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**CUSTOMER RELATIONSHIP MANAGEMENT PRACTICES,
CUSTOMER SATISFACTION AND CUSTOMER LOYALTY AT
KBZ BANK (TAUNGGYI)**

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KBZ BANK (TAUNGGYI)**

A thesis submitted as a partial fulfillment towards the requirements for the Degree of
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ABSTRACT

The main purpose of this study is to investigate the effect of customer relationship management practices on premium customer satisfaction and the effect of customer satisfaction on loyalty at KBZ Bank Taunggyi. The study targets are premium customers of KBZ Taunggyi Bank who have deposit 100 million kyats and above amount. There are 450 premium customers at KBZ Bank Taunggyi and out of them, 31% are taken as sample. This study used both primary data and secondary data. Primary data were collected by interviewing with the targeted 140 premium customers by using simple random sampling method. Descriptive research method and quantitative research approach were mainly used. Regression analysis was used to analyze the CRM dimensions which are the effect on customer satisfaction and the effect of customer satisfaction on loyalty. CRM dimensions are customer orientation, CRM based technology, organizing around CRM, and quality of customer services. According to the regression analysis, two variables that are CRM-based technology and quality of customer service, show significant effect in premium customer satisfaction and for the analysis on the effect of customer satisfaction on loyalty is significantly effect. The finding suggests that KBZ Bank Taunggyi should more focus on CRM based technology factors such as speed of banking service, queue management system usage and the use of right hardware. Moreover, the bank should emphasize the quality of customer service factors which are solution for complaint, prompt reception of response to customer request, the ability to guide customer to resolve problems to get better customer satisfaction and loyalty.

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CHAPTER I

INTRODUCTION

Myanmar banking sector has a past, starting with nationalizations during the 1962. In the present days, there were four state-run banks namely Myanma Economic Bank, Myanma Agricultural Development Bank Myanma Foreign Trade Bank, Myanma Investment and Commercial Bank. The pace of reform in Myanmar's banking sector has been increasing in recent years, with liberalization taking a major step forward in 1992 by issuing private bank licenses.

As notified by Central Bank of Myanmar, there are five numbers of semi-government banks, nineteen private banks, and thirteen foreign banks. CBM has liberalized the financial organizations for competition, efficiency and integration into the regional financial system. As the end of October 2020, there 27 non-banking finance companies that are currently licensed by the Central Bank (CBM, 2020). For most of its modern history Myanmar has been a cash-based economy. After the 2010, Financial Management Law (2016) introduced e-banking, and financial institutions started promoting mobile wallets, digital remittances, and e-payments. Central Bank of Myanmar (CBM) granted a handful of foreign bank licenses in 2014, ending over 60 years of international financial isolation.

The financial service industry today has become highly dynamic and turbulent, with many changes in form of new regulations, changed consumer behavior, increased usage of information and communication technology, and intense competition ((Lymperopoulos et al., 2013); (Heinonen, 2014)). It is by the rapid, worldwide advancement in information communication technology (ICT) with boundless use of the Internet. The E-Commerce is getting stronger also in Myanmar with speedy economic trends. Competition in the Myanmar banking industry forces the banks to invest great efforts in adding value to customers. The use of advanced communication technology, ATMs, internet payment transaction, mobile banking, and e-wallets are the significant changes in business segments in the banking sector during the last two decades (Cvijović, Kostić-Stanković, & Reljić, 2017).

Banks innovate and create abundant financial services for the existing customers and unbanked people. There is a higher demand for an increase in interest rate, low-cost loans, easy access, reliability, quick service, and empowerment to

perform some of the bank transactions which are previously handled solely by banks (Heinonen, 2014; Panchal & Shah, 2018).

Getting customer satisfaction is the largest competitive advantages for the banks (Vaslow, 2018). To get better customer satisfaction, the relationship between a bank and their customer is important. Customers want to form a relationship with their bank, and they want their bank to make an effort to get to know them instead of just pushing a product (Vaslow, 2018). By the communication technology, it is more quickly transferring information through these devices.

KBZ Bank was firstly established in 1994 in Taunggyi, Shan State. KBZ Bank today becomes the biggest business unit of Kanbawza Group of Companies. It is also Myanmar's largest privately-owned bank and separating with over 500 branches around Myanmar (KBZ Bank, 2022). The vision of KBZ Bank is to improve the quality of life in Myanmar through banking.

In the KBZ Bank, customer satisfaction practices have been extending by the use of Queue Management System which allow bank to manage customer queues smartly and swiftly, and thus, it allows customers to be served sequentially on a first-in-first served basis, and reducing waiting times. Customer waiting areas are clean, convenience room temperature, and enough seats for happy during waiting time. Banks provide a great customer experience delivering expectations of customers through all channels.

Customer Relationship Management (CRM) concept in KBZ Bank aims at to maintain long-term relationships with customers in order to provide value for customers and banks (Laketa, 2015). CRM concept is based on the customized marketing concept which allows bank to identify, segment, communicate and build long-term relationships with customers on individual basis. Customer Relationship Management (CRM) becomes more powerful tools along with the banking institutions are getting more and more competitive. CRM is the extended concept of marketing mix (4Ps; product, price, promotion, and place, & 3Ps: process, physical evidence).

1.1 Rationale of the Study

This study examines the premium customer satisfaction and royalty on the KBZ Taunggyi Bank. Today banking sector in Myanmar is very competitive. A common marketing mix (e.g., 4Ps & 3Ps) is not enough. During the Covid-19 pandemic period, Myanmar banking industry is sourly affected their bank services.

People had little trust in banks. Entering the third year after the pandemic, all the private commercial banks are trying to improve their customer satisfaction level.

Major private banks in Myanmar are identifying and classifying their customers in accordance with customer values to the banks. The distinct customized services include high-network banking services of KBZ bank, privileged banking services of CB bank, royal banking services, wealth banking services of MAB, and premium banking services by AGD. KBZ bank focuses on individual needs, through reviewing current specific policies and procedures for more customer service to hold across every interaction between company and customers. KBZ Bank is identifying their customers into premium level, and differentiates them by their values to the bank organization.

The success of CRM stems from the dualistic interaction between customers (what customers are demanding on their side) and the bank service providers (what providers are doing to make and maintain relationships with customers) (Heinonen, 2014). Even some common mistakes big issues because they can lower customer satisfaction at banks. When banks establish the strongest relationships with customers will have the best chance to retain them in the long term. Customer relationship management practices contribute to the reduction of many negative notions and reduce pain points, reduce the possibilities of suspicious transactions, false reporting rates.

For this increasing customer satisfaction, CRM is extremely important across the KBZ Bank organization to meet the ever-changing expectations of customers. KBZ bank is extending many financial services to the customers, and thus, the CRM practices at all departments in the bank organization are important in the success of KBZ Bank Company. It is clear that customer service reps must prioritize these actions of identifying, differentiating by their values and needs, interacting them, and customizing bank products and services not only to premium customers, to all level of customers.

KBZ Bank Taunggyi is being a native region, KBZ bank has popularity among regional people. Many studies have focused on Yangon, and it is very rare research on Taunggyi region. Taunggyi is a third capital of Myanmar and highly competitive among private commercial banks in that region. The oldest KBZ Bank is competing with these banks to maintain its customers in that region. This is a reason choosing KBZ Taunggyi Bank for this study.

KBZ Taunggyi Bank classifies bank customers who have an average deposit balance equal to or more than 100 million kyat during six months, these customers are classified as high-network or premium customers. There are 450 numbers of premium level customers at KBZ Taunggyi Bank. It is needed to ensure whether these implementations at KBZ Bank CRM management are excellent to build strong relationship with customers, or not. This is the reason to study CRM practices by choosing famous KBZ Bank. The findings of the study would contribute KBZ bank management and practitioners to recommend the most important area of CRM practices, and to review on the weaknesses of the customer relationship management, so as to improve more premium customers' satisfactions.

1.2 Objectives of the Study

The objectives of the study are as follows:

- (1) To identify the customer relationship management practices of KBZ Bank, Taunggyi,
- (2) To investigate the effect of customer relationship management practices on premium customer satisfaction at KBZ Bank, Taunggyi, and
- (3) To investigate the effect of customer satisfaction on loyalty at KBZ Bank Taunggyi.

1.3 Scope and Method of the Study

This study only focus on CRM practices of KBZ Bank, Taunggyi. Data is from both primary and secondary sources. Sample respondents are selected in Taunggyi region. The study limits on the CRM dimensions: customer orientation, CRM based technology, organizing around CRM, and quality of customer service. Survey questionnaire is the survey instrument to collect primary information from the selected sample respondents. Secondary data are from previous researches in the school library, Central Bank information in the web page, journal articles, publications on internet websites and KBZ Bank information of Taunggyi Data. Data collection is aimed to conduct in the month of August 2022.

As the relationship of variables in this study, it focuses on the effect of CRM dimensions on premium customer satisfaction and effect of customer satisfaction on loyalty by focusing on a private commercial bank. Analysis method is the use of descriptive research method and quantitative research approach to meet the objective

of the study. Sample respondents are the customers of KBZ Taunggyi Bank. Samples are calculated by the use of Yamane sample size formula. To collect the data, 140 respondents are randomly selected, which are 31% of total premium customers 450. By the use of descriptive and quantitative analysis approach, respondents' demographic information and the bank service usage behavior is reported in terms of total numbers and percentage, mean values and standard deviation values. By the use of Five-point Likert Scale measurement, qualitative data is transformed into quantitative information.

1.4 Organization of the Study

This study is composed of five chapters. Chapter one is the introduction section which includes the rationale of the study, objectives of the study, scope and methods used in the study, and organization of the chapters. Chapter two is the theoretical background of CRM and its practices. It also presents previous literatures relating CRM and customer satisfaction. Based on these literatures and publications, researcher presents study model used in that study. Chapter three is the profile of KBZ bank, and its current customer relationship practices of KBZ Taunggyi bank. Chapter four is the analysis on the information collected from primary data collection in Kanbawza Bank Taunggyi. Chapter five is the conclusion part, with recommendations and suggestions.

CHAPTER II

THEORETICAL BACKGROUND

This chapter presents the theoretical background of customer relationship management, and reviews on the previous literatures relating CRM, customer satisfaction and loyalty. Based on these literatures and publications, researcher develops study model used in that study.

2.1 Concept of Customer Relationship Management

The essence of CRM thinking originates from three concepts in marketing management: customer orientation, relationship marketing, and database marketing (Yim, Rolph, Anderson, & Swaminathan, 2013). CRM is more accurately target customer segments on a one-to-one basis. According to Kotler and Armstrong, CRM is defined as “the overall process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction” (2004). All processes and customer interactions help maintain and expand mutually beneficial relationships.

CRM is a management approach that uses information technology (IT) to build a long-term relationship with their customers. CRM can be interpreted as dealing with a more managerial assessment of company-customer relationship. The six important elements in the process of CRM include customer acquisition, customer response, customer knowledge, customer information system, customer value evaluation, and customer information system. According to Hargrave (2022), customer relationship management (CRM) can be referred to the principles, practices and guidelines that an organization follows when communicating with organizational customers (Hargrave, 2022). This definition can be clearly classified in to direct interaction with customers, and analysis of customers’ future potential and future behaviors.

CRM works as enhancing customers’ overall experiences. In this technology advancement era, CRM includes the use of technology company and systems to manage external interactions with customers. To interact with customers from anywhere, anyplace, anytime, CRM technology include software and cloud computing, as well as artificial intelligence (AI technology) to response customer

enquiry of organizational products and services information, Since CRM is based on all the customer touch points, elements of CRM range from a company's website and emails to mass mailings and telephone calls (Hargrave, 2022).. By the use of communication technology, all the organizations can engage to interact with external customers at all these points during the customer life cycles, from starting point to repurchase. Simply, CRM is an activity for managing all your company's relationships and interactions with customers and potential customers.

2.2 Importance of CRM in Banking Sector

The banking industry provides services that are focused on the needs of its customers. Therefore, in order to establish a long-term relationship with banks, the banking industry must understand more about customers' needs and attitudes. According to (Stewart, 1998), customer received negative response from banks pertaining to waiving charges, standard procedures and keeping quiet. Though employees are important to have good attitudes, managers also need to have these characteristics to formulate plans benchmark, set the target, and improve the companies' performances from time to time which they can compete to each other to show that they are capable to have good relationship with customers (Luke & Shang, 2007). In banks, service quality is very important. Service quality can be defined as the degree of excellent services provided by organizations towards their customers. CRM should involve every department in banking organizations. (Liang, Wang, & Farquhar, 2009) explored CRM performance in bank from three departments; department of loans, department of deposit and department of card credit. Their findings showed that customer perceptions positively affect financial performance. Therefore, Banking Managers should have a good relationship with their customers and that treating them as partners would help improve financial performance.

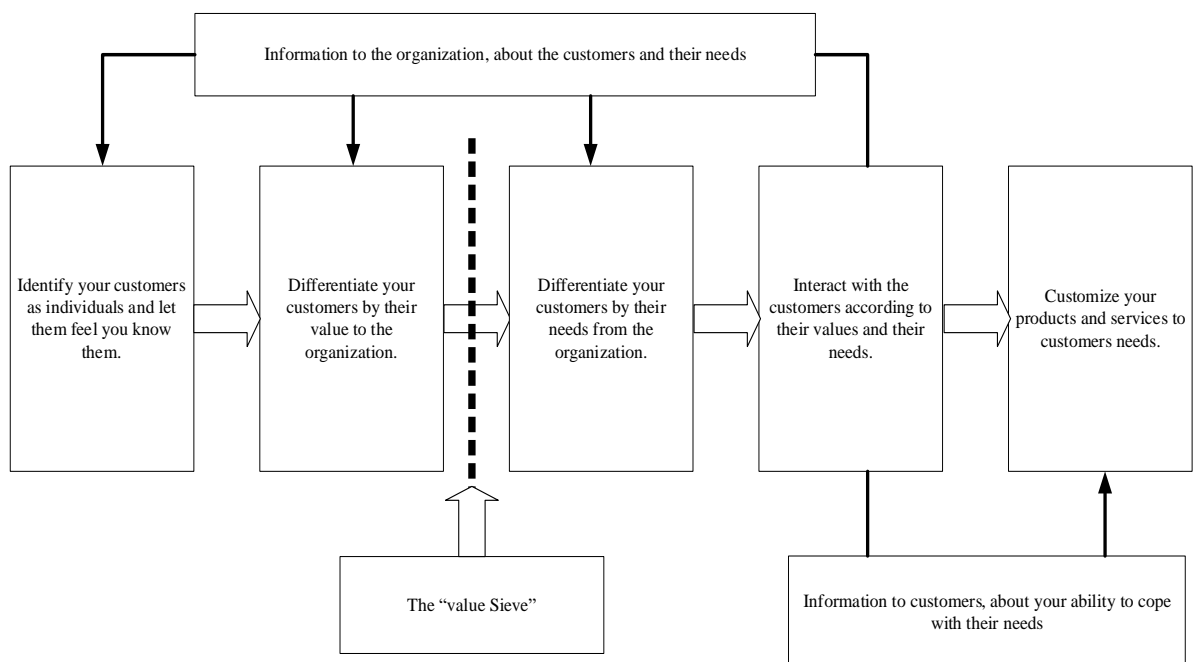
2.3 The Models of CRM

A CRM model is a workflow that guides all of the team's interactions with leads, prospects and customers. It provides a loose framework from that research could refer to build a framework of the study. There are several CRM models in businesses. Below models are the top customer relationship models that help in structuring excellent customer and are widely used across all the industries.

(a) IDIC model

(Peppers & Rogers, 2004) developed a Customer Relationship Management CRM model named IDIC model, which is stating to companies to take four major actions for building closer one-to-one relationships with customers. Identifying: Identifying who are the companies' customer, and building deep understanding of them. Differentiating: Differentiate their customers in order to identify which ones have the most value now and offer the most for the future. The clients represent different levels of value to the company, and their needs are radically not the same from the enterprise. Interacting: Interact with them to ensure that startups understand customer expectations and their relationships with other suppliers or brands. Figure (2.1) explains the IDIC Methodology of CRM (Peppers & Rogers, 2004).

Figure (2.1) The IDIC Methodology



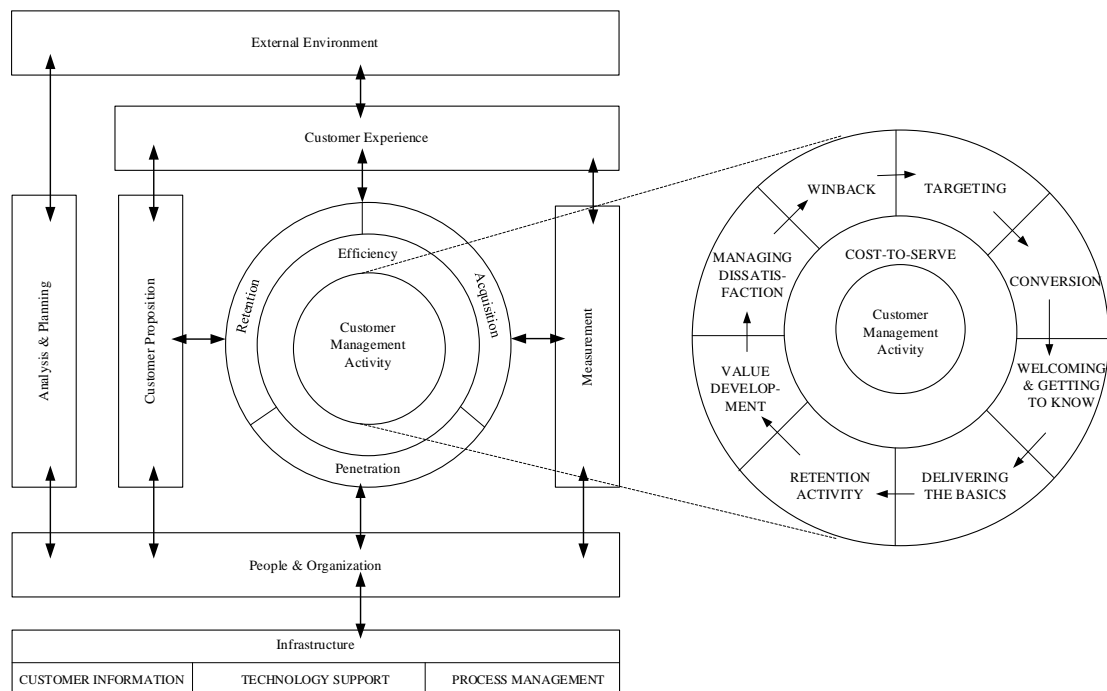
Source: (Peppers & Rogers, 2004)

It is need to improve the effectiveness of their interactions with clients. A conversation with a customer should pick up where the last one left off. Customizing: It is customizing the offer and communications to ensure that the expectations of customers are met. A conversation with a customer should pick up where the last one left off.

(b) The Quality Competitiveness Index Model (QCI model of CRM)

QCI Model is useful in managing customers. At the center of the model, they highlight a range of activities needed by companies to perform in perspective to acquire and retain customers. This model also features people performing processes and utilizing technology to assist in those activities. To acquire and retain customers, customer management activities in the QCI Model involve targeting, conversion, welcoming and getting to know, delivering the basics, retention activity, value development, managing dissatisfaction, winback lost-customers. The QCI model of CRM shown below is described in the Figure (2.2), as follows.

Figure (2.2) The Quality Competitiveness Index Model (QCI model of CRM)



Source: (Hewson, 2002)

CRM approach brings employees together as a team to better serve customers. CRM combines many of the traditional marketing techniques such as: direct marketing, telemarketing, web personalization, e-mail marketing, e-commerce, sales force automation that have been used effectively by themselves. Multi-departmental planning committee examine all customer interactions, sometimes called “touchpoints,” to fully understand how customers view the company so as to understand a company’s needs and requirements. Today, company expresses 360-degree view of the customer, one-to-one relationship marketing to understand the customer, and 24/7 readiness to serve the customer.

2.4 Customer Relationship Management Practices

There are many definitions for CRM, and best-practice companies adopt one that is shared across the organization. Otherwise, the very term “CRM” will conjure up many things to different people and lead to confusion. Most organizations base their CRM capability plans not just on technology but also on developing and focusing organizational capabilities in other areas such as CRM processes, people and knowledge. These companies see CRM as a series of strategies and processes that support and execute a relationship vision for the enterprise. In their eyes, CRM is a series of strategies and processes that create new and mutual value for individual customers, build preference for their organizations and improve business results over a lifetime of association with their customers.

Customer Orientation

Customer orientation is a customer-centric business approach in which a company solves for the customer first (Riserbato, 2020). Customer orientation is the belief that when bank’s customers are happy and their needs are met, customer retention goes up and so does bottom line (Kinsey, 2019). To create a successful small business, bank must establish a strong reputation with bank customers. The importance of customer orientation is its building a reputation with customers as being an ethical business that cares about them and provides value. Customer orientation is an important strategy for retaining and growing customers.

CRM Based Technology

The basic function of CRM technology is gathering and storing data. CRM technology consolidates, unifies, and centralizes all the important customer information and company data in one place. These include name, contact number, email address, home and work addresses, social media handles, birthdays, contact lists, etc., prospect and customer interaction details, history of products and services availed, frequency and the value of purchases, preferences, payment modes, and many other customer relationship historical data (Salesforce India, 2022). Customer relationship management helps customer-centric businesses successfully win and keep customers for life. To successfully deliver offerings, bank needs to have a proper strategy and plan in place.

Organizing around CRM

Data is the most vital asset for businesses of all sizes and verticals, and thus it is needed to manage data properly. When business keep data spread across data silos, most of the team members waste their precious time searching for customer contact information (ZnetCRM, 2020). It is crucial to understand how to organize CRM for success. It includes know-your-customer personas and sales funnel start to end, get rid of the duplicates, assign points based on the level of interest, gather information slowly and gradually, automate scoring that can add or remove a contact from the list, and make sure sales people follow the systems. The key to a successful CRM is its organization (Godin, 2021).

Quality of Customer Services

Quality customer service entails providing efficient, quick and friendly service, building strong relationships with customers, handling complaints quickly and responding to customers' issues on time. Quality customer service is the best way to keep customers coming back, thus ensuring long-term success (Writer, 2020).

Customer Satisfaction

Customer satisfaction (often abbreviated as CSAT) is a measurement of how happy (or unhappy) customers are with a company's products, services or experience. Customer satisfaction consists of a customer's perceived quality, value and expectations of company and what organization offer (Indeed, 2022).

Customer Loyalty

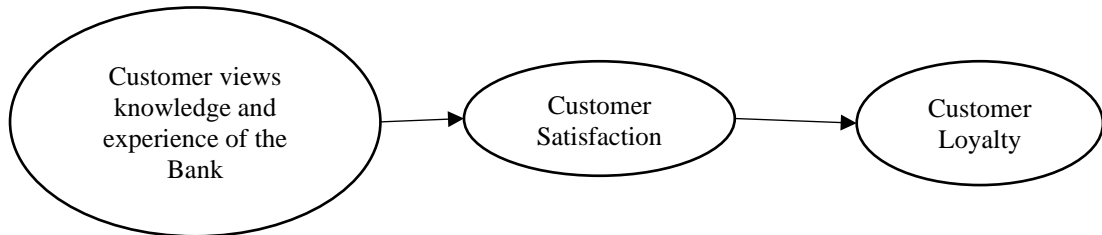
Customer loyalty is one of the key elements in determining an organization's growth because it directly correlates with recurring business. Loyalty can be defined as a deeply held commitment to repurchase a product or service in the future even though there are situational influences or marketing efforts, which could persuade to switch or change (Kotler, 2000).

2.5 Previous Study

Kocoglu & Kirmaci, (2012) studied to reveal the relationship between the banks' customer relationship management and the customer loyalty in all the branches in Denizli of T.C. Ziraat Bankası, which is the leading public bank of the banking sector. For the purpose of this study, 4 different variables have been used in the study: knowledge and experience of the bank staff, customer satisfaction, and customer loyalty, demographic qualities of customers. Their study can prove that customer

relationship management affects customer loyalty in the banking sector. Figure (2.3) shows the study model of Kocoglu & Kirmaci, (2012), as follows.

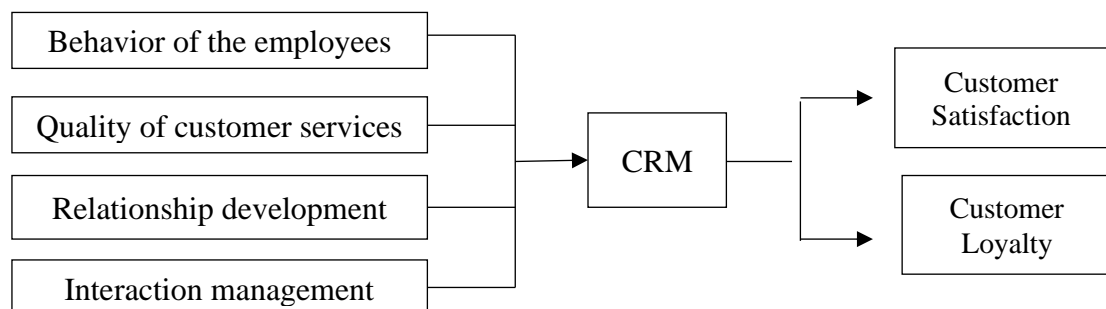
Figure (2.3) CRM and Customer Loyalty in Banks



Source: Kocoglu & Kirmaci, (2012)

Long et al, (2013) studied the impact of customer relationship management (CRM) elements on customer satisfaction and loyalty. Believing that CRM is one of the critical strategies to improve competitive advantage, customer satisfaction cannot be dismissed. To understand the effectiveness of CRM, their study focusses on limiting four critical CRM elements, namely behavior of the employees, quality of customer services, relationship development and interaction management, which are aiming to enhance profitability, income, and customer satisfaction. The result of finding reveals that behavior of the employees is significantly relate and contribute to customer satisfaction and loyalty.

Figure (2.4) Impact of CRM Factors on Customer Satisfaction and Loyalty



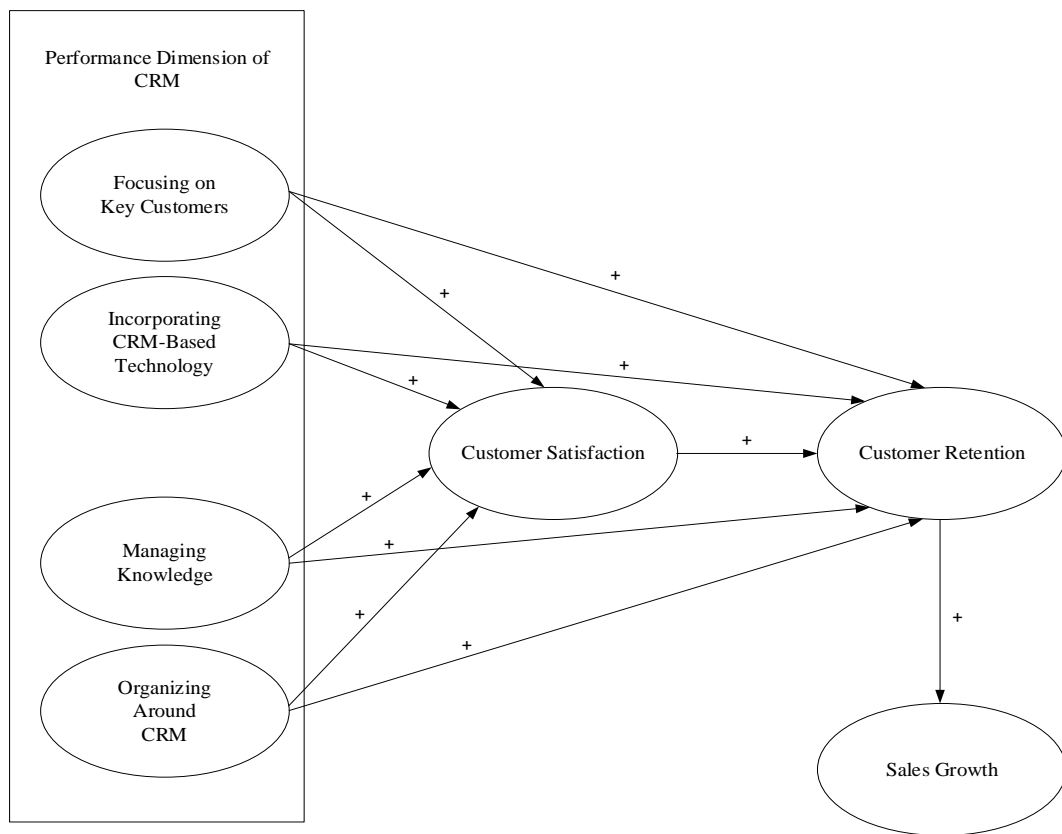
Source: Long, Khalafinezhad, Ismail, & Rasid, (2013)

Yim et al, (2013) from Drexel University studied on the dimensions of CRM effect on customer outcomes in terms of customer satisfaction, customer retention, and sales growth. The study sample consisted of 1,223 service firms selected on a random probability basis from the Business Directory of Hong Kong. Included in the sample frame were banks, investment companies, insurance companies, and other

firms characterized by a high degree of relationship orientation, and thus well suited for testing our CRM framework.

Questionnaires were sent directly to general managers or similarly level senior managers at each of the companies selected for the study. A total of 215 returned surveys were complete and usable, Figure (2.5) presents the conceptual model for the effects of CRM four main performance dimensions on customer satisfaction, customer retention, and sales growth by the researchers Yim, et al, (2014), as follows.

Figure (2.5) Conceptual Model for the Effects of CRM Performance Dimensions on Customer Satisfaction, Customer Retention, and Sales Growth



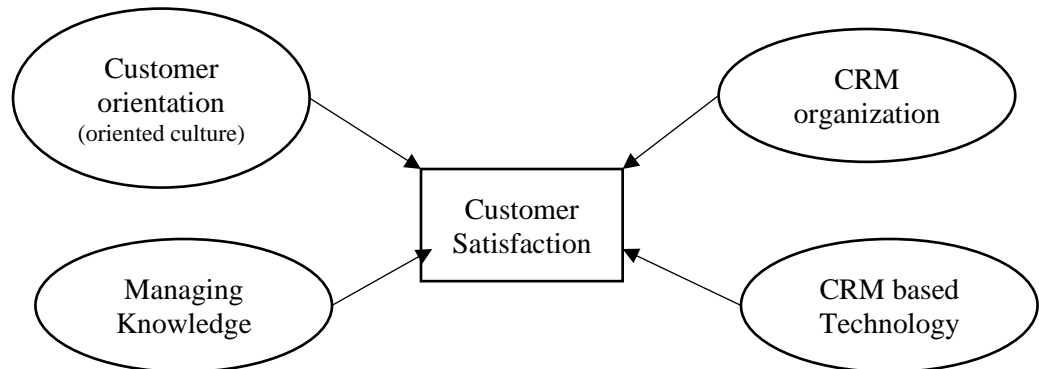
Source: Yim, et al, (2013)

Study first identified the requisite activities for effective CRM implementation. And then, they investigate their effect on customer satisfaction, customer retention, and sales growth. Results indicate that managers need to think beyond the technological components of CRM. Managers also needed to focus on four key CRM dimensions namely Focusing on Key Customers, Organizing Around CRM, Managing Knowledge, and Incorporating CRM-Based Technology, which all

are significantly enhance customer loyalty and sales growth.

Sofi, et al, (2020) studied on the effect of customer relationship management (CRM) dimensions on hotel customer's satisfaction in Kashmir. Study focuses on the four customer relationship management (CRM) dimensions, namely, customer orientation, customer relationship management organization, managing knowledge and CRM based technology. Study proved that there have a significant and positive relationship between CRM dimensions, namely, customer orientation, managing knowledge, and CRM organization on customer satisfaction. The customer-oriented culture of businesses is reported to have positive effects on business activities, as employees in these types of organizations are more motivated and committed to provide better customer experience (Donavan, Brown, & Mowen, 2004). There was a significant positive effect of CRM-based technology on customer satisfaction, however the the magnitude of this effect is very weak. Figure (2.6) presents the conceptual model of this four CRM dimensions on Hotel Customer's Satisfaction in Kashmir, as follows.

Figure (2.6) Conceptual Model of Four CRM Dimensions on Hotel Customer's Satisfaction



Source: Sofi, et al, (2020)

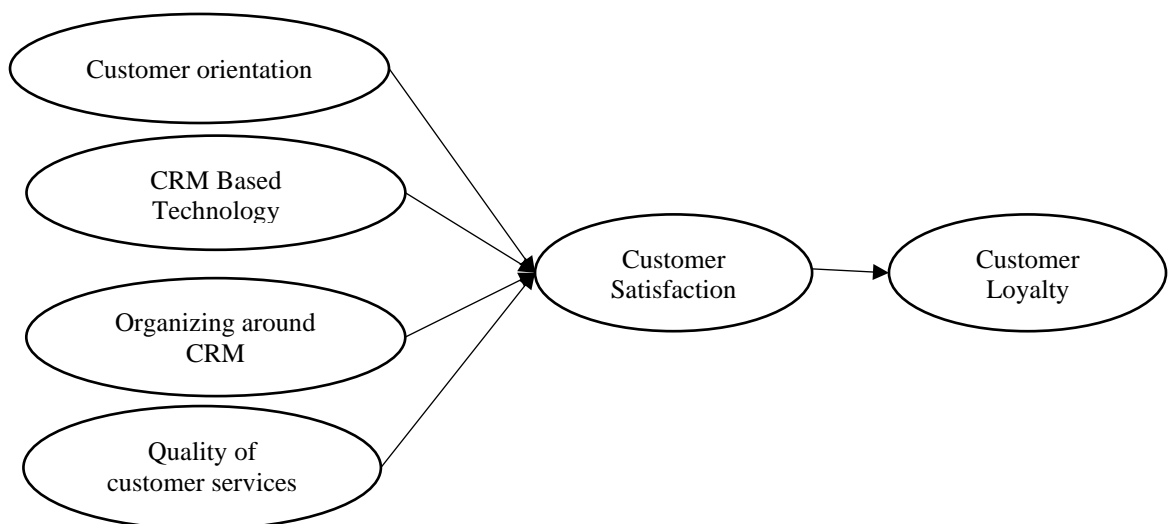
2.6 Conceptual Framework of the Study

The conceptual framework for this study was developed based on the previous studies. Kocoglu & Kirmaci, (2012) studied to reveal the relationship between the banks' CRM and the customer loyalty in banking sector in which four different variables have been used in the study: knowledge and experience of the bank staff, customer satisfaction, and customer loyalty and proved that CRM affects customer loyalty in the banking sector. And Long et al, (2013) studied the impact of customer relationship management (CRM) elements on customer satisfaction and loyalty. To

understand the effectiveness of CRM, their study focusses on limiting four critical CRM elements, namely behavior of the employees, quality of customer services, relationship development and interaction management. Furthermore Yim et al, (2013) studied on the dimensions of CRM effect on customer outcomes in terms of customer satisfaction, customer retention, and sales growth in which four key CRM dimensions such as Focusing on Key Customers, Organizing Around CRM, Managing Knowledge, and Incorporating CRM-Based Technology are significantly enhance customer loyalty and sales growth. Moreover Sofi, et al, (2020) studied on the effect of CRM dimensions on hotel customer’s satisfaction in Kashmir. The study focused on the four CRM dimensions, namely, customer orientation, CRM organization, managing knowledge and CRM based technology and proved that there have a significant and positive relationship between all of these CRM dimensions on customer satisfaction.

Therefore the following conceptual framework tries to explore the effect of CRM practices on customer satisfactoin and customer loyalty. As the independent variables, the focused CRM dimensions are Customer orientation, CRM based technology, organizing around CRM, and quality of customer services. The dependent variable is the customer satisfaction and which in turn effect on customer loyalty at the use of products and services of KBZ (Taunggyi) Bank. This framework was helpful to form the research questionnaire and was based on the research objectives of the study. Figure (2.7) presenets the study model, as follows.

Figure (2.7) Conceptual Framework of the Study



Source: Own Complication, 2022

In this study, the conceptual framework proposes that customer relationship management practices affect customer satisfaction and the effect of customer satisfaction on loyalty at KBZ Bank Taunggyi. Based on the studies, working definition of customer relationship management practices, customer satisfaction and loyalty are defined as follows.

Table (2.1) Working Definitions

No.	Variables	Working Definitions
1.	Customer Orientation	All of the KBZ bank employees are trained on customer-centric performance standards. Dedicated staffs are assigned for premium banking customers in order to provide one-to-one customized banking products and services. Moreover, special facilities such as VIP guest room are provided for premium banking customers.
2.	CRM Based Technology	KBZ Bank is using queue management system. Customers are now able to be serviced sequentially on a first-in, first-served basis and shortening wait times. Moreover, Automatic Teller Machine (ATM), iBanking, mobile banking and virtual banking -call center are available 24/7.
3.	Organizing around CRM	In each branch, a service ambassador was chosen in order to start the CRM arranging. He or she serves as the branch's service ambassador, keeping an eye on customer service enhancements and implementing plans and procedures from head office (HO). All of the buildings are routinely cleaned and well-maintained for the comfort and convenience of all customers. Additionally, it offers clean surroundings, parking options, signboards that are both bright and easily seen, and ATMs that are located in areas that are both clean and bright.

No.	Variables	Working Definitions
4.	Quality of Customer Services	All of the KBZ Bank Staffs are well trained to express their appreciation to the customer with warm and sweet smiles. They also express neighborliness by respecting race, religion and age of both customers and colleagues. They usually request politely and apologize for the any inconvenience of customer. They also follow the telephone etiquette that is answering the phone, greeting scripts, call holding scripts and closing scripts. They have to take responsibility for the call to satisfactorily end.
5.	Customer Satisfaction	Net promoter score is collected and used to analyze the customer satisfaction upon KBZ Bank's products, services and customer experience. In order to feel like a valued customer, all the customers are welcomed in affable way.
6.	Customer Loyalty	KBZ Bank management manages not only to retain the existing customers but also to expand the future customers. KBZ Bank is trying to provide best customer experience, and expect existing customers to recommend KBZ Banking products and services to their friends and families.

CHAPTER III

PROFILE AND CRM PRACTICES OF KBZ BANK (TAUNGGYI)

This chapter presents the profile of the KBZ Bank and to identify the practices of CRM in KBZ Bank (Taunggyi). Therefore, this chapter include the background information, mission, vision and organization structure and about the premium banking and practices of CRM in KBZ Bank. And the Chapter also includes how KBZ (Taunggyi)is identifying different level customers of the KBZ Bank and by differentiating their customers who have the most value for the future, interacting with these customers and customizing the privilege treatments of customer care services.

3.1 Profile of KBZ Bank (Taunggyi)

The denomination Kanbawza is a traditional name for Shan State, an ethnic minority state of the Republic of the Cumulating of Myanmar. Kanbawza Bank was established on the 1st of July 1994 in Taunggyi, located in the southern part of Shan State. U Aung Ko Win who took over as the bank chairman and preformed banking operations under guidance of Central Bank of Myanmar. Initially, the bank catered the local population in Taunggyi. In November 1999, our present management acquired the organization and oversaw its development into one of the most sizably voluminous private commercial banks in Myanmar. In April 2000, KBZ headquarters was relocated to Yangon, the business capital of Myanmar. At present, KBZ Bank has more than 500 branches across the country. Starting with an initial capital of MMK 477 million in 1999, KBZ Bank has expanded the capital to MMK 113 billion in the year 2014. In November 2011, the Central Bank of Myanmar granted an Authorized Dealer License (ADL) to KBZ Bank as the first step to operate foreign banking business. KBZ Bank will maintain a continuous growth in financial industry along with the development of Myanmar.

KBZ Bank is one of the companies of the KBZ Group of Companies, including Mining & Gems, Airlines, Hotels, Transportation, Factories, Plantation, Hospitals, etc. In April 2000, KBZ relocated its headquarters to Yangon, Myanmar's economic capital. The address of KBZ Bank is No.615/1, Pyay Avenue, Kamayut Township, Yangon and KBZ Bank's website is www.kbzbank.com.mm. Beginning

with the initial capital of MMK (477) million in 1999, KBZ Bank increased the assets of MMK (69) billion in 2012. Maintaining itself as a leading bank with the largest network of branches and the largest customer base with one third of the market share, KBZ has grown its network to more than 500 branches (including mini banks) across the country with a high credibility as of October 2018. Under the direction of the Central Bank of Myanmar, more than 500 branches have been opened across the country with nearly 1,200 ATMs, and over 200 currency exchange counters and over 60 mini branches have been expanded across the country in 2018. KBZ Bank has more than 18,000 employees in October 2018. Not only nationalities but also expatriates (foreigners) are working in the work force of KBZ Bank.

KBZ Bank is trying to get customer satisfaction through the mission statement, "To improve the quality of life through banking," with its core value, "KBZ Bank is guided by a belief and a culture that runs throughout the entire organization: to be good to people and to do the right thing.

KBZ Bank is guided by organizational three ideals – loving kindness, perseverance and courage. In accordance with these, KBZ Bank specified the following goals.

- To implement Small and Medium Enterprise
- To be a steady and competitive bank in private banking sector 23
- To be a biggest bank which own the most branches network among other private banks of Myanmar.

Core Value of KBZ Bank Limited KBZ Bank,

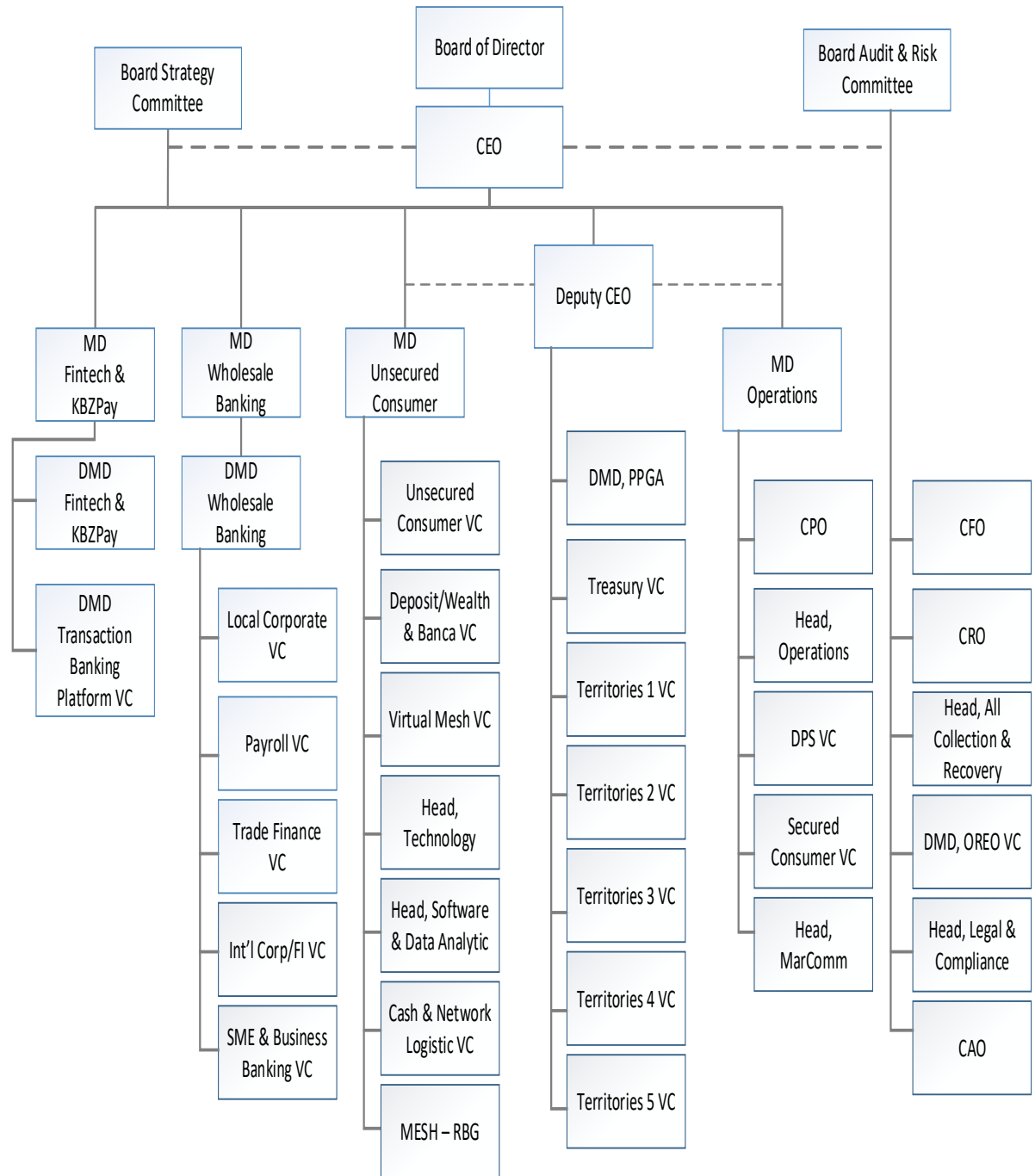
Being one of a branch of the Kanbawza Group of Companies, follows the core values of honesty enthusiasm, mutual trust and respect, integrity leadership and dedication set by the Chairman for the growth of the bank in the interests of the national economy. KBZ Bank's slogan is "Strength of Myanmar." The Bank's dream is to become the best-managed bank in the world. That's just what Myanmar needs and deserves.

3.2 Organization Structure of KBZ Bank

The organization structure of KBZ Bank is shown in the Figure (3.1). In this structure, Board of Directors hire a CEO to manage the banking operation of the whole KBZ bank. He is responsible for the smooth operation of all the bank functions

as well as setting growth strategies for the KBZ Bank Limited. Under the control of CEO, four managing directors are managing in each function namely fintech and KBZ Pay, Wholesales banking, unsecured consumer account affairs, and operations.

Figure (3.1) Organization Structure of KBZ Bank



Source: KBZ Bank Limited (2022)

KBZ Bank Limited is a private limited company set up by BOD and senior officials. The Boards of Directors shall comprise Independent Chairman, Vice Chair, Vice Chair (Exec), Director (Non-Exec), Independent Director, Independent Director and Director (Exec). The Board Committee shall comprise Board Strategy Committee, Board Credit Committee, Board Audit & Risk Committee, Board Nomination and Remuneration Committee.

At present, twenty-seven main departments have been organized in banking operation of Kanbawza Bank Limited and are handled by four MDs and one Deputy CEO. These main departments in Head Office of KBZ Bank are Fintech and KBZPay, Transaction Banking Platform, Wholesale Banking, Local Corporate, Payroll, Trade Finance, International Corporate /FI, SME and Business Banking, Unsecured Consumer, Deposit /Wealth and Banca VC, Virtual Mesh, Technology, Software and Data Analytic, Cash and Network logistic, Mesh-Red, Blue, Green, Treasury, Territories 1, Territories 2, Territories 3, Territories 4, Territories 5, Operations, Digital Professional Services, Secured Consumer, Marketing and Communication, Collection and recovery, legal and compliance. Four Managing Director make management of their respective Value Centers and Function. Figure (3.1) presents the organization chart of KBZ bank.

3.3 Customer Relationship Management Practices of KBZ Bank (Taunggyi)

For increasing competitions among financial institutions in Myanmar, all the banks more focus on customer. This means most banks practice customer centric or customer orientation marketing activities. To be recognized as the bank with the best customer service by consistently meeting and exceeding our customer's requirements and expectation for the following four dimensions:

Customer Orientation

Customer Orientation is to customize the offer and communicate to meet the customers' expectations. KBZ bank employee always tries to promote its customer services to get customer satisfaction. And the employee from the reception who are with neat and tidy appearances are welcoming the premium customers to VIP guest room. Especially for the premium banking customer are offered one-to-one customized banking products and services and sale person which is assigned form Bank management to solve their difficulties. All of the banking staffs from KBZ Bank

Taunggyi are willing to help to the customer problem and to provide prompt service. For customer orientation practices, all of the employee are well trained on customer centric performance standard to provide fast service to premium banking customer.

CRM Based technology

CRM-based technology is always essential in the workplace to improve working conditions and increase customer satisfaction. Today, KBZ Bank uses a queue management system, which enables the bank to efficiently manage customers lineups, customers are now able to be serviced sequentially on a first-in, first-served basis and shortening wait times. Not Only Automatic Teller Machine (ATM) and iBanking and mobile banking also virtual banking -call center are available 24/7.

Organizing around CRM

In order to get the organizing around CRM, a service ambassador was selected in every branch. He or she will act as a service ambassador of the branch to monitor the customer service improvements and implement the plans and procedures from head office (HO). And for the convenience and comfort of all customers, all of the buildings are cleaned and well maintained regularly. It also has parking availability, cleanliness of surrounding areas, bright and clearly visible signboards, and ATMs in bright and clean area. Staffs must keep their workplace clean and tidy all the times. There are many facilities which will make the customers comfortable and convenient such as air con. In addition, security guards, alarms, and CCTV cameras on every entrance and exits of the bank in order to feel safe to the customers. There will also be sufficient seats for the customers to wait, provision of water and refreshment while waiting.

Quality of Customer Services

Premium Banking has golden service standard that include warm smile, open arms which is welcoming customers with positive body gestures or comments, listen and look attentively to what customer' need and delivering services in an efficient, confident manner and with urgency with audible, clear and gentle voices. All of the KBZ Bank Staffs well trained to express their appreciation to the customer with warm and sweet smiles. They also express neighborliness by respecting race, religion customer and age of both customers and colleagues alike and standard opening and

closing scripts which is greeting walk in customers as they arrive or leave. They usually request politely and apologize for the inconvenience of customer have to wait for some reasons. They also follow the telephone etiquette that is answering the phone, greeting scripts, call holding scripts and closing scripts. They have to take responsibility for the call to satisfactorily end.

CHAPTER IV

ANALYSIS OF THE EFFECT OF CRM PRACTICES ON PREMIUM CUSTOMER SATISFACTION AND LOYALTY AT KBZ TAUNGGYI BANK

This chapter presents the analysis of the collected information of effect of customer relationship management on premium customer satisfaction at KBZ Bank, Taunggyi. Study starts with the demographic profiles of the KBZ Taunggyi Bank branches' respondents. Study also analyzes the collected information of respondents' agreeable on that of the effect of CRM activities on premium customer satisfaction.

4.1 Research Design

This study tries to explore the effect of customer relationship management of KBZ Taunggyi Bank on the premium banking customers in that Taunggyi Region. There are four main research study and this study uses descriptive type of research study. Data is mainly based on the primary data collection. The population is scoping at premium banking customers. Study limited only at four branches of KBZ Banks in the Taunggyi City. For the known size of population, Yamane sample size calculation method was used and 140 customers were targeted as sample size. Survey questionnaire was developed and these questionnaires were transformed into Google survey and form.

The completed 132 answers were collected. Respondents' demographic profiles were analyzed by the use of descriptive research method and the collected demographic information was presented at total frequency, percentage, pie chart, and bar graphs. Descriptive research is used to identify the agreement level of premium customer on CRM practices provided by bank. Five-point Likert Scale was applied and respondents have to rate their options by ranging from 1 which is being totally disagree to 5 which is being strongly or totally agree to each statement composed in each factor. For rating method, this type of study was both qualitative and quantitative research study. To explore the effect of one variable to another variable, statistical calculation method was conducted by the use of SPSS 22 Statistical calculation software. By the use of Pearson Correlation analysis, it can explain the relationship between each factor in the independent variable (Customer Relationship Management

Practices) and the dependent variable (customer satisfaction). Linear regression analysis of the statistical tool explains detail effect of each factor on the customer satisfaction on that premium customer services.

4.2 Demographic Profile of Respondents

Demographic information is the analysis of respondents' social information to realize their ability to respond to the survey questions and to make sure appropriate proportions of mature people were involved in the study. It is a preliminary step in the study of social sciences in general. It includes analysis of the gender composition, age range, marital status, and highest education level. Table (4.1) shows the respondents' frequency and percentage proportions, as follows.

Table (4.1) Analysis of the Gender of Respondents

Demographic Characteristics		Total Respondents	Percentage
Gender	Male	58	44
	Female	74	56
	Total	132	100
Age	18 - 30 years	36	27
	31 - 40 years	57	43
	41 - 50 years	26	20
	51 years – above	13	10
	Total	132	100
Marital Status	Single	60	45
	Married	72	55
	Total	132	100
Highest Education Level	High School graduated	6	5
	Bachelor	112	85
	Post diploma	5	4
	Master and above level	9	7
	Total	132	100

Source: Survey Data, 2022

According to Table (4.1), study finds out the composition of males is 58 while female is 74. In term of percent male composed with 44% and female is with 56%, with the most participants.

In the analysis of the age range of respondents from total premium customers. Respondents have to choose their age in one of the five age range, and the result from age analysis is as shown in Table (4.1). Table explains that 36 out of a total respondent are in the age range of 18 - 30 years, 57 out of a total respondent are in the age range of 31 - 40 years, 26 are in the age range of 41 - 50 years, and 13 are 51 years and above age level. In term of percent, 73% of respondents are in the age above 31 years old.

The analysis of the marital status of respondents, it includes asking the respondents to answer whether they are male or female. According to Table (4.1), the result of the analysis of the marital status show that 60 out of a total respondent are unmarried people, while 72 are married people. In term of percentage, unmarried people composed with 45% and married people composed with 55%.

Regarding with the education level of respondents, 85% of respondents are university bachelor degree level. The remaining are post diploma level, master degree level and above level.

4.3 Bank Services Used by Respondents

The analysis of types of bank product and services used of respondents, multiple choice type of question was used. For that, respondents can answer freely their uses of bank products and services more than one and their answers are listed in the Table (4.2).

Table (4.2) Analysis of Types of Bank Services Used by Respondents

Sr. No	Particular	Number of Respondents	Percentage
1	Special deposit account, saving and call account	132	100
2	Remittance: bank transfer and online digital payment	122	92
3	Saving deposit and Loan service	35	27
4	Online digital payment (KBZ Pay and Mobile banking, debit or prepaid card)	132	100
5	Hire purchase service	12	9
6	Saving only	4	3

Source: Survey Data, 2022

Bank customers are found as using more than one bank's product and service. According to Table (4.2), the all the use of banking product and services by the majority of respondents include the use of deposit account with special saving deposit account/ Current account, It includes the use of special deposit account (special account saving /current/ Call., etc.), Remittance, bank transfer, online digital payment by the use of KBZ Pay with all together 92%: The use of online digital mobile banking and the use of debit Card, Credit Card all the services as shown in the table with 100%. The use of saving deposit and trade loan services is also found by 35 numbers with 27%. Some respondents use hire purchase banking services and they are taking part with 9%, with the least use of the type of customers at KBZ Bank (Taunggyi).

4.4 Reliability Test for Study Variables

There is the reason to test the reliability statistics analysis. Survey involves gathering different pieces of evidence for interpreting the test scores in a particular way. It is referred to as the “reliability” of a test.

Table (4.3) Reliability Test of the Constructed Variables

Sr. No.	Factor	Cronbach's Alpha	No of Items	Consistency of Factors
1	CRM orientation	.916	5	Excellent consistency
2	CRM Based Technology	.887	6	Good Consistency
3	Organizational around CRM	.862	4	Good Consistency
4	Quality of customer service	.942	8	Excellent consistency
5	Premium Customer Satisfaction	.945	7	Excellent consistency
6	Customer loyalty	.934	5	Excellent consistency
	Overall consistency	.914	35	Excellent consistency

Source: Survey data, 2022

According to the Table (4.3), by achieving consistent results of a study would be a test to be reliable. By ranging from 0 to 1, the reliability values is closer to 1 indicating higher internal consistency or higher reliability. A generally acceptable value is 0.7 or higher Cronbach' alpha value. In the above table, CRM orientation is composed with 5 items, CRM Based Technology with 6 items, Organizational around CRM is with 4 items, Quality of customer service is with 8 items, Premium Customer Satisfaction is with 7 items and premium customer loyalty is with 5 items. The statistical analysis shows the overall Cronbach' alpha value of .914 for all together 35 items. This study aims to measure the effect of CRM Practices on Customer Satisfaction and loyalty at KBZ Bank (Taunggyi). It is higher than 0.9, and thus the composition of the items is said to be highly consistency in the variables.

4.5 Descriptive Analysis on the CRM Practices of KBZ Bank (Taunggyi)

In this section, the conceptual model of the study was based on four independent variables namely customer orientation services, CRM based technology, organizing around CRM, and quality of customer service from premium banking customers. The findings under this section analyze to research which factors are most influencing factors on variable's effect on the premium banking customer satisfaction at KBZ Bank Taunggyi. There are three levels of mean score: low, moderate, and high. A mean score of 2 or less is considered low, a mean score of 2 to 3.5 is considered moderate, and a mean score of 3.5 or more is considered high.

Customer Orientation Services

The first analysis of the customer relationship management practice is the customer orientation factor. There are five constructed characteristics related to customer orientation. Table (4.4) is the result from the descriptive analysis of customer orientation services of KBZ Bank Taunggyi, as follows.

Table (4.4) Analysis of Customer Orientation Services Factor

Sr. No.	Customer Orientation Services Factor	Mean	St. Dev
1	The bank's reception desk employees are neat appearing, and welcoming to VIP guest room	4.25	0.89
2	One-to-one customized banking products and services	4.05	0.83
3	Availability of banking staffs for helps	4.27	0.87
4	Responsibility of premium banking customer staff with their great care	4.30	0.83
5	All the bank employees are trained on customer-centric performance standards.	4.26	0.85
	Overall mean	4.22	

Source: Survey data, 2022

Table (4.4) shows that most of premium customer satisfied with responsibility by premium banking customer staff for their great care and commits their promise with 4.30 means. According to the mean scores the second satisfaction point is for all the banking staffs are available for helps that they requested with 4.27 means. For the

customer orientation factor, the most customers are satisfied on the providing of one to one customized banking products and services. Overall mean scores of customer orientation is 4.22. Therefore, it can be concluded that premium banking customer satisfaction on customer orientation dimension is very high and indicate as important element in the CRM practices of Taunggyi KBZ Bank.

CRM Based Technology

The second analysis of the customer relationship management practice is the CRM based technology factor. Total six statements are constructed to as the respondents. Table (4.5) explains the result from the analysis of customer rating CRM Based Technology of KBZ Bank Taunggyi, as follows.

Table (4.5) Analysis of CRM Based Technology Factor

Sr. No.	CRM Based Technology,	Mean	St. Dev
1	The speed of banking service	4.05	0.82
2	Friendliness of employees in the customer-touch points.	4.27	0.85
3	24/7 account check by the right software serving by KBZ Bank	4.34	0.83
4	KBZ Bank technicians maintain a comprehensive database of customer account information, safely and securely.	4.29	0.80
5	The use of Queue Management System to manage customer queues smartly and swiftly.	4.02	0.80
6	The use of right hardware to serve to customers.	4.17	0.87
	Overall mean	4.19	

Source: Survey data, 2022

Table (4.5) shows that premium banking customers are satisfied with 24/7 account checked by the right software service provided by KBZ Bank with 4.34 mean score .KBZ Bank applications like mobile banking and internet banking can provide this service to check their accounts and transactions. KBZ Bank technicians maintain a comprehensive database of customer account information safely and securely, which is

the second mean score of 4.29. For the CRM based technology factor, the lowest mean point is 4.02 in KBZ Bank Taunggyi for the use of Queue Management System to manage customer queues smartly and swiftly. However, it is still in high condition and customer agree on it. Overall mean scores of CRM based technology is 4.19. Therefore, it can be concluded that premium banking customer satisfaction of CRM on CRM based technology dimension is high.

Organizing around CRM

The third analysis of the customer relationship management practice is the Organizing around CRM practices factor. Total four statements are constructed to ask the respondents. Table (4.6) explains the result from the analysis of customer rating organizing around CRM practices of KBZ Bank Taunggyi, as follows.

Table (4.6) Analysis of Organizing around CRM Factor

Sr. No.	Organizing Around CRM	Mean	St. Dev
1	When the bank promises to do something by a certain time, it does so.	4.25	0.85
2	Materials associated with the premium banking services (such as table, chairs, desks, internet Wi-Fi, beverages, washroom facilities) are visually appealing at the bank.	4.17	0.89
3	KBZ Taunggyi banks are fastened with right software like queue management systems to first-in-first serve service customers.	4.30	0.79
4	KBZ Taunggyi bank branches' waiting area are clean and customers happy by reducing waiting time.	4.36	0.74
	Overall mean	4.27	

Source: Survey data, 2022

According to Table (4.6), overall mean value of 4.27 for organizing around CRM is in high level. This is indicating the majority of respondents agree with the statement of organizing around CRM as important one in the customer relationship management practices. The highest mean score of 4.36 is for organizing around CRM factors indicating respondents strongly agree with KBZ Bank Taunggyi branch waiting area are clean and customer happy by reducing waiting time. As all of the

mean value is high level, it can be concluded that premium banking customer satisfaction on organizing around CRM is high agree level.

Quality of Customer Services

The fourth analysis of the customer relationship management practice is the quality of customer services as a CRM practices factor. Total eight statements are constructed to ask the respondents. Table (4.7) explains the result from the analysis of customer rating Quality of Customer Services as one of the CRM practices of KBZ Bank Taunggyi, as follows.

Table (4.7) Analysis of Quality of Customer Services factor

Sr. No.	Quality of Customer Services	Mean	St. Dev
1	Complain handling without delay.	4.19	0.90
2	Solution for complaint	4.12	0.94
3	Interest of bank staff in problem solving for customer.	4.23	0.87
4	Sufficient and real time financial information provided	4.22	0.88
5	Quickness of the webpage on the bank's portal site loading.	4.19	0.80
6	The ability to guide customer to resolve problems.	4.17	0.87
7	Prompt reception of response to customer request.	4.08	0.89
8	Accuracy of online transaction process of KBZ Bank	4.36	0.72
	Overall mean	4.20	

Source: Survey data, 2022

Table (4.7) shows that premium banking customers are satisfied with accuracy of online transaction process of KBZ Bank with 4.36 mean score. The satisfaction for interest of bank staff in problem solving for customers is the second mean score of 4.23. For the quality of customer service factor, the lowest mean point is 4.08 in KBZ Bank Taunggyi for the prompt reception of response to customer request. However, it is still in high condition and customers agree on it. Overall mean scores of quality of customer service is 4.20 means. Therefore, it can be concluded that premium banking customer satisfaction of CRM on quality of customer service is high.

Satisfaction of Premium Customers at KBZ Taunggyi Bank

In this section, it is the descriptive analysis of the customer satisfaction level on that of customer relationship management practices of KBZ Taunggyi Bank.

Table (4.8) Satisfaction of Premium Customer at KBZ Taunggyi Bank

Sr. No.	Satisfaction of Premium Customer	Mean	St. Dev
1	Satisfaction with the employee courteous to customers	4.30	0.81
2	Satisfaction with welcomed in a way that I feel like a valued customer	4.27	0.86
3	Satisfaction with the employee responsiveness to customer queries on products/ services.	4.23	0.85
4	Satisfaction with the service facilities for premium banking customers.	4.22	0.89
5	Satisfaction with the behavior and mannerism of premium banking service delivery staff	4.26	0.83
6	Sufficient and real time financial information provided.	4.23	0.78
7	Recommend to others to use KBZ Bank products and services.	4.45	0.69
	Overall mean	4.28	

Source: Survey data, 2022

According to Table (4.8), the overall mean score is 4.28 for the satisfaction of premium customer. The highest mean value of 4.45 for customer satisfaction is indicating that respondents strongly agree with the statement of willingness to recommend to others to use KBZ Bank products and services. The lowest mean value 4.22 for premium customer satisfaction factor is indicating that the respondents agree with their satisfactory level with the service facilities for premium banking customers. Hence, it can be concluded that KBZ bank regularly assesses its CRM procedures and attempts to change them as necessary. Customers seem satisfied that there is sufficient performance of the CRM practices and then they agree positively on what they received or experienced.

Loyalty of Premium Customers at KBZ Taunggyi Bank

In this section, it is the descriptive analysis of the customer loyalty on that of KBZ Taunggyi Bank.

Table (4.9) Loyalty of Premium Customer at KBZ Taunggyi Bank

Sr. No.	Customer Loyalty	Mean	St. Dev
1	Recommend to friends and family to use KBZ Banking products and services.	4.34	0.76
2	Continuous using KBZ Banking products and services.	4.36	0.75
3	Convenience in using KBZ Banking products and services.	4.29	0.79
4	Pleased with online banking, K Pay e-wallet, and special account of KBZ Bank.	4.30	0.82
5	Using KBZ Banking products and services in the future.	4.24	0.77
	Overall mean	4.30	

Source: Survey data, 2022

Table (4.9) shows that customers agree for the continuous using KBZ Banking products and services with 4.36 mean score. Recommending to friends and family to use KBZ Bank products and services is the second mean score of 4.36. In the loyalty factor, the lowest mean point is 4.24. Hence, it can be concluded that management and employees can reach their tasks with sufficient performance. Customers are satisfied with competent services and this can tend to be loyal.

4.6 Regression Analysis of CRM Practices and Customer Satisfaction at KBZ Bank Taunggyi

Table (4.10) explains the correlation coefficient output table resulted from the use of Pearson Correlation analysis. It explains the correlation between each CRM dimension and customer satisfaction especially Taunggyi KBZ Bank premium customers,

Table (4.10) Correlational Coefficient between CRM Practices and Customer Satisfaction at KBZ Bank (Taunggyi)

Factor	Coefficient of Correlation
Satisfaction	1
Customer orientation	.729**
CRM Based Technology	.777**
Organizing around CRM	.812**
Quality of customer service	.904**

Source: SPSS output

Notes: ***Significant at 1% Level, **Significant at 5% Level, *Significant at 10% Level

According to the table (4.10), Pearson correlation analysis explains the different level of variation of each factor on that of dependent variable (customer satisfaction). All influencing factors, Customer orientation, CRM Based Technology, Organizing around CRM, Quality of Customer service are significant correlation with customer satisfaction at KBZ Bank Taunggyi. This means that the increase in CRM practice positively varies customer satisfaction

To explore the effect of customer relationship management practices on customer satisfaction, linear regression analysis was conducted. Table (4.11) explains the regression analysis result, as follows

**Table (4.11) Effect of CRM Practices on Customer Satisfaction at KBZ Bank
(Taunggyi)**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	.267	.162		1.647	.102	
Customer orientation	.045	.055	.049	.810	.420	2.913
CRM Based Technology	.143**	.067	.145	2.123	.036	3.734
Organizing around CRM	.107	.076	.104	1.402	.163	4.433
Quality of customer service	.661***	.064	.674	10.342	.000	3.405
R	.917 ^a					
R Square	.842					
Adjusted R Square	.837					
F	168.898***					

Source: Survey Data(2022)

Dependent variable: Customer Satisfaction

Notes: ***Significant at 1% Level, **Significant at 5% Level,*Significant at 10% Level

According to table (4.11), the F value is significant at 1% level (F=168.898, p<0.01). This means the use of the research study model of Effect of CRM Practices and Customer Satisfaction at KBZ Bank Taunggyi is valid. The R Square value 0.842 is indicates the variation of the CRM practices of CRM Orientation, CRM Based Technology, Organizational around CRM, and Quality of customer service on the customer satisfaction by 84.2%. The R Square value indicates strong variation of the CRM practices on premium customer satisfaction at KBZ Bank Taunggyi.

The coefficient value of customer orientation is positive and poorly correlated value; however, it is also not a significant value at 1% level (P>0.05, r=0.045).

The coefficient value of the CRM Based Technology is also found to be fairly

and positively correlated value, and it is significant at 5% level. ($P < 0.05$, $r = 0.143$). This means the 100% increase in CRM Based Technology would increase 14.3% on customer satisfaction.

The coefficient value of the Organizing around CRM is found to be poorly and positively correlated value, however its significant value is not significant at 5% level. ($P < 0.05$, $r = 0.143$).

The coefficient value of the quality of customer service is found to be strongly and positive value, and its significant value is significant at 1% level. This means that 100% increase in CRM practices in term of quality of customer service would increase 66.1% customer satisfaction.

Under the observation of four selected CRM dimensions, only two variables, namely CRM based technology and quality of customer service, show significant variation in premium customer satisfaction.

Under the observation of four selected CRM dimensions, only two variables, namely CRM-based technology and quality of customer service, show significant variation in premium customer satisfaction. The implication of the finding is that marketers, management, and practitioners of KBZ Bank Taunggyi have a chance of promoting premium customer satisfaction by reviewing customer relationship management strategies regarding CRM based technology and the quality of customer service.

4.7 Analysis of the Effect of Customer satisfaction on Loyalty at KBZ Bank (Taunggyi)

To explore the effect of customer satisfaction on customer loyalty, linear regression analysis was conducted. Table (4.12) explains the regression analysis result, as follows.

Table (4.12) Effect of Customer Satisfaction on Loyalty at KBZ Bank (Taunggyi)

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	.398	.128		3.102	.002		
Satisfaction	.912***	.030	.938	30.857	.000	1.000	1.000
R	.938 ^a						
R Square	.880						
Adjusted R Square	.879						
F	952.151***						

Source: Survey data, 2022

Dependent Variable: Loyalty

Note: *** = Significant at 1% level

According to the above calculation of regression analysis, the R-squared or the coefficient of determination value is greater than 0.8, for that higher and strong value which is generally considered a strong effect size. That is the variation of the model is varied strongly and positively to customer loyalty. The coefficient of unstandardized coefficients value is found to be highest and positive value and is significant at 1% ($P < 0.01$, $r = 0.912$). This means that the 100% increase of premium customer satisfaction would promote customer loyalty by 91.2%.

CHAPTER V

CONCLUSION

In this section, it is the conclusion part. It includes discussion of findings from the chapter four with recommendations and suggestions upon findings of the study. The last part is the implication of the study and the needs for further studies to extend the knowledge of CRM practices in Myanmar Banking Industry.

5.1 Findings and Discussions

In the analysis of the demographic profiles of respondents, the survey explains that there are a greater number of female than male respondents. From the finding of the analysis of the respondents' age level, a greater number of respondents fall into the age range of 31 to 50 years. This means the majority of participants are in the maturity age required to explain the survey questions.

In the analysis of the marital status of respondents, married people make up a greater number than single people. The higher numbers of married people are seen as stable and, hence, are more likely to produce thorough answers to the survey questions. In the analysis of the highest education level of respondents, there are with the greater number of university graduate and above level.

In the analysis of types of bank product and services used of respondents, survey used multiple choice types of questions. Based on the findings from this analysis, it can be explained that the use of banking products and services is not only one. Premium Bank customers are found as using more than one bank's product and services such as the use of saving deposit account/ Current account, Special deposit account (Saving /Current/ Call., Remittance, online digital payment like mobile banking, Debit Card, Credit card, some premium customers are using all the banking services.

Based on the descriptive survey finding from the first dimension of the customer relationship management practice is the customer orientation factor. The result finding from the descriptive analysis is received a greater mean value. In accordance with the research finding from the second descriptive research of the customer relationship management practice is the CRM based technology factor. The finding of the result from the analysis of customer rating CRM based technology of

KBZ Bank Taunggyi, the higher the received overall mean value. Based on the third analysis of the customer relationship management practice is the Organizing around CRM practices factor. The result shows that the higher the overall mean value for Organizing around CRM factor which can be concluded the majority of respondents strongly agree with Organizing around CRM as important one in the customer relationship management practices. The last chosen CRM practice factor was the quality of customer service factor and received higher overall mean value for Quality of Customer Services factor. Based on this survey finding, it is also concluded as the majority of respondents strongly agree with that statement of Quality of Customer Services as part of customer relationship management practices.

Statistical analysis by the use of Pearson correlation analysis between CRM Practices and Customer Satisfaction could be concluded that there are strong and positive correlation between independent variables and dependent variable of customer satisfaction, and their correlations are also significant to study between variables.

5.2 Recommendations and Suggestions

The study finds out the premium bank users' perceptions on that of CRM practices whether to have relationship to their satisfaction or not. The selected four CRM practices include customer orientation factor, CRM based technology factor, Organizing Around CRM practices factor and the quality of customer service factor. Based on the survey findings on that of the first factor of CRM practice of customer orientation factor, it could be recommended that this customer orientation is one of the important CRM practices for KBZ Taunggyi Bank. This is the practices of KBZ bank puts the needs of the premium customer over the needs of the business. Great care of bank employees not only premium customer department but also all the employee on the bank customers. It is recommended to have all the bank employees are trained on customer-centric performance standards.

Based on the survey finding of the result on the second selected CRM dimension of CRM based technology factor, it is also strongly recommended that CRM based technology factor is also one of the important CRM practices for the premium customer satisfaction.

Based on the survey finding of the result on the third selected CRM dimension of the Organizing Around CRM factor, it is also recommended that KBZ Taunggyi branches waiting area are clear and customers happy by reducing waiting time. And

when Bank promises to do something by a certain time, it does so.

Based on the survey finding of the result on the fourth selected CRM dimension of the Quality of Customer Services factor, it is also strongly recommended that Quality of customer service is as part of customer relationship management practices. And receiving accuracy of online transaction process of KBZ Bank and when customer has a problem, all the bank staff show a sincere interesting solving it.

Based on the linear regression analysis result of the only two variables, namely CRM-based technology and quality of customer service, show significant variation in premium customer satisfaction, there is strongly recommended there has the chance of promoting premium customer satisfaction if the management and practitioners of KBZ Taunggyi Bank empathies these two CRM-based technology and quality of customer service among the selected four factors.

The implication of the finding is that marketers, management, and practitioners of KBZ Bank Taunggyi have a chance of promoting premium customer satisfaction by reviewing customer relationship management strategies regarding CRM-based technology and the quality of customer service.

5.3 Needs for Further Studies

This study is limited on KBZ Taunggyi Bank. It does not cover all others private commercial banks in Myanmar. Study is undertaken only in Taunggyi City, and no other KBZ branches are included apart from Taunggyi City. Furthermore, bank customers are premium customers who have minimum 100-million-kyat deposit amount. It is to extend the study on the KBZ bank in Yangon and Mandalay region at where many premium customers are. By extending large number of premium customers of KBZ bank, there would be more detail survey finding that can contribute to the previous studies of the relationship of customer relationship management in banking industry and bank customer satisfaction. To prove more significant survey findings, there is the needs of further studies to extend to other premium customers from CB bank, AYA Bank, and so on.

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APPENDIX – I

Survey Questionnaire

CRM Practices on Premium Customer Loyalty at KBZ Bank Taunggyi

Dear Sir/ Madam,

I am a student from Yangon University of Economic. I am conducting a quantitative study regarding the assessment of CRM Practices on Premium Customer Loyalty at KBZ Bank Taunggyi. I would like to request you to choose your help this questionnaire at your valuable time. Surveys will be anonymous, and all the collected information will be stored in the secure place and access only by researcher. And the gathered data will be used for educational purpose only without any bias or dissemination. Please kindly answer the following questions.

Thanks to share your valuable time in this survey.

Ms. Thin Thiri Htay

MBF II- 69

MBF Day 2nd Batch

Yangon University of Economics

Section (A) Demographic Profiles of Respondents.

1. Kindly indicate your gender (ကျား/မ)

- Male (ကျား)
- Female (မ)

2. What is your age range? (အသက်အရွယ်အပိုင်းအခြား)

- 18 to 30 years old (အသက် ၁၈ နှစ် မှ ၃၀ နှစ်)
- 31 to 40 years old (အသက် ၃၁ နှစ် မှ ၄၀ နှစ်)
- 41 to 50 years old (အသက် ၄၁ နှစ် မှ ၅၀ နှစ်)
- 51 years - above (အသက် ၅၁ နှစ် နှင့် အထက်)

3. **What is your marital status?** (အိမ်ထောင်ရှိ/ မရှိ)

- Single (တစ်ကိုယ်တည်း လူပျို/အပျို)
- Married (အိမ်ထောင်ရှိ)

4. **What is the highest level of education you have completed?**

(အတန်းပညာပြီးဆုံးမှု)

- Student from high school? (အထက်တန်းကျောင်း)
- High School graduated (၁၀-တန်း အောင်)
- Post diploma (ဘွဲ့လွန် ဒီပလိုမာ)
- University graduate (ဘွဲ့ရ)
- Master and above level (မဟာတန်း နှင့်အထက် ပညာအရည်အချင်း)

5. **What types of Bank Services do you use?**

- Saving deposit account/ Current account
- Loan services
- Remittance
- Online digital payment (KBZPay, mobile banking, Debit Card, Credit Card,
- Special Deposit account (Saving/Current/Call.,etc)
- All of Above

6. **How many years have you use CB Bank products and services?**

- 1 to two years (တစ်နှစ်မှ နှစ်နှစ် အထိ)
- 3 to five years (၃ နှစ် မှ ၅ နှစ် အထိ)
- More than five years. (၅ နှစ် အထက်)

Section (B) Analysis of the effect of Customer Relationship Management on Premium Customer Satisfaction at KBZ Taunggyi Banks

This section aims to measure the degree to which Customer Relationship Management by the use of 5-Point Likert scale.

Please tick (✓) one box per statement according to the scale stated below.

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

This part consists of Ten questions to measure the degree to which your satisfaction level on customer orientation services by the use of 5-Point Likert Scale

(a) CRM Orientation or Focusing on Key Customers

Sr. No	Customer Orientation Services Factor	Agreeable Level				
		1	2	3	4	5
1	The bank's reception desk employees are neat appearing, and welcoming to VIP guest room	1	2	3	4	5
2	One-to-one customized banking products and services (သီးသန့် ဝန်ထမ်း ထားရှိပြီး တာဝန်ယူ ဆောင်ရွက်ပေးမှု)	1	2	3	4	5
3	All the banking staffs are available for helps.	1	2	3	4	5
4	I was satisfied with responsibility by premium banking customer staff for their great care.	1	2	3	4	5
5	All the bank employees are trained on customer-centric performance standards.	1	2	3	4	5

(b) CRM Based Technology

Sr. No	Factor	Agreeable Level				
1	I was satisfied with the speed of banking service.	1	2	3	4	5
2	I was satisfied with friendly employees in the customer-touch points.	1	2	3	4	5
3	I was satisfied with 24/7 Account check by the right software serving by KBZ Bank	1	2	3	4	5
4	KBZ Bank technicians maintain a comprehensive database of my account information, safely and securely.	1	2	3	4	5
5	I was satisfied with the use of Queue Management System to manage customer queues smartly and swiftly.	1	2	3	4	5
6	I was satisfied with the use of right hardware to serve to customers.	1	2	3	4	5

(c) Organizing Around CRM

Sr. No	Factor	Agreeable Level				
1	When the bank promises to do something by a certain time, it does so.	1	2	3	4	5
2	Materials associated with the premium banking services (such as table, chairs, desks, internet Wi-Fi, beverages, washroom facilities) are visually appealing at the bank.	1	2	3	4	5
3	KBZ Taunggyi banks are fastened with right software like queue management system to first-in-first serve service customers.	1	2	3	4	5
4	KBZ Taunggyi bank branches' waiting area are clear and customers happy by reducing waiting time.	1	2	3	4	5

(d) Quality of Customer Services

Sr. No	Factor	Agreeable Level				
1	I am satisfied with complain-handle without delay.	1	2	3	4	5
2	I am satisfied with a solution for complaint.	1	2	3	4	5
3	When I have a problem, all the bank staffs show a sincere interesting solving it.	1	2	3	4	5
4	The bank provided sufficient and real time financial information.	1	2	3	4	5
5	I am satisfied with quickness of the webpage on the bank's portal site loading.	1	2	3	4	5
6	I am satisfied with the ability to guide customer to resolve problems.	1	2	3	4	5
7	I am satisfied with prompt reception of response to customer request.	1	2	3	4	5
8	I am satisfied with receiving accuracy of online transaction process of KBZ Bank	1	2	3	4	5

Section (C) Analysis on the Customer Satisfaction at Premium Banking Services of KBZ Taunggyi Banks

Satisfactoin of Premium Customer at KBZ Taunggyi Banks

Sr. No	Factor	Agreeable Level				
1	I am satisfied with the employee courteous to customers	1	2	3	4	5
2	I am satisfied with welcomed in a way that I feel like a valued customer.	1	2	3	4	5
3	I am satisfied with the employee responsiveness to customer queries on products/ services.	1	2	3	4	5
4	I am satisfied with the service facilities for premium customers.	1	2	3	4	5
5	I am satisfied with the behavior and mannerism of premium banking service delivery staff.	1	2	3	4	5
6	The bank provided sufficient and real time financial information.	1	2	3	4	5
7	I all eager to recommend to others to use KBZ Bank products and services.	1	2	3	4	5

Section (D) Analysis on the Customer Loyalty at Premium Banking Services of KBZ Taunggyi Banks

Loyalty of Premium Customer at KBZ Taunggyi Banks

Sr. No	Factor	Agreeable Level				
1	I am likely to recommend to friends and family to use KBZ Banking products and services.	1	2	3	4	5
2	I am likely to continue using KBZ Banking products and services.	1	2	3	4	5
3	I was very convenient using KBZ Banking products and services.	1	2	3	4	5
4	I was very pleased with online banking, K Pay e-wallet, and special account of KBZ Bank.	1	2	3	4	5
5	I was very likely using KBZ Banking products and services in the future.	1	2	3	4	5

Thank you for your participations.

SPSS-22 Outputs

Reliability Statistics

	Cronbach's Alpha	N of Items
CRM orientation	.916	5

Reliability Statistics

	Cronbach's Alpha	N of Items
CRM Based Technology	.887	6

Reliability Statistics

	Cronbach's Alpha	N of Items
Organizational around CRM	.862	4

Reliability Statistics

	Cronbach's Alpha	N of Items
Customer Satisfaction	.942	8

Reliability Statistics

	Cronbach's Alpha	N of Items
Premium Customer Satisfaction	.945	7

Reliability Statistics

	Cronbach's Alpha	N of Items
Premium Customer Loyalty	.934	5

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.917 ^a	.842	.837	.2875

a. Predictors: (Constant), Customer Service, Orientation, Tech, Org Around CRM

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	55.829	4	13.957	168.898	.000 ^b
	Residual	10.495	127	.083		
	Total	66.324	131			

a. Dependent Variable: Satisfaction

b. Predictors: (Constant), Customer Service, Orientation, Tech, Org Around CRM

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	.267	.162		1.647	.102		
Orientation	.045	.055	.049	.810	.420	.343	2.913
Tech	.143	.067	.145	2.123	.036	.268	3.734
Org Around CRM	.107	.076	.104	1.402	.163	.226	4.433
Customer Service	.661	.064	.674	10.342	.000	.294	3.405

a. Dependent Variable: Satisfaction

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.938 ^a	.880	.879	.24082	1.915

a. Predictors: (Constant), Satisfaction

b. Dependent Variable: Loyalty

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	55.218	1	55.218	952.151	.000 ^b
	Residual	7.539	130	.058		
	Total	62.757	131			

a. Dependent Variable: Loyalty

b. Predictors: (Constant), Satisfaction

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	.398	.128		3.102	.002		
Satisfaction	.912	.030	.938	30.857	.000	1.000	1.000