**YANGON UNIVERSITY OF ECONOMICS**

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**FACTOR INFLUENCING ON CUSTOMER SATISFACTION OF INTERNATIONAL BANKING TRANSACTION IN PUNJAB NATIONAL BANK IN YANGON**

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**MBF ll – 38 (Day 2nd Batch)**

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# FACTOR INFLUENCING ON CUSTOMER SATISFACTION OF INTERNATIONAL BANKING TRANSACTION IN PUNJAB NATIONAL BANK IN YANGON

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Master of Banking and Finance (MBF)

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# ACCEPTANCE

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

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# ABSTRACT

The main objective of the study is to analyze the factor influencing on customer satisfaction of international banking transaction in Punjab National Bank in Yangon. The descriptive and analytical research methods are used to meet the objectives of the study. The 100 customers 50% of the total customers who deal with international banking services of Punjab National Bank are selected by using random sampling methods. The research data is collected by email questionnaires. Though there are some limitations to obtain the accurate data, it is determined the data to interpret the correlations between the independent variables and dependent variables. The study found that the security, functional service, and price fairness were positive significant relationship with customer satisfaction. The results of this study are encouraging for the Punjab National Bank in Yangon. International banking transaction in correspondent bank and management of the international banking transaction as it suggests for increasing the security and functional service, and price fairness commitment of banking industry in Myanmar.

# ACKNOWLEDGEMENTS

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| | |
|---|---|
| PNB | Punjab National Bank |
| SWIFT | Society for Worldwide Interbank Financial Telecommunications |
| MFTB | Myanmar Foreign Trade Bank |
| MICB | Myanmar Investment and Commercial Bank |
| MEB | Myanmar Economic Bank |
| MADB | Myanmar Agricultural Development Bank |
| LC | Letter of Credit |

# CHAPTER I
# INTRODUCTION

International banking provides accessibility and ease of doing business to companies from different countries. An individual can use their money anywhere around the world (Lewis & David 1987). International banks give them the freedom to transact and use their money to meet any funds requirement in any part of the world. This banking facility provides flexibility to multinational companies to deal in multiple currencies. The major currencies that multinational companies or individuals can deal with include the euro, dollar, pounds, sterling, and rupee. The companies with headquarters in other countries can manage their bank accounts and avail of financial services in other countries through this banking without any hassle. (www. International Banking Management).

International banking allows the business to make international bill payments. The currency conversion facility allows the companies to pay and receive money easily. Also, benefits like overdraft facilities, loans, deposits, etc., are available every time for overseas transactions. Correspondent banking is very useful in such transactions. A multinational company can maintain the records of global accounts in a fair manner with the help of international banking. All the company's transactions are recorded in the books of banks across the globe. By compiling the data and figures, the company's accounts can be maintained. (www. International Banking Management 2018).

Security quality has a direct contribution in maintaining strong and satisfaction among customer. Trust can be developed through secure transition between bank and the customer's International transfer. Proper identification of the authorized user is lagging in current mechanism. The financial industry witnesses a lot of fraud and cybercrimes when it comes to making transaction (Med & Stehney 2005).

Functional service quality refers to employee action or human interaction that occurred during the meet and how services are delivered. Functional service quality is also referred to as the intrinsic qualities to explain how service was delivered. Good quality functional services will provide a snapshot for a company. Good corporate image can also affect the customer's views on organizations or companies, which resulted in satisfied customers. Customer's satisfaction can increase customer retention to purchase repeatedly or recommend to other customers (Gronrros,1984).

Price fairness perception is defined as "a judgment of whether an outcome and/or the process to reach an outcome are reasonable, acceptable, or just" (Xia, et al., 2004). The stream of price perception studies is grounded in subjective and psychological dimensions from a consumer behavior perspective, which is distinguished from numerous price studies emphasizing sellers' profit maximizing from managerial and/or quantitative perspectives (e.g. pricing strategy and price modeling) (Xia, Monroe & Cox, (2004).

Myanmar International banking transactions are available in four large state-owned banks that used to conduct all foreign currency transactions prior to recent reforms (CBM-2018). Myanmar Foreign Trade Bank (MFTB) handles the majority of foreign currency exchanges related to trade and non-trade transactions. Myanmar Economic Bank (MEB) functions as a commercial bank accepting savings and deposit account as well as issuing loans. Myanmar Investment and Commercial Bank (MICB) services local and foreign investors. Myanmar Agriculture and Development Bank (MADB) promotes economic enterprises in the agricultural sector. As of February 2014, 15 out of 24 domestic private banks have permits to operate foreign currency accounts. In October 2014, the government of Myanmar permitted limited banking licenses to nine foreign banks from the Asia-Pacific region, allowing each institution to set up one branch in the country and provide loans to foreign companies.

In the year 1995 Reserve Bank of India (RBI) designated Punjab National Bank Erstwhile United Bank of India as official Banker for Indo Myanmar border trade. In Moreh – Tamu border formal trade is yet to take off. In the year 2008 during 3rd joint trade meeting between India and Myanmar MOU was signed between PNB bank and three state owned banks in Myanmar. Myanmar Economic Bank (MEB), Myanmar Foreign Trade Bank (MFTB), Myanmar Investment and Commercial Bank (MICB) maintain their Vostro account in EURO and in USD with our banks. Direct trade transactions between two countries are settled through these accounts. PNB Bank is only Indian Bank that entertains direct settlement of financial transaction relating to trade with Myanmar.

Punjab National Bank (PNB's) customer satisfaction is important for relationship a long time with Myanmar. This study presents the factor influencing on customer satisfaction of international banking transaction in Punjab National Bank in Yangon.

## 1.1 Rationale of the Study

International banking has been a very important element of monetary economic process and integration. It's swollen conspicuously over last thirty years and mutually with international trade. There are a lot of available methods for entry into international banking operations. This include; Correspondent Banks, Representative Offices, Branches and Agencies, Limited Branches, Subsidiary Banks, Bank Acquisitions and Bank Mergers (International Banking Management).

International bank payments are actioned through the SWIFT network (Society for Worldwide Interbank Financial Telecommunications) a secure messaging system that banks use to send information. When the customer sends an international bank transfer, banks use the SWIFT network to ensure that the customer payment reaches its destination. However, it won't always get there directly. Some payments go through intermediaries also known as corresponding banks almost like taking a series of connecting flights to arrive at destination. It's also worth mentioning that the SWIFT network doesn't actually move the customer money, just the customer payment order.

International bank transfers will arrive within one to five working days. The Customer make the international transfer request before the bank's cut-off time, it should be processed on the same day. If not, it will almost certainly be processed on the following business day. Once the transfer has been processed, the funds will usually be deducted from the sender's account. However, this doesn't necessarily mean that it will arrive with the recipient at the same time. As stated above, international bank transfers will generally arrive within one to five working days.

Representative's office is both the most commonly used and the most limited in function of all foreign banking operating internationally. The international representative office functions mainly as liaison between correspondent banks and the parent bank. Representative offices are usually prohibited from engaging in general banking activities, although they may receive checks
for forwarding to the home office, solicit loans for the home office, and develop customer relations. However, they may not receive deposits or make loans. Generally, representative offices serve as the preliminary step to other forms of banking activity since they are a relatively inexpensive means of establishing a presence in a new location.

Punjab National Bank erstwhile United Bank of India in Yangon has been opened on 05.12.2012. Representative office is being manned by a chief manager posted from India. At the initiative of representative office RMA has been established with 3 state owned banks and 15 private banks have opened Vostro accounts in USD and in EURO with us.

The volume of direct trade transaction with Myanmar is low mainly for the reason that business community in Myanmar prefer to settle trade payments in Singapore as international banking system is not fully developed and under developed tax laws. Border trade between Myanmar and India hit US$1.42 million as of 22 October in the mini-budget year of 2021-2022 or transition period from October 2021 to March 2022.

Security is defined as the ability of the website to protect personal information of the customers from any unauthorized use of information disclosure during the electronic transaction (Guo et al., 2012). Security is considered an important factor that is taken seriously by the online customers (Mustafa, 2011). This is because, security and privacy issues play an important role in developing trust in the online transaction and/or the website (Chellapa, 2002).

Functional service quality has an important role to provide customer satisfaction. Customer's satisfaction is target of every company. They provide long term benefits for company. Many studies illustrate that service quality has significant positive effect on customer satisfaction: Caruana and Malta, 2002; El-Salam et al. 2013; Rahman et al. 2012; Kang and James 2004; Saura et al. 2008; Polyorat and Sophonsiri, 2010; Holdford and Schulz, 1999).

According to Herrmann et al., (2007), customer satisfaction is directly influenced by price perceptions while indirectly through the perception of price fairness. Price fairness refers to consumers' assessments of whether a seller's price is reasonable, acceptable or justifiable (Xia et al., 2004; Kukar-Kinney, Xia and Monroe, 2007).

This study observes the method of payment of international trade in Punjab National Bank because it is the one of the leading India banks in Myanmar. Punjab National bank is maintaining the correspondent with all of the local banks in Myanmar in accordance with the Financial Institution of International Law, to conduct the International banking transaction. Therefore, this research targets on the

customer satisfaction on International Banking in Punjab National Bank (Yangon Representative office).

## 1.2    Objectives of the Study

The main objective of this study is influencing factors on customer satisfaction of international bank transaction in Punjab National Bank.

The detail objective of the study is;

(1) To identify the security, functional service quality and price fairness in international banking transaction of Punjab National Bank in Yangon.

(2) To examine the factor influencing on customer satisfaction of international bank transaction in Punjab National Bank.

## 1.3    Scope and Method of the Study

The study area is customer satisfaction, and influencing factors affecting customer satisfaction in Punjab National Bank PNB in Yangon. The scope of the study is selected about 100 customers 50% of the total customers in Yangon Region. This study focuses on international banking transaction on customer satisfaction in PNB in Yangon. Both primary data and secondary data are collected. Primary data collection will be consisting of face-to-face and email surveys collected by using the structured questionnaires survey to determine the satisfaction of relevant customer of Punjab National Bank in Yangon. The respondents are collected by random sampling method.  The survey period will take three weeks approximately. In order to more comprehensive survey, the secondary data will be collected local and international survey papers, relevant journals, published text book, survey report, articles and website.

## 1.4 Organization of the Study

This study is containing with five chapters. In chapter one introduced about International Banking Transaction than rationale of the study, objectives of the study, method of the study and scope and limitation of the study and organization of the study. In chapter two present the literature review of the study. And chapter three is related with the background study on the Factor Influencing on Customer Satisfaction of International Banking Transaction of PNB in Yangon. Research methodology, data analysis and results on selected people will be described in chapter four. The last, chapter five discussed with finding and conclusion of survey result of Customer Satisfaction on International Banking Transaction of Punjab National Bank in Yangon and recommendation of customer feedback for improvement of International Banking Transaction.

# CHAPTER II
# THEORICAL BACKGROUND

In this chapter have six parts. There are describes background theory of the study, concept of customer satisfaction, important of customer satisfaction, influencing on customer satisfaction, previous study and last parts describes the conceptual theory of the study.

## 2.1 Nature of the International Banking Transactions

While the number of U.S. banks involved in international finance is relatively small in comparison to the overall number of U.S. banks, many large institutions have notable cross-border exposure and significant international activities. Moreover, in certain markets, a considerable number of smaller banks continue to allocate significant resources to international banking. Many international banking activities parallel those conducted in domestic banking operations. For example, in both international and domestic markets, a bank may extend credit, issue and confirm letters of credit, maintain cash and collection items, maintain correspondent bank accounts, accept and place deposits, and borrow funds. Other activities are more closely associated with international banking, such as creating acceptances and trading foreign currencies. The most important element of international banking not found in domestic banking is country risk, which involves the political, economic, and social conditions of countries where a bank has exposure. Bank should consider country risk when evaluating a bank's international operations. Despite similarities between domestic and international activities, banks often conduct international operations in a separate division or department. Large banks typically operate an independent international division, which may include a network of foreign branches, subsidiaries, and affiliates. Smaller banks, or banks with limited international activity, often use a separate section that works with a network of foreign correspondent banks or representative offices. In either case, international activity is usually operated by separate management and staff using distinct accounting systems and internal controls. Given the risks introduced by doing business in a foreign country, particularly in emerging markets, banks must review and understand international activities when assessing a bank's overall condition. Furthermore, bank should

coordinate international reviews with Bank Secrecy Act (BSA), Anti-Money Laundering (AML), and Office of Foreign Assets Control (OFAC) reviews.

## 2.2    Concept of Customer Satisfaction

According to Khristianto, Kertahadi and Suyadi (2012), customer satisfaction is commonly viewed as a result of comparison between the consumption expectation and experience; and customer satisfaction is achieved when the final deliverable (i.e., experience) meets or exceeds a customer's expectation. Satisfaction and loyalty are the key elements that determine the success of market concept implementation (Khristianto et al., 2012). Satisfied customers are most likely to have the intention to repurchase if the service provider reached or exceeded their expectation (Alam & Yasin, 2010). Identifying the variables of customer satisfaction is significant as it acts as a benchmark of the business performance, and it also serves as guidelines for future improvement (Alam & Yasin, 2010). Guo (2012) have identified eight determinants of customers' satisfaction, which are website design, security, information quality, payment method, e----service quality, product quality, products variety and delivery services. On the other hand, Mustafa (2011) presents user interface quality, information quality, perceived quality and perceived privacy for his framework. Biesok & Wyród-Wróbel (2011).

The existence of many companies on the market is conditioned with a number of satisfied customers. Customers are the key factor of the existence and company development on the market. It is obvious then, that firms, which want to face the competition, need to provide valuable and unique terms to their customers, that will satisfy their needs. This satisfaction includes not only the feelings associated with the purchasing process, but also the atmosphere before and after the execution of purchases. Biesok & Wyród-Wróbel (2011).

The purpose of customer satisfaction measuring is identification of criteria which play a key role in evaluating the product or service by customers, the perception of a product or service by customers, assessing the fulfilment of customer expectations for product or service, the level of customer satisfaction with a cooperation with the company, comparing the level of customer satisfaction with products of the competition, understanding the main factors of customer satisfaction, affecting positively and negatively on the level of satisfaction, determining customer's expectations connected with attributes of a product or service, identifying

the most important customer service elements, determining the degree of importance of individual factors influencing the customer service. Therefore, it is very important to learn all capabilities and limitations before deciding concerning the choice of a specific methods. Biesok, Wyród-Wróbel (2011).

The banking sector is the strength of the economy in a country. Banking organizations play a dynamic role in the growth and development of a country. Poor banking systems cannot help the country in economic development. A well-functioning banking system has a key role in economic growth (Rajan & Zingales, 1998).

Customer satisfaction has been a key factor of customer loyalty (Dick & Basu, 1994). Customer satisfaction is demonstrated by repurchase actions. Satisfaction is the customer fulfillment response (Oliver, 1997). Zeithaml, Bitner, and Gremler (1996) stated that customer satisfaction as customer's response to the product/services they obtain in relation to the fulfillment of his requirements and expectations. The loyalty is affected by the satisfaction over the satisfaction level we can forecast the purchase purposes and behavior of consumer towards the brand product (Eggert & Ulaga, 2002). Customer satisfaction is customer posture after the practice of a specific product (Fornell, 1992). Oliver (1997) stated that satisfaction is defined as, "the summary psychological state resulting when the emotion surrounding disconfirmed expectation is coupled with prior feelings about the customer experience". Customer satisfaction is the result for repurchasing of a product by a customer. Customer satisfaction means is to satisfy a need of the customer and meeting the criteria of the customers. In mobile phones market customer satisfaction has a positive relationship with loyalty (Kuo Wu, & Deng, 2009).

Customer satisfaction has been a real concern in the banking sector because of serious rivalry and higher client expectations. It has caused in an increased rivalry between banks to attract a greater number of customers by delivering quality services. Customer satisfaction is identified as a key factor for the profitability of a business. Banks can never run smoothly for a long period of time without loyal customers. Customer satisfaction can be accomplished by classifying customers' needs, managing them and satisfying them. Customer loyalty is observe as a key construction and desire to hierarchical achievement, advantage and business performance (Oliver, 1997).

Loyal customers will permanently give positive remarks about the banking

sector. Banks can increase levels of profitability by providing secure products and services to the customers. In order to increase customer loyalty, several banks have announced innovative products and services (Alam & Khokhar, 2006). Consumer satisfaction has a positive impact on financial performance of the relations and in a creation of loyal clients (Loveman, 1998). Customer loyalty is similar to satisfaction and loyal customers raise profit of a company by repeated purchases and recommending products to other customers (Bowen & Chen, 2001; Fecikova, 2004).

## 2.3 Theories for Security, Functional Service Quality and Price Fairness of the Study

In this section present the background theory of this study. This study is based on two model and one theory. These are Ludek Lukas Security Model, Gronroos Model, and Price Fairness Attribution Theory.

Security is the main issue for international banking. The banking sector has been under attack for hundreds of years. First, it was the physical theft of monies. Then it was computer fraud. Today, it's not only cyber fraud but hacks into servers to obtain a customer's personally identifiable information. As individuals and companies perform most transactions online, the risk of a data breach increases daily. This is why there's a greater emphasis to examine the importance of cyber security in banking sector processes. The kinds of safety or security is a response to problems in certain areas. Problem is in pathologic phenomenon, which is created in field of interest and it is also harmful for people and for society. This phenomenon is forming the harm and because of that society prevents its forming. The kinds of safety or security are formed by society in the moments, when internal mechanisms in the field of interests are not able to protect before this pathologic phenomenon. The newly introduced kind of safety or security is therefore solely focused on minimizing pathologic phenomenon and prevention of it. These problems were subscribing the essence of ensuring safety or security for reference object. In model, there is reflected also measures, which ensure safety and security.

Figure (2.1)    Ludek Lukas Security Model
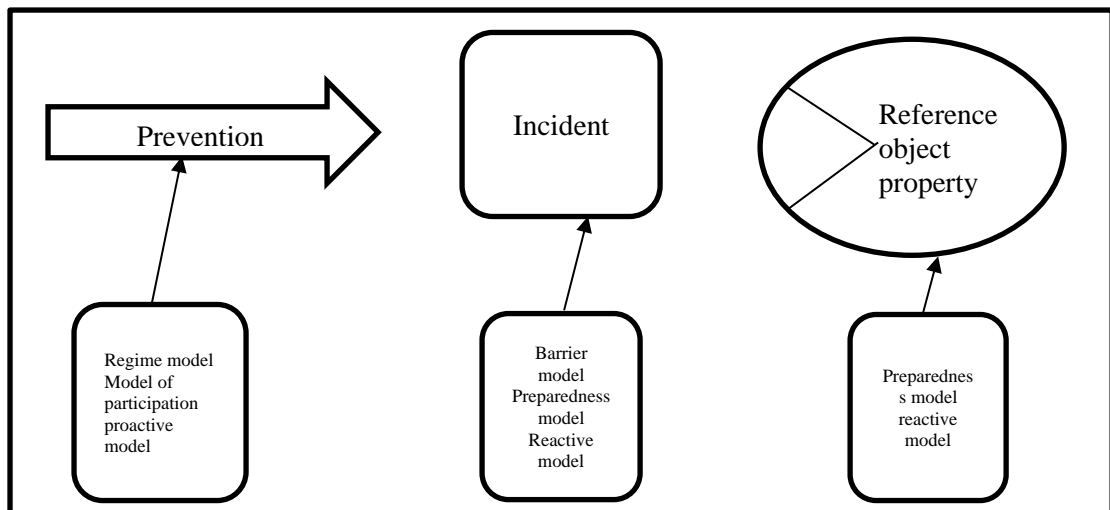


Source: Ludin & Cheng (2014).

According to the Figure (2.1) the safety and security might be developed by system measure, which has logic or physic character. Between logic measures is counted rules, management, education, negotiation, prediction, deterrence, encryption, etc. These measures are based on information and work with them. Measures of physical character are including defenses (fences and walls), shock absorbers, security guard, forces and instruments of prosses, warning and alarm systems, supplies, etc. Between basic safety and security models are included: Regime model, Proactive model, Barrier model, Preparedness model, Model of participation, Reactive model. In models, basic of safety or security is realized by more types and manner. Because of that, they contain more variants of models. The several types of safety or security models are used for ensuring the kind of safety or security. Physical security (security of property) is usually ensured by measures, which are counted as agenda of regime model, barrier model and reactive model. Ludin & Cheng (2014).

Satisfaction is largely influenced by the value of services provided to customers. Bitner's path analysis indicated that service quality affects customer satisfaction, and that customer satisfaction in turn affects customers' recollected perceptions service quality. Abod et al Ludin & Cheng (2014). cited the PZB SERVQUAL scale, research from the telecommunications industry that found service quality (error records center, response time, restore the time) and customer satisfaction are highly related. Cronin, Brady, and Hult pointed out that both direct and indirect effects of service quality on behavioral intention should be considered. Anderson and Sullivan consider customer satisfaction can achieve higher customer

loyalty. Composite theory of scholars, the service quality has a direct and positive impact for customer satisfaction, and service quality indirect impact for customer satisfaction.

Figure 2.2        Gronroos Model
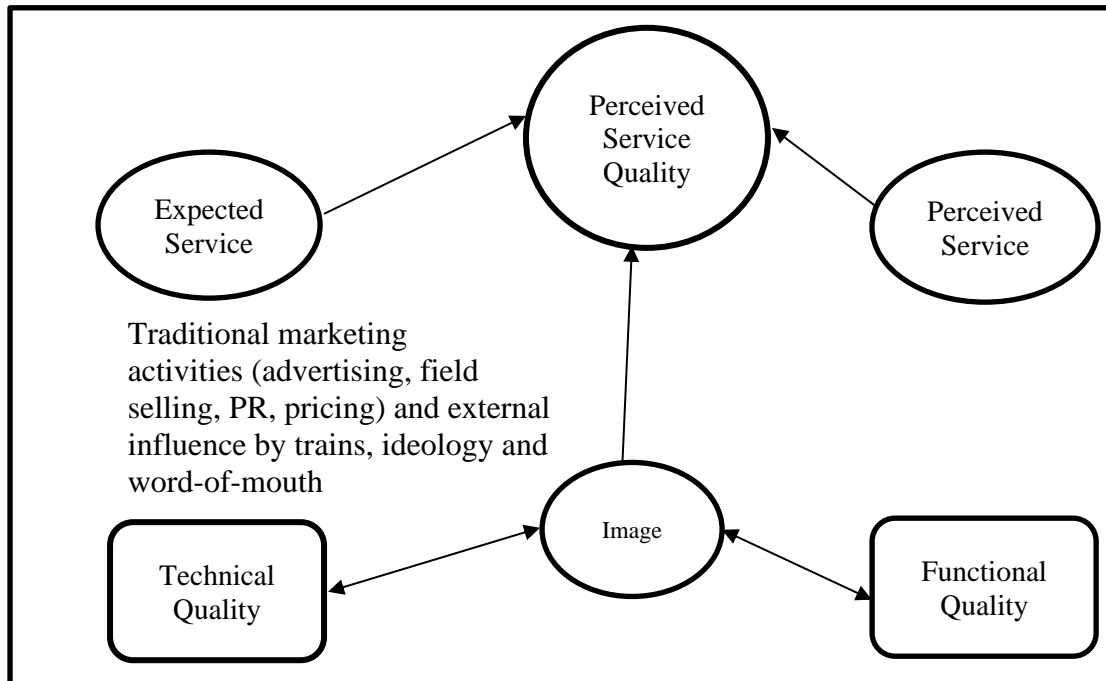


Source: Al-Dmour & Al-Shraideh, 2008; Castaneda, 2011; Obeidat et al., 2012

According to the Figure (2.2), companies need to understand in which way the customer will perceive the quality of its products and services (Al-Dmour & Al-Shraideh, 2008; Castaneda, 2011; Obeidat et al., 2012). Quality has been defined as fitness for use or the extent to which a product successfully serves the purposes of consumers (Kahn, Strong, & Wang, 2002). Service quality can be characterized just by consumers and that it happens when a service association gives an advantage that fulfills the consumer's needs (Metters, 2003). Several studies have discovered a positive connection between customer behavioral plans and service quality perceptions (Zeithaml et al., 1996). It is the entirety of features and characteristics of a product or service that bears on its ability to satisfy given needs (Winder & Judd, 1996) Ranaweera and Neely (2003) verified that there is a solid relationship between customer satisfaction and service quality.

The price fairness itself and the way it is fixed and offered have a great impact on satisfaction. According to Lommeruda and Sørgard (2003), electronic banking services are like undifferentiated products therefore, customers are not price sensitive all the times and sometimes brand (bank's name) loyalty takes part in brand (bank's name) preferences. The great emphasis on customer satisfaction has given birth to multiple studies and innovative methodologies to assess and to understand customer behavior (Chawinga, 2014).

Price fairness perception is defined as "a judgment of whether an outcome and/or the process to reach an outcome are reasonable, acceptable, or just" (Monroe, 1973; Xia, et al., 2004). The stream of price perception studies is grounded in subjective and psychological dimensions from a consumer behavior perspective, which is distinguished from numerous price studies emphasizing sellers' profit maximizing from managerial and/or quantitative perspectives (e.g. pricing strategy and price modeling) (Monroe, 1973; Xia, et al., 2004). It has been argued that perceptions of fairness are fundamentally based on attribution of cause and responsibility (Cohen, 1982). By pointing out that "understanding a person's perceptions of justice may require an understanding of his or her attributions of cause and responsibility", Cohen (1982) introduced an attributional perspective to understand individual perceived fairness. Nonetheless, not many price fairness studies have applied attribution theories into their conceptual models (Diller, 2008). Recently, while Xia, L., Monroe, K. B., & Cox, J. L. (2004) stated that attribution theory needs to be dealt with as one of the theoretical foundations in price fairness literature and Maxwell (2008) also emphasized the importance of attribution theory as one of the theoretical perspectives to price fairness, only a few researchers have empirically tested attribution-based models.

Figure 2.3    Price Fairness Attribution Theory
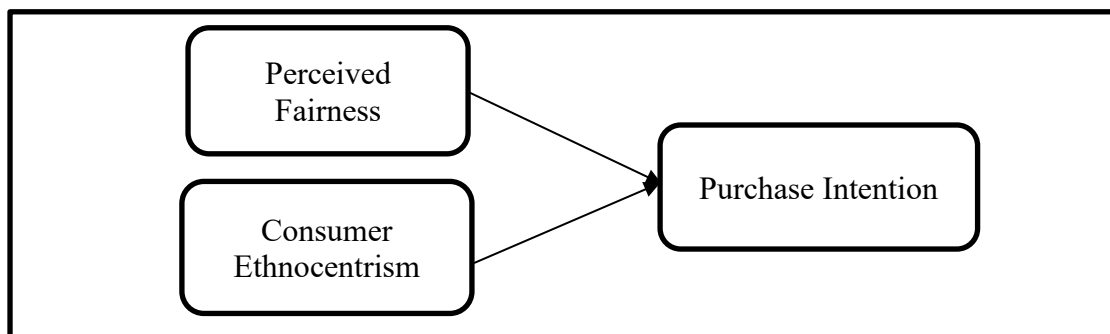


Source: Campbell, 1999; Vaidyanathan & Aggarwal, 2003

According to Figure 2.3, two hypotheses were developed. It is in order to check the relationship between the independent and dependent variables When increases in the price fairness by a brand are high that would lead to decreased customer satisfaction. Good customer services increase the number of satisfied customers and hence, enhance customer satisfaction.

## 2.4    Factor Influencing on Customer Satisfaction

Customer satisfaction consists of numerous factors that are important to stay on top of. Customer satisfaction is important because it determines many factors that impact the business. The first impact is whether someone will be a repeat customer. In addition, customer satisfaction has increased importance in the digital age with concern to what customers post online. Another factor, that is commonly overlooked, is how much they may spend with the business in the future. The first step in improving the customer satisfaction is by understanding the factors that impact it, which is followed by learning how to act on those factors. (Sprockets 2019).

The three major factors that affect modern customer satisfaction can be categorized as customer perceived security, service quality and price. By harnessing these factors, able to provide positive, consistent customer experiences and create true customer loyalty. Dive into the most common factors that contribute to customer satisfaction across industries. (Sprockets 2019).

### (i)    Security

Web-based technologies have brought many advantages to organizations and their customers, but information security breaches are still a controversial concern. Anti-virus, antimalware, anti-spam, anti-phishing, anti-spyware, firewall, authentication, and intrusion detection systems are all technological aspects that address information security, but they cannot guarantee a secure environment for information (Safa 2015). Hackers target people, rather than computers, in order to create a breach; examples of user mistakes include inappropriate information security behavior, such as taking a social security number as user name and password, writing passwords on sticky paper, sharing their username and password with colleagues, opening unknown emails and downloading their attachments, as well as downloading software from the Internet. Acceptable information security behavior should ideally be combined with technological aspects (Furnell and Clarke, 2012).

**(ii)      Service Quality**

If a customer gets a burger once per week and expects the same quality each time, they will notice when it is off. When their favorite burger isn't cooked the same, has a soggy bun, or contains wilting lettuce, the quality won't be the same. When this incident occurs, customer satisfaction goes down. By being aware of instances of product/service inconsistencies, the service can be proactive about reaching out to those customers and letting them know the steps that are taking to remedy the inconsistency they experienced.

The service a customer receives can be a big contention point for people. Was the customer greeted with a friendly smile? Did the customer receive the order quickly? Was the customer thanked for their business? Or did the customer sense a bad attitude? Did the customer have to wait 10 minutes before anyone helped them? While it may seem like one unsatisfactory action – like not understanding someone clearly at a drive-thru should be masked by getting their food quickly and thanking them for their order, that's not always the case.

Understanding that one step of the business process being less than satisfactory is crucial to improving customer satisfaction. A good practice to understand where the business process may be falling short. The way to understand this is through a customer satisfaction survey. Reading through the responses of those with poor experiences can help the customer what the customer learns how to either improve your process, train employees better to create a consistent image, and/or learn what the customer need to let go of certain employees who may be costing the business. (Sprockets 2019).

**(iii) Price**

The price will always be low range, mid-range, and high range prices. If the products are of superb quality and the customer service consistently great, customer are satisfied with that they can charge more. However, if the charge more than the market will bear, and more than the ideal customer can afford. If someone gets a burger from a steakhouse vs. at McDonald's, the price is different. By understanding when a product or service has not met a customer's expectations, the service can proactively provide a remedy. For this example, if someone wrote a poor review/completed a feedback survey writing that they expected a $20 burger but felt it lacked the value, offer them a voucher towards their next meal to make up for poor experience. (Sprockets 2019).

According to Previous research has shown that when customers are satisfied with a company, organization or service, there is high possibility that they will share their experience to other people. Therefore, it is crucial for business to consider their customer's satisfaction because this will retain customer loyalty, as well as attract potential customers. There are few crucial factors that determine customers' satisfaction and thus, online businesses should be well revised with the antecedents of customer satisfaction in the industry. Once these factors are proficiently understood, customers' satisfaction will increase and consequently improve the business performance. Online business, or e-commerce, has shown a tremendous growth in the past years despite the uncertainty of the world economy today. Therefore Ludin & Cheng (2014) defined the factor influencing customer satisfaction and E-Loyalty: Online Shopping Environment among the Young Adults. The high numbers of online customers prove that customer satisfaction in an online business is a key factor to profitability. Ludin & Cheng (2014) defined the following independent variable are dependent on the customer satisfaction and customer satisfaction effect on loyalty. The independent variables are Website Design, Website Design, Security, E-service, Information Quality. Dependent variable is customer satisfaction & E-Loyalty.

Figure 2.4     Conceptual Framework for the Study
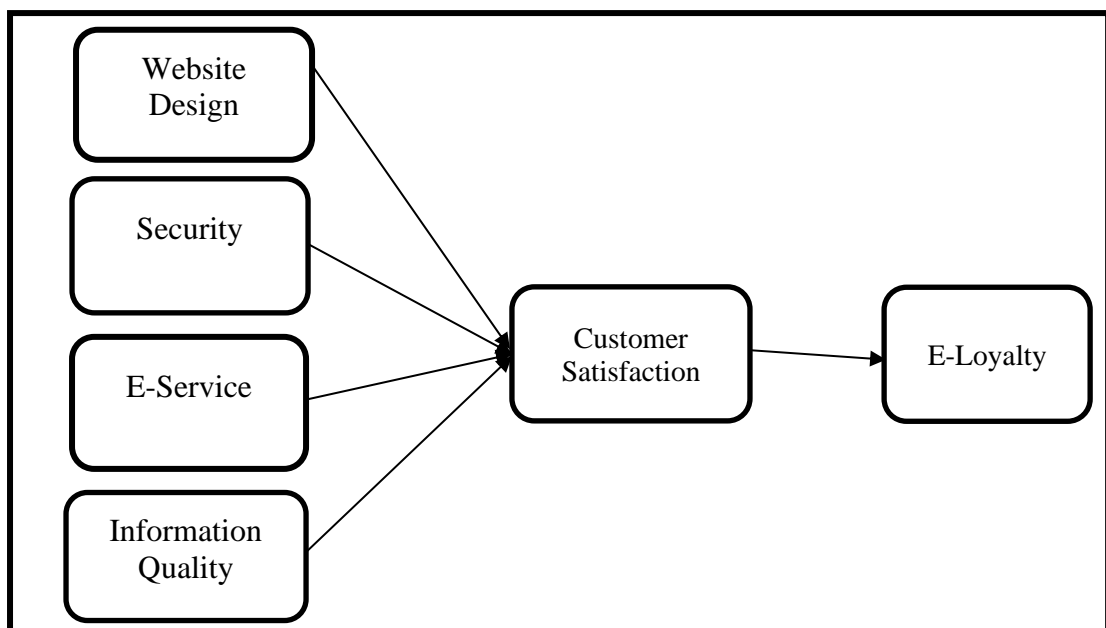


Source: Ludin (2014)

According to the Figure 2.4, this study aims to examine the factors that influence customers' satisfaction in an online shopping environment in Malaysia, especially amongst the young adult generation of ages ranging from 18to 35years old. Furthermore, this study also examines the relationship between customers' satisfaction and e-loyalty in an online shopping environment. Therefore, this proves the significance of security in online shopping as it is one of the main factors that is considered when a customer decides to purchase online. Thus, having a trusted website with exceptional security helps customers to be more confident and eventually, to feel satisfied. To the customer satisfaction is the totally influencing of security.

Maddern, Maull, Smart & Baker (2007) defined customer satisfaction and service quality in UK financial services. The research objectives, outlined earlier, seek to clarify conflicts identified by the literature review and to address gaps in current knowledge. Whilst there is a broad consensus that staff satisfaction is a significant driver of customer satisfaction, and that both technical service quality and functional service quality are also important, there is some dispute surrounding the relative significance of technical service quality and functional service quality. The first research objective addresses this satisfying customer is a core business challenge which has considerable attention. The existing customer satisfaction literature is dominated by two theoretical perspectives: the service profit chain (Heskett 1994) and SERVQUAL (Parasuranam, Zeithmal & Berry, 1985). However, SERVQUAL differentiates the service quality construct distinguishing between functional service quality (doing things nicely) and technical service quality (doing things right). Priority is afforded to functional service quality.

Figure 2.5    The relationship between Service Quality and Customer Satisfaction
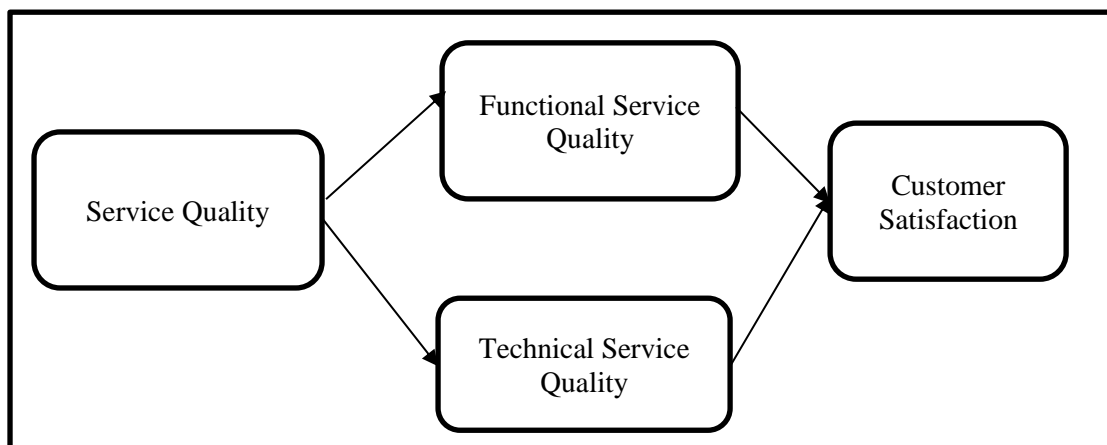


Source: Maddern, Maull, Smart & Baker (2007).

According to the Figure 2.5, the evaluates the customer satisfaction, specifically to assess the relative impact of technical and functional service quality. Whilst the conceptual separation of functional and technical service quality proposed by Gronroos (1984) has been widely supported, Kang & James (2004), highlight the difficulties faced when trying to operationalize these constructs. They note that some researchers have used SERVQUAL to measure functional quality (Powpaka, 1996, Richard & Allaway, 1993). However, two of the five items within SERVQUAL, reliability and tangibles, do not seem to fully align with the original concept of functional quality as outlined by Gronroos. These two deals more with outcomes of the service rather than the experience of the service itself. For this research, a multi item measure was used for Functional Quality, drawing upon the four remaining questions asked in the monthly customer research.

Hanif Hafeez & Riaz (2010) examined the factors affecting customer satisfaction of telecommunication services in Pakistan. The origin of telecommunication services in Pakistan can be traced back to 1947 that was followed by a major change in 1962 when telegraph and telephone services were separated by the establishment of independent T & T and postal department. Later on, developments were made in the provision of telecommunication services to the customer on consistent basis but from the last two decades revolutionary changes in the telecom sector have taken place with the introduction of mobile telephony. This shift brought Pakistan telecommunication sector into a new era of growth and progress that had a great impact on its subscribers who became more sensitive about the service quality, pricing and switching barriers.

Since satisfied customer is the core concern of any organization therefore they pay close attention toward the factors that influence a customer's decision towards brand. The main purpose of this research study was to investigate the key variables that are having strong influence on customer satisfaction in telecom sector and influence purchasing decision of customers. This study has considered the two main important factors as pricing and customer's services to know its effects on customer satisfaction. Factors affecting customer satisfaction are key concern for any organization, department or country because through customer satisfaction any business can establish long term profitable relationship with customer. The reason behind is once a firm loses its loyal customers it has to incur a cost of acquiring them again in addition to acquiring the new ones.

Figure 2.6       The Model of Price & Service influencing in Customer Satisfaction
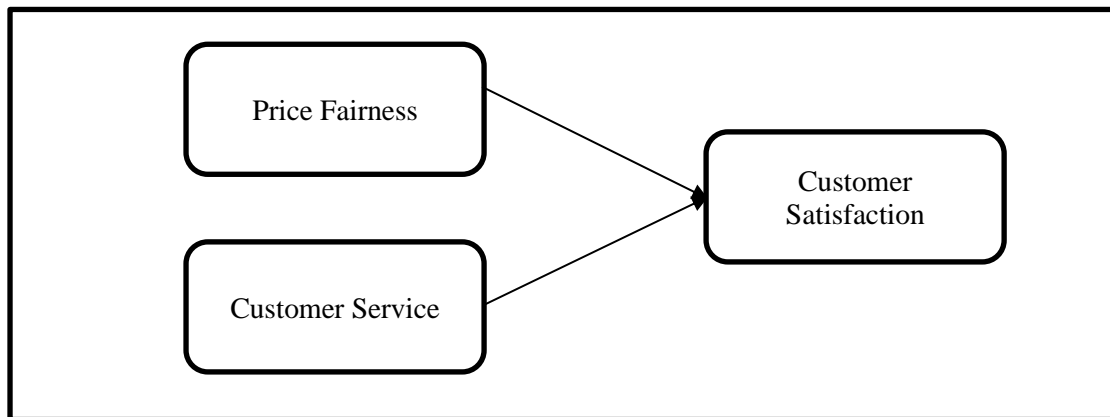


Source: Hanif Hafeez & Riaz (2010).

According to the Figure 2.6, the study focusing at customers of telecommunication companies shows that if a brand is fulfilling its promises, it would enhance customer satisfaction and create a feeling in customer that he has chosen one of the best brands. This paper has considered all the dimensions that would be accounted for customer satisfaction like coverage quality, over all experience and fulfillment of communication needs. Research has shown that customer satisfaction is created once the primary needs of customer are met by the brand.

## 2.5      Conceptual Framework of the Study

This study based on the factors influencing effect on customer satisfaction of international banking transaction that attempt to understand the relationships between security, functional service quality, price fairness. The knowledge and perceptions that are acquired by a combination of direct experience with the object and related information from various sources. Security have the main objective, but are not necessarily permanent and can change the overtime and also security occur within a situation. By keeping in touch with customer, service quality product also their marketing messages and appeal. If the security and service quality are the best, and price are also high in the market bank can lost the customer. This mean that a change in Price Fairness component tends to produce related changes in the other components.

Figure 2.7    Conceptual Framework of the Study
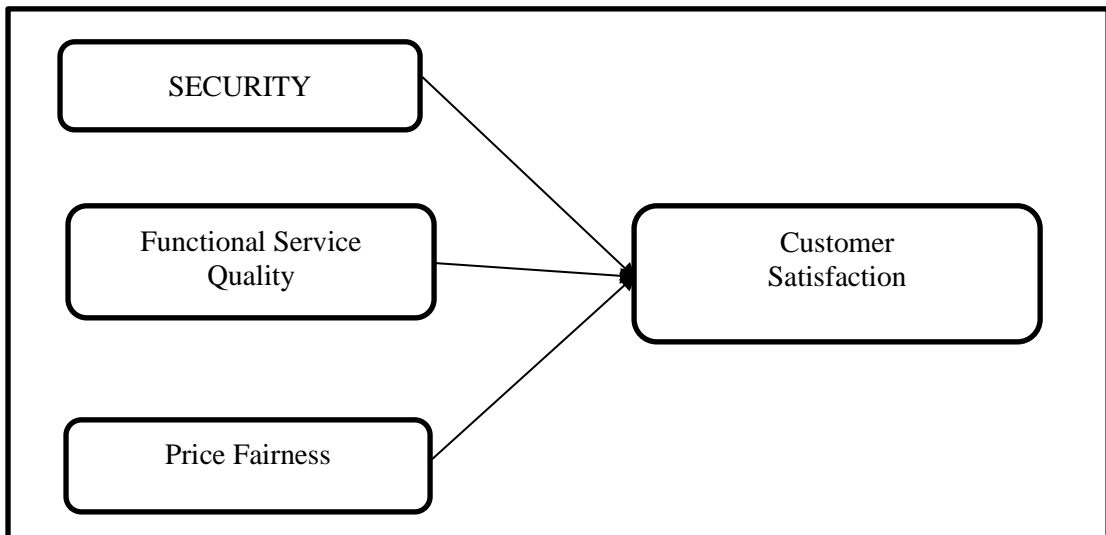


Source: Own Compilation, 2022

According to the Figure 2.7, A conceptual framework illustrates the expected relationship between the variables. It defines the relevant objectives for the research process and maps out how that come together to draw coherent conclusions. In this research as a leaned predisposition to respond in a consistently favorable or unfavorable manner with respect to a given object.

To prepare the research for the study. The following working definitions are adopted.

Security is a mandatory for the International banking Transaction.

Functional Service Quality is a quality is for the influencing factor for the customer satisfaction.

Price is also the main objective for the customer attraction and use the product or services as a loyalty than get the satisfaction from the customers.

# CHAPTER III
# Overview of the Punjab National Bank

In this chapter have three parts. One is how the flow of the international banking transaction in Myanmar. Second is the History of the Punjab National Bank and last one is the what are the service are giving from the Punjab National Bank (Yangon Representative Office) to the customers.

## 3.1 International Banking Transaction in Myanmar

A sound financial system is essential for the health of an economy. The financial sector plays a crucial role for economic development, in particular by creating money, mobilizing deposit, allocating capital and providing modern payment and insurance services. An efficient and effective financial sector thereby reduces costs and risks in the real sector. Hence, the stability of the financial sector is of paramount importance for the well-being of a country and its people. And it is the chief responsibility of a central bank to ensure this very stability. (The Myanmar Banking Sector-2018).

There are four state-owned banks in Myanmar. The Myanmar Economic Bank (MEB), Myanmar Foreign Trade Bank (MFTB), Myanmar Investment and Commercial Bank (MICB), Myanmar Agricultural Development Bank (MADB). After the nationalization of the banking sector in 1963, foreign banks were not allowed to operate in Myanmar. It was only in 1990 that the government of Myanmar re-admitted foreign banks into the country. The number of licensed foreign banks has steadily grown, particularly over the last 5years. As of November 2018, there are 13 foreign licensed banks and 49 representative offices of foreign banks in Myanmar.

As of December 2017, foreign banks' market share in terms of assets was about 10%. The Industrial and Commercial Bank of China is the largest foreign bank with almost one fourth of foreign banks' assets (as of March 2017). To receive a license foreign banks, have to deposit a USD 45million reserve at the CBM, money for which they do not receive any interest. Banking functions of foreign banks are limited. In the past they were not allowed to lend to local businesses unless they partnered with a local bank. However, reform measures are under way.

Prior to 2012 trade financing was monopolized by state owned banks. Today, local banks provide fee-based services such as letter of credits, bank guarantees and interest-bearing services including import financing and pre and post shipment export financing. In December 2017, the Central Bank of Myanmar started allowing foreign banks to conduct export financing and in August 2018 foreign banks were permitted to start offering import trade financing services. Trade Financing liberalization can provide more financing opportunities for Myanmar traders. However, there are still some limitations for both, foreign and local banks. Although foreign banks with their expansive network, experience, capital and technology could easily facilitate Myanmar's external trade, they face difficulties in accessing local trade firms as many firms lack reliable and standardized financial records and statements that foreign banks are accustomed to. Moreover, the lack of credit bureau information makes it difficult for foreign banks to assess the creditworthiness of local traders. This issue is also the reason why local banks only extend trade financing facilities to their long-term corporate customers. (The Myanmar Banking Report 2018).

In Myanmar all the banks provide international banking transaction for the State as well as the co-operative, joint venture and private sectors. It is up to now, concentrating its activities to the field of international banking business i.e. export and remittances, etc. For the International banking transactions customer must have a foreign currency accounts with banks. Two types of foreign currency accounts are allowed to be opened in the all local banks. They are current deposit account and interest bearing six months fixed deposit account. All the local banks are carrying out their operations to the fullest of its capacity for facilitating the smooth functioning of financial services of its customers. Local banks are exchanging foreign currencies, inward and outward remittances, collecting foreign cheques and draft, collecting credit cards, daily cash deposit (Foreign Currency) by government departments, Embassies, Private Companies, NGO and INGO, drawing, accepting and collecting bills of exchange, issuing, advising and confirming Letters of credit, issuing and advising bank guarantees.

International Banking Transactions bank have to maintain foreign Correspondent banks with overseas banks and established correspondents Nostro accounts in various currencies with selected banks in different countries. To operate the international payment services, banks have organized different upon the specialization of works. Generally, there may be the following departments: Foreign

Remittances Department, Import Department and Exports Department. These departments provide the following international payment services: foreign remittance, documentary collection and letter of credit. (Myanmar Foreign Trade Bank 2018 Report).

## 3.2    Profile of Punjab National Bank

Punjab National Bank is a PSU working under the government of India regulated by the Reserve Bank of India Act, 1934 and the Banking Regulation Act, 1949. It was registered on 19 May 1894 under the Indian Companies Act, with its office in Anarkali Bazaar, in pre-independent India (present-day Parkistan). The founding board was drawn from different parts of India professing different faiths and of varying backgrounds, with the common objective of creating a truly national bank that would further the economic interest of the country.

PNB's founders included several leaders of the Swadeshi movement such as Dyal Singh Majithia and Lala Harkishen Lal, Lala Lalchand, Kali Prosanna Roy, E. C. Jessawala, Prabhu Dayal, Bakshi Jaishi Ram, and Lala Dholan Dass. Lala Lajpat Rai was actively associated with the management of the Bank in its early years. The board first met on 23 May 1894. The bank opened for business on 12 April 1895 in Lahore. PNB is the first Indian bank to have been started solely with Indian capital that survives to the present earlier Oudh Commercial Bank was established in 1881, but failed in 1958. Mahatma Gandhi, Jawaharlal Nehru, Lal Bahadur Shastri, Indira Gandhi and the Jalianwala Bagh Committee have held PNB accounts. In 1900 PNB established its first branch outside Lahore in India. Branches in Karachi and Peshawar followed. The next major event occurred in 1940 when PNB absorbed Bhagwan (or Bhugwan) Dass Bank, which had its head office in Dehra.

At the Partition of India and the creation of Pakistan, PNB lost its premises in Lahore, but continued to operate in Pakistan. Partition forced PNB to close 92 offices in West Pakistan, one-third of its total number of branches, and which held 40% of the total deposits. PNB still maintained a few caretaker branches. On 31 March 1947, even before Partition, PNB had decided to leave Lahore and transfer its registered office to India; it received permission from the Lahore High Court on 20 June 1947, at

which time it established a new head office at Under Hill Road, Civil Lines in New Delhi. Lala Yodh Raj was the Chairman of the Bank.

In 1951, PNB acquired the 39 branches of Bharat Bank (est. 1942). Bharat Bank became Bharat Nidhi Ltd. In 1960, PNB again shifted its head office, this time from Calcutta to Delhi. In 1961, PNB acquired Universal Bank of India, which Ramakrishna Jain had established in 1938 in Dalmianagar, Bihar. PNB also amalgamated Indo Commercial Bank (est. 1932 by S. N. N. Sankaralinga Iyer) in a rescue. In 1963, The Burmese revolutionary government nationalized PNB's branch in Rangoon (now Yangon). This became People's Bank No. 7. After the Indo-Pak war of 1965, the government of Pakistan seized all the offices in Pakistan of Indian banks in September 1965. PNB also had one or more branches in East Pakistan (now Bangladesh).

In 2003 PNB took over Nedungadi Bank, the oldest private sector bank in Kerala. At the time of the merger with PNB, Nedungadi Bank's shares had zero value, with the result that its shareholders received no payment for their shares. PNB also opened a representative office in London. Two years later, PNB established PNBIL – Punjab National Bank (International) – in the UK, with two offices, one in London, and one in South all. Since then it has opened more branches, this time in Leicester, Birmingham, IL ford, Wembley, and Wolverhampton. PNB also opened a branch in Hong Kong. In January 2009, PNB established a representative office in Oslo, Norway. PNB hopes to upgrade this to a branch in due course. In January 2010, PNB established a subsidiary in Bhutan. PNB owns 51% of Druk Domestic Branch Network. As at the end of March' 2022, Bank has total 39,167 delivery channels with a network of 10,098 domestic branches, 2 International branches, 13,350 ATMs & 15,719 Business Correspondents.

**Punjab National Bank system**

Punjab National Bank has the own corporate objective, mission, vision, values, maintain their staff skill and security for their valuable customers.

(i)      Corporate Objective, Mission, Vision and Values

"The name you can bank upon" is the company's slogan, and it serves as a commitment to consumers who choose PNB Bank. PNB mission is "To offer quality financial services by leveraging technology to create value for customers and other stakeholders, opportunities for employees and thus, contributing to the economic

growth of nation". PNB Vision is "To be a globally trusted banking partner through customer-centric innovations, empowering employees and enriching lives of all stakeholders". PNB values are as follow work as a team for the benefit of customers, incorporate innovation to drive business, objective in decision making, always be willing to learn and embrace change, adopt ethical practices to develop a culture of trust".

### (ii) People Management

The learning and development of employees is vital for their performance improvement as well as retention. The training system of the Bank evolved through adoption of new delivery systems and technology to upskill and prepare the maximum number of employees to face the challenges. During the year, the bank took a slew of innovative measures to promote learning and development amongst workforce, ensuring consistent delivery of an enhanced learning experience at flexible timings. The training system has been strategically aligned with the long-term corporate goals, manifested in the backdrop of global financial and economic scenario. The bank has been a pioneer in taking initiatives in the area of financial inclusion. Under PMJDY, 418 Lakh accounts were opened.

### (iii) Awards and Recognitions

PNB getting the awards from the difference government authorities and Ministry the following are: Most significant lender supporting SC entrepreneurs' by Ministry of Social Justice & Empowerment, Best MSME Bank (PSU) in 8th MSME Excellence Awards for FY'21 by ASSOCHAM, Best Data Quality Improvement Award on Commercial Bureau for FY'21 amongst Public sector Banks by TransUnion CIBIL, Jointly with M/s Infosys won the "Global Banking & Finance Awards 2021" in the category "Initiative Core Amalgamation" for FY'21 by Global Finance Review Company, Secured 1st position amongst peer banks under Agriculture Infrastructure Fund (AIF) campaign launched by Ministry of Agriculture and Farmers Welfare.

### (iv) Social Media Presence

Bank believes in a thriving communication with its customers and in this context understands the importance of Social media as an effective tool. Punjab

National bank is having a Facebook following of 14,93,566, Twitter following of 2,87,716, LinkedIn following of 85,231, Instagram following of 85,710, YouTube subscribe₹ of 77,475 and Koo following of 15,200.

**3.3    Security Service in Punjab National Bank**

This section includes privacy commitment, Security / Privacy Important, protect the customer information.

(i)    Privacy Commitment

Punjab National Bank recognizes customers need for privacy and security as the customer visit our website. By maintaining our commitment to the privacy, Punjab National Bank will ensure that PNB respect the inherent trust that the customers place in us.

(ii)    Security / Privacy Importance

Customer privacy is important to ours bank. To better protect the customer privacy / security PNB maintain a body corporate constituted in India under the Banking companies (Acquisition and Transfer of Undertakings) Act No. 5 of 1970. Personal Information refers to the information about the user obtained in connection with the Internet Banking Service. Privacy policy refers to privacy commitment of the Bank via-a-vis its Internet Banking Services. The banks have to be a member of Swift (Society for Worldwide Interbank Financial Telecommunications) for transmitting and receiving financial messages through that network.

The Society for Worldwide Interbank Financial Telecommunication (SWIFT) is the world's main banking messaging service which links around 11,000 banks and institutions in more than 200 countries, including India and Myanmar. Based in Belgium, the SWIFT system is considered central to the smooth functioning of global finances and Russia's exclusion from it would hit the country hard. To send an international payment, the customer simply need to gather all the necessary information (IBAN number, BIC/SWIFT number, IFSC recipient's banking details, etc.) and submit them to your bank, whether that's in person or via an online banking app. In most cases, international bank transfers can only be processed on business

days, provided that they are requested before the cut-off time, which varies from bank to bank.

SWIFT system is used by banks, brokerage institutions, trading houses, securities dealers, asset management companies, clearing houses, depositories, exchanges, corporate business houses, foreign exchange brokers. SWIFT (written in capital letters) is a messaging system that enables banks and financial institutions worldwide to send and receive information about financial transactions via encrypted codes making the transactions secure. SWIFT stands for Society for Worldwide Inter-bank Financial Telecommunications. The SWIFT system commenced in 1974 when seven global financial institutions constituted a cooperative society for transferring financial messages securely. Before SWIFT, Telex was prevalent as well as lone means of message confirmation for foreign exchange. However, it faced issues such as low speed, security concerns, and scope of manual errors. SWIFT system is used by banks, brokerage institutions, trading houses, securities dealers, asset management companies, clearing houses, depositories, exchanges, corporate business houses, foreign exchange brokers. Nostro account is a foreign exchange account that a bank holds overseas. The account is used to transfer the money across the oceans via an account that one local bank (such as PNB) holds abroad. It is noteworthy that the SWIFT system is a mere messaging system and not a payment gateway, whereas the nostro account is a bank account held by the bank itself for dealing in the offshore payments.

Bank adopts strict standards of security and confidentiality in maintaining personal information of users. Bank permit only authorized employees or individuals, who have been trained in proper handling of user information, to have access to the customer information. BANK endeavors to safeguard and ensure the security of the information provided by the user. Information provided by user on BANK's web site is encrypted or scrambled in order to secure information. Bank uses 128-bit encryption, for the transmission of the information, which is currently the permitted level of encryption in India. When the information provided by the users is not transmitted through this encryption, the users' system (if configured accordingly) will display an appropriate message ensuring the best level of secrecy for the users' information.

When a user provides sensitive information such as user ids, passwords etc., it will be automatically converted into codes before being securely dispatched over the

Internet. The customers are requested to cooperate with bank in order to ensure the security of the personal information, and it is recommended that the customer should follow the security procedures/ guidelines/tips available of bank's website from time-to-time. Further, users are advised that user should choose the passwords carefully such that no unauthorized access is made by a third party. user name, address, telephone number, vehicle number, driver license etc. or easily guessable combination of letters and / or numbers commit the user-id and password to memory and not record them in a written or electronic form not let any unauthorized person have access to the user computer or leave the computer unattended while using Internet Banking Services. If user think the User ID and/or password has been disclosed or compromised to a third party, is lost or stolen and unauthorized transactions may have been conducted, users are responsible to inform the banks immediately.

Bank uses firewalls, Intrusion prevention system (IPS) and routers to create a "doorway" between the Internet and bank internal computer network. This doorway restricts access to our internal computer network. Data transmissions that are sent through our firewall and routers to our internal computer network are subject to verification by the firewalls and routers. We are able, thus, to control the data transmissions that gain access to bank internal computer network. Whenever bank hire other organizations to provide support services, bank will require them to conform to the bank privacy standards. The privacy and protection of the personal information is vitally important to our bank. Unfortunately, no data transmission over the Internet can be guaranteed to be 100% secure.

Bank is strongly committed to protecting the privacy of its users and has taken all necessary and reasonable measures to protect the confidentiality of the user's personal information and its transmission through the Internet or world wide web and it shall not be held liable for disclosure of the confidential information when in accordance with this Privacy Policy or in terms of the agreements, if any, with the users. BANK pledges its intention fully to meet and comply with the requirements of applicable data protection / privacy laws and guidelines in India. (PNB Privacy and Security Policy 2022).

### 3.4 Functional Service in Punjab National Bank

Punjab National Bank, is extensively catering to banking needs of Non-resident Indians, Importers Exporters particularly relating to foreign exchange business including

Imports & Exports of Goods & Services as also Remittances etc. PNB offers various schemes/ products / services relating to international banking. The products details thereof are as following- Foreign Remittances of International Banking Payments, Letter of Credit.

(i)      Foreign Remittances of International Payments

Figure 3.1      The Process of Fund Transfer
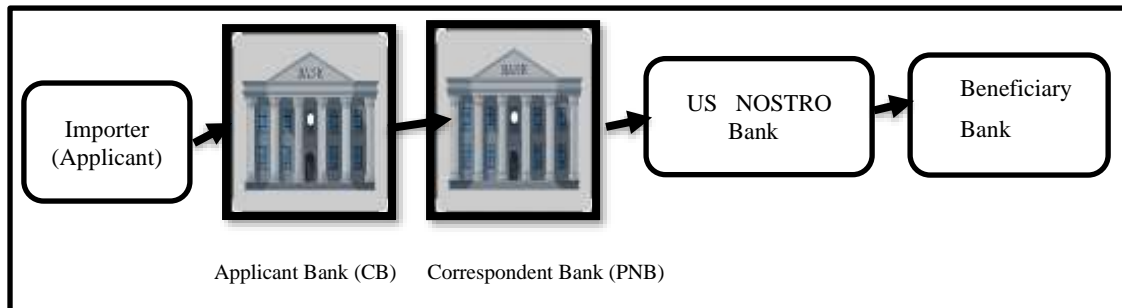


Source: Punjab National Bank (Yangon Representative Office work flow)

According to the figure 3.2, illustrates the process of fund transfer from applicant bank to beneficiary bank, in banking terms is called MT-103. Importer and exporter have the sales contract and send the payment into 50 percent advance and after reaching the product into port than rest amount 50 percent sent. Step 1: importer approaches the bank for telegraphic transfer. Step 2: applicant bank sends the MT-103 to their correspondent/intermediary banks. step 3: correspondent Bank send the swift MT-103 to US NOSTRO correspondent banks. Step 4: US NOSTRO correspondent bank send the swift message to beneficiary bank.

(ii)     Letter of Credit

Trading goods across international borders is riskier than trading within national borders. The trading partners are located in different countries that may be separated by a large distance which results in long shipping times, are subject to different laws and may speak different languages. Deciding on whether the risk should be borne by one of the trading partners or shifted onto a bank by paying a fee to purchase a so-called letter of credit (LC) is one of the key decisions that needs to be made.

In the way of structuring financing in international trade. Under open account (OA), the importer pays after the arrival of the goods in the destination and the exporter is exposed to the risk of non-payment. Alternatively, under cash in advance

(CIA) the importer pays before the exporter ships the goods to the destination, and thus the importer faces the risk of not receiving the pre-paid goods. The trading partners may shift the risk onto their banks by purchasing an LC. In an LC-financed transaction, the importer's bank promises to pay for the goods on behalf of the importer provided the exporter meets all requirements specified in the contract. In this way, the risk of non-payment or non-delivery of pre-paid goods is eliminated. Finally, under documentary collection (DC), the transaction is facilitated by the exporter's bank and the importer's bank. While this financing term works similarly to LC, it does not involve a payment guarantee by the importer's (or the exporter's) bank, and thus it is much cheaper than LC. However, in some cases a properly structured DC can provide partial protection.

Figure 3.2        The Basic Flow of Letter of Credit (LC)
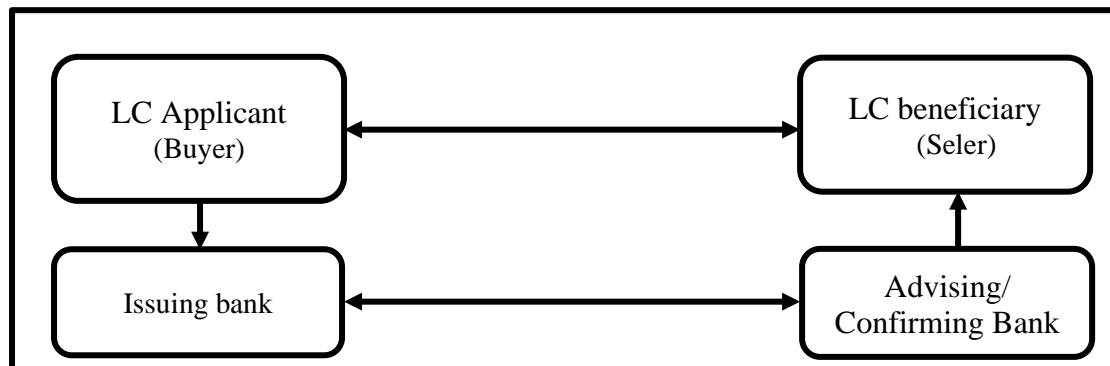


Source: L/C payment process in international trade

The following Figure illustrates the process of fund transfer from Applicant Bank to Beneficiary Bank, in banking terms is called MT-700. Step 1: Importer and exporter have the sales contract and agreed to use an LC as the method of payment. Step 2: Importer approaches the bank for issue the LC. Step 3: Importer bank advising the LC to exporter bank Step 4: exporter bank authenticates the LC and sends the exporter.

## 3.5     Price Fairness in Punjab National Bank

PNB has history of over 125 years of banking experience & resilience and post the merger it has become systematically important 2$^{nd}$ largest public sector bank in the country. It has a pan-India network with semi urban and rural area as the key focused regions. Bank also has an overseas presence in Hong Kong, Dubai, Bhutan,

United Kingdom, Nepal, Bangladesh and Myanmar. PNB merged with OBC and United Bank of India from 1st Apr, '20. The merged entity enjoys the benefits of larger balance sheet size and wider geographic reach leading to deeper penetration. Over longer run, merger will help in improving the efficiency of operations, increasing economies of scale, better management of risk, improved professional standards, savings on cost, etc. Total loan book for the merged entity stood at Rs.7.39 lakh Cr. It has diversified loan book mix where corporate is 48%, Agriculture contributes 16%, MSME is 17% and 19% is contributed by retail segment. Long presence and wide geographic presence have helped the bank in building low cost liability profile. CASA ratio for the bank stood at 45.5% against the average CASA share of ~40% for PSBs. 60 Lakh new deposits customers were added during FY21. The deposit base of the merged entity also remains granular as management has reduced bulk deposits significantly. Following table (3.4) is provided the PNB take the international banking transaction charges.

Table (3.1)     The Price schedule of Vostro correspondent Bank

| Sr. No | Currency wise slab of Vostro Account USD | Charges in respective currency USD |
|--------|------------------------------------------|-----------------------------------|
| 1. | Up to 5000 | 20 |
| 2. | 5001 to 10000 | 30 |
| 3. | 10001 to 100000 | 50 |
| 4. | Above 100000 | 100 |

Source: Schedule of charges in PNB

According to Table (3.1), Charges of transaction banking have been compared with the UOB Bank, where as it is observed that the in case of outward remittances the fees paid to UOB Bank is on higher side compared to the correspondent banks based in Myanmar.

Also, PNB is the only bank having direct correspondent banking channel with Myanmar Banks. The settlement time and cost of transactions are higher in comparison in case the customer based in Myanmar intends to settle transaction with Singapore Based bank. As in such cases the transaction is settled through Singapore and US to India. However, in case of beneficiary based in PNB, direct transfer is

done. In case of beneficiary who are other than PNB only one US intermediary is being utilized. In case of documentary credit handling PNB is only advising the LCs beside confirmation of LC and discounting of LC based on risk profiles of the LC issuing banks. In case of advising PNB is giving the opportunity to recover the cost from exporters in India, whereas UOB has uniform price for advising and that is too deductible from importers only. These gives the leeway to the importers based in Myanmar to reduce the transaction cost by dealing with PNB over other banks.

Also, Punjab National Bank gives LC confirmation and Bill discounting cost is uniform for all the other locations including Myanmar. Myanmar being a high-risk zone in terms of various risk rating agencies and International watchdogs normally has higher risk premium for such products. PNB being a Government of India owned bank has always helped encouraging trade and non-trade transactions with India at minimal costs which is the main driver and motto for maintaining price fairness for the local banks.

# CHAPTER IV
# ANALYSIS OF INFLUENCING FACTORS ON CUSTOMER SATISFACTION

This chapter presents the analysis of influencing factors effect on customer satisfaction. This chapter is divided into five sections: they are research design, demographic characteristics of respondents, validity and reliability analysis, descriptive analysis of the independent and dependent variables, and regression analysis.

## 4.1    Research Design

A research design is the 'procedures for collecting, analyzing, interpreting and reporting data in research studies' (Creswell & Plano Clark 2007). The study has used descriptive research design to describe the effect of influencing factors on customer satisfaction in Punjab international bank. This study has employed quantitative research method to gather quantifiable data by performing statistical techniques. In order to fulfill this study's objectives, the required data were collected by using survey questionnaire.

This study consists of 100 customers who deal with international banking services of Punjab National Bank to rate each statement concerning their expectation and perception of international banking services of Punjab National Bank. The research questionnaire was mainly divided into two parts: Part 1 consists of respondents' demographic profile such as gender, age, etc. Part 2 contains questions regarding to influencing factors: security, financial service, and price fairness, and customer satisfaction. Part 2 is measured by 5-Point Likert Scale items to examine the research objective formally. The scales range from (1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree). Apply to analyze the statistical method such as the destructive method multiple linear regressions are applied. To analyze the effort of influencing factors: security, functional service quality, price fairness.

## 4.2 Profile of Respondent

The demographic characteristics of 100 respondents from Punjab National Bank in Yangon users are analyzed in this survey to identify the influencing factors effect on customer satisfaction at Punjab National Bank. This section includes profiles of the respondents such as gender, age, educational, position, marital status and working experience.

**Table (4.1)   Profile of Respondents**

| Items | Demographic | No of Respondents | Percent |
|---|---|---|---|
| | **Total** | **100** | **100.0** |
| Gender | Male | 47 | 47.0 |
| | Female | 53 | 53.0 |
| Age (Year) | Under 30 | 25 | 25.0 |
| | 31 to 40 years | 49 | 49.0 |
| | 41 to 50 years | 20 | 20.0 |
| | Above 50 | 6 | 6.0 |
| Education | Undergraduate | 4 | 4.0 |
| | Graduate | 65 | 65.0 |
| | Master | 22 | 22.0 |
| | PhD | 9 | 9.0 |
| Occupation | Banker | 53 | 53.0 |
| | Manager | 35 | 35.0 |
| | Company Staff | 12 | 12.0 |
| Relation with Bank (Year) | 1– 5 years | 38 | 38.0 |
| | 5– 10 years | 35 | 35.0 |
| | Over 10years | 27 | 27.0 |
| Business Types | Bank | 61 | 61.0 |
| | Agriculture & Fish | 15 | 15.0 |
| | Motor Vehicles | 2 | 2.0 |
| | oil and petroleum | 4 | 4.0 |
| | wood and forestry | 2 | 2.0 |
| | Food and Bev: | 10 | 10.0 |
| | Others | 6 | 6.0 |
| Use Payment Method | Telegraphic Transfer | 73 | 73.0 |
| | Letter of Credits | 24 | 24.0 |
| | Advance Payment | 3 | 3.0 |

Source: Survey data (2022)

According to Table (4.1), this research divided seven part. Most of the respondent are from the Bank & Agriculture & Fish. Mainly the customer is using the telegraphic transfer and letter of Credit. The research of this study respondents is more attractive of the PNB international banking transaction.

## 4.3 Reliability and Validity Test of the Study

Reliability test is important for analysis of the study. Reliability refers to the degree to which measures are free from random error and therefore yield consistent results (Zikmund 1997). The study uses Cronbach's Alpha as a measure of internal consistency. Cronbach's Alpha is a reliability coefficient that indicates how well items in a set are positively correlated to one another (Sekaran, 2003). A rule of thumb for interpreting Cronbach's alpha for Five-Likert Question is:

**Table (4.2)   Rule of Thumb on Cronbach's alpha**

| Alpha Coefficient Range | Strength of Association |
|---|---|
| < 0.6 | Very Poor |
| 0.6 to < 0.7 | Poor |
| 0.7 to < 0.8 | Satisfactory |
| 0.8 to < 0.9 | Good |
| 0.9 | Excellent |

Source: Rule of thumb on Cronbach alpha. resarchgate.net

Based on the survey data, the reliability or the internal consistency among the variables was checked with the Cronbach's alphas per table (4.3).

**Table (4.3)   Reliability Test for Influencing Factors**

| Sr. No. | Factors | No. of items | Cronbach's Alpha | Validity (KMO) |
|---|---|---|---|---|
| 1 | Security | 6 | 0.855 | 0.825 |
| 2 | Functional Service | 7 | 0.896 | 0.852 |
| 3 | Price Fairness | 6 | 0.925 | 0.869 |
| 4 | Customer Satisfaction | 5 | 0.898 | 0.839 |

Source : Survey data (2022)

According to the result of table (4.3), all the alpha value is between 0.85 to 0.92. Therefore, the research data for this survey are good and it's reliable.

## 4.4 Descriptive Analysis of Influencing Factors on Customer Satisfaction

The conceptual model of the study was based on three independent variables namely security, functional service, and price fairness. Moreover, there is one more independent variable of customer satisfaction as well. The findings under this section seek to measure how each of the variable's effect on the customer satisfaction at Punjab International Bank. Best (1997:174).

The score among 1 to 1.18 means lowest perception.

The score among 1.81 to 2.61 means low perception.

The score among 2.62 to 3.41 means perception.

The score among 3.42 to 4.21 means high perception.

The score among 4.22 to 5 means highest perception.

### 4.4.1 Customer Perception of Security

Regarding with the security factors, the customers are required to respond total six questions. Under table (4.4), data are presented about current customer perception on the security factors.

**Table (4.4)   Customer Perception of Security**

| Sr. No. | Items | Mean | Standard Deviation |
|---|---|---|---|
| 1 | Punjab international bank transactions services are more secure than others local banks. (eg. Hondi) | 4.48 | .772 |
| 2 | Punjab international bank transactions can reduce the risks within the ACU countries. | 4.36 | .718 |
| 3 | Punjab international bank transactions department's employees well know about International Payment Settlements. | 4.60 | .636 |
| 4 | International Banking transaction is more reputation than other local transactions. | 4.23 | .737 |
| 5 | Security is considered an important factor for our international banking transactions, which is taken seriously by our IT experts. | 4.45 | .716 |
| 6 | Punjab National Bank strictly maintain the AML-KYC as per the Global Standard | 4.52 | .674 |
| **Overall Mean** | | 4.44 | |

Source : Survey data (2022)

Table (4.4) shows the individual mean score of six questions for customer perception of security. The lowest mean score is 4.23 which is higher than neutral value 3 and the highest mean score is 4.60 is also higher than neutral value 3 and thus most of the customer feel to have the security for using Punjab bank.  It can be concluded security of Punjab bank is effective. It will be more effective if PNB to consider again on the security in local transaction of customers.

**4.4.2   Customer Perception of Functional Service Quality**

Under Table (4.5), data are presented about current customer perception on the financial service.

**Table (4.5)   Customer Perception of Functional Service Quality**

| Sr. No. | Items | Mean | Standard Deviation |
|---------|-------|------|--------------------|
| 1 | Our Bank can give the great quality of the product | 4.58 | .638 |
| 2 | Our Bank can serve the international transaction services within the shot period. | 4.30 | .718 |
| 3 | Our Bank International Banking Department employees are solving the customer grievances within the day. | 4.20 | .739 |
| 4 | International Banking Department responsiveness time is in a day. | 4.47 | .703 |
| 5 | Our Bank can give the best service compare to the other Indian Bank in Myanmar. | 4.51 | .732 |
| 6 | Punjab National Bank professionalism is in the field of international transaction anywhere in India. | 4.52 | .627 |
| 7 | Punjab National Bank can provide international transactions with skilled bank employees. | 4.56 | .641 |
| **Overall Mean** | | 5.19 | |

Source : Survey data (2022)

Table (4.5) shows the individual mean score of seven questions for customer perception of functional service. The lowest mean score is 4.2 which is higher than neutral value 3 and the highest mean score is 4.56 is also higher than neutral value 3 and thus most of the customer feel to have the service quality for using PNB.  It can be concluded functional service quality of PNB is effective. It will be more effective if PNB to consider again on the solving the customer problem within the day.

### 4.4.3   Customer Perception of Price Fairness

Regarding with the price fairness factors, the customers are required to respond total six questions. Under table (4.6), data are presented about current customer perception on the price fairness factors.

**Table (4.6)   Customer Perception of Price Fairness**

| Sr. No. | Items | Mean | Standard Deviation |
|---|---|---|---|
| 1 | The cost of international banking transaction of our bank is reasonable price. | 4.55 | .657 |
| 2 | Our products meet the customer need in global standard price. | 4.36 | .644 |
| 3 | Punjab National Bank doesn't take any NOSTRO replenishment charges with institution to institutions. | 4.35 | .702 |
| 4 | Punjab National Bank waived service charges for Daily statement and maintenance charge | 4.44 | .701 |
| 5 | Application Rates for our customers vis a vis other bank. | 4.42 | .762 |
| 6 | Punjab International Bank (Yangon branch) waves the inward remittance charges from our bank customers. | 4.63 | .648 |
| **Overall Mean** | | 4.4583 | |

Source : Survey data (2022)

Table (4.6) shows the individual mean score of six questions for customer perception of price fairness. The lowest mean score is 4.35 which is higher than neutral value 3 and the highest mean score is 4.63 is also higher than neutral value 3 and thus most of the customer feel to have the price fairness for using PNB. It can be concluded price fairness of PNB is effective. It will be more effective if PNB to consider on the taking additional charges when NOSTRO replenishment with institution to institution.

### 4.4.4  Customer Satisfaction

Regarding with the customer satisfaction factors, the customers are required to respond total five questions. Under table (4.7), data are presented about current customer perception on customer satisfaction.

**Table (4.7)  Customer Satisfaction**

| Sr. No. | Items | Mean | Standard Deviation |
|---|---|---|---|
| 1 | I feel satisfaction because bank services have met my expectations. | 4.59 | .657 |
| 2 | I am satisfied with the security of Punjab National Bank (Yangon Branch). | 4.57 | .644 |
| 3 | I am satisfied with the functional services of Punjab National Bank (Yangon Branch). | 4.58 | .702 |
| 4 | I am satisfied with the price fairness of Punjab National Bank (Yangon Branch). | 4.75 | .701 |
| 5 | Overall, I am satisfied for using of Punjab national bank (Yangon Branch). | 4.69 | .762 |
| **Overall Mean** | | | 3.863 |

Source : Survey data (2022)

Table (4.7) shows the individual mean score of five questions for customer perception of customer satisfaction. The lowest mean score is 4.57 which is higher than neutral value 3 and the highest mean score is 4.69 is also higher than neutral value 3 and thus most of the customer feel to have the satisfaction for using PNB. It can be concluded all of the customer are satisfaction of PNB services. It will be more effective if PNB to consider again on the security on PNB in Yangon.

**4.5    Influencing Factors on Customer Satisfaction**

To analyze the effect of influencing factor on customer satisfaction, Correlation analysis of the study, the multiple regression analysis is concluded, and the results are shown in respectively Table (4.8) & Table (4.9).

**Table (4.8) Correlation Analysis**

| Sr. | Factors | Correlation | P-Value (Sig.) |
|-----|---------|-------------|----------------|
| 1 | Security | 0.912** | 0.000 |
| 2 | Financial Service | 0.900** | 0.000 |
| 3 | Price Fairness | 0.865** | 0.000 |
| 4 | Customer Satisfaction | 1 | 0.001 |

Source: SPSS Output, 2022

Correlation analysis of the study is the degree and direction to which security and functional service variables are related. Correlation does not fit a line through the data points. Simply is computing a correlation coefficient that tells security variable tends to change when the price one does. When security is higher is price fairness is lower, there is no relationship. When security is positive, there is a trend that customer satisfaction also goes up.

Therefore, security, functional service quality and price fairness are the independent variable and customer satisfaction is the dependent variable, if the two variables swapped the degree of correlation coefficient will be same.

To analyze the effect of influencing factor on customer satisfaction, the multiple regression analysis is concluded, and the results are shown in Table (4.9).

**Table (4.9) The Effect of Influencing Factors Effect on Customer Satisfaction**

| Dependent Variable: customer | Unstandardized Coefficients | | Standardized Coefficients | T | Sig | VIF |
|---|---|---|---|---|---|---|
| | B | SE | Beta | | | |
| (Constant) | .169 | .154 | | 1.104 | .272 | |
| Security | .498*** | .064 | .493 | 7.795 | .000 | 3.814 |
| Financial Service | .406*** | .071 | .399 | 5.697 | .000 | 4.670 |
| Price Fairness | .099 | .064 | .106 | 1.534 | .128 | 4.520 |
| $R^2$ | 0.899 | | | | | |
| Adjusted $R^2$ | 0.896 | | | | | |
| F statistics | 285.490*** | | | | | |
| Statistically significant indicate ***at 1%, ** at 5%, * at 10% level respectively | | | | | | |

Source: SPSS Output, 2022

From the findings of Table (4.9), variance inflation factor (VIF) is not more than 10. It indicated that all independent variables had not influenced each other since there is not multico- linearity and is acceptable among all independent variables if VIF value is less than 10.

In accordance with Table, all independent variables were positive and adjusted R-squared was 0.899 which indicated that there is median effect on customer satisfaction at Punjab International Bank. Above table also reports the regression result showing the correlation between influencing factors and customer satisfaction. The standardized beta coefficient indicates the correlation between dependent and independent variable. The positive standardized coefficient (beta) means that an increase in variable of influencing factor leads to higher customer satisfaction, and vice versa. Security has the greatest beta value with 0.41, meaning that an increase in security leads stronger customer satisfaction. Financial service has the second highest beta value with 0.399 followed by 0.106 beta value of price fairness. There is no negative correlation between influencing factors and customer satisfaction since there is no negative beta value.

According to the results of Table, p-value of security and financial service was 0.000 and considers being significant at 1% level. The result indicated that security and financial service has a positive influence and dominant on the customer satisfaction.

# CHAPTER V

# CONCLUSION

This study was undertaken to explore the factor influencing effect on customer satisfaction of international banking transaction in Punjab National Bank in Yangon. Customer satisfaction is widely varied in accordance with the quality of service, functional service, price fairness. In this chapter include three main sectors: finding and discussion, suggestions and needs for future research.

## 5.1 Findings and Discussion

The main objective of study is to study factor influencing effect on customer satisfaction of international banking transaction in Punjab National Bank in Yangon. This study expands the boundaries of knowledge by contributing in three different ways. This research advances the understanding of security, factional service quality, price fairness and how interact with customer satisfaction in Punjab National bank in Yangon. First, tests an integrated framework to predict customer satisfaction in Punjab national bank in Yangon. This research study signifies the importance security, factional service quality, price fairness to achieve customer satisfaction. The data was collected by the customer of the bank by adopted the questionnaire. Three tests were applied Cronbach Alpha's correlation and regression. Cronbach's Alpha shows that the questionnaire is reliable. From the regression analysis, it indicates that model is a good fit. In this study, 100 respondents are surveyed to achieve the objective of the study. Regarding the demographic factors of the respondents, majority of the respondents in this study is male, at the age of 30 to 40 years. Regarding the education of respondents, majority is bachelor's degree holders. Majority of the respondents are the bank. In additions, most of the customers have using the bank service 5 year and above. Regarding the relationship with customer perception of security in PNB international bank transactions department's employees well known about international payment settlements has the highest mean score but perception about the international banking transaction is more reputation than other local transaction has lowest mean score. The study found that the customer perception of function service in PNB can give the great quality of the product has the highest mean score but perception about the PNB international banking department employees are solving the customer grievances within the day has the lowest mean score. Regarding the responsibility factor, the study found that the Punjab International Bank (Yangon Representative) waves the inward remittance charges

from our bank customers has the highest mean score but perception about the Punjab National Bank doesn't take any NOSTRO replenishment charges with institution to institutions has the lowest mean score.

The independent variables security, factional service quality and price fairness have the significant relationship with customer satisfaction. If a bank not meets customer's requirement, the customers switches to another bank. Highly satisfied customers tell other person about their experience, dissatisfied customers tell more person than the satisfied customer. Results provide evidence that security, factional service quality, price fairness influences customer satisfaction. This finding has great significance for professionals. Therefore, this research could be used as a guide for commercial banks to keep their focus on the variables affecting customer satisfaction. The Public and private banks should try to incorporate the significant factors in their business models. Regarding to the finding based on the main objective of the study, it can be concluded that the influencing factors of security and price fairness has the strong positive effects on the customer satisfaction. Moreover, it can be concluded as the customer satisfaction is also having strong positive relationship with security and price which PNB given.

## 5.2   Suggestions and Recommendation

In this research study, customer satisfaction has been considered which is a very important element for the success of any organizations. This study can practically be used by banking sectors in creating customer satisfaction. Suggest that by making customers satisfied, by establishing good relationship with customers through efficient security, functional services quality would lead toward customer satisfaction and simply by keeping the price fairness of services compatible a firm can establish long term profitable relationship with customers.

The findings can be practically implemented on service firms and apart from that those business which give due importance to relational marketing. The research suggests managers of such firms to have in "best functional services quality and price fairness" for success and growth of business or in making customer satisfied. The framework suggests the central importance of customer satisfaction in banking sector that how it should be created among customers and how to get benefits out of it. That would practically help out the banking sector for making customer satisfied, happy and loyal by making customer feel valued.

As a conclusion, this study suggests that PNB need to be aware of the following things: should increase the functional service, should have the quality of service for the customer and should have the better benefit than customer satisfied. By doing this, PNB will have more customer satisfaction in international banking transactions. The more customer is satisfied, the customers are committed to their business and doing their transactions will also be increased which may also improve the whole business performance of PNB.

## 5.3    Needs for Further Study

This study emphasizes on factor influencing effect on customer satisfaction of international banking transaction in Punjab National Bank in Yangon. Hence, further studies should predict that further study efforts are being needed to examine these factors with additional samples before generalization can be made: study the different types of international trade payment methods by using in developed countries and comment on their usefulness to the customer and analyze how the future of the Myanmar banking industry is going to shape up, increasing involvement of customers in helping the new payment systems compare with worldwide. Moreover, the research is applied by using self-rating Likert-scale, open-ended questions should be included in next research. This study does not cover the whole banking industry. Therefore, further researches should study the other foreign banks or other private bank. And then, other aspects of the human resources should be considering maximizing the analysis on customer commitment and customer satisfaction for further research.

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**Survey questionnaire on Customer Satisfaction of International Banking
Transaction in Punjab National Bank (Yangon Representative Office)**

Dear Sir/Madam,

  I attached questionnaire is a part of a study of Master of Banking and Finance at Yangon University of Economics. The objective of the research is to evaluate the customer satisfaction of International Banking Transaction in Punjab National Bank in Yangon. I desperately need the help from respected bankers and valuable customer in Yangon. Thank you so much for your help.

**Part A: Customer's demographic Information**

1. Gender
   a. Male          (  )
   b. Female         (  )

2. Age
   a. Over 20-30        (  )
   b. Over 30-40        (  )
   c. Over 40-50        (  )

3. Education Level
   a. Under graduate      (  )
   b. Graduated        (  )
   c. Master degree       (  )
   d. Ph. D         (  )

4. Occupation
   a. Banker         (  )
   b. Management       (  )
   c. Company Staff       (  )

5. Your Business Type

   a. Bank                                                  (      )

   b. Agriculture & Fisheries                     (      )

   c. Motor Vehicle & Heavy Equipment       (      )

   d. Oil & Petroleum                                (      )

   e. Food & Beverages                          (      )

   f. Woods & Forestry                         (      )

   g. Other (--------------------------------)       (      )


**Part B: Customer Reaction on International Banking Transaction**

**Please Tick on the relevant blanket.**

6. How long have you been a customer of our Bank?

   a. 1 to 5                                            (      )

   b. 6 to 10                                      (      )

   c. Over 10 Years                           (      )


7. Which payment method did you use for the Payment settlement in International Banking Transaction?

   a. Telegraphic Transfer                   (      )

   b. Letter of Credits                       (      )

   c. Advance Payment                      (      )


8. PNB Bank give the Intermediary Transaction Service to your desired ACU Countries.

   a. Yes                                         (      )

   b. No                                         (      )


9. Which country did your company make the international payments?

   a. Asia Countries                          (      )

   b. Europe Countries                     (      )

   c. Other Countries                       (      )

10. Do you use the international banking transactions of PNB?

    a.  Yes                                           (       )

    b.  No                                              (       )

    c.  Other (----------------------------------)      (       )

## Part C: Influencing Factor Effect on Security of Punjab National Bank

I would be grateful if you could spare a few minutes to complete this customer Satisfaction help us ensure that our standard of customer care exceeds expectations wherever possible.

Please tick the appropriate box to indicate your degree of satisfaction.

Where:     **1**=Very Poor,     **2**=Poor,     **3**=Satisfactory,     **4**=Good,     **5**=Excellent

| | **Security effect on Punjab National Bank** | **1** | **2** | **3** | **4** | **5** | **Comments** |
|---|---|---|---|---|---|---|---|
| 1. | Our Bank's International Banking Transactions services are more secure than informal channels. (eg. Hundi). | | | | | | |
| 2. | Risk perception in International Banking Transaction compared to other Correspondents | | | | | | |
| 3. | PNB desk officers are well aware of the confidentiality and other security aspect as per global standard. | | | | | | |
| 4. | Ease of doing International Banking Transaction compared to Interbank local transaction in terms of security aspect. | | | | | | |
| 5. | IT Security of our Bank compared to other correspondents | | | | | | |
| 6. | Punjab National Bank's AML-KYC policy vis a vis Global standard / Other Correspondents | | | | | | |
| 7. | Management of Reputational Risk of PNB as against other peer banks/correspondents. | | | | | | |

| | Functional Service effect on Punjab National Bank | 1 | 2 | 3 | 4 | 5 | Comments |
|---|---|---|---|---|---|---|---|
| 1. | Our Products for Myanmar based service users compared to other international banks. | | | | | | |
| 2. | In term of service quality of Punjab National Bank. | | | | | | |
| 3. | Our Bank as a service provider are solving the customer grievances within the day. | | | | | | |
| 4. | For International Telegraphic transfer it takes T+1 and for LC advising it takes T+5 as per Global Practice. | | | | | | |
| 5. | Our Bank can give the best service compared to the other Correspondent Bank in Myanmar. | | | | | | |
| 6. | Punjab National Bank's presence and functionality for Importers and Exporters related to India. | | | | | | |
| 7. | Digital banking initiatives of PNB as per the global standard. | | | | | | |

| | Price Fairness effect on Punjab National Bank | 1 | 2 | 3 | 4 | 5 | Comments |
|---|---|---|---|---|---|---|---|
| 1. | The cost of international banking transaction of our bank is reasonable price. | | | | | | |
| 2. | Our products meet the customer need in global standard price. | | | | | | |
| 3. | Punjab National Bank don't take any NOSTRO replenishment charges with institution to institutions. | | | | | | |
| 4. | Punjab National Bank waived service charges for Daily statement and maintenance charge | | | | | | |
| 5. | Application Rates for our customers vis a vis other bank. | | | | | | |
| 6. | Our Bank wave the inward remittance charges from our bank customers. | | | | | | |
| 7. | Overall, how satisfied or dissatisfied are you with our Bank? | | | | | | |

This is the end of the questionnaire.

Thank you so much for your patience. Please send the questionnaire to **ronniechakraborty163@gmail.com**. I promise that your personal information will not be released to any institutions but for my dissertation utilization.

Thank you so much for your help.

Best Regards.

Lin Kyaw
Master of Banking in Finance
Yangon University of Economic

**Frequencies Test**

**Gender**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | male | 47 | 47.0 | 47.0 | 47.0 |
| | Female | 53 | 53.0 | 53.0 | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

**Age**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Under 30 years | 25 | 25.0 | 25.0 | 25.0 |
| | 30-40 | 49 | 49.0 | 49.0 | 74.0 |
| | 41-50 | 20 | 20.0 | 20.0 | 94.0 |
| | Over50 | 6 | 6.0 | 6.0 | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

**Education**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Undergraduate | 4 | 4.0 | 4.0 | 4.0 |
| | Graduate | 65 | 65.0 | 65.0 | 69.0 |
| | Master | 22 | 22.0 | 22.0 | 91.0 |
| | PhD | 9 | 9.0 | 9.0 | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

## Occupation

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Banker | 53 | 53.0 | 53.0 | 53.0 |
| | Manager | 35 | 35.0 | 35.0 | 88.0 |
| | Company Staff | 12 | 12.0 | 12.0 | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

## Business Types

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Bank | 61 | 61.0 | 61.0 | 61.0 |
| | Agree&Fish | 15 | 15.0 | 15.0 | 76.0 |
| | Motor Vehicals | 2 | 2.0 | 2.0 | 78.0 |
| | oil and petrolum | 4 | 4.0 | 4.0 | 82.0 |
| | wood and forestry | 2 | 2.0 | 2.0 | 84.0 |
| | Food and Bev: | 10 | 10.0 | 10.0 | 94.0 |
| | Others | 6 | 6.0 | 6.0 | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

## Relation Bank

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | 1-5 years | 38 | 38.0 | 38.0 | 38.0 |
| | 5-10 years | 35 | 35.0 | 35.0 | 73.0 |
| | over 10 years | 27 | 27.0 | 27.0 | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

**Use Payment Method**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Telegraphic Transfer | 73 | 73.0 | 73.0 | 73.0 |
| | Letter of Credits | 24 | 24.0 | 24.0 | 97.0 |
| | Advance Payment | 3 | 3.0 | 3.0 | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

## Reliability Test

**Reliability Statistics**

| Cronbach's Alpha | N of Items |
|---|---|
| .855 | 6 |

**Reliability Statistics**

| Cronbach's Alpha | N of Items |
|---|---|
| .896 | 7 |

**Reliability Statistics**

| Cronbach's Alpha | N of Items |
|---|---|
| .925 | 6 |

**Reliability Statistics**

| Cronbach's Alpha | N of Items |
|---|---|
| .898 | 5 |

## Validity Test

### KMO and Bartlett's Test

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .825 |
|---|---|---|
| Bartlett's Test of Sphericity | Approx. Chi-Square | 349.358 |
| | Df | 10 |
| | Sig. | .000 |

### KMO and Bartlett's Test

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .852 |
|---|---|---|
| Bartlett's Test of Sphericity | Approx. Chi-Square | 272.298 |
| | Df | 15 |
| | Sig. | .000 |

### KMO and Bartlett's Test

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .869 |
|---|---|---|
| Bartlett's Test of Sphericity | Approx. Chi-Square | 422.206 |
| | Df | 21 |
| | Sig. | .000 |

### KMO and Bartlett's Test

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .839 |
|---|---|---|
| Bartlett's Test of Sphericity | Approx. Chi-Square | 446.562 |
| | Df | 15 |
| | Sig. | .000 |

## Factor Analysis

**Component Matrix<sup>a</sup>**

| | Component |
|---|---|
| | 1 |
| satisfactionf1 | .711 |
| satisfaction2 | .799 |
| satisfaction3 | .869 |
| satisfaction4 | .943 |
| satisfactin5 | .920 |

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

**Component Matrix<sup>a</sup>**

| | Component |
|---|---|
| | 1 |
| security1 | .871 |
| security2 | .788 |
| security3 | .818 |
| security4 | .468 |
| security5 | .767 |
| security6 | .855 |

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

**Component Matrix<sup>a</sup>**

| | Component |
|---|---|
| | 1 |
| functional1 | .873 |
| functional2 | .655 |
| functional3 | .629 |
| functional4 | .815 |
| functional5 | .868 |
| functional6 | .781 |
| functonal7 | .893 |

Extraction Method: Principal Component Analysis.
a. 1 components extracted.

## Component Matrix[a]

| | Component |
| --- | --- |
| | 1 |
| price1 | .879 |
| price2 | .844 |
| price3 | .839 |
| price4 | .825 |
| price5 | .835 |
| price6 | .905 |

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

## Variance Analysis

### Total Variance Explained

| | Initial Eigenvalues | | | Extraction Sums of Squared Loadings | | |
| --- | --- | --- | --- | --- | --- | --- |
| Component | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % |
| 1 | 3.635 | 72.693 | 72.693 | 3.635 | 72.693 | 72.693 |
| 2 | .638 | 12.757 | 85.450 | | | |
| 3 | .408 | 8.160 | 93.610 | | | |
| 4 | .178 | 3.553 | 97.163 | | | |
| 5 | .142 | 2.837 | 100.000 | | | |

Extraction Method: Principal Component Analysis.

**Total Variance Explained**

| Component | Initial Eigenvalues | | | Extraction Sums of Squared Loadings | | |
|---|---|---|---|---|---|---|
| | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % |
| 1 | 3.586 | 59.769 | 59.769 | 3.586 | 59.769 | 59.769 |
| 2 | .897 | 14.955 | 74.724 | | | |
| 3 | .527 | 8.778 | 83.502 | | | |
| 4 | .425 | 7.083 | 90.584 | | | |
| 5 | .302 | 5.030 | 95.614 | | | |
| 6 | .263 | 4.386 | 100.000 | | | |

Extraction Method: Principal Component Analysis.


**Total Variance Explained**

| Component | Initial Eigenvalues | | | Extraction Sums of Squared Loadings | | |
|---|---|---|---|---|---|---|
| | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % |
| 1 | 4.413 | 63.045 | 63.045 | 4.413 | 63.045 | 63.045 |
| 2 | .712 | 10.172 | 73.218 | | | |
| 3 | .696 | 9.936 | 83.154 | | | |
| 4 | .437 | 6.243 | 89.397 | | | |
| 5 | .364 | 5.203 | 94.600 | | | |
| 6 | .236 | 3.374 | 97.974 | | | |
| 7 | .142 | 2.026 | 100.000 | | | |

Extraction Method: Principal Component Analysis.

**Total Variance Explained**

| Component | Initial Eigenvalues | | | Extraction Sums of Squared Loadings | | |
|---|---|---|---|---|---|---|
| | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % |
| 1 | 4.386 | 73.101 | 73.101 | 4.386 | 73.101 | 73.101 |
| 2 | .656 | 10.932 | 84.033 | | | |
| 3 | .332 | 5.536 | 89.568 | | | |
| 4 | .286 | 4.768 | 94.336 | | | |
| 5 | .210 | 3.494 | 97.831 | | | |
| 6 | .130 | 2.169 | 100.000 | | | |

Extraction Method: Principal Component Analysis.

## Descriptive Analysis

**Descriptive Statistics**

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| security1 | 100 | 2 | 5 | 4.48 | .772 |
| security2 | 100 | 2 | 5 | 4.36 | .718 |
| security3 | 100 | 3 | 5 | 4.60 | .636 |
| security4 | 100 | 3 | 5 | 4.23 | .737 |
| security5 | 100 | 3 | 5 | 4.45 | .716 |
| security6 | 100 | 3 | 5 | 4.52 | .674 |
| Valid N (listwise) | 100 | | | | |

**Descriptive Statistics**

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| functional1 | 100 | 3 | 5 | 4.58 | .638 |
| functional2 | 100 | 3 | 5 | 4.30 | .718 |
| functional3 | 100 | 3 | 5 | 4.20 | .739 |
| functional4 | 100 | 3 | 5 | 4.47 | .703 |
| functional5 | 100 | 3 | 5 | 4.51 | .732 |
| functional6 | 100 | 3 | 5 | 4.52 | .627 |
| functonal7 | 100 | 3 | 5 | 4.56 | .641 |
| Valid N (listwise) | 100 | | | | |

**Descriptive Statistics**

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| price1 | 100 | 3 | 5 | 4.55 | .657 |
| price2 | 100 | 3 | 5 | 4.36 | .644 |
| price3 | 100 | 3 | 5 | 4.35 | .702 |
| price4 | 100 | 3 | 5 | 4.44 | .701 |
| price5 | 97 | 3 | 5 | 4.42 | .762 |
| price6 | 98 | 3 | 5 | 4.63 | .648 |
| Valid N (listwise) | 95 | | | | |

**Descriptive Statistics**

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| satisfactionf1 | 100 | 3 | 5 | 4.59 | .637 |
| satisfaction2 | 100 | 3 | 5 | 4.57 | .640 |
| satisfaction3 | 100 | 3 | 5 | 4.58 | .654 |
| satisfaction4 | 97 | 3 | 5 | 4.75 | .501 |
| satisfactin5 | 100 | 3 | 5 | 4.69 | .598 |
| Valid N (listwise) | 97 | | | | |

# Regression Analysis

## Model Summary [b]

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|---|---|---|---|---|---|
| 1 | .948[a] | .899 | .896 | .17620 | 2.177 |

a. Predictors: (Constant), Price, Security, Functional

b. Dependent Variable: Satisfaction

## ANOVA [a]

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 26.592 | 3 | 8.864 | 285.490 | .000[b] |
| | Residual | 2.981 | 96 | .031 | | |
| | Total | 29.572 | 99 | | | |

a. Dependent Variable: Satisfaction

b. Predictors: (Constant), Price, Security, Functional

## Coefficients [a]

| Model | | Unstandardized Coefficients B | Unstandardized Coefficients Std. Error | Standardized Coefficients Beta | t | Sig. | Collinearity Statistics Tolerance | Collinearity Statistics VIF |
|---|---|---|---|---|---|---|---|---|
| 1 | (Constant) | .169 | .154 | | 1.104 | .272 | | |
| | Security | .498 | .064 | .493 | 7.795 | .000 | .262 | 3.814 |
| | Functional | .406 | .071 | .399 | 5.697 | .000 | .214 | 4.670 |
| | Price | .099 | .064 | .106 | 1.534 | .128 | .221 | 4.520 |

a. Dependent Variable: Satisfaction

**Summary Table**
**Descriptive Statistics**

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| Security | 100 | 2.67 | 5.00 | 4.4400 | .54150 |
| Functional | 100 | 3.00 | 5.00 | 4.4479 | .53711 |
| Price | 100 | 3.00 | 5.00 | 4.4567 | .58403 |
| Satisfaction | 100 | 3.00 | 5.00 | 4.6260 | .54654 |
| Valid N (listwise) | 100 | | | | |

**Correlations**

| | | Security | Functional | Price | Satisfaction |
|---|---|---|---|---|---|
| Security | Pearson Correlation | 1 | .831** | .825** | .912** |
| | Sig. (2-tailed) | | .000 | .000 | .000 |
| | N | 100 | 100 | 100 | 100 |
| Functional | Pearson Correlation | .831** | 1 | .860** | .900** |
| | Sig. (2-tailed) | .000 | | .000 | .000 |
| | N | 100 | 100 | 100 | 100 |
| Price | Pearson Correlation | .825** | .860** | 1 | .856** |
| | Sig. (2-tailed) | .000 | .000 | | .000 |
| | N | 100 | 100 | 100 | 100 |
| Satisfaction | Pearson Correlation | .912** | .900** | .856** | 1 |
| | Sig. (2-tailed) | .000 | .000 | .000 | |
| | N | 100 | 100 | 100 | 100 |

**Correlation is significant at the 0.01 level (2-tailed).

**Financial Inclusion on March 2022**

| SI | Parameters | Mar'21 | Dec'21 | Mar'22 | YoY variation (Rupee Crore) | |
|----|-----------|--------|--------|--------|------|------|
|    |           |        |        |        | Amt. | % |
| 1. | Domestic Deposits | 1083335 | 1108369 | 1125049 | 41714 | 3.85% |
| 2. | Global Deposits | 1106332 | 1127317 | 1146218 | 39886 | 3.61% |
| 3. | Gross Domestic Advances | 719138 | 734372 | 759214 | 40076 | 5.57% |
| 4. | Gross Global Advances | 739407 | 755306 | 785104 | 45697 | 6.18% |
| 5. | Gross Domestic Business | 1802473 | 1842741 | 1884263 | 81790 | 4.54% |
| 6. | Gross Overseas Business | 43266 | 39882 | 47060 | 3794 | 8.77% |
| 7. | Gross Global Business | 1845739 | 1882623 | 1931322 | 85583 | 4.64% |
| 8. | CASA Deposits | 492782 | 505958 | 533654 | 40872 | 8.29% |
| 9. | Current Deposits | 75546 | 71564 | 81974 | 6428 | 8.51% |
| 10. | Saving Deposits | 417236 | 434394 | 451680 | 34444 | 8.25% |
| 11. | CASA Share Domestic (%) | 45.48% | 45.65% | 47.43% | | |

Source:        Punjab National Bank Report, 2022