application	3.35	0.828
2	Providing the visually appealing presentation of the mobile banking application	3.14	0.847
3	Providing enough information through the mobile banking application	2.94	0.725
4	Providing enough information through the leaflets and pamphlets of mobile banking	2.83	0.771
5	Providing the good physical facilities at the mobile service agents. (e.g. decoration, CCTV, etc.)	2.73	0.666
	Overall Mean	3.01	

Source: Survey Data (2019)

According to Table 4.2, the overall average means value is 3.01. From this finding, we can see that the respondents have positive view on tangibility of mobile banking service. Among the tangibility statement, the customers have highest positive perception on the equipment and technology provided by the mobile banking application. As MAB keep upgrading the mobile application in order to fix the technical problem for the sake of the user convenience, the customers recognize their action and agree about the latest technology and equipment used in mobile banking. Therefore, MAB should maintain the quality of equipment and technology of the mobile banking application.

However, the customers have negative perception on the mobile application, leaflets and pamphlets. They feel that the mobile application, leaflets and pamphlets don't give enough information about the mobile banking. It is found that although MAB mobile banking is currently trying so hard to provide the good mobile banking service, they still lack in the information giving to customers. If the customers know clear information about the mobile banking, they will be easier to use and satisfied with the service. Giving enough information can also attract the new customers. Therefore, MAB should emphasize more on delivering enough information through leaflets, pamphlets and applications. Moreover, they have negative perception on the physical facilities provided at the mobile service

agents. Most customers feel that the physical facilities provided at the mobile service agents are not good. As all mobile service agents are shop owners who provide the mobile banking service in addition to their original business, MAB should provide them with the physical facilities like the visible signboard, poster and CCTV in order for the user convenience.

4.2.2 Reliability

The descriptive analysis of the customer perception on reliability of MAB's mobile banking service including means, standard deviation of each statement for Reliability of MAB's mobile banking service are also mentioned in Table 4.3.

Table 4.3 Customer Perception on Reliability Dimension

No	Description	Mean	Std. Dev
1	Delivering service as promised	3.62	0.914
2	Providing clear and accurate time and date record of performance/ transactions.	3.66	0.985
3	Having secure enough security protocols installed in mobile banking application	3.67	0.858
4	Having the quick and speedy transactions done in mobile banking application	4.14	0.817
5	Providing the error free services by mobile banking application	3.56	0.893
	Overall Mean	3.73	

Source: Survey Data (2019)

According to Table 4.3, the overall mean of 3.73 means that the customers have overall positive perception on reliability of services provided by MAB mobile banking. Among the reliability statement, the customers have highest positive perception on the quick and speed transaction done by the mobile banking application. Nowadays, as the lifestyle become busy and active, the people prefer quick service so as not to waste their precious time. Therefore, the mobile banking application uses latest technology and upgrades them based on the user feedback.

Moreover, among the statements, the statement about the error free service provided by mobile banking application has the lowest perception. However, its value is greater than the neutral value of 3. It indicates that even though most respondents do not meet with error while using mobile application in general, some respondents think that the services provided by the mobile banking application have some error. Therefore, the bank has to upgrade the application in order to be error free.

4.2.3 Responsiveness

The descriptive analysis of the customer perception on Responsiveness of MAB's mobile banking service including means, standard deviation of each statement for Responsiveness of MAB's mobile banking service are also mentioned in Table 4.4.

Table 4.4 Customer Perception on Responsiveness Dimension

No	Description	Mean	Std. Dev
1	Giving prompt responds to the request and questions of the customers by the mobile banking service's help centre	3.55	0.814
2	Telling what to do if the transaction is not processed in mobile banking application	3.13	0.441
3	Taking care of problem promptly	3.24	0.586
4	Having the mobile banking service providers who are willing to help customers	3.51	0.887
5	Compensating for the problem the bank creates	2.94	0.472
	Overall Mean	3.27	

Source: Survey Data (2019)

According to Table 4.4, the respondents have overall positive perception on responsiveness of mobile banking services provided by MAB. Among the responsiveness statements, most respondents have highest perception on the help center of the mobile banking because they promptly respond to their request and questions. MAB mobile banking service has the 24-hr help centre and they give them training regularly to improve their customer service, communication and problem-solving skill. Due to these trainings,

the response time is found to be short showing that the staff of the help center are fast in replying customers' messages.

However, most respondents have negative perception on the compensation the mobile banking service made for the problem they create. They don't feel that the bank gives them some kind of compensation if they encounter any problem created by the bank. As there are many alternative mobile banking services available to customers, MAB mobile banking should fill this gap in order to get competitive advantage. Therefore, the bank should consider to give compensation in the form of apology or present based on the amount of effect the problem makes to the customers.

4.2.4 Assurance

The descriptive analysis of the customer perception on Assurance of MAB's mobile banking service including mean and standard deviation of each statement for Assurance of MAB's mobile banking service are also mentioned in Table 4.5.

Table 4.5 Customer Perception on Assurance Dimension

No	Description	Mean	Std. Dev
1	Believing that my information is kept confidential	4.18	0.850
2	Believing in the security of my transactions	4.21	0.818
3	Providing clear and understandable instructions in the mobile banking system	3.64	0.707
4	Having sufficient knowledge about mobile banking service in the service providers	2.85	0.855
5	Giving confidence in customer through the behavior of mobile banking service providers	2.66	0.613
	Overall Mean	3.51	

Source: Survey Data (2019)

According to Table 4.5, the overall mean of 3.51 means that the customers have positive perception on assurance of mobile banking services provided by MAB. Among the statements about the assurance, most respondents have strongest positive perception on the security of the transactions made by using mobile banking service. The current security

system of MAB mobile banking which uses SMS and password makes the customers feel secure of their transactions.

However, most respondents have negative perception on the knowledge and behavior of the mobile banking service providers. They think that the service providers don't have sufficient knowledge about mobile banking service and their behavior don't instill confidence in them. The customers doubt the knowledge level of the mobile banking service providers so that their behavior doesn't give them confident enough to use mobile banking. The bank gives training to their internal service providers such as the call and help center staff regularly. But they can only give on-site training to the mobile banking agents because they are busy. Therefore, during their regular training to the internal service providers, they should emphasize on the knowledge about the mobile banking and their behavior. Moreover, they should give frequent on-site training to the mobile banking agents.

4.2.5 Empathy

The customer perception on Empathy of MAB's mobile banking service are analyzed. The results of descriptive analysis including means, standard deviation of each statement for Empathy of MAB's mobile banking service are also mentioned in Table 4.6.

Table 4.6 Customer Perception on Empathy Dimension

No	Description	Mean	Std. Dev
1	Giving personal attention through the help centre and call centre of mobile banking	2.76	0.694
2	Trying to satisfy specific needs of users in any way	2.80	0.694
3	Being able to understand the specific needs of users	2.76	0.727
4	Collecting information about the satisfaction of their users	3.32	0.950
5	Being accessible to the call centre of the mobile banking	3.43	0.949
	Overall Mean	3.01	

Source: Survey Data (2019)

According to Table 4.6, the customers have overall positive perception on empathy of mobile banking services provided by MAB. Among the statement about empathy, most respondents have highest positive perception on the the call center of mobile banking

service because this is accessible easily to them. MAB's 24-hour call center can be easily contacted whenever the users encounter problems or have questions. They should maintain this condition and try to gain more market share by using this advantage.

However, the respondents have negative perception on the help center and call center of mobile banking service giving them personal attention, understanding their specific needs and trying to satisfy these specific needs of users in any way. They think that the help center and call center of mobile banking service don't give them personal attention, understand their specific needs and try to satisfy these specific needs of users in any way. Even though the call center and help center is accessible to the users, they lack in giving personal attention to individual customers. Moreover, they don't understand and try to satisfy specific needs of users. Therefore, the mobile banking service should train their staff in active listening, how to focus the customers' need and obtain customers' feedback to be able to give personalized attention to the customers. Moreover, the bank should also carry out the market research on the customer needs in order to be able to understand and satisfy the specific needs of the customers.

4.2.6 Usefulness

The customer perception on Usefulness of MAB's mobile banking service are analyzed. The results of descriptive analysis including means and standard deviation of each statement for Usefulness of MAB's mobile banking service are also mentioned in Table 4.7.

Table 4.7 Customer Perception on Usefulness Dimension

No	Description	Mean	Std. Dev
1	Being able to utilize banking services more quickly	3.99	0.642
2	Increasing the productivity for the banking services	3.93	0.718
3	Being useful for the banking activities	4.32	0.693
4	Being able to reduce queuing time	4.29	0.758
5	Being able to save travelling expenses	4.33	0.817
	Overall Mean	4.17	

Source: Survey Data (2019)

According to Table 4.7, most respondents have positive perception on usefulness of mobile banking services provided by MAB. Among the statements about the usefulness, most respondents have positive perception on the thing that using mobile banking service can save travelling expenses because they don't need to personally go to the bank to get banking service. They can easily access to all banking services everywhere as long as they have their mobile phones.

The mean value of increasing productivity for the banking activities is the lowest but its value is greater than the neutral value of 3. Therefore, most respondents have positive view on the increasing productivity for the banking activities because they can do banking activities at a more rapid rate than before with the help of the mobile banking application. Before they use mobile banking service, they have to personally go to the bank which is both tiring and time-consuming. Nowadays, they can finish their work faster than before as they don't need to go to the bank to get service anymore.

4.2.7 Ease of Use

The customer perception on Ease of Use dimension of MAB's mobile banking service are analyzed. The results of descriptive analysis including means and standard deviation of each statement for Ease of Use dimension of MAB's mobile banking service are also mentioned in Table 4.8.

Table 4.8 Customer Perception on Ease of Use Dimension

No	Description	Mean	Std. Dev
1	Being able to download the mobile banking application easily	4.21	0.869
2	Being easy and simple to use mobile banking application	3.70	0.920
3	Being easy to make a mobile banking account.	3.69	0.860
4	Being easy to login.	3.93	0.902
5	Being easy to find what the users need in mobile banking application	3.64	0.972
	Overall Mean	3.83	

Source: Survey Data (2019)

According to Table 4.8, the customers have overall positive perception on ease of use of services provided by MAB mobile banking. Among the statements about the ease of use, most respondents have highest perception on the mobile banking application being easy for them to download indicating that the customers find no problem in downloading the application from Google play store and Apple store. The mobile banking application upgrades the application in order to fix the problem. Consequently, the users don't have difficulties in download the application.

It is found that the statement about being easy to make a mobile banking account has the lowest mean value and greater than neutral value of 3. Most customers have no difficulties in making mobile banking accounts via application or mobile banking agents. However, as the mean value is lowest, some respondents encounter problem in making mobile banking accounts. Therefore, MAB should clearly mention the requirements, steps needed to make a mobile banking account and where the customers can make the mobile banking account through the leaflets, pamphlets and social media such as Facebook.

4.2.8 Analysis of the Overall Values of Customer Perception

The results of descriptive analysis including overall means of customer perception on MAB's mobile banking service are also mentioned in Table 4.9.

Table 4.9 Summary of Customer Perception

No.	Description	Overall Mean Value
1	Tangibility	3.01
2	Reliability	3.73
3	Responsiveness	3.27
4	Assurance	3.51
5	Empathy	3.01
6	Usefulness	4.17
7	Ease of Use	3.83

Source: Survey Data (2019)

According to Table 4.9, generally, the respondents have positive or high perception on all seven factors because the mean values of these factors are higher than 3. Among these factors, usefulness of the mobile banking service has highest mean value among the

seven factors showing that most customers have highest positive perception on MAB's mobile banking useful and helpful to them because they can get banking service anywhere with the help of the mobile banking application in their phone. They no longer need to go to the bank to get banking service. They can make and access bank services at home if they have mobile banking account and application.

Among the seven factors, tangibility and empathy has lowest mean value. As the value is the lowest and barely pass the neutral value of 3, the bank still needs to improve the tangibility and empathy of mobile banking. For the tangibility dimension, the bank should upgrade the tangibles such as physical facilities of service agents such as decorations, signboards and CCTV, pamphlets, leaflets and the application. They should renew the physical facilities of service agent, pamphlets and leaflets and upgrade the application with the more error-free and bug-free version. For the empathy dimension, the customers have lowest positive perception. As the mobile banking gives a standardized service to all the customers, they still fail to fulfill and understand the specific needs of the customers. Most of the service providers are not able to give personal attention to the customers. Therefore, MAB should fill that gap and gain competitive advantage by giving customers personalized attention and trying to fulfill and understand the specific needs of the customers.

4.3 Analysis of Influencing Service Quality Dimension on Customer Satisfaction

The effect of service quality dimension in MAB's mobile banking service on customer satisfaction is analysed. Simple linear regression is used to analyse that effect.

4.3.1 Customer Satisfaction on Mobile Banking Service of MAB

The customer satisfaction on MAB's Mobile Banking Service is examined. The five-point Likert scale questionnaire is used to measure the customer satisfaction level on the following factors. The value for the scales were given as: 1= Strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree. Thus, the mean score of each statement can range between 1 and 5.

Table 4.10 Customer Satisfaction on Mobile Banking Service

No	Description	Mean	Std. Dev
1	Satisfaction with the appearance of physical facilities, equipment, personnel and communication material provided by mobile banking service	2.95	0.880
2	Satisfaction with the ability of the mobile banking service to perform the service dependably and accurately as promised	3.61	0.949
3	Satisfaction with the willingness of the mobile banking service to help customers and to provide prompt service	3.33	0.867
4	Satisfaction with assurance and courtesy of employees and their ability to convey trust and confidence.	3.53	0.995
5	Satisfaction with the personalized care and attention provided to me by the mobile banking service	2.97	0.993
6	Satisfaction with the usefulness of mobile banking service	3.85	0.505
7	Satisfaction with the ease of use of mobile banking service	3.93	0.668
8	Satisfaction with overall mobile banking service	3.92	0.638
	Overall Mean	3.51	

Source: Survey Data (2019)

According to Table 4.10, the overall mean of the customer satisfaction is 3.51 which is larger than the neutral value of 3. Therefore, the customers have positive perception towards and are satisfied with the overall customer service of mobile banking. Among the customer satisfaction statements, the customers have strongest positive response on their satisfaction of the ease of use of mobile banking service indicating that the customers find that they can easily find and do the banking service they wanted with this mobile banking application. In order to fulfill their mission statement “My Bank in My Phone”, MAB works hard to ensure that the customers don’t encounter any difficulties using mobile banking. Therefore, MAB upgrades the mobile banking application and the user interface. As a result, the customers believe that the mobile application of MAB mobile banking is easy to use.

However, the satisfaction mean values of tangibility and empathy of mobile banking application are less than neutral value of 3 indicating that the customers are not satisfied with the tangibility and empathy of mobile banking service. The application, leaflets and pamphlets of mobile banking service don't give enough information. Moreover, the facilities provided at the service agents which the customers encounter such as the CCTV, signboard and decoration are not good. the caring, individualized attention the firm provides its customers. Therefore, the MAB should upgrade the physical facilities provided at the mobile banking service agents and the information given in the application, the leaflets and pamphlets. For the empathy, the customers feel that they don't receive individualized attention and as a result, MAB don't try to understand and fulfill their specific needs related to mobile banking service. It is found that even though MAB is trying hard to achieve their mission, they still lack in individualized customer service care. Therefore, they should make a plan in order to fulfill that gap and train their service providers accordingly.

4.3.2 Influencing Service Quality Dimension on Customer Satisfaction

Regression analysis have been conducted to meet the research objective of this study. The multivariate regression model is used to analyze the effects of customer perception on customer satisfaction of MAB mobile Banking service. The results of the regression analysis among each average value of customer perception and average value of customer satisfaction are described in the Table 4.11.

In regression test, the strength of the relationship between the dependent variable and independent variables in the regression equation is the correlation coefficient, R, and is always a value between -1 and 1, inclusive. The regression coefficient is the slope of the line of the regression equation. When the regression formula is $Y = a + b_i X_i$; where b_i are the regression coefficient that represents the rate of change of one variable 'y' as a function of changes in the other ' x_i ' values.

The results of the regression test are presented in Table 4.11. The correlation coefficient or coefficient of determination, R value, signifies the correlation between independent variables (average values of customer perception) and dependent variable (average values of customer satisfaction). The R Square value is 0.736 and the Adjusted R

Square value is 0.731. The Adjusted R Square value indicates the proportional of variance in dependent variable (average value of customer satisfaction) that is predicted by 7 perception values (independent variables). In this case, it can be interpreted that 73.1% of the variation in customer satisfaction is caused by changes in independent variables; average values of 7 perception on mobile banking service.

The regression model can be written as:

$$Y = a + b_1 X_1 + b_2 X_2 + b_3 X_3 + b_4 X_4 + b_5 X_5 + b_6 X_6 + b_7 X_7$$

Where, Y is for average value of customer satisfaction, dependent variable of regression model, a is the regression constant of the equation, X₁ is for Average value of Tangibility, X₂ is for Average value of Reliability, X₃ is for Average value of Responsiveness, X₄ is for Average value of Assurance, X₅ is for Average value of Empathy, X₆ is for Average value of Usefulness, and X₇ is for Average value of Ease of Use, which are independent variables or predictors, b₁ is the regression coefficient for Tangibility, b₂ is the regression coefficient for Reliability, b₃ is the regression coefficient for Responsiveness, b₄ is the regression coefficient for Assurance, b₅ is the regression coefficient for Empathy, b₆ is the regression coefficient for Usefulness and b₇ is the regression coefficient for Ease of Use.

According to Table 4.11, tangibility, reliability, assurance, empathy, usefulness and ease of use have significant positive relationship with customer satisfaction because their significance values are less than 0.05. However, responsiveness has no significant relationship with customer satisfaction because its significant value is greater than 0.05. Since b₁ is (0.064), b₂ is (0.238), b₄ is (0.094), b₅ is (0.257), b₆ is (0.153) and b₇ is (0.084), which are regression coefficients of the model and the regression equation is:

$$Y = 0.064 X_1 + 0.238 X_2 + 0.094 X_4 + 0.257 X_5 + 0.153 X_6 + 0.084 X_7$$

Reliability has the most effect on customer satisfaction because its standardized coefficient is 0.319 which indicates that reliability has strongly positive relationship. Therefore, MAB should emphasize on the reliability dimension more in order to get more customer satisfaction. Thus, the bank should provide service as promised to customers. The bank should provide more quick, speedy and error-free service. Furthermore, the number of the mobile service agents should be increased in order to be accessible to customers more.

Table 4.11 Effect of Influencing Service Quality Dimension on Customer Satisfaction of MAB Mobile Banking Service

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	0.198	0.123		1.610	0.108		
Tangibility	0.064**	0.025	0.077	2.607	0.010	0.800	1.250
Reliability	0.238***	0.027	0.319	8.665	0.000	0.523	1.911
Responsiveness	0.051	0.032	0.050	1.575	0.116	0.694	1.441
Assurance	0.094***	0.032	0.101	2.977	0.003	0.619	1.615
Empathy	0.257***	0.030	0.301	8.482	0.000	0.562	1.779
Usefulness	0.153***	0.035	0.186	4.375	0.000	0.390	2.566
Ease of Use	0.084***	0.029	0.129	2.915	0.004	0.364	2.750
R Square	0.736						
Adjusted R Square	0.731						
F value	148.623***						
Durbin-Watson	1.874						

Source: Survey Data (2019)

*** Significant at the 0.01 level (2-tailed), ** Significant at the 0.05 level (2-tailed)

As regression coefficient of tangibility (0.064) is significant at the significance level of 5%, it implies that customer satisfaction increases by 0.064 units if the tangibility increases by one unit. As regression coefficient of reliability (0.238) is significant at the significance level of 1%, it implies that customer satisfaction increases by 0.238 units if the reliability increases by one unit. As regression coefficient of assurance (0.094) is significant at the significance level of 1%, it implies that customer satisfaction increases by 0.094 units if the assurance increases by one unit. As regression coefficient of empathy (0.257) is significant at the significance level of 1%, it implies that customer satisfaction increases by 0.257 units if the empathy increases by one unit. As regression coefficient of usefulness

(0.153) is significant at the significance level of 1%, it implies that customer satisfaction increases by 0.153 units if the usefulness increases by one unit. As regression coefficient of ease of use (0.084) is significant at the significance level of 1%, it implies that customer satisfaction increases by 0.084 units if the ease of use increases by one unit.

As Durbin-Watson value is 1.874 which is between 1.54 and 2.46, there is no autocorrelation. All tolerances are more than 0.1 and all VIF values are less than 10. Therefore, there is no multicollinearity between independent variables.

The factors such as tangibility, reliability, assurance, empathy, usefulness and ease of use have significant positive relationship with the customer satisfaction. Therefore, the mobile banking service should upgrade the tangibility such as the pamphlets, leaflets, application and physical facilities of mobile banking service. MAB should make sure that they give quick, speedy, secure, accurate and error-free service as promised. The bank has to train the service providers more on their knowledge and behavior so as to give confidence to the customers. The bank also has to not only train their service providers but also do short surveys in order to be able to understand and fulfill the customers' specific needs and give them individual attention. The bank should maintain the usefulness of the mobile banking application by keep doing quality control on their features and emphasize their advertisement on the usefulness. The bank should also make their application and service easy and simple to use for people of any ages.

4.4 Analysis on the Effect of Customer Satisfaction on Customer Loyalty

The effect of customer satisfaction on customer loyalty towards mobile banking service of MAB is analyzed. Simple linear regression is used to analyze that effect.

4.4.1 Customer Loyalty

MAB mobile banking customers were asked with 5-point Likert scales questions about customer loyalty with 5 statements. The results of descriptive analysis including means and standard deviation of values for 5 statements of Customer Loyalty are mentioned in the Table 4.12.

Table 4.12 Customer Loyalty on Mobile Banking Service

No	Description	Mean	Std. Dev
1	Saying positive things about MAB mobile banking service.	3.80	0.828
2	Recommending the mobile banking service to someone	3.45	0.543
3	Encouraging someone to use this mobile banking service	2.93	0.867
4	Being my first choice for future transaction	3.23	0.711
5	Doing more business with this mobile banking in the coming months	3.69	0.812
	Overall Mean	3.42	

Source: Survey Data (2019)

According to Table 4.12, the overall mean which is greater than 3 means that the customers are loyal to the MAB mobile banking service. Among the customer loyalty statements, the customers have strong positive perception about saying positive things about MAB mobile banking service. It indicates that the customers say good things about mobile banking service even though there are many alternative mobile banking services for them. However, the customers don't agree that they actively encourage someone to use MAB mobile banking service. Even though the customers agree that they will say positive things about the MAB's mobile banking service, they will not encourage others to use it. It may be because they are not loyal enough to encourage others to use it. In addition, it may be due to many mobile banking choices the customers have with the low switching cost.

4.4.2 The Effect of Customer Satisfaction on Customer Loyalty

Simple linear regression is used to analyse the effects of customer satisfaction on customer loyalty on MAB mobile banking service. The regression results are taken from the output of SPSS analysis. According to the Table 4.11, average value of customer satisfaction is correlated with average value of customer loyalty. The coefficient is 0.789 and correlation is significant at the at the 0.01 level (2-tailed). From the findings of the

analysis results, there are significant positive relationship between customer satisfaction and customer loyalty upon Mobile Banking services of MAB.

In this regression analysis, the independent variable is customer satisfaction. The dependent variable is customer loyalty. As R^2 value is 0.623, the independent variables can cause changes of 62.3% of variance in dependent variable (customer loyalty). Customer satisfaction is significant and has strong positive relationship with customer loyalty because its significance is less than 0.01.

Table 4.13 Effect of Customer Satisfaction on Customer Loyalty at MAB Mobile Banking Service

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.052	0.136		0.386	0.700
Customer satisfaction	0.959***	0.038	0.789	25.075	0.000
R Square	0.623				
Adjusted R Square	0.622				
F value	628.768***				

Source: Survey Data (2019)

*** Significant at the 0.01 level (2-tailed), ** Significant at the 0.05 level (2-tailed)

In this Linear Regression Model,

$$Y = a + b_1 X_1$$

Where, Y is for average value of customer loyalty, a is the regression constant of the equation, X_1 is for Average value of satisfaction and b_1 is the regression coefficient for customer satisfaction. The independent variable is customer satisfaction and dependent variable is customer loyalty. Since the constant of linear regression model; Constant (a) value is (0.052) and b_1 is (0.959). The constant (a) is not significant. Thus, Regression Model can be written as:

$$Y = 0.959 X_1$$

Where, Y is for average value of customer loyalty, dependent variable of regression model, X_1 is for average value of customer satisfaction, independent variable or predictor.

As regression coefficient of customer satisfaction (0.959) is significant at the significance level of 1%, it implies that customer loyalty increases by 0.959 units if the customer satisfaction increases by one unit. Nowadays, there are many mobile banking alternatives available to the customers with low or no switching cost. So, the customers have the high bargaining power. Therefore, MAB should try hard to gain competitive advantage. Therefore, they should try hard to get the customer satisfaction first by using the above factors which can significantly affect the customer satisfaction such as tangibility, reliability, assurance, empathy, usefulness and ease of use. As the customer satisfaction have significant positive relationship with the customer loyalty, by gaining the customer satisfaction, these customers tend to more loyal to the mobile banking service of MAB.

CHAPTER 5

CONCLUSION

This chapter presents the findings and discussions of the study and states recommendations and suggestions according to the results and findings. The limitations and needs for further research of the study are also mentioned. Suggestion and recommendations are based on findings of the study.

5.1 Findings and Discussions

In this study, the analysis of the customer satisfaction and loyalty on MAB's mobile banking service is done. In order to meet this objective, the data collection was done with the structured questionnaire. It is found that most of the respondents are middle aged company staff. They all use the mobile top-up service via the mobile banking application. Most customers use MAB mobile banking because they are easily available and accessible to them.

It highlights that the customers have positive perception on all seven factors (tangibility, reliability, responsiveness, assurance, empathy, usefulness and ease of use). All service quality dimensions except responsiveness have significant positive effect on customer satisfaction. Responsiveness may be perceived as the hygiene factor by the customers of MAB mobile banking. Even though the presence of responsiveness may not create satisfaction but the absence of responsiveness may create dissatisfaction among mobile banking customers. Therefore, MAB should emphasize more on tangibility, reliability, assurance, empathy, usefulness and ease of use. Customer loyalty has significant positive effect on customer satisfaction.

Customers have weak positive perception on tangibility. Tangibility has significant positive effect on customer satisfaction. Therefore, MAB should provide not only enough information through the leaflets, pamphlets and mobile banking applications but also the physical facilities provided by mobile service agents (such as decoration and CCTV). For the reliability dimension, both the overall and individual perceived values are positive. Reliability has significant positive effect on customer satisfaction. Therefore, MAB should

emphasize more to provide quick, speedy and error free service. Moreover, they should ensure whether the mobile banking service agents are sufficient. For the responsiveness dimension, even though the customer perception of overall responsiveness is positive and has insignificant effect on customer satisfaction, the customers have the negative perception on the compensation given by the bank for the problem they create indicating that the customers don't receive any compensation if they encounter the problem which occurs due to MAB.

For the assurance dimension, though the perception of overall assurance is positive, the customers don't agree that the service providers have sufficient knowledge about mobile banking service and their behavior instill confidence in customers. Thus, it can be said that the customers doubt the knowledge level of the mobile service providers about the service. As a result, the customers don't feel confident in using mobile banking service due to the behavior of the mobile service providers. As assurance has significant positive effect on customer satisfaction, MAB should emphasize on training the knowledge and behavior of mobile banking service providers. For the empathy dimension, although its overall perception is positive, the customers don't think that the mobile banking tries to understand and satisfy the users' specific needs and that the help center and call center of mobile banking give them personal attention. As empathy has significant positive effect on customer satisfaction, MAB should emphasize on giving personal attention to customers by mobile banking service providers. For the usefulness and ease of use dimensions, both the overall and individual perceived values are positive and both have significant positive effect on customer satisfaction. MAB should emphasize their advertising on usefulness of mobile banking service. They should upgrade their mobile application so as to become more user-friendly and easier to use.

From the analysis of customer satisfaction and customer loyalty, the customers have overall positive perception on both of them. However, the customers are not satisfied with the tangibility of mobile service such as pamphlets, application and mobile banking agents and caring, individualized attention the bank provides its customers. Similarly, even though the customers response that they will say positive things and recommend the mobile banking to other, they don't agree that they will encourage the others.

As the summary, the findings of the study are very useful for the bank to gain user preference in the competitive market of mobile banking. Through this study, the bank can understand the customer perception, satisfaction and loyalty.

5.2 Suggestions and Recommendations

According to the findings, as most of the mobile banking application users are middle aged, MAB's mobile banking service should target the middle-aged people by advertising in social media especially Facebook which is widely used in Myanmar. Moreover, as customers mostly do mobile top-up and money transfer using mobile banking service, the bank should organize more mobile top-up promotion campaign in cooperation with the telecommunication companies like Telenor, etc. They should also make the mobile banking service more available and accessible by having mobile banking agents in almost all states and divisions.

They should review the information and content of the leaflets, pamphlets and mobile application whether the information they currently give is enough or not. Moreover, they should also care about the physical facilities of mobile banking agents such as signboard and CCTV so as to be visible and satisfy the customers. They should plan the compensation process in advance for the delay or error in application due to MAB. Compensation ranges from verbal apology to monetary compensation. By doing this, even if the customers have negative view on MAB mobile banking due to the problem they encounter, the compensation can reverse their view on MAB mobile banking.

Moreover, MAB should give more knowledge and service refresher trainings to mobile banking service providers including mobile banking service agents. As most of the mobile banking service agents are shop owners, they are too busy to attend the trainings. Therefore, they should form training team and that team should give onsite trainings to them. Moreover, in order to understand more about customers' specific needs, MAB should perform short surveys frequently so that they can know their needs and satisfy accordingly.

By using the findings, the bank should launch campaigns to increase awareness to potential customers using the factors that affect positively on customer satisfaction such as tangibility, reliability, responsiveness, assurance, empathy and ease of use.

5.3 Needs for Further Research

This study focuses on to analyze the customer perception, satisfaction and loyalty on MAB's mobile banking service. Due to time and resources limitation, the survey data is collected 382 respondents and emphasized only in Yangon area. The study emphasizes only on MAB mobile banking service quality factors such as tangibility, reliability, responsiveness, assurance, empathy, usefulness and ease of use. But there are many customers using MAB mobile banking service around the country. Therefore, further studies that investigate the different customer perception and their impact on customer satisfaction and loyalty with more sample size should be done. These kinds of studies should be done in many states and divisions. Moreover, there are many banks which offer mobile banking service such as CB Bank, KBZ Bank and AYA bank. Therefore, the further research on the customer satisfaction or customer loyalty compared to other banks should be done.

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APPENDIX A
YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF MANAGEMENT STUDIES
MBA PROGRAMME

**Questionnaire for Customer Satisfaction and Loyalty on Mobile Banking Service of
Myanma Apex Bank (MAB)**

This survey is a partial fulfilment of the requirements for Master Degree of Business Administration Program (“MBA”), aiming at investigating customer satisfaction and loyalty on mobile banking service of MAB bank. This survey is only concern with MBA thesis paper and not related with other business purpose. Please kindly answer the following questions. Thank you for your precious time.

Part 1: Demographic

1. Gender
 - Male
 - Female
2. Age
 - Under and equal to 20
 - 21 - 30
 - 31 – 40
 - 41 – 50
 - 51 – 60
 - Over 60
3. Marital status
 - Single
 - Married
 - Others (Specify)
4. Education level
 - Primary School
 - Secondary School
 - High School
 - Under Graduate

- Graduate
- Master's Degree or Post-Graduate
- PhD
- Others (Specify)

5. Employment Status

- Student
- Government Staff
- Company Staff
- Self-employed
- Unemployed
- Others (Specify).....

6. Income per Month

- Less than and equal to 250,000 MMK
- 250,001 to 500,000 MMK
- 500,001 to 750,000 MMK
- 750,001 to 1,000,000 MMK
- Above 1,000,000 MMK

Part 2: Customer Usage on MAB bank's Mobile Banking Service

7. How often do you use MAB Bank's Mobile Banking Service?
- Daily
 - Weekly
 - Monthly
 - Yearly
 - Other (Specify).....
8. How many transactions did you make during a month using MAB Bank's Mobile Banking Service?
- 1 to 10
 - 11 to 25
 - Above 25
 - Other.....
9. What are your purposes of using MAB Bank's Mobile Banking Service? (You can choose more than one option)
- Money Transfer
 - Bill Payment
 - Mobile Phone Top-up
 - Check the account balance
 - Credit/ Loan Payment
 - Online shopping
 - Hire-purchase Payment
 - Donation
 - Top-up Visa/ Master card
 - Others (Specify).....
10. What are your reasons for choosing MAB mobile banking?
- Good reputation
 - Good customer service
 - Easy availability and accessibility
 - Fast banking service
 - My salary is given through MAB bank account
 - Others (Specify).....

Part 3: Customers' Perception on MAB bank's Mobile Banking Service

Rank the following statements for your perception on MAB bank's Mobile Banking Service. (1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree)

		1	2	3	4	5
Tangibility						
1.	The equipment and technology provided by mobile banking application are up-to-date.					
2.	The presentation of the mobile banking application is visually appealing.					
3.	The mobile banking application provides enough information.					
4.	The leaflets and pamphlets of mobile banking convey enough information.					
5.	The physical facilities provided by mobile service agents. (e.g. decoration, CCTV,etc.) are good.					
Reliability		1	2	3	4	5
1.	The mobile banking service delivers service as promised.					
2.	The mobile banking service provides clear and accurate time and date record of performance/ transactions.					
3.	The security protocols installed in mobile banking application are secure enough.					
4.	The transactions done in mobile banking application are quick and speedy.					
5.	The services provided by mobile banking application are error free.					
Responsiveness						
1.	The mobile banking service's help centre promptly responds to the request and questions made by customers.					
2.	Mobile banking application tells what to do if the transaction is not processed.					
3.	Mobile banking service takes care of problem promptly.					
4.	The mobile banking service providers are always willing to help me.					
5.	The bank compensates for the problem they create.					

Assurance						
1.	I believe that my information is kept confidential.					
2.	I believe in the security of my transactions.					
3.	Instructions provided in the mobile banking system are clear and understandable.					
4.	The service providers have sufficient knowledge about mobile banking service.					
5.	The behaviour of mobile banking service providers instil confidence in customer.					
Empathy						
1.	The help centre and call centre of mobile banking gives me personal attention.					
2.	Mobile banking tries to satisfy specific needs of users in any way.					
3.	Mobile banking is able to understand the specific needs of users.					
4.	Mobile banking collects information about the satisfaction of their users.					
5.	The call centre of the mobile banking is accessible.					
Usefulness						
1.	Using mobile banking service enables me to utilize banking services more quickly.					
2.	Using mobile banking service for my banking services increases my productivity.					
3.	Using mobile banking service is useful for my banking activities.					
4.	Using mobile banking service can reduce queuing time.					
5.	Using mobile banking service can save travelling expenses.					
Ease of Use						
1.	The mobile banking application is easy to download.					
2.	The mobile banking application is easy and simple to use.					
3.	It is easy to make a mobile banking account.					
4.	The mobile banking application is easy to login.					
5.	The mobile banking application makes easy to find what the users need.					

Part 4: Customer Satisfaction on MAB bank’s Mobile Banking Service

Rank the following statements for your satisfaction on MAB bank’s Mobile Banking Service. (1= Very Dissatisfied, 2= Dissatisfied, 3= Neutral, 4= Satisfied, 5= Strongly Satisfied)

Customer Satisfaction		1	2	3	4	5
1.	I am satisfied with the appearance of physical facilities, equipment, personnel and communication material provided by mobile banking service.					
2.	I am satisfied with the ability of the mobile banking service to perform the service dependably and accurately as promised.					
3.	I am satisfied with the willingness of the mobile banking service to help customers and to provide prompt service.					
4.	I am satisfied with assurance and courtesy of employees and their ability to convey trust and confidence.					
5.	I am satisfied with the personalized care and attention provided to me by the mobile banking service.					
6.	I am satisfied with the usefulness of mobile banking service.					
7.	I am satisfied with the ease of use of mobile banking service.					
8.	I am satisfied with overall mobile banking service.					

Part 5: Customer Loyalty on MAB bank’s Mobile Banking Service

Rank the following statements for your loyalty on MAB bank’s Mobile Banking Service. (1= Very Dissatisfied, 2= Dissatisfied, 3= Neutral, 4= Satisfied, 5= Strongly Satisfied)

Customer Loyalty		1	2	3	4	5
1.	I say positive things about MAB mobile banking service.					
2.	I recommend the mobile banking service to someone.					
3.	I encourage someone to use this mobile banking service.					
4.	This mobile banking service is my first choice for future transaction.					
5.	I will do more business with this mobile banking in the coming months.					

APPENDIX B

STATISTICAL OUTPUT

Regression Analysis Results for Customer Perceptions on Customer Satisfaction

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		Durbin-Watson
					R Square Change	F Change	
1	.858 ^a	0.736	0.731	0.25364	0.736	148.623	1.874

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	66.929	7	9.561	148.623	.000 ^b
	Residual	24.060	374	0.064		
	Total	90.989	381			

a. Predictors: (Constant), Tangibility Mean, Reliability Mean, Responsiveness Mean, Assurance Mean, Empathy Mean, Usefulness Mean, Ease of Use Mean

b. Dependent Variable: Customer Satisfaction Mean

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	0.198	0.123		1.610	0.108		
Tangibility Mean	0.064	0.025	0.077	2.607	0.010	0.800	1.250
Reliability Mean	0.238	0.027	0.319	8.665	0.000	0.523	1.911
Responsiveness Mean	0.051	0.032	0.050	1.575	0.116	0.694	1.441
Assurance Mean	0.094	0.032	0.101	2.977	0.003	0.619	1.615
Empathy Mean	0.257	0.030	0.301	8.482	0.000	0.562	1.779
Usefulness Mean	0.153	0.035	0.186	4.375	0.000	0.390	2.566
Ease of Use Mean	0.084	0.029	0.129	2.915	0.004	0.364	2.750

Regression Analysis Results for Customer Satisfaction on Customer Loyalty

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.789 ^a	0.623	0.622	0.36487

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	83.707	1	83.707	628.768	.000 ^b
	Residual	50.589	380	0.133		
	Total	134.297	381			

a. Dependent Variable: Customer Loyalty Mean

b. Predictors: (Constant), Customer Satisfaction Mean

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.052	0.136		0.386	0.700
	Customer Satisfaction Mean	0.959	0.038	0.789	25.075	0.000