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**FACTORS AFFECTING CUSTOMER SATISFACTION TOWARDS
TRADE FINANCING SERVICES PROVIDED BY CB BANK PCL**

SOE THANDAR MYINT

ROLL NO – 63

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**FACTORS AFFECTING CUSTOMER SATISFACTION TOWARDS
TRADE FINANCING SERVICES PROVIDED BY CB BANK PCL**

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Supervised by

Submitted by

Dr. May Su Myat Htway Aung
Professor
Department of Commerce
Yangon University of Economics

Soe Thandar Myint
Roll No.63
MBF (Day 2nd Batch)
Yangon University of Economics

AUGUST, 2023

ACCEPTANCE

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

BOARD OF EXAMINERS

.....
Prof. Dr. Tin Tin Htwe
(Chairman)
Rector Yangon University of Economics

.....
(Supervisor)
Dr. May Su Myat Htway Aung
Professor
Department of Commerce
Yangon University of Economics

.....
(Examiner)
Dr. Tin Tin Htwe
Professor and Head
Department of Commerce
Yangon University of Economics

.....
(Examiner)
Dr. Aye Thu Htun
Professor
Department of Commerce
Yangon University of Economics

.....
(Examiner)
Dr. Thynn Thynn Myint
Professor
Department of Commerce
Yangon University of Economics

AUGUST, 2023

ABSTRACT

The aim of the study intends to identify the factors affecting customer satisfaction towards trade financing services provided by CB Bank Public Company Ltd. This study outlines the key functions such as trust, access to information, trade facility, reliability and service guarantee. This study is based on primary data from respondents who deal with the trade financing services at CB Bank. Among about 790 business, 158 numbers of sample respondents who are from total customers of trade finance services from CB Bank, were collected through research questionnaires on five-point Likert scale with Google form and printed form. Descriptive research method, quantitative research approach and regression analysis were mainly used in interpretation of the collected information. By the descriptive statistics, all the respondents reveal their options that these factors are found to be important factors that influence on customer satisfaction in the use of trade finance services of CB Bank. The regression result indicated that three factors are statistically and positively significant factors: access to information, trade facility, and reliability show significant variation in customer satisfaction of trade financing services by CB bank. Among them, the trade facility factor is the most significant factor on trade finance service, followed by access to information and lastly reliability factor. Because of the trade facility is the most significant and highest variation on customer satisfaction, bank practitioners and management should pay more attention to any activity related to trade facility for more customer satisfaction which leads to maintain trade finance customers at their bank.

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LIST OF ABBREVIATIONS

| | |
|------|---------------------------------------|
| AD | - Authorized Dealer |
| ADB | - Asian Development Bank |
| CB | - Corporate Bank |
| CBM | - Central Bank of Myanmar |
| GDP | - Gross Domestic Products |
| SMEs | - Small- and medium-sized enterprises |
| TFP | - Trade Finance Program |
| WTO | - World Trade Organization |

CHAPTER (I)

INTRODUCTION

Trade finance is the financing of goods or services in a trade transaction (Mark, 2023). Banks offer trade financing services that include bonds and guarantees, lending facilities, issuing letters of credit (LC), export factoring, export credit, insurance during delivery and shipping, supply chain finance and foreign exchange (Mark, 2023). As of today, the service sector by means of information technologies, logistics, and finance are playing a vital role in the functioning of modern economies for a decade. Healthcare and entertainment become world's fastest growing sectors (WTO, 2023). The contribution of trade and investment in services make to economic growth and development for international trade.

Trade financing has been a vital component of international trade throughout history (Kubiak, 2023). Small- and medium-sized enterprises (SMEs) are backbone of a global economy. They are heavily relying on access to banking services in expending new market that promotes inclusive economic growth (Kubiak, 2023). Trade finance supports about 80% of global trade through a variety of financial instrument (WTO, 2023). It encompasses various financial instruments and services that facilitate cross-border transactions, enabling businesses to mitigate risks, access working capital, and expand their market reach. Without trade finance, global trade would grind to a halt.

The significance of trade financing services within the banking sector cannot be overstated. Trade forms the cornerstone of economic interactions, driving global growth and interdependence. Trade financing services enable banks to actively participate in supporting and facilitating international trade transactions. They serve as a conduit for bridging the gap between the financial needs of businesses engaged in cross-border trade and the complexities of international commerce. Moreover, these services contribute to enhancing banks' profitability, as they generate fee-based income and strengthen customer relationships.

The intricate web of international trade relies heavily on the provision of financial support and risk mitigation mechanisms, which are facilitated by the pivotal role of banks in trade financing services. As cross-border transactions become increasingly complex and widespread, the role of banks in trade financing has evolved to become a linchpin in sustaining global economic interactions. This paper examines the multifaceted role that

banks play in trade financing services, elucidating their functions in supporting international trade, managing risks, and fostering economic growth.

In Myanmar, Central Bank of Myanmar is about describing how improved regulatory efficiency and effectiveness can be realized (DFDL, 2023). For the purposes of efficiency, competition, and integration into the local financial system, CBM has liberalized the financial institutions. The Central Bank had granted licenses to 27 non-banking financing enterprises as of the end of October 2020 (CBM, 2023). Authorized dealer ("AD") banks were given the duty of reporting market currency trading operations in a letter from the Central Bank of Myanmar (CBM). On November 2018, CBM allows foreign bank branches to provide wholesale banking services for local companies in accompanying with local or foreign financial institution.

Banking industry in Myanmar supports trade finance services. CB Bank signed with agreement with Asian Development Bank (ADB) for trade finance program (TFP) to assist trade finance capacity up to \$12 million per annum (Sundari & Aung, 2015). Banks act as intermediaries between exporters and importers, ensuring the smooth execution of trade transactions. By utilizing the latest innovation in banking technology, CB Banks trade solutions provide a host of products for both importers and exporters. The expansion of CB Trade Centers across Myanmar is a strategic initiative for CB Bank PCL (C B Bank, 2019). CB Bank's Trade Finance offers diverse trade financing solutions, catering to customers' needs in the International Trade environment, from basic to complex structures (C B Bank, 2019). This study focusses on the factors affecting satisfaction of customers who use CB Bank's trade financing services.

1.1 Rationale of the Study

This study is to examine the factors affecting consumer satisfaction towards trade financing services provided by CB bank. Trade financing is a vital aspect of international trade, enabling businesses to access the necessary funds for cross-border transactions. Private Banks, as key players in the financial sector, have played a significant role in providing trade financing solutions to businesses. CB Bank offer a wide range of services, including letters of credit, trade guarantees, export/import financing, and supply chain financing, among others.

Among private banks, it is very interesting to study CB Bank is one of the largest leading private banks in Myanmar established since 1992. CB Bank have so many branches

and standing top 3 as highest market share it is one of the well-known for its varieties of financial services including international banking services and trade facilities. In, addition, CB Bank is best services provider in trade financé awarded in almost each year since 2016 from the Asian banker and global finance. Its popularity is also rising to be interesting and to be studied. Base on the result of this study, CB Bank can review and evaluate their trade financing in international banking services are efficient and effective for their customer and are performing the high-level services quality among the other commercial banks.

Myanmar, as an emerging market with its unique economic and regulatory landscape, presents distinctive challenges for trade financing. For the success among other private banks and public banks in Myanmar, CB Banks try to maintain and to provide their financial services to be the best. This study outlines the key functions such as trust, access to information, trade facility, reliability and service guarantee. These factors are the vital role of trade financing services from private banks. The liberalization of trade finance has the potential to unlock greater financing opportunities for traders in Myanmar. CB Bank is serving trade finance within a complexities of banking regulations, limited access to global financial markets, and political uncertainties. Recognizing these hurdles is crucial in understanding the factors that potentially hinder customer satisfaction and in formulating strategies to address them effectively.

A foundational aspect of this study involves providing an in-depth description of the customers actively utilizing trade financing services from CB Bank. By identifying the demographic characteristics, business type, and international affiliations of these customers base has implications for the customization of trade financing services to maximize customer satisfaction. Investigating the weakness and strengths, bank can align between trade financing services and the unique demands of different business categories contributes to a more nuanced comprehension of customer satisfaction factors.

In term of maintaining and increasing the market share, an Institution like CB Bank must have certain level of customer satisfactions on its products and services and keep trying to increase it. In order to doing so, CB Bank needs to know the perceptions of its customers so that it can retain its key customers and bring in more new customers by offering better services and well structured products. Therefore, this study mainly focus on identifying CB Bank trade financing Services and finds out the customer satisfaction on them and the result may alert CB Bank accordingly to take the necessary actions.

1.2 Objectives of the Study

In this study, there are two major objectives;

1. To identify the trade financing services at CB Bank.
2. To analyze the influencing factors on customer satisfaction towards trade financing service provided by CB Bank.

1.3 Scope and Method of the Study

This study adopted a quantitative research approach to gather data on the customer satisfaction towards trade financing services from CB bank in Myanmar. The target population of about 790 customers consists of businesses who have engaged in international trade and have used trade financing services provided by CB bank. Among them, 158 customers (Twenty Percent of trade financing customers) were selected by using a simple random sampling method.

The primary data are based on a structured questionnaire and the secondary data are collected from previous studies, relevant textbooks, internet data and bank information. The questionnaire included sections to assess the customer awareness and understanding of trade financing, their satisfaction levels with the services received, and the challenges faced in accessing trade financing. The questionnaire was administered to a sample of customers who use trade financing services at CB Bank. The data collection used appropriate statistical techniques, such as descriptive statistics, correlation analysis, and regression analysis.

1.4 Organization of the Study

This thesis is organized into several chapters to provide a comprehensive analysis of the factors affecting customer satisfaction towards trade financing services provided by CB Bank. Chapter 1 presents the introduction, rationale, scope and method of the study. Chapter 2 provides a thorough review of the relevant literature on trade financing, private banking, and customer satisfaction towards trade financing services of CB Bank. Chapter 3 describes the research design, including the sampling strategy, questionnaire design, data collection procedures, and data analysis techniques. Chapter 4 presents the quantitative analysis of the data collected, addressing the first objective of the study. Chapter 5 discusses the findings and discussion, suggestions and recommendations, and highlighting the needs for further studies.

CHAPTER II

LITERATURE REVIEWS

This chapter represents a literature review of factors affecting customer satisfaction towards the use of trade financing services. Moreover, this chapter presents the previous studies related to some key factors influencing customer satisfaction with banks' trade finance service quality. Based on that, the conceptual framework of the study was presented.

2.1 Trade Finance Services of Banking Industry

Trade finance services encompass the financial support provided for cross-border transactions involving the import and export of goods or services. This type of financing is crucial for both importers and exporters to sustain their operations. According to the World Trade Organization (WTO), approximately 80% of global trade relies on trade finance or risk insurance.

Trade finance services enable companies to access capital and maintain liquidity, thereby facilitating effective cash flow management. This, in turn, allows businesses to expand and grow their operations. Apart from meeting capital requirements, traders also require trade services to manage risks associated with international trade transactions. Various trade finance methods and instruments exist to assist traders throughout the trade cycle.

One of the fundamental roles of banks in trade financing is to provide essential financial instruments such as letters of credit (LCs) and guarantees. Letters of credit, for instance, offer a secure payment mechanism for exporters by assuring them of payment upon the fulfillment of specified conditions. Through LCs, banks facilitate trust and credibility between trading partners across different jurisdictions, encouraging participation in global trade.

The role of banks in trade financing extends beyond individual transactions; it contributes to the broader economic development of nations. By facilitating international trade, banks stimulate economic growth, create employment opportunities, and enhance the overall competitiveness of domestic industries. The availability of trade financing services

encourages businesses to explore new markets, thereby diversifying revenue streams and fostering innovation.

Banks occupy a central position in the realm of trade financing services, playing a multifaceted role that spans from risk mitigation to economic development. Their ability to provide financial instruments, manage complexities, and promote trust between trading partners solidifies their position as vital enablers of international trade. As the global economy continues to evolve, the role of banks in trade financing services remains pivotal in sustaining the interconnectedness of markets and driving economic progress.

Payment is an essential aspect of completing an international trade transaction. There are four common payment methods in international trade:

1. **Open Account:** In an open account transaction, the seller dispatches goods to the buyer and sends an invoice, requesting payment or agreement to pay on a specified date. The buyer remits the necessary funds to the seller as agreed. This method relies on trust, as the seller assumes all risks once the goods are dispatched or services delivered. However, there is no robust multilateral legal framework governing contractual and payment obligations.
2. **Documentary Collections:** A documentary collection transaction begins when the seller sends goods to the buyer and entrusts the related documents to their bank for collection of the sale proceeds. The seller's bank asks a correspondent bank in the buyer's country to deliver the documents to the buyer upon payment or acceptance of a term bill of exchange. The International Chamber of Commerce (ICC) governs documentary collections through its Uniform Rules for Collections (URC).
3. **Documentary Credit:** A documentary credit, which in turn called as a letter of credit, is an irrevocable promise made by a bank at the buyer's request to pay the seller a certain amount if the seller meets the specified terms and conditions within a prescribed period. The process involves the buyer's bank issuing the credit in favor of the seller through an advising bank, and upon fulfilling the credit's terms, the seller receives payment.
4. **Cash in Advance:** With cash in advance or advance payment, the buyer pays the money upfront, and once the seller receives the funds, they arrange for the shipment or dispatch of goods. While this method eliminates the risk of non-payment for the seller, it places the buyer at the highest risk since they depend on the seller to fulfill the contract. Cash

in advance is typically used when the buyer's creditworthiness is uncertain, there is a lack of trust, or the goods are in high demand.

These payment methods operate within trade finance services, which vary depending on the preferences of banks and financial institutions, as well as the level of security provided.

2.2 Concepts of Customer Satisfaction

Customer satisfaction is a measurement of the state of customers relating to his/her degree of happiness with company services or products (Indeed Editorial Team, 2022). Customer satisfaction is composed with customers' perceived quality, value, and expectations of company's offerings. Customer satisfaction is crucial for businesses as it helps identify areas for improvement, enhances sales skills, and enhances the quality of products and services. Depending upon various services offering, customer satisfaction takes into account various facets of customer experiences like availability of product, purchasing process, trust level at that product or service, reliability, the responsiveness of the company, and so on (Bernazzani, 2022).

Customer satisfaction in trade financing services plays a pivotal role in building long-term customer loyalty. Satisfied customers are more likely to stay loyal to the bank, engaging in repeat trade financing transactions and recommending the bank to other potential clients (Manzoor, et al., 2019). Customer loyalty is a significant asset, contributing to a bank's sustained growth and market share. In the competitive financial landscape, customer satisfaction serves as a critical differentiator for private banks offering trade financing services. Banks that prioritize customer satisfaction gain a competitive edge over rivals, attracting and retaining more customers (Hertz & Thomas, 2018). A satisfied customer base enhances the bank's reputation and positions it as a preferred partner for businesses engaged in international trade.

Customer satisfaction has a direct impact on the reputation of private banks. Positive experiences shared by satisfied customers through word-of-mouth and online reviews bolster the bank's image, attracting new clients (Tang & Tan, 2020). Conversely, dissatisfied customers can tarnish the bank's reputation, affecting its ability to attract new business.

A satisfied customer is more likely to remain loyal to the bank, leading to increased customer retention rates. Higher customer retention contributes to reduced customer

acquisition costs, leading to enhanced profitability for the bank (Manzoor et al., 2019). Satisfied customers are also more receptive to cross-selling other banking products and services, further bolstering the bank's revenue (Liferay, 2021).

Prioritizing customer satisfaction fosters a customer-centric approach within private banks. Understanding and meeting customer needs leads to more effective trade financing solutions tailored to individual businesses engaged in international trade (Chaney, 2013). Understanding and meeting customer needs strengthen customer relationships which lead to enhance satisfaction and loyalty.

Customer satisfaction is of paramount importance in trade financing services offered by private banks. Trust, loyalty, competitive advantage, reputation, profitability, and a customer-centric approach are all interconnected outcomes influenced by customer satisfaction. Satisfied customers become advocates, attracting new business and contributing to the long-term success and growth of the bank.

2.3 Influencing Factors on Trade Financing Services

In this section describe the influencing factors on customer satisfaction of trade financing services provided by private banks. Influencing factor are including as trust, access to information, trade facility, reliability and service guarantee;

(a) Trust

Trade financing intricate financial arrangements, such as letters of credit, export/import financing, and documentary collections. Customers rely on private banks to handle their sensitive financial information and expect them to execute transactions with the utmost integrity and transparency. Trust serves as the bedrock for this relationship, ensuring smooth and efficient trade financing processes.

Khan and Zaman's (2019) study reveals that customers' trust in banks significantly impacts their willingness to engage in trade financing services. Banks that have established trust with their customers can attract more trade financing business and expand their market share. Trust is not only a passive aspect of the relationship but also a crucial driver of customer engagement in trade financing (Wilkins, 2018).

Several factors influence the level of trust customers place in private banks with regard to trade financing services:

a) **Reputation and Stability:** The reputation of a bank is crucial in building trust. Customers are more likely to trust banks with a history of reliability and stability in providing trade financing solutions (Akerlof & Kranton, 2019). Banks with a strong brand image can leverage this advantage to instill confidence in their customers.

b) **Transparent Processes:** Transparency in trade financing processes is essential for building trust. Banks that provide clear and comprehensive information about their services, fees, and terms and conditions are perceived as more trustworthy by customers (Docherty, 2022). Transparent communication fosters a sense of security among customers, encouraging them to choose the bank's services over competitors (Wynne, 2022).

c) **Expertise and Reliability:** The expertise and reliability of trade finance professionals employed by the bank also play a crucial role in instilling trust. Customers prefer to work with experienced professionals who can provide reliable guidance and support throughout the trade financing process (Deidda & Fattouh, 2001).

Trade financing inherently involves financial and non-financial risks, such as payment default, political instability, economic uncertainties, and compliance challenges (Mendoza-Tello et al., 2020). When customers trust their private banks, they feel more secure in managing these risks, knowing that the bank will act in their best interest and work to mitigate potential losses.

Trust is the cornerstone of successful trade financing services provided by private banks (Wilkins, 2018). Customers place immense value on transparency, reliability, and expertise when selecting a bank to partner with for their international trade needs. Trust serves as a vital catalyst for risk mitigation, customer loyalty, and overall trade facilitation. By understanding the importance of trust and implementing strategies to build and maintain it, private banks can not only strengthen their position in the competitive trade financing market but also contribute significantly to global trade and economic growth.

(b) Access to Information

Access to relevant and accurate information is vital for customers considering trade financing services. Customers need access to transparent and comprehensive information to make informed decisions and assess the suitability of a particular bank's offerings. According to Adelopo et al., 2018, transparency in trade financing services enhances customers' trust in private banks. For higher in trust, banks provide clear and easily

accessible information about their trade financing products, fees, and terms can positively influence customer perceptions and encourage greater engagement.

The lack of access to crucial information may lead to information asymmetry, where customers possess limited knowledge about the bank's trade financing services. Information asymmetry can increase perceived risks and deter customers from utilizing such services. On the other hand, access to relevant information can reduce uncertainty and enhance risk management in trade financing transactions.

Easy access to information allows customers to compare trade financing options and select the most suitable bank for their needs. This process promotes healthy competition among banks, leading to improved service quality and customer-centric offerings. The rise of digital technologies has significantly improved access to information for customers. Online platforms and mobile applications enable real-time access to trade financing products, account information, and transaction status. Digitalization enhances customer experience and simplifies the decision-making process.

Access to relevant and transparent information is a pivotal factor influencing customers' utilization of trade financing services offered by private banks. Transparent information fosters trust, enhances risk management, and facilitates customer decision-making. As the banking industry continues to embrace digital transformation, providing accessible information through online platforms and mobile applications becomes increasingly important for private banks to remain competitive in the trade financing market.

(c) Trade Facility

Trade facilities encompass a range of financial instruments and services that facilitate international trade, such as letters of credit, trade guarantees, pre-shipment and post-shipment financing, and export/import financing. These facilities are designed to mitigate the risks associated with cross-border transactions and provide essential financial support to businesses involved in global trade.

Trade facilities offered by private banks act as effective risk mitigation tools for customers engaged in international trade. Letters of credit, for instance, provide assurance to exporters that they will receive payment upon fulfilling contractual obligations, reducing the risk of non-payment (Manzoor et al., 2019). Similarly, trade guarantees provide security to importers, assuring that the goods will meet agreed-upon quality standards.

Trade facilities play a significant role in instilling confidence and trust in private banks offering trade financing services. Customers value banks that can provide tailored trade facility solutions that align with their specific business requirements (Cavusgil et al., 2018). Trust is crucial in trade financing, as customers rely on banks to handle financial transactions with integrity and efficiency. Efficient trade financing contributes to the overall success of international trade transactions.

Trade facilities offered by private banks play a pivotal role in influencing customers' utilization of trade financing services. These facilities act as indispensable risk mitigation tools, enhancing accessibility, and fostering customer confidence and trust. With a comprehensive range of trade facilities, private banks can efficiently cater to the diverse needs of businesses engaged in international trade. The seamless integration of trade facilities into trade financing services contributes to the growth of businesses and economies, solidifying the private banks' position as reliable partners in the realm of global commerce.

(d) Reliability

Reliability refers to the likelihood of a product, system, or service performing its intended function effectively for a specified period or operating without failure (ASQ, 2023). Reliability refers to the ability of an object to maintain its original level of quality over time, while quality measures an object's ability to perform its proper function under various conditions (Hassan, 2023). In the banking industry, reliability means the consistent ability of private banks to fulfill their commitments and obligations promptly and efficiently (Bushashe, 2023). Customers expect private banks to provide secure and dependable trade financing solutions, ensuring the smooth execution of international transactions. Reliability fosters trust and confidence in private banks among customers seeking trade financing services (Byrne & Noah, 2021). Customers value banks with a proven track record of reliability, as they can rely on the bank's capacity to handle complex trade financing arrangements. Reliability is fundamental to establishing and maintaining long-term customer relationships.

Reliable private banks help customers manage financial and operational risks inherent in cross-border trade. For example, a bank's reliable execution of letters of credit assures exporters of timely payment upon fulfillment of contractual obligations, mitigating the risk of non-payment (Manzoor et al., 2019). Such reliability instills confidence in

customers, allowing them to focus on their core business activities. The reliability of private banks significantly impacts the efficiency of trade financing processes. Prompt and accurate processing of trade finance documents, such as export/import financing and documentary collections, expedites transactions and reduces delays, benefiting both exporters and importers (Elliott, et al, 2018). Efficient trade financing contributes to enhanced customer satisfaction and increased business volume for private banks.

Reliability is a cornerstone of long-term customer loyalty in trade financing services (Gratzelkaiser, 2023). Satisfied customers, who have experienced consistent and dependable services from their private banks, are more likely to engage in repeat trade financing transactions and recommend the bank to others (Seiler & Rudolf, 2014). Customer loyalty is invaluable for private banks, as it leads to a positive reputation and a competitive advantage in the market.

The reliability of private banks in delivering trade financing services is a critical determinant in customers' adoption and utilization of such services. Trust, confidence, risk mitigation, efficiency, and long-term customer loyalty are all influenced by the reliability factor. Private Banks that prioritize and demonstrate reliability in their trade financing offerings establish themselves as preferred partners for businesses engaged in cross-border trade. By consistently fulfilling their commitments, private banks can foster enduring relationships with customers and strengthen their position in the competitive trade financing market.

(e) Service Guarantee

Trade financing services are essential for businesses engaged in cross-border transactions, providing the necessary financial support to facilitate the movement of goods across international borders. Recognizing the importance of reliable and efficient trade financing, banks have begun to implement service guarantees as a means to enhance customer confidence in these critical services.

Trade financing involves intricate processes that demand precise timing and execution. Delays or errors in trade financing services can lead to disruptions in the supply chain, financial losses, and damage to business relationships. In this context, service guarantees play a crucial role by offering customers a promise of certain standards of performance. A well-designed service guarantee can instill confidence in customers, as they

have assurance that their financial transactions will be executed seamlessly and promptly (Lovelock & Wirtz, 2019).

Furthermore, service guarantees in trade financing serve as a competitive differentiator. In a market where multiple banks offer similar services, a robust service guarantee can position a bank as a preferred choice by providing a level of reliability that aligns with customers' needs and expectations (Reichheld, 2003).

While the concept of service guarantees holds promise, implementing them in the context of trade financing services is not without challenges. One significant challenge is the complexity of international transactions, which involve multiple parties, diverse regulatory frameworks, and varying time zones. Ensuring timely execution in such an environment can be intricate, and the bank's control over external factors may be limited (Gounaris et al., 2020).

Additionally, establishing clear and measurable performance metrics for trade financing services is essential for a service guarantee. However, defining such metrics that accurately reflect the quality of service provided can be intricate due to the subjective nature of customer expectations and the diversity of transactions (Keiningham et al., 2017).

To overcome the challenges and reap the benefits of service guarantees in trade financing, banks can adopt several strategies:

1. **Clear Performance Metrics:** Develop well-defined and relevant performance metrics that align with customer expectations and the intricacies of trade financing. Metrics could include processing time for documentary credits, accuracy of documentation, and responsiveness in resolving issues.
2. **Realistic Promises:** Craft service guarantees that are realistic and achievable, considering the complexities of international trade and the bank's capabilities. Overpromising and underdelivering could lead to diminished trust.
3. **Transparent Communication:** Clearly communicate the terms and conditions of the service guarantee to customers. Transparency fosters trust and enables customers to make informed decisions based on the guarantee's parameters.
4. **Continuous Improvement:** Use feedback from customers and internal evaluations to continually refine and enhance trade financing processes. A service guarantee should be seen as a commitment to ongoing improvement.

5. **Collaboration and Partnerships:** Collaborate with relevant stakeholders, including regulatory bodies, trade associations, and technology partners, to navigate the challenges of international trade and ensure smoother execution.

In an era of globalized trade, the banking industry's role in facilitating cross-border transactions is indispensable. Service guarantees have emerged as a mechanism to instill confidence, ensure reliability, and enhance customer satisfaction in trade financing services.

While challenges exist in implementing service guarantees for trade financing due to the complex and dynamic nature of international transactions, strategic approaches such as clear performance metrics, realistic promises, transparent communication, continuous improvement, and collaboration can pave the way for effective implementation. By prioritizing service guarantees, banks can contribute to the smooth functioning of global trade while differentiating themselves in a competitive landscape.

2.4 Service Quality Theory and SERVQUAL Model

In this section defined the background theory of customer satisfaction of trade financing services. The Service Quality Theory, proposed by Parasuraman, Zeithaml, and Berry (1988), emphasizes the importance of customers' perceptions of service quality in shaping their satisfaction and loyalty. The SERVQUAL model, derived from this theory, consists of five dimensions: reliability, responsiveness, assurance, empathy, and tangibles. When applied to trade financing services provided by private commercial banks, these dimensions provide a framework for evaluating customer perceptions and identifying areas for improvement.

SERVQUAL Model to Trade Financing Services

1. **Reliability:** In the context of trade financing services, reliability refers to the ability of private commercial banks to consistently deliver accurate and timely financing solutions. Customers expect banks to fulfill their commitments, process transactions efficiently, and provide reliable support throughout the trade financing process. Banks can enhance reliability by minimizing errors, maintaining strong internal controls, and ensuring seamless transaction processing.
2. **Responsiveness:** Customers value banks that are responsive to their trade financing needs and provide prompt assistance. Private commercial banks should promptly address customer inquiries, provide timely updates on transaction progress, and offer proactive solutions to

any issues or challenges that arise during the trade financing process. Responsive communication and efficient handling of customer requests contribute to customer satisfaction and build trust.

3. Assurance: Assurance entails instilling confidence and trust in customers regarding the competence and credibility of private commercial banks in handling trade financing transactions. Banks can demonstrate assurance by providing clear and transparent information about their trade financing services, offering expert advice, and having knowledgeable staff who can guide customers through the complexities of trade finance. Establishing trust and credibility is crucial in customers' perception of the reliability and security of trade financing services.
4. Empathy: Empathy involves understanding and addressing the individual needs and concerns of customers. Private commercial banks should exhibit empathy by taking the time to understand customers' specific trade financing requirements, providing customized solutions, and offering personalized assistance throughout the process. Empathetic interactions create a positive customer experience and contribute to building long-term relationships.
5. Tangibles: Tangibles refer to the physical and tangible aspects of the service environment. In the context of trade financing services, tangibles include the appearance and functionality of online platforms, documentation clarity, and the professionalism of bank personnel. Private commercial banks should ensure that their trade financing services are supported by user-friendly digital platforms, clear and comprehensive documentation, and a professional appearance that aligns with customers' expectations.

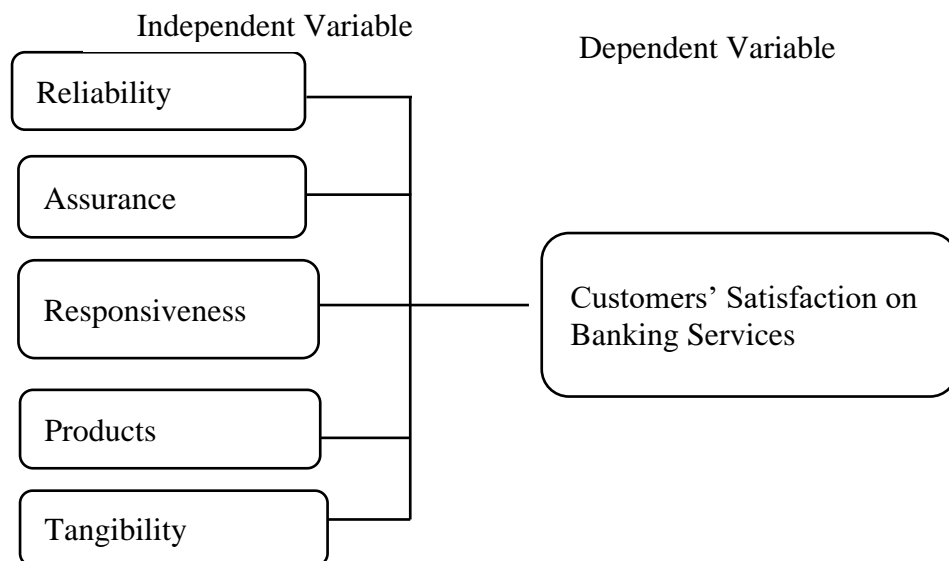
Applying the Service Quality Theory, particularly the SERVQUAL model, to trade financing services offered by private commercial banks enables a comprehensive evaluation of customer perceptions. By focusing on the dimensions of reliability, responsiveness, assurance, empathy, and tangibles, banks can identify areas for improvement and enhance the quality of their trade financing services. Meeting customer expectations and ensuring high service quality in trade financing contribute to customer satisfaction, loyalty, and long-term partnerships. Private commercial banks that prioritize service quality are more likely to succeed in the competitive trade finance market.

2.5 Previous research of the studies

In this section describe the three previous research of the studies of customer satisfaction on trade financing services provided by private banks.

Sangita Maji and Bappaditya Biswas (2015) studied the customer satisfaction in banking sector through service quality at the selected bank branchers in India. There are rapidly changing market, new technologies, economic uncertainties, increasing competition, and especially more demanding customers. For that, rapidly changing market, new technologies, economic uncertainties, increasing competition, and especially more demanding customers. Sangita Maji and Bappaditya Biswas (2015) try to understand the concept of service quality and customer satisfaction and try to examine the relationship between them. A study conducted with 110 SBI bank customers in Burdwan district revealed that the service quality of the bank is not satisfactory. To improve bank customer satisfaction, researchers of this study suggest that the banks should improve their quality of services (Maj & Biswas, 2015). The conceptual framework of the study is shown in following figure (2.1)

Figure 2.1 Conceptual Framework of the Customer Satisfaction in Banking Sector through Service Quality

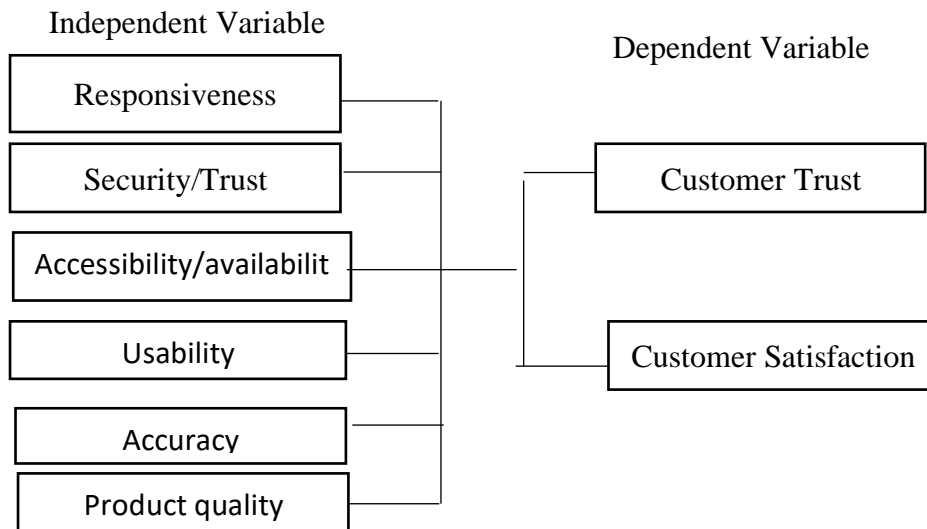


Sources: (Maj & Biswas, 2015)

Torres-Moraga, et al, (2013) study the effect of service quality impacting on customer trust and satisfaction in internet banking. this study elaborates and tests a

multidimensional measure of service quality in the context of internet banking services in Chile. The conceptual framework of the study is shown in the following figure (2.2).

Figure 2.2 Customer Trust and Satisfaction on Service Quality of Internet Banking

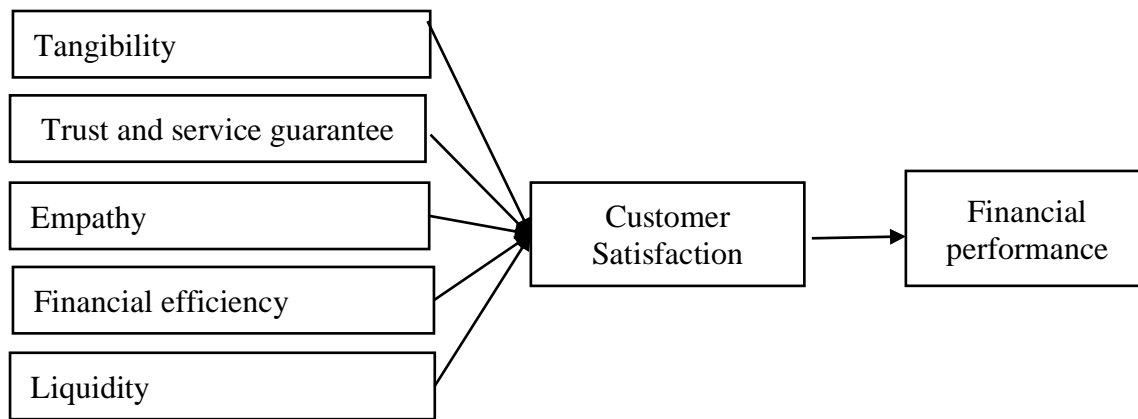


Sources: Torres-Moraga, et al, (2013)

This study tests a proposed model and rival models showing how service quality impacts on customer trust and satisfaction. Their study find out that the service quality with 6 dimensions (responsiveness, security privacy, acessibility, usability, accuracy, product quality) reveals 6 important characteristics of the service quality that is expected in Internet banking. They are not separate characteristics of service quality but dimensions of a construct. That is there is a direct impact of service quality on satisfaction and an indirect one on trust.

.Tulcanaza-Prieto, et al, (2022) investigates Customer satisfaction and Its Influence on the Financial Performance in the Ecuadorian Banking Environment. A total of 243 questionnaires were collected, with 219 deemed valid for analysis. Data analysis was conducted using SPSS 26, employing structural equation modeling to test the research hypotheses. The conceptual framework of the study is shown in following figure (2.3).

Figure (2.3) Customer Satisfaction and Its Influence on the Financial Performance in the Ecuadorian Banking Environment



Source: Tulcanaza-Prieto, et al, (2022)

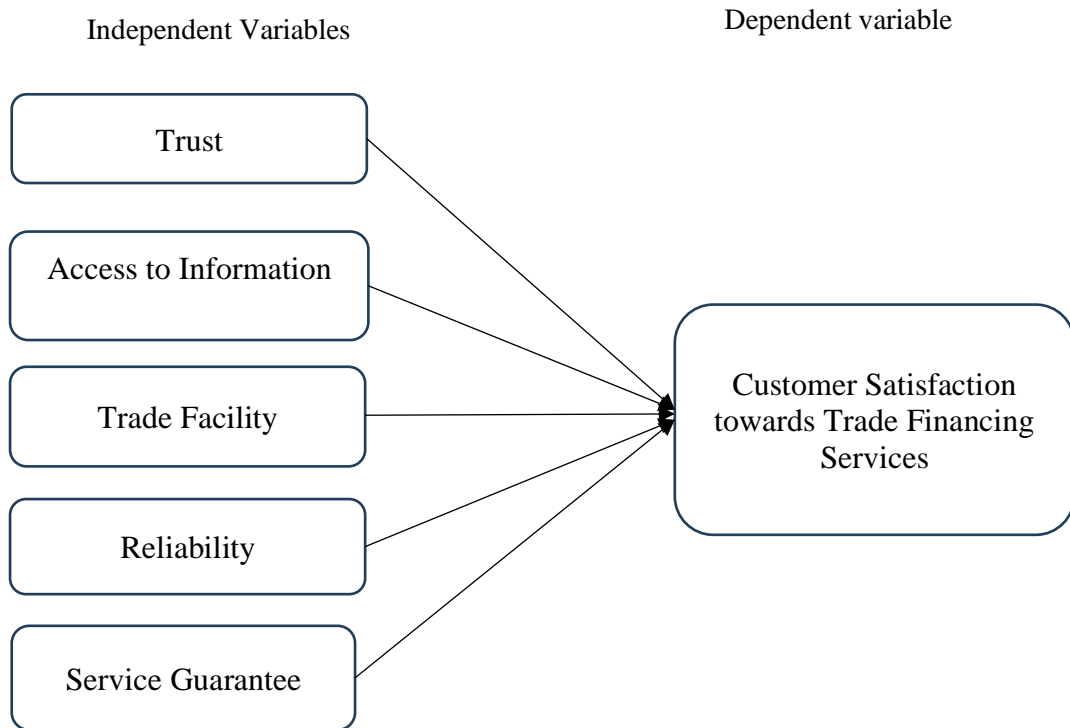
Tulcanaza-Prieto, et al, (2022) study investigates the relationship between customer satisfaction and financial corporate performance in the Ecuadorian banking sector. The research utilizes a self-designed online questionnaire to gather data on customer satisfaction factors, including tangibility, trust and service guarantee, empathy, customer satisfaction, and customer loyalty. Financial data of Ecuadorian banks, specifically their annual financial indicator reports regarding financial efficiency and liquidity, are also analyzed. The findings demonstrate a positive and significant impact of customer satisfaction on the financial performance of banks, with customer loyalty influenced by tangibility, trust and service guarantee, empathy, and customer satisfaction. These results are consistent with studies conducted in other banking environments, particularly in Nigeria and Scandinavian nations. The study suggests that bank managers should prioritize customer satisfaction as a strong predictor of financial performance. Notably, this research provides a comprehensive statistical and econometrical model encompassing both tangible and intangible factors of customer satisfaction as well as financial records. A limitation of the study is the estimation of the customer satisfaction index due to the absence of its calculation in Ecuadorian institutions. Future research is recommended to include a corporate governance index with a customer satisfaction component to enhance the model.

2.6 Conceptual Framework of the study

The conceptual framework of the research shows what factors are important for the customers while using trade financing services of CB Bank and what factors would the bank need to improve the customers' satisfaction on trade financing services.

The conceptual framework of the research is developed according to the previous research of the studies that the customers of the bank perceived while using trade financing services of CB Bank as shown in Figure 2.4.

Figure (2.4) Conceptual Framework of the Study



Source: Own Compilation, 2023

The conceptual framework for the quantitative research on customer satisfaction towards trade financing services of CB Bank encompasses five key dependent variables: trust, access to information, trade facility, reliability and services grantee. These variables represent the factors deemed significant by customers when utilizing trade financing services. The primary aim of the research is to identify the areas where CB Bank can improve customers' satisfaction towards trade financing services.

Trust: CB bank believes that trust as a crucial factor with related to customers' satisfaction. Bank customer services are aiming to increase the customers' confidence and belief in the integrity and reliability of the private banks' trade financing offerings. It is because of bank's handling financial transactions securely and making them safeguarding financial interest of bank consumers. Bank believes that a higher level of trust which leads to increased customer satisfaction and fosters long-term relationships with the bank.

Access to Information: Easy access to relevant and timely information about trade financing products, fees, terms, and conditions is instrumental in shaping customers' perceptions. CB Bank has well-designed accessibility and clarity of information regarding trade financing services. Providing timely, updated, comprehensive, and transparent information that enhances customer satisfaction, which in turn enables informed decision-making,

Trade Facility: The variety and effectiveness of trade facilities offered by CB Bank significantly impact customer satisfaction. Diverse and tailored trade facility solutions cater to the specific needs of businesses engaged in international trade, positively influencing customer perception. This means CB Bank's trade financing services are flexible and adaptable to bank customers' specific business needs.

Reliability: CB Bank is offering trade financing services which are consistent in delivering trade financing services to capture bank customer satisfaction. Timely and accurate execution of trade finance transactions instills confidence and reduces perceived financial risks. To be a reliable service, CB Bank tries to fulfill customers in accordance with its commitments and promises related to trade financing

Service Guarantee: Trade financing services are essential for businesses engaged in cross-border transactions, providing the necessary financial support to facilitate the movement of goods across international borders. Recognizing the importance of reliable and efficient trade financing, banks have begun to implement service guarantees as a means to enhance customer confidence in these critical services.

CHAPTER III

BACKGROUND STUDY ON INTERNATIONAL TRADE FINANCING SERVICE OF CB BANK

In this chapter, it presents international trade finance services provided by CB Bank. It starts with brief history of Myanmar banking industry and trade financing services in Myanmar Banking industry, which are stated as follows:

3.1 Overview of Myanmar Banking Industry

Myanmar, a nation rich in cultural heritage and burgeoning economic potential, has witnessed a gradual integration into the global trade arena. Myanmar is a lower middle-income economy and there had strong economic growth over many years (GIZ, 2020). Financial institutions law came into effect in the year 2016 by the Central Bank of Myanmar which issued remarkable regulations and directives that was needed to upgrade local banking system to meet international banking standards (GIZ, 2020). Starting from the year 2011, policymakers of Myanmar Banking sector have enacted a series of reforms meant to develop the financial sector as part of a wider agenda for accelerating economic growth (Schellhase & Sun, 2017). Myanmar's banking sector has seen significant reforms, with foreign banks gaining licenses to engage in onshore retail business through subsidiaries or joint ventures from 2021 (Oxford Business Group, 2020). However, challenges remain for an industry that emerged from decades of exclusion from the global financial system. Myanmar's financial sector, despite recent growth, is still underdeveloped compared to its regional peers in the Association of Southeast Asian Nations (ASEAN).

Yet, as businesses endeavor to engage in cross-border transactions, they face a plethora of challenges within the domain of trade financing. The challenges of trade financing in Myanmar are reflective of the nation's unique economic and regulatory landscape. As businesses and financial institutions engage in cross-border transactions, they must grapple with regulatory complexities, limited access to finance, the demand for digital transformation, exchange rate volatility, and infrastructural limitations. Addressing these challenges necessitates a collaborative effort between stakeholders, including government bodies, financial institutions, businesses, and industry associations. By acknowledging and surmounting these challenges, Myanmar's trade financing ecosystem can unlock its full potential as a driver of economic growth and global engagement.

Myanmar financial sector consist of state-owned banks, private banks, other financial insurance institution, foreign bank's branches and foreign representative offices. Current Banking Situation: Myanmar has (4) state owned banks, (9) semi-governmental banks, (18) private enterprises, (13) foreign bank branches, and (49) representative office of foreign banks (CBM, 2023). Due to the vast untapped potential of the financial sector, banks are becoming more competitive in developing their innovative services. Banking services are surrounded with conditions of uncertainly and customer trust and confidence are of great importance for banks to survive and be successful in banking sector. Therefore, it is necessary for commercial banks to establish a trusted long-term relationship with customers for successful business and becoming well recognized name in the industry.

3.2 Trade Financing Services of Myanmar Banking Industry

Myanmar banks offer deposit services (fixed, call and current accounts). As Myanmar's economy opens its doors, it accompanies with many new financial instruments in order to prosper from global trade. Trade finance in Myanmar banking industry is a service that is relatively new. As of today, many local banks in Myanmar offer fee-based trade finance service such as LC, Bank guarantees, interest bearing services (import financing and pre/post shipment export financing (Choudhary & Bhattacharjee, 2023). Among the different instruments, Letter of Credit is a well-known financial instrument (Hyde, 2015). Trade financing becomes significant role in facilitating international trade in Myanmar throughout its history. Myanmar, located in Southeast Asia, has a rich trading heritage, with trade routes dating back centuries (Ba Than 2002; Kyaw Myint, 2008). The country's geographical location, nestled between India, China, and Southeast Asian nations, has made it a crucial hub for regional and global trade (Singh, 2016; Ministry of Commerce Myanmar, 2020).

Ancient trade in Myanmar relied on bartering and informal credit systems (Sarkar & Dey, 2014; Aung & Win, 2017). Merchants exchanged goods directly, and trust and reputation played a vital role in facilitating transactions. As trade networks expanded, more sophisticated trade financing mechanisms emerged to support economic activities (Htin Aung, 2010; Myint, 2018). During the colonial era, Myanmar's trade financing practices were influenced by British rule and the integration of the country into the global trading system. British colonial authorities established formal financial institutions and

implemented modern trade financing instruments to facilitate trade with other British colonies and international markets (Smith, 1965; Tin Htut, 2016). Banks, such as the Burma Reserve Bank (now the Central Bank of Myanmar), were established to provide financial services, including trade financing, to support Myanmar's growing trade activities (Furnivall, 2013; Soe & Soe, 2019).

After gaining independence in 1948, Myanmar's trade financing landscape underwent significant changes due to the country's political and economic policies. The nationalization of major industries in the 1960s resulted in the centralization of trade financing activities under government control (Ritchie, 2015; Lee, 2018). The state-owned Myanma Foreign Trade Bank (MFTB) became the primary institution responsible for trade financing, issuing letters of credit and facilitating foreign exchange transactions (Maung, 2008; Tin Htut, 2016).

In the late 1980s, Myanmar initiated economic reforms and opened up its economy to foreign investment. This led to the liberalization of trade financing practices and the emergence of private financial institutions (Kudo & Hiroshi, 2004; Aung, 2015). Commercial banks, both domestic and foreign, began to play a more prominent role in providing trade financing services to businesses (Gupta & Thet, 2010; Maung, 2016). The government implemented policies to promote trade financing, including the establishment of the Myanmar Foreign Trade Bank (MFTB) as a specialized trade bank (Tin Htut, 2016; Ministry of Planning and Finance Myanmar, 2018).

Today, Myanmar's trade financing landscape continues to evolve. The country's economic liberalization and integration into the global economy have led to increased trade activities and the diversification of trade financing instruments and services (Kyaw, 2013; Lee & Kyaw, 2021). Commercial banks, including both domestic and foreign banks, play a crucial role in providing trade financing solutions such as letters of credit, trade guarantees, and export/import financing (Maung, 2016; Ministry of Commerce Myanmar, 2020).

In recent years, Myanmar has undertaken efforts to enhance its trade financing infrastructure and promote digitalization in trade finance operations (Ministry of Commerce Myanmar, 2020; Lee & Kyaw, 2021). The adoption of digital platforms and the exploration of blockchain-based solutions aim to streamline trade financing processes, improve efficiency, and enhance transparency (World Bank Group, 2019; Khin Khin & Oo, 2021). Trade financing plays a crucial role in facilitating international trade by providing financial

support to importers and exporters. In Myanmar, a rapidly developing country in Southeast Asia, private commercial banks have emerged as key players in offering trade financing solutions.

Myanmar's trade financing history has evolved over time, from ancient bartering to modern instruments. The liberalization of the economy and the involvement of commercial banks have transformed the landscape, facilitating trade activities and economic growth. With increasing trade volumes due to economic reforms and global trade integration, the demand for trade financing services has grown. Private commercial banks in Myanmar have expanded their offerings, including letters of credit, trade loans, export credit guarantees, and trade-related advisory services, to support various trade activities, including import financing, export financing, and working capital management.

Private commercial banks in Myanmar have made significant contributions to the growth of the country's trade sector. Banks offer domestic inter-branch and inter-bank remittance services, telegraph transfer, and international fund transfer by SWIFT Code through corresponding banks, and international transfer through third party remittance services providers like Western Unions. They have facilitated trade transactions by providing essential financing solutions and risk mitigation services to businesses. The availability of trade financing options from private commercial banks has enabled importers and exporters to access much-needed working capital and manage financial risks effectively. Moreover, these banks have played a vital role in supporting small and medium-sized enterprises (SMEs) in their trade endeavors by offering tailored trade financing solutions.

According to the ADB, private commercial banks in Myanmar have played a significant role in supporting trade activities and addressing the trade finance gap (ADB, 2020). These banks have increasingly extended trade finance services to businesses, especially in sectors such as agriculture, manufacturing, and infrastructure development. However, challenges remain, including limited access to long-term financing, inadequate risk assessment capabilities, and a lack of awareness among businesses about trade financing options.

Private commercial banks in Myanmar face challenges in expanding and improving trade financing services due to regulatory constraints, limited access to global correspondent banks, and risk management needs. Despite these challenges, with ongoing reforms, infrastructure development, and financial system improvements, these banks have the

potential to play a significant role in meeting the trade financing needs of Myanmar's growing economy. They facilitate trade transactions, boost the trade sector growth, and support the development of SMEs. As Myanmar continues its economic development, private commercial banks will continue to play a crucial role in meeting the evolving trade financing needs.

3.3 CB Bank Profile

CB Bank is one of the earliest and largest private sector banks in Myanmar that was established in 1992 under the Central Bank of Myanmar Law and the Financial Institution of Myanmar Law. CB Bank was first set up as Co-operative Bank which is a private, non-public bank on 21st August 1992 and was reformed as a public company in 2004 to provide more financial services to the public, has come into 25 years now.

From 1997, reforms were introduced and modifications were made as decorations of building, reform of fully computerized banking system were carried out. There used to be a Co-operative Farmers Bank and Co-operative Promoters Bank under the Ministry of Co-operatives, both established in 1996, which in June 2004 were merged together with Co-operative Bank into the CB Bank several branches across the country, making it one of Myanmar's largest banks.

CB Bank is not built on co-operative principles in its governance structure and also the Ministry of Co-operatives does not have shares in the bank. Its major shareholders are U Khin Maung Aye and his Citizen Business Private Company, who owns 24% of the bank's shares. CB Bank is conducting banking services in accordance with the rules and regulations prescribed by the Central Bank of Myanmar (CBM). CBM has permitted and granted Authorized Dealer License to CB Bank in 2011 as the first step to operate international banking business. CB Bank offers retail, corporate, and SME banking services, including consumer financing, cards & merchant services, corporate finance, international trade, payment services, treasury, and transaction banking. Banking services are provided not only in traditional ways but also with integration of modern technology. In 2017, CB Bank has more than 200 branches and 950 mobile banking agents all over the country. CB Bank has grown the largest ATM network in excess of 700 ATMs and 4900 POS machines. The bank was the first to launch Self Service Cash Deposit and Cash Recycling Services in the

country. CB also grasps the highest marketplace position in card issuing bank and POS merchant-acquisition in the country of Myanmar.

CB Bank has achieved the awards regarding its modern technologies as follows; Best Digital Bank Myanmar and Best Mobile Banking Application Myanmar at the World Finance Banking Awards 2016, First Travel Prepaid Card in Myanmar; The industry Leadership Award 2013, Best Merchant Acquiring; Cards and Payments Asia Trailblazer Awards 2014, Best Initiative in Mobile Payments: Card and Payments Asia Trailblazer Awards 2014. Based on modern technologies, CB Bank is now able to offer different kinds of modern banking services to its customers. CB Bank interfaces with the customers not only in the branches but also through mobile phone and internet banking platforms. CB Bank focuses on building relationship with customers, providing excellent customer service, and leverage on technology. CB bank plans to enhance its governance, risk, and compliance framework to maintain balance and sustain growth. CB Bank has been established for the practices of good corporate governance for managing and monitoring the bank and provides with quality financial services to the customer. CB Bank has clearly defined its objectives and customer strategy which are to be executed and understood by the organization to achieve its mission and vision.

The mission of CB Bank is to serve the customers, staff, shareholders and the environment with the greatest values of comfort and complete satisfaction. Its vision is to become one of the top-notch leading banks in Myanmar with solid foundation, superb performance, excellent image and reputation. CB Bank aims to establish a quality bank will modern technology leading to a world standard bank. Improvement in efficiency and balancing of staff performance are an imperative management of CB Bank. Customers Strategy of CB Bank are effective cost, highest satisfaction, superb advantage in the contest of advantage in order to fulfill the needs of the customers in better and more satisfactory way, by the bank strategy.

CB Bank Service provides the following international trade financing services for the customers.

1. Border Trade Services

- Myanmar-China Border Trade Services
- Myanmar-Thai Border Trade Services

2. Export Services
 - Export LC (Advising/ Confirming/ Negotiation/ Discounting)
 - Export Bill Collection (DP / DA)
 - TT Payment by Buyers (Export TT)
 - Transferable Export Letter of Credit
3. Export Financing
 - Pre-Shipment Financing (Packing Loan)
 - Shipment pre-financing Export Bill Purchase under Letter of Credit – Sight and Usance
 - Post-Shipment Financing (Export Bill Collection – DP/DA Discounting)
4. Import Services
 - Import Letter of Credit
 - Import Bill Collection (DP/DA Discounting)
 - Bid Bond / Tender Guarantee Issuance
 - Performance Bank Guarantee Issuance
 - Shipping Guarantee Issuance
 - Local Letter of Credit
 - Back-to-Back Letter of Credit
5. Import Financing
 - Trust Receipt Financing
 - Usance Payable at Sight – UPAS
6. Domestic Trade Services
 - Local Letter of Credit
7. International Remittance
 - Inward Remittance
 - Outward Remittance
8. Supply Chain Finance
 - Invoice Financing
 - Distributor financing

3.4 Trade Financing Services provided by CB Bank

Customer satisfaction is a pivotal metric for any financial institution, and its significance amplifies in the context of trade financing services provided by banks. Therefore, we examined the factors that significantly impact customer satisfaction in trade financing services at CB Bank. These factors encompass trust, access to information, trade facility, reliability, and service guarantee, all of which play critical roles in shaping the banking experience and client relationships in the realm of international trade.

1. Trust

To earn bank customer trust, CB Bank do right to increase trust. CB Bank show its genuine and proactive manner. CB bank tries to handle customer trade financing transactions securely and confidentially. Bank has transparent in their trade financing processes, and is committed to safeguarding customer financial interests in trade financing services. CB Bank assured to entrust critical trade financing needs in the future. Not only CB Bank, trust is the bedrock of any successful banking relationship, especially in trade financing services where intricate financial transactions and sensitive information are exchanged. Trust influences customer satisfaction at CB Bank in several ways;

a. Credibility and Trustworthy: CB Bank provides consistent in delivering trustworthy trade financing services to perceive CB Bank customers as a credible institution with a strong financial standing. A bank that instills confidence in its client's minds is more likely to enjoy higher levels of satisfaction.

b. Data Security and Confidentiality: Trust extends to the safeguarding of client information. CB Bank must assure clients that their data is secure and will not be compromised, fostering a sense of trust in the bank's handling of sensitive information.

c. Entrust and Ethical Practices: Demonstrating ethical practices and compliance with industry standards in all dealings further solidifies trust. Clients are more likely to be satisfied when they perceive that the bank operates with integrity.

2. Access to Information

In today's information-driven world, easy access to relevant data is a paramount concern for clients. CB Bank tries to influence customer satisfaction through:

a. well-designed of the Accessibility and Clarity of Information: Through various communication channels, CB Bank offers user-friendly online and mobile interfaces that provide real-time access to trade financing information empowers clients to manage their transactions and make informed decisions efficiently.

b. informed and educated about trade financing services: Providing clients with resources such as webinars, articles, and guides can help demystify complex trade financing processes, ultimately improving their satisfaction as they gain a better understanding of these processes.

c. Responsive Support: Clients value accessibility to knowledgeable and responsive support teams. Bank' prompt response for customers' inquiries is aiming to foster more trust and satisfaction.

3. Trade Facility

The ease and efficiency of trade facility services significantly affect customer satisfaction at CB Bank. Factors that influence this aspect include:

a. Efficiency: Streamlining trade financing processes reduces paperwork and processing time, which is hoping to impact on customer satisfaction for its reducing time consuming. Clients appreciate efficiency in their transactions.

b. Customization: Recognizing that each client's needs are unique, CB Bank offers tailored trade financing solutions. Providing personalized services distinguishes the bank from competitors and enhances client satisfaction.

c. Flexibility: International trade is dynamic, with constantly changing requirements. Offering flexible financing options that adapt to evolving circumstances ensures that the client's needs are met, contributing to satisfaction.

4. Reliability

Reliability is a critical factor that can either strengthen or erode customer satisfaction in trade financing services. CB Bank PCL can influence this by:

a. Service Level Agreements (SLAs): Establishing clear SLAs for trade financing services sets expectations for clients. Consistently meeting or exceeding these commitments is essential for building trust and satisfaction.

b. Redundancy: Unforeseen service interruptions can lead to dissatisfaction. Implementing redundancy measures, including backup systems and disaster recovery plans, mitigate these risks and instill confidence in clients.

c. Feedback Loop: A robust feedback mechanism helps identify areas where the bank reliability can be improved. Regularly collecting and analyzing customer feedback can lead to ongoing enhancements.

5. Service Guarantee

Providing a service guarantee is a powerful means of instilling confidence in clients. CB Bank PCL can influence customer satisfaction through:

a. Clear Terms and Conditions: Clarity in service guarantees is paramount. Clients should have a precise understanding of what the guarantee entails, reducing ambiguity and potential disputes.

b. Compensation: In the event of service failures, offering appropriate compensation or remedies underscore the bank's commitment to customer satisfaction and accountability.

c. Continuous Improvement: Regularly reviewing and adapting service guarantees based on customer feedback and evolving industry standards demonstrate a commitment to excellence and client-centricity.

CHAPTER IV

ANALYSIS OF THE FACTORS AFFECTING CUSTOMER SATISFACTION TOWARDS TRADE FINANCING SERVICES PROVIDED BY CB BANK PCL

In this chapter, finding from analysis of the data from survey are presented with six sections to cover research design, demographic characteristics of the respondents. This section entails the analyzing of data and interpreting data collected from the population sample. Data was examined by means of inferential and descriptive statistics. Later the chapter presents correlation analysis and regression analysis by the use of statistical tools, as follows:

4.1 Research Design

The objective of the study is to examine the factors affecting customer satisfaction towards trade financing services provided by CB Bank. To reach these objectives, the primary data collection was carried out from the customers of CB Bank who were using trade financing services. As a research instrument, a structured questionnaire was used to obtain data using the question survey method. The study adapts the questionnaires from various parts studied related to the topic. It was organized into two sections. Section one consisted of five questions regarding the personal details of respondents and general relationship information between CB Bank and respondents. Section two was designed to reflect factors affecting customer satisfaction with the trade financing services provided by CB Bank in the proposed theoretical framework. A five-point Likert scale has been used in this section to measure factors affecting customer satisfaction with trade financing services at CB Bank. The scaling is: 5 for strongly agree, 4 for agree, 3 for neutral, 2 for disagree, and 1 for strongly disagree. After the analysis of the respondent options, the hypotheses were tested using correlation statistics and regression tests. The sample of 158 numbers was chosen from a total of 790 customers who are using trade financing services from the CB bank. In choosing the required numbers of samples, a simple random sampling method was used to obtain the information, but only 158 customers (twenty percent of total customers) completely filled out the survey questionnaires. After collecting the data, they processed it for further analysis using SPSS version 22. This thesis would apply the descriptive analysis and correlations of variables used in this research to assess the impact of independent variables and dependent variables.

4.2 Demographic Characteristic of the Respondents

This section presents the profiles of selected customers in CB Bank. The profiles cover the customer's age, gender, marital status, types of banking products used, relationship with the bank. All the data obtained from the questionnaires collected are interpreted and summarized in frequency distribution and percentage distribution. The frequency analysis of selected customer's demographic data is illustrated in table (4.1).

Table (4.1) Demographic Profile of Respondents

| Factor | Number of Respondents | Percentage |
|--|------------------------------|-------------------|
| Total | 158 | 100 |
| Gender | | |
| Male | 66 | 41.8 |
| Female | 92 | 58.2 |
| Age | | |
| 18-25 | 12 | 7.8 |
| 26-30 | 40 | 25.3 |
| 31-39 | 52 | 32.9 |
| >40 | 54 | 34.2 |
| Education Level | | |
| High School Level | 0 | 0.00 |
| University Graduate | 121 | 77.10 |
| Master degree | 32 | 20.4 |
| Doctorate degree | 4 | 2.50 |
| Marital Status | | |
| Single | 84 | 53.2 |
| Married | 74 | 46.8 |
| Type of Trade financing products used | | |
| Up to 2 products | 38 | 24.1 |
| 2-3 Products | 40 | 25.3 |
| 3-4 Products | 52 | 32.9 |
| More than 4 Products | 28 | 17.7 |

Source: Survey Results, 2023

The respondents are both males and females and their composition is analyzed. Table (4.1) shows the gender of respondents. It was found that out the 58.2% of respondents were of female while 41.8% were males. Therefore, this result captured female customers are most dominant of the customers of CB Bank.

Ages of respondents are divided by four groups: age between 18 and 25, age between 26 and 30 years, age between 31 to 39 and Age over 40 years. In this age analysis, it reports the frequency distribution of age in year. Among the four age groups. 34.2% of customers fall in the age over 40 years, followed by 32.9% customers fall between 31 and 39 years, and only 25.3 % and 7.8 % of customers fall age between 26-30 and 18-25 years, respectively in term of percentage share. Therefore, the majority of age group is age over 30 years in corporate customers of CB Bank.

In the educational background analysis, respondents' education levels are grouped into four: high school students, university graduate, master degree holders, and doctorate degree holders. By the Table (4.1), survey finds out that no one respondent is high school student, 121 are university graduates, 32 are with master degree, and four are doctorate degree levels. In terms of percentage, 77.1% of total respondents are with university graduate level respondents, with the most participants, while 20.4% are with master degree, and 2.5% of total respondents are with Doctorate degree holders.

There are two marital statuses among the respondents in the samples: single and married. As the result of survey, it shows that most of the respondents are single with 53.2% and remaining are married. Thus, the majority of the respondents are singles. Respondents are further asked with the question of how many trade-financing services do you use? In the usage analysis, the majority of respondents replied that they used 2 to 4 international trade financing services of CB Bank (58.2%) and the remaining use less than 2 products (24.1 %) and more than 4 products (17.7%).

4.3 Usage Characteristics of Trade Financing Services

The relationship with CB Bank trade financing services and customer satisfaction is measured. All the data obtained from the questionnaires collected are summarized in frequency distribution and percentage distribution. The frequency analysis on respondents' usage of trade financing banking services is illustrated in table (4.2).

Table (4.2) Usage Characteristics of Trade Financing Services

| Factor | Number of Respondents | Percentage |
|--------------------------------------|------------------------------|-------------------|
| Total | 158 | 100 |
| Relationship with CB BANK PCL | | |
| Under 2 years | 30 | 19 |
| 2-4 years | 34 | 21.5 |
| 4-6 years | 40 | 25.3 |
| Above 6 years | 54 | 34.2 |
| Position Level | | |
| First level management | 38 | 24 |
| Middle management | 21 | 13 |
| Executive or Senior management | 34 | 22 |
| Director | 14 | 9 |
| Self employed | 24 | 15 |
| Business owner | 21 | 13 |
| Professional | 6 | 4 |
| Type of Business | | |
| Exporters | 78 | 49.3 |
| Importers | 35 | 22.2 |
| Petroleum | 5 | 3 |
| Manufacturing | 15 | 9.5 |
| SMEs | 22 | 14 |
| Agricultural | - | - |
| Others | 3 | 2 |

Source: Survey Results, 2023

As shown in the above Table (4.2), the result from the analysis of the relationship with CB Bank trade financing services by the respondents indicates that 54 respondents have been using above 6 years, 40 respondents have been using between 4-6 years, 34 respondents have been using 2 to 4 years, and 30 respondents have been using less than 2 years on services of CB Bank trade financing services respectively. In term of percentage, it was found that the respondents who have been using under 2 years share the

smallest percentage with 19 % and the respondents who have been using over 6 years share the largest portion with 34.2 % in the study.

In the analysis results of the position level of respondents, Table (4.2) reports that 38 respondents are first line level management people, 21 are from middle level management, 34 are executive level, 14 are director level, 24 are self-employed, 21 are business owners, and 6 are professional people. By the percentage, respondents who are first line level management share the largest with 24%, is followed by executive level position, and self-employed.

As shown in the above Table (4.2), type of business who are using trade financing services from CB Bank is analyzed. Study reports that the type of business listed in order is Exporters with 49.3 percentage, Importers with 22.2 percentage, Petroleum with 3 percentage, Manufacturing with 9.5 percentage, SMEs with 14 percentage, others with 2 percentage, respectively.

4.4 Reliability Test

Before using factors affecting customer satisfaction, it should be checked their reliability of each factor. In this study, Cronbach’s alpha value is used as a measure of the internal consistency of the scales used in the questionnaire. If alpha is low, then at least one of items are unreliable and must be identified via item analysis procedure. However, as per DeVellis (2003), the Cronbach’s alpha value should ideally be above 0.7. The results of Cronbach’s Alpha value are illustrated in table (4.3).

Table (4.3) Reliability Test for Influencing Factors and Customer Satisfaction

| Scale | Number of items | Cronbach’s Alpha |
|-----------------------|-----------------|------------------|
| Trust | 5 | 0.87 |
| Access to Information | 5 | 0.85 |
| Trade facility | 5 | 0.83 |
| Reliability | 5 | 0.80 |
| Service Guarantee | 5 | 0.84 |
| Customer satisfaction | 5 | 0.84 |

Source: Survey Results, 2023

The result of the Cronbach’s alpha value is above 0.7, suggesting very good internal consistency and reliability for the scale with this sample. In this study, constructs were tested for internal consistency reliability using Cronbach’s alpha test as depicted in above Table.

4.5 Analysis on Customer Perception of Influencing Factors and Customer Satisfaction of Trade Financing Services of CB Bank

This section includes five factors which indicate factors affecting customer satisfaction on trade financing services provided by CB Bank. These five factors are Trust, Access to information, trade facility, reliability and service guarantee. The 158 customers were asked to describe their rating upon on the customer satisfaction on trade financing services provided by CB Bank PCL. In the rating upon these factors and variable, Five-point Likert Scale measure was used. The mean score interpretation is based on the following Table:

Table (4.4) Mean Score Interpretation

| Sr. No | Mean Value Range | Interpretation |
|--------|------------------|---------------------------|
| 1 | 1.0 – 1.80 | Strongly Disagree |
| 2 | 1.81- 2.60 | Disagree |
| 3 | 2.61- 3.40 | Neutral or moderate agree |
| 4 | 3.41- 4.20 | Agree |
| 5 | 4.21- 5.00 | Strongly Agree |

Source: Mohammed, 2016

All the sample respondents reveal their options based on the Five-point Likert Scale measurement are shown as follows:

(A) Trust

The descriptive status, like mean and standard deviation, for the trust factor on customer satisfaction with trade financing services is presented in Table 4.5. Respondents rating on the influence of trust factor is asked by dividing into five statements, and their responses are reported as follows:

Table (4.5) Trust

| No. | Statement | Mean | Std. Dev |
|-----|--|------|----------|
| 1 | CB bank can handle my securely and confidentially | 4.10 | .67 |
| 2 | CB bank is transparent in their trade financing processes | 3.94 | .66 |
| 3 | CB bank is committed to safeguarding my financial interests in trade financing | 3.96 | .74 |
| 4 | CB Bank's trade financing services are consistent in delivering trustworthy trade financing services | 3.90 | .61 |

| | | | |
|---|--|------|-----|
| 5 | CB Bank assured to entrust my critical trade financing needs in the future | 3.95 | .48 |
| | Overall mean value for Trust Factor | 3.97 | |

Source: Survey Results. 2023

As a result of Table (4.5), the statement "CB Bank can handle my trade financing transactions securely and confidentially" is rated with a mean value of 4.10, meaning that the highest trust of the majority of the customers in the trade financing services of CB Bank is for its secure and confidential trade financing transactions. This is the critical factor for banking sector especially in trade financing. Moreover, "CB bank is committed to safeguarding my financial interests in trade financing" is the second highest mean 3.96 meaning that customer trust on CB Bank trade financing services is high; while "CB Bank's trade financing services are consistent in delivering trustworthy trade financing services" is the lowest mean score of 3.90 and all statement with a little variation. The overall average value of Trust is 3.97. Therefore, it can be concluded that trust factor on the customer satisfaction of trade financing services of CB bank is positive and high.

(B) Access to information

The descriptive status like mean and standard deviation for access to information factor on customer satisfaction of trade financing services are presented in Table (4.6). Access to information factor is divided into five statements in order to significant the customer's response rating.

Table (4.6) Access to Information

| No. | Statement | Mean | Std. Dev |
|-----|--|------|----------|
| 1 | CB Bank have well-designed of the accessibility and clarity of information regarding trade financing services. | 4.10 | .65 |
| 2 | CB bank well informed about the terms and conditions of trade financing options | 3.89 | .62 |
| 3 | CB Bank makes it easy to access relevant trade financing documents and resources. | 4.03 | .70 |
| 4 | CB Bank provides me with timely updates and information related to trade financing | 3.84 | .58 |
| 5 | CB bank's effort in keeping me informed and educated about trade financing services effectively. | 3.91 | .51 |
| | Overall mean value for Access to Information | 3.95 | |

Source: Survey Results. 2023

It is clear from table (4.6) that “CB Bank have well-designed of the accessibility and clarity of information regarding trade financing services” is the highest with 4.10; while “CB Bank provides me with timely updates and information related to trade financing” is the lowest with 3.84 and all statement with a little variation. The overall average value of access to information is 3.95. Therefore, it can be concluded that most of the customers are satisfied on accessibility of information provided by CB bank trade financing services and information access is timely and effective.

(C) Trade facility

The descriptive status like mean and standard deviation for trade facility factors on customer satisfaction of trade financing services are presented in Table (4.7). Trade facility is divided into five statements in order to significant the customer’s response rating.

Table (4.7) Trade Facility

| No. | Statement | Mean | Std. Dev |
|-----|--|------|----------|
| 1 | CB Bank offered specific and certify guide line for the range of trade financing options and facilities | 4.05 | .60 |
| 2 | CB Bank's trade financing services are flexible and adaptable to my business needs. | 3.94 | .66 |
| 3 | CB Bank provides convenience in initiating and managing trade financing transactions | 3.84 | .67 |
| 4 | CB Bank's trade financing solutions are in align with the specific requirements of my industry | 3.90 | .49 |
| 5 | CB Bank have experienced to handle challenges of customer demand in utilizing trade financing facilities | 3.81 | .60 |
| | Overall mean value for Trade Facility | 3.91 | |

Source: Survey Results. 2023

As a result of Table (4.7), “CB Bank offered specific and certify guide line for the range of trade financing options and facilities” is 4.05 and, “CB Bank's trade financing services are flexible and adaptable to my business needs” is the second highest 3.94; while “CB Bank have experienced to handle challenges of customer demand in utilizing trade financing facilities” has the lowest mean score of 3.81 and all statement with a little variation. The overall average value of Communication is 3.91; thus, it can be concluded that most of the customers satisfied on trade facility of CB bank and CB banks trade financing services are flexible and has business needs adaptability. The majority of the customers do not find challenging to use trade financing services of CB Bank.

(D) Reliability

The descriptive status like mean and standard deviation for reliability Factor on customer satisfaction are presented in Table (4.8). Reliability is divided into five statements in order to significant the customer's response rating.

Table (4.8) Reliability

| No. | Statement | Mean | Std. Dev |
|------------|--|-------------|-----------------|
| 1 | CB Bank's trade financing services are consistent in execution and delivery | 3.99 | .52 |
| 2 | CB Bank observed timely delivery of documentation and no delay or disruption in trade financing transactions | 3.29 | .85 |
| 3 | CB Bank's ability to fulfill its commitments and promises related to trade financing | 3.76 | .53 |
| 4 | CB Bank figure out effectiveness and efficiency when encountered with errors or inaccuracies in trade financing transactions | 3.65 | .71 |
| 5 | CB Bank has ability to handle unexpected challenges or problems that may arise during trade financing | 3.81 | .66 |
| | Overall mean value for Reliability | 3.70 | |

Source: Survey Results. 2023

As results of Table (4.8), “CB Bank's trade financing services are consistent in execution and delivery” is with the highest figure. It shows the respondents agree that consistency is present in CB bank's trade financing services in execution and service delivery. Moreover, “CB Bank has ability to handle unexpected challenges or problems that may arise during trade financing” is the second highest 3.81 by indicating respondents' agreement that CB bank is reliable when unexpected problems or challenges happen while using trade financing services and CB bank can handle well; while “CB Bank observed timely delivery of documentation and no delay or disruption in trade financing transactions” has the lowest mean score of 3.29 and all statement with a little variation. The overall average value of reliability is 3.70. Thus, it can be concluded that CB bank is consistent in giving services to customers and can handle the problems of trade financing well but there may be some delays and disruption still happens with customers and it should be analyzed to improve the service quality.

(E) Service Guarantee

The descriptive status like mean and standard deviation for Service guarantee Factor on customer satisfaction are presented in Table (4.9). Service guarantee is divided into five statements in order to significant the customer's response rating.

Table (4.9) Service Guarantee

| No. | Statement | Mean | Std. Dev |
|-----|--|------|----------|
| 1 | CB Bank has accountability for its services and commitments in trade financing. | 3.97 | .57 |
| 2 | CB Bank offers clear and specific service guarantee for its trade financing banking products | 4.06 | .49 |
| 3 | Customers always receive the resolution process in case CB Bank fails to meet its service guarantee in trade financing | 3.82 | .57 |
| 4 | CB Bank gives effective resolution when not meeting its service guarantees in trade financing | 3.90 | .57 |
| 5 | As a customer who using CB Bank's trade financing services will continue to use due to its service as promise | 4.00 | .64 |
| | Overall mean value for Service Guarantee | 3.95 | |

Source: Survey Results. 2023

As results of Table (4.9), “CB Bank offers clear and specific service guarantee for its trade financing products” is 4.06 with the highest figure. It shows the respondents agree that CB bank's trade financing products could guarantee the clear specific trade financing options. Moreover, “As a customer who using CB Bank's trade financing services will continue to use due to its service guarantee” is the second highest 4.00 by indicating respondents agree that customers are satisfied with CB bank's service guarantee and will continue to use the trade financing services; while “Customers always receive the resolution process in case CB Bank fails to meet its service guarantee in trade financing” has the lowest mean score of 3.82 and all statement with a little variation. The overall average value of service guarantee is 3.95. Thus, it can be concluded that customers are satisfied with service guarantee provided by CB banks on its trade financing services and service guarantee is the important factors in acquiring customers' satisfaction.

4.6 Analysis on Customer Satisfaction

There are two parts to analyze the customer satisfaction upon trade financing services factors. Firstly, the descriptive status like mean and standard deviation upon on the

trade financing services factors are presented in Table (4.10). Customer satisfaction is divided into five statements in order to significant the customer’s response rating.

Table (4.10) Customer Satisfaction

| No. | Statement | Mean | Std. Dev |
|-----|--|------|----------|
| 1 | The satisfaction level of overall experience while using trade financing services of CB Bank PCL | 4.11 | .66 |
| 2 | Ease in using trade financing services of CB Bank PCL | 3.97 | .50 |
| 3 | Trade financing services of CB Bank meets my business needs. | 3.91 | .64 |
| 4 | Intent to recommend trade financing services of CB Bank to other people. | 4.08 | .57 |
| 5 | Trade financing services of CB Bank worth value for money | 3.96 | .56 |
| | Overall mean value for Customer Satisfaction | 4.01 | |

Source: Survey Results. 2023

As a result of Table (4.9), “The satisfaction level of overall experience while using trade financing services of CB Bank PCL” is the highest mean value 4.11 showing that respondents agree that they are very satisfied with overall experience in using trade financing services and, ‘Intent to recommend trade financing services of CB Bank to other people.’ is the second highest 4.08 ; while “ Trade financing services of CB Bank meets my business needs” has the lowest mean score of 3.91 and all statement with a little variation. The overall average value of customer satisfaction is 4.01. Therefore, majority of the respondents agree that they are very satisfied with the trade financing services of CB bank and would give recommendation to other people to use its services.

Table (4.11) Summary Statistics of Factors affecting Trade Finance Services

| No. | Assessment Factors | Overall Mean |
|-----|--|--------------|
| 1 | Trust | 3.97 |
| 2 | Access to information | 3.95 |
| 3 | Trade facility | 3.91 |
| 4 | Reliability | 3.70 |
| 5 | Service Guarantee | 3.95 |
| | Average Scores of the trade finance services | 3.89 |

Source: Survey Results. 2023

Table (4.11) reports on that of the summary statistics of trade finance services of CB Bank PCL. By the table, the received average mean value of 3.89 is high mean value, indicating trade finance services of CB Bank PCL are rated in satisfactory levels by the most of respondents. Among these factors, trust at CB Bank services is received with highest mean value. This indicates the most of respondents acknowledge on trust services could be highest satisfactory level, followed by access to information, service guarantee, trade facility, and lastly on reliable trade finance services of CB Bank.

4.7 Correlation Analysis between Influencing Factors and Customer Satisfaction

Tables (4.12) explain the correlation coefficient output table resulted from the use of Pearson Correlation analysis by the SPSS 22. It explains the correlation between each influencing dimension and customer satisfaction on trade financing services provided by CB Bank PCL.

Table (4.12) Correlation Analysis between Influencing Factors and Customer Satisfaction

| Factor | Coefficient of Correlation | Sig. (2-tailed) |
|-----------------------|-----------------------------------|------------------------|
| Trust | .436** | .000 |
| Access to information | .449** | .000 |
| Trade Facility | .311** | .000 |
| Reliability | .183** | .000 |
| Service Guarantee | .438** | .000 |

Source: Survey data, 2023

According to Table (4.12), it is found that all the coefficients of correlation values are found as positively correlated values to customer satisfaction. This means that the increase in influencing factors on trade finance services could positively improve customer satisfaction in different degrees. Among them, the access to information factor has the highest and most positive value, followed by service guarantee, trust, trade facilities, and lastly reliability, which are correlated to customer satisfaction towards trade finance services of CB Bank.

4.8 Analysis of the Factors Affecting Consumer Satisfaction towards Trade Financing Services provided by CB Bank PCL

In this section, viewing to the factors of trade financing services and customer satisfaction, regression analysis is used to consider which factors of trade financing services out of the five factors can significantly explain customer satisfaction. For this purpose, the multiple regression analysis is conducted and the results are reported in table (4.13).

Table (4.13) The Effect of trade financing services factors on customer satisfaction

| | Coefficients | | Standardized Coefficients | t | Sig |
|--------------------------|-----------------|------------|---------------------------|-------|------|
| | B | Std. Error | Beta | | |
| (Constant) | 5.15 | 1.09 | .000 | 4.720 | .000 |
| Trust | .241* | .132 | .210 | 1.890 | .060 |
| Access to Information | .360*** | .110 | .380 | 3.240 | .001 |
| Trade facility | .411*** | .110 | .420 | 3.760 | .000 |
| Reliability | .160** | .070 | .180 | 2.320 | .021 |
| Service Guarantee | -.180 | .110 | -.170 | -1.61 | .109 |
| R Square | .610 | | | | |
| Adjusted R Square | .600 | | | | |
| F-Value | 47.57*** | | | | |

Dependent Variable: "Customer Satisfaction"

***, **, * Statistically Significant at 1%, 5%, and 10% level

Source: Survey Data (2023)

According to the Table (4.13), the F-test value is significant at 1% ($F=47.57$, $p<0.01$). This means the use of the chosen study model is a valid model. The R square value is 0.610, and the adjusted R square value is 0.600. This indicates that the chosen factors of trust, access to information, trade facility, reliability, and service guarantees at the use of CB Bank trade financing services can promote consumer satisfaction by 60%.

The coefficient values of trust, access to information, trade facility, and reliability are positive and significant values to the customer satisfaction. Service guarantee is not a significant factor to increase more customer satisfaction. This means that under the observation of five selected factors affecting customer satisfaction on trade financing

services, four variables, namely “access to information” and “trade facility” and “reliability” show significant variation in customer satisfaction of trade financing services by CB bank.

The implication of the finding is that most of the customers are satisfied on trade financing services of CB Bank. The satisfaction level of customers can also be raised by increasing access to information and enhancing trade facility of the bank and focus on the reliability of customers and by doing so, the overall service quality and satisfaction level will be high.

CHAPTER V

CONCLUSION

This chapter describes the conclusions of the findings that have been received from the analysis in chapter IV. It presents findings and discussions on the analysis of the factors affecting customer satisfaction towards trade financing services provided by CB Bank, suggestions and recommendations, and the needs for further studies, as follows:

5.1 Findings and Discussion

This study found that CB Bank intended to build long term relationship with their customers. The objectives of this paper is to identify the trade financing service on CB bank and to analyze the factors namely trust, access to information, trade facility, reliability and service guarantee on customer satisfaction towards trade financing service provided by CB bank. To meet the two objectives of this study, the fundamental data are collected through sample survey. Study includes 158 customers out of about 790 customers who are using trade financing services at CB Bank. The demographic factors include age, gender, marital status, no. of products used, type of business and relationship duration. This study mainly used the factors affecting customer satisfaction with the 5 indicated factors toward the Customer satisfaction. Most factors have been indicated that are closely associated and positive relationship with customer satisfaction.

The gender of the respondents who are the customers of CB Bank consisted of female is more than male. Mostly ages of respondents are over 30 years old, and most are singles in marital status. Most of the respondent's used more than one product from CB Bank and majority of the respondents are in very long relationship with CB Bank i.e. over 6 years. The questionnaires are factors which describe the effects on customer satisfaction of trade financing services. According to the outcomes, most of the customers believe that majority of the customers believe that trade financing services of CB Bank is secure and confidential. This is the critical factor for banking sector especially in trade financing.

Regarding trust factor, the customer trust on CB Bank trade financing services is high. For access to information, it can be concluded that most of the customers are satisfied on accessibility of information provided by CB bank trade financing services and information access is timely and effective.

According to the survey, most of the customers satisfied on trade facility of CB Bank PCL and most of the customers satisfied on trade facility of CB bank and CB bank trade

financing services are flexible and has business needs adaptability. The majority of the customers do not find challenging to use trade financing services of CB Bank.

For reliability factor, the study can be concluded that CB bank is consistent in giving services to customers and can handle the problems of trade financing well but there may be some delays and disruption still happens with customers and it should be analyzed to improve the service quality.

Nevertheless, customers are satisfied with service guarantee provided by CB bank on its trade financing services and service guarantee is the important factors in acquiring customers' satisfaction regarding the "service guarantee".

Moreover, there is to analyze customer satisfaction with regards to the five factors on trade financing services of CB bank, majority of the respondents agree that they are very satisfied with the trade financing services of CB bank and would give recommendation to other people to use its services.

For the testing the questions used to be reliable and consistent data construct, the higher coefficient value over 0.8, and thus the composition of the questions in each factor can be concluded as highly consistency in the variables. The result from the result of the statistical analysis by the use of Pearson correlation analysis between trade financing services factors and customer satisfaction could be concluded as some factors strongly and positively correlation between independent variables and dependent variable of customer satisfaction, and their correlations are also significant to study between variables.

The detail analysis or the liner correlation analysis by the SPSS 22 software could be concluded that the use of study model is valid. The stronger R square value of 0.610 indicates the strong variation of the selected five trade financing factors is all the important factors for the customer satisfaction. Since the detail analysis by the linear regression observation of five selected factors, only two variables, namely access to information, trade facility and reliability, show significant variation customer satisfaction of trade financing services of the bank.

Thus, this can be concluded that these two variables are the most important and core element in factors to improve the overall customer satisfaction of trade financing services of CB bank.

5.2 Suggestions and Recommendations

Based on the findings of this study, mainly access to information and trade facility are positively significant to customer satisfaction. In today's competitive banking industry, customer satisfaction stands as a pivotal factor for any financial institution aiming to thrive. For CB Bank, a prominent player in the banking sector, the provision of trade financing services is no exception. In this study, the findings are into the critical factors that influence customer satisfaction in trade financing services, focusing on trust, access to information, trade facility, reliability, and service guarantee. These five factors encompass a range of aspects that require careful attention, as they collectively shape the overall customer experience. By addressing these factors comprehensively, CB Bank can not only bolster its existing client relationships but also attract new customers in the ever-evolving landscape of international trade.

At the core of any banking relationship lies trust, an intangible yet indispensable element that binds customers to their financial institutions. In the realm of trade financing, trust assumes even greater significance. To build and maintain trust, CB Bank can consider several strategies such as transparency. Transparency in all interactions and transactions is paramount. The bank should provide clear and concise information about terms, conditions, fees, and processes, ensuring that clients have a complete understanding of the services they are receiving. In an age of digitalization, robust data security measures are non-negotiable. CB Bank PCL must continuously invest in state-of-the-art data protection systems to reassure clients that their confidential information is safeguarded. Ethical behavior and adherence to high standards of integrity are prerequisites for trust. CB Bank should promote ethical practices internally and externally, reflecting its commitment to honest and responsible banking.

For access to information factor, clients expect easy access to relevant data and resources. CB Bank can enhance customer satisfaction by focusing on these aspects; user-friendly online interface is crucial. Investing in intuitive web and mobile applications can empower clients with real-time access to their trade financing information, enabling them to monitor their transactions and make informed decisions conveniently. Clients often seek guidance in understanding complex trade financing processes. CB Bank can offer educational resources such as webinars, articles, and guides to help demystify these processes, building clients' confidence in their own financial decisions. Accessibility to

knowledgeable and responsive support teams is essential. Clients should feel confident that their queries and concerns will be addressed promptly, enhancing their overall experience.

In accordance with the finding on trade facility factor, the ease and efficiency of trade facility services directly impact customer satisfaction. Reducing paperwork and processing time through automation can significantly improve efficiency. Clients appreciate streamlined processes that save them time and effort. Recognizing that every client is unique, CB Bank should tailor its trade financing solutions to meet individual needs. This level of customization can set the bank apart from competitors offering one-size-fits-all solutions. International trade is dynamic, and clients' needs can change rapidly. Offering flexible financing options that adapt to evolving circumstances can be a significant selling point.

Enhancing customer satisfaction in trade financing services is a multifaceted endeavor that demands meticulous attention to detail and a commitment to continuous improvement. CB Bank PCL, as a prominent financial institution, can significantly elevate customer satisfaction by implementing the recommendations outlined in this essay. By fostering trust through transparency and ethical practices, providing easy access to information, streamlining trade facility services, ensuring reliability, and offering a robust service guarantee, CB Bank can solidify its position as a trusted partner for businesses engaged in international trade. In the dynamic world of banking, these strategies are instrumental in not only retaining and nurturing existing client relationships but also attracting new customers, thus ensuring the bank's long-term success in the competitive market. Top of Form

The findings would help CB Bank management to increase customer satisfaction on their trade financing services. Moreover, the analysis of the bank helps to understand the bank situation and in addition the suggestions are for the banking industry in Myanmar, in future.

5.3 Need for Further Studies

This study is limited on 158 customers who were using trade financing services of CB Bank in Yangon. It does not cover all other private commercial banks in Myanmar. Study is undertaken only in CB Bank and no other banks are included apart from Yangon region. Furthermore, the study does not cover the all the customers of CB Bank all over Myanmar and also the selected factors on trade financing are limited to internal factors of

CB Bank than external factors. It is to extend the study on the customers who were using trade financing services in other part of the country to find out more on the other point of views on effects of factors by banks to improve customer satisfaction. By extending large number of customers as well as customers of other private commercial banks, there would be more detail survey finding that can contribute to the previous studies of the factors affecting customer satisfaction on trade financing services provided by commercial banks. To prove more significant survey findings, there are the needs of further studies to extend to customers in other part of the country, other private commercial banks and need to explore more on external factors than internal factors of banks themselves.

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Survey Question

Determinants of International Trade Financing Services Provided by CB Bank

Dear Sir/Madam,

I am conducting a survey on the “Determinants of International Trade Financing Services Provided by CB Bank”. This questionnaire is designed to collect information of how likely CB Bank trade financing customers are perceived on that of influencing variables in their international trade financing service provided by CB Bank. It would be kind of you if you could please involve in the survey by answering the questions.

Thank you for sharing the valuable time to fill out this questionnaire.

Soe Thandar Myint

Roll No.63

MBF (Day) 2nd Batch

Department of Commerce

Section (A) Analysis of the Demographic Profiles of Respondents

1. Gender

- Male
- Female

2. Age

- 18-25
- 26-30
- 31-39
- >40

3. Education Level

- High School Level
- University Graduate
- Master degree
- Doctorate degree

4. Marital Status

- Single
- Married

5. Type of Trade financing products used

- Up to 2 products
- 2-3 Products
- 3-4 Products
- More than 4 Products

Section (B) Analysis of the Usage Characteristics of Respondents

6. Relationship with CB BANK PCL

- Under 2 years
- 2-4 years
- 4-6 years

Above 6 years

7. Position Level

- First level management
- Middle management
- Executive or Senior management
- Director
- Self employed
- Business owner
- Professional

8. Type of Business

- Exporters
- Importers
- Petroleum
- Manufacturing
- SMEs
- Agricultural
- Others

Section (C) Descriptive Analysis of the Determinants of International Trade Financing Services and Customer Satisfaction Level (Please circle the number which is suitable to you based on your level of agreement. There is only one answer for each statement.)

(Assessment Scale: 1= Strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5=Strongly Agree)

Trust

| No. | Statement | Agreeable Level | | | | |
|-----|--|-----------------|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| 1 | CB bank can handle my securely and confidentially | 1 | 2 | 3 | 4 | 5 |
| 2 | CB bank is transparent in their trade financing processes | 1 | 2 | 3 | 4 | 5 |
| 3 | CB bank is committed to safeguarding my financial interests in trade financing | 1 | 2 | 3 | 4 | 5 |
| 4 | CB Bank's trade financing services are consistent in delivering trustworthy trade financing services | 1 | 2 | 3 | 4 | 5 |
| 5 | CB Bank assured to entrust my critical trade financing needs in the future | 1 | 2 | 3 | 4 | 5 |

Access to Information

| No. | Statement | Agreeable Level | | | | |
|-----|--|-----------------|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| 1 | CB Bank have well-designed of the accessibility and clarity of information regarding trade financing services. | 1 | 2 | 3 | 4 | 5 |
| 2 | CB bank well informed about the terms and conditions of trade financing options | 1 | 2 | 3 | 4 | 5 |
| 3 | CB Bank makes it easy to access relevant trade financing documents and resources. | 1 | 2 | 3 | 4 | 5 |
| 4 | CB Bank provides me with timely updates and information related to trade financing | 1 | 2 | 3 | 4 | 5 |
| 5 | CB bank's effort in keeping me informed and educated about trade financing services effectively. | 1 | 2 | 3 | 4 | 5 |

Trade Facility

| No. | Statement | Agreeable Level | | | | |
|-----|---|-----------------|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| 1 | CB Bank offered specific and certify guide line for the range of trade financing options and facilities | 1 | 2 | 3 | 4 | 5 |
| 2 | CB Bank's trade financing services are flexible and adaptable to my business needs. | 1 | 2 | 3 | 4 | 5 |

| | | | | | | |
|---|--|---|---|---|---|---|
| 3 | CB Bank provides convenience in initiating and managing trade financing transactions | 1 | 2 | 3 | 4 | 5 |
| 4 | CB Bank's trade financing solutions are in align with the specific requirements of my industry | 1 | 2 | 3 | 4 | 5 |
| 5 | CB Bank have experienced to handle challenges of customer demand in utilizing trade financing facilities | 1 | 2 | 3 | 4 | 5 |

Reliability

| No. | Statement | Agreeable Level | | | | |
|-----|--|-----------------|---|---|---|---|
| 1 | CB Bank's trade financing services are consistent in execution and delivery | 1 | 2 | 3 | 4 | 5 |
| 2 | CB Bank observed timely delivery of documentation and no delay or disruption in trade financing transactions | 1 | 2 | 3 | 4 | 5 |
| 3 | CB Bank's ability to fulfill its commitments and promises related to trade financing | 1 | 2 | 3 | 4 | 5 |
| 4 | CB Bank figure out effectiveness and efficiency when encountered with errors or inaccuracies in trade financing transactions | 1 | 2 | 3 | 4 | 5 |
| 5 | CB Bank has ability to handle unexpected challenges or problems that may arise during trade financing | 1 | 2 | 3 | 4 | 5 |

Service Guarantee

| No. | Statement | Agreeable Level | | | | |
|-----|--|-----------------|---|---|---|---|
| 1 | CB Bank has accountability for its services and commitments in trade financing. | 1 | 2 | 3 | 4 | 5 |
| 2 | CB Bank offers clear and specific service guarantee for its trade financing banking products | 1 | 2 | 3 | 4 | 5 |
| 3 | Customers always receive the resolution process in case CB Bank fails to meet its service guarantee in trade financing | 1 | 2 | 3 | 4 | 5 |
| 4 | CB Bank gives effective resolution when not meeting its service guarantees in trade financing | 1 | 2 | 3 | 4 | 5 |
| 5 | As a customer who using CB Bank's trade financing services will continue to use due to its service as promise | 1 | 2 | 3 | 4 | 5 |

Customer Satisfaction

| No. | Statement | Agreeable Level | | | | |
|-----|--|-----------------|---|---|---|---|
| 1 | The satisfaction level of overall experience while using trade financing services of CB Bank PCL | 1 | 2 | 3 | 4 | 5 |
| 2 | Ease in using trade financing services of CB Bank PCL | 1 | 2 | 3 | 4 | 5 |
| 3 | Trade financing services of CB Bank meets my business needs. | 1 | 2 | 3 | 4 | 5 |
| 4 | Intent to recommend trade financing services of CB Bank to other people. | 1 | 2 | 3 | 4 | 5 |
| 5 | Trade financing services of CB Bank worth value for money | 1 | 2 | 3 | 4 | 5 |

APPENDIX

SPSS-22 Outputs

data.txt Open with ▾

Correlations

| | B | T | AC | TF | A | SG |
|------------------------|---------|---------|---------|---------|---------|---------|
| B Pearson Correlation | 1.000 | .436[a] | .449[a] | .311[a] | .183[a] | .438[a] |
| Sig. (2-tailed) | | .000 | .000 | .000 | .021 | .000 |
| N | 158 | 158 | 158 | 158 | 158 | 158 |
| T Pearson Correlation | .436[a] | 1.000 | .649[a] | .531[a] | .161[a] | .540[a] |
| Sig. (2-tailed) | .000 | | .000 | .000 | .043 | .000 |
| N | 158 | 158 | 158 | 158 | 158 | 158 |
| AC Pearson Correlation | .449[a] | .649[a] | 1.000 | .513[a] | .101 | .538[a] |
| Sig. (2-tailed) | .000 | .000 | | .000 | .207 | .000 |
| N | 158 | 158 | 158 | 158 | 158 | 158 |
| TF Pearson Correlation | .311[a] | .531[a] | .513[a] | 1.000 | .226[a] | .588[a] |
| Sig. (2-tailed) | .000 | .000 | .000 | | .004 | .000 |
| N | 158 | 158 | 158 | 158 | 158 | 158 |
| A Pearson Correlation | .183[a] | .161[a] | .101 | .226[a] | 1.000 | .378[a] |
| Sig. (2-tailed) | .021 | .043 | .207 | .004 | | .000 |
| N | 158 | 158 | 158 | 158 | 158 | 158 |
| SG Pearson Correlation | .438[a] | .540[a] | .538[a] | .588[a] | .378[a] | 1.000 |
| Sig. (2-tailed) | .000 | .000 | .000 | .000 | .000 | |
| N | 158 | 158 | 158 | 158 | 158 | 158 |

a. Significant at .05 level

Model Summary (B)

| R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-----|----------|-------------------|----------------------------|
| .53 | .28 | .25 | .57 |

ANOVA (B)

| | Sum of Squares | df | Mean Square | F | Sig. |
|------------|----------------|-----|-------------|-------|------|
| Regression | 18.76 | 5 | 3.75 | 11.59 | .000 |
| Residual | 49.19 | 152 | .32 | | |
| Total | 67.95 | 157 | | | |

Coefficients (B)

| | Unstandardized Coefficients | | Standardized Coefficients | | t | Sig. |
|------------|-----------------------------|------------|---------------------------|------|------|------|
| | B | Std. Error | Beta | | | |
| (Constant) | .42 | 1.13 | .00 | .38 | .707 | |
| A | .05 | .07 | .06 | .76 | .449 | |
| T | .18 | .10 | .18 | 1.90 | .060 | |
| AC | .23 | .10 | .23 | 2.37 | .019 | |
| TF | -.05 | .10 | -.05 | -.53 | .597 | |
| SG | .07 | .03 | .22 | 2.26 | .025 | |