

**YANGON UNIVERSITY OF ECONOMICS**

**DEPARTMENT OF COMMERCE**

**MASTER OF BANKING AND FINANCE**

**PROGRAMME**

**CUSTOMER SATISFACTION AND CUSTOMER  
LOYALTY TOWARDS CREDIT CARD SERVICE OF  
CB BANK**

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**EMBF (8<sup>th</sup> BATCH)**

**AUGUST, 2023**

**CUSTOMER SATISFACTION AND CUSTOMER  
LOYALTY TOWARDS CREDIT CARD SERVICE OF  
CB BANK**

A thesis submitted as a partial fulfillment towards the requirements for the degree of  
Executive Master of Banking and Finance (EMBF)

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## **ABSTRACT**

Examining the variables that affect customer satisfaction with CB Bank's credit card services and analyzing the impact of customer satisfaction on CB Bank customer loyalty are the main goals of this study. This study makes use of both primary and secondary data. For the necessary sample respondents, 146 corporate credit card customers are chosen using a simple random sampling procedure. The research techniques used are descriptive and quantitative. The study discovered that while pricing and convenience considerations had no significant impact on consumer satisfaction, service quality, social benefits, and bank image did. This study discovered that the most important element affecting customer happiness is bank image. Additionally, it has been discovered that customer pleasure strongly influences client loyalty. By offering staff members the most recent training and development opportunities, CB Bank can ensure that its customers receive knowledgeable service. Every group of people should be able to select a credit card that meets their needs, hence CB bank should offer credit cards in a variety of categories. The credit card protection plan that CB Bank should provide will aid consumers in preventing card misuse in the event of theft or loss.

## **ACKNOWLEDGEMENTS**

Firstly, I would like to convey my sincere gratitude to Professor Dr. Tin Tin Htwe, Rector, Yangon University of Economics, for her concern, motivation, enthusiasm and encouragement to the participants of the Executive Master of Banking and Finance (EMBF).

My deepest heartfelt thanks to my supervisor Prof. Dr. Tin Tin Htwe, Head of Department, Department of Commerce, Yangon University of Economics, for her insightful comments, guidance and constant supervision throughout the thesis period.

I wish to thank my respected professors and lecturers of EMBF program who shared their time and valuable knowledge during the course of EMBF student tenure at the Yangon University of Economics.

I would like to thank my EMBF colleagues, friends, and classmates for their encouragement, support and knowledge sharing during my studies. My special thanks go to respondents who are actively supported my study by filling questionnaire. Last but not least, I would like to give heartfelt thanks to my family for giving the time, chance and support.

# TABLE OF CONTENTS

	<b>Page</b>
ABSTRACT	i
ACKNOWLEDGEMENTS	ii
TABLE OF CONTENTS	iii
LIST OF TABLES	v
LIST OF FIGURES	vi
<b>CHAPTER 1 INTRODUCTION</b>	<b>1</b>
1.1 Rationale of the Study	2
1.2 Objectives of the Study	4
1.3 Scope and Method of the Study	4
1.4 Organization of the Study	4
<b>CHAPTER 2 THEORETICAL BACKGROUND</b>	<b>5</b>
2.1 Concept of Customer Satisfaction	5
2.2 Concept of Customer Loyalty	6
2.3 Related Theories	7
2.4 Influencing Factors on Customer Satisfaction	9
2.5 Previous Studies	15
2.6 Conceptual Framework of the Study	17
<b>CHAPTER 3 PROFILE AND CORPORATE CREDIT CARD SERVICES OF CB BANK</b>	<b>19</b>
3.1 Profile of CB Bank	19
3.2 Organizational Structure of CB Bank	20
3.3 Types of Credit Card Services	22

3.4	Registration for Corporate Card (Master Card) of CB Bank	23
<b>CHAPTER 4 ANALYSIS OF CUSTOMER SATISFACTION AND LOYALTY TOWARDS CREDIT CARD SERVICES OF CB BANK</b>		<b>29</b>
4.1	Profile of the Respondents	29
4.2	Reliability Test	30
4.3	Research Design	31
4.4	Descriptive Analysis of Influencing Factors and Customer Satisfaction	32
4.5	Analysis on the Effect of Influencing Factors on Customer Satisfaction	39
4.6	Analysis on the Effect of Customer Satisfaction on Customer Loyalty	40
<b>CHAPTER 5 CONCLUSION</b>		<b>43</b>
5.1	Findings and Discussions	43
5.2	Suggestions and Recommendations	45
5.3	Needs for Further Research	46
<b>REFERENCES</b>		
<b>APPENDIX A</b>		
<b>APPENDIX B</b>		

## LIST OF TABLES

<b>Table No.</b>	<b>Description</b>	<b>Page No.</b>
3.1	Application Requirements of CB Bank Corporate Credit Card	23
3.2	Fee Structure of CB Bank Corporate Credit Card	25
3.3	Fees for Instalment Payment Plan	26
3.4	Amount of Money Back for the Points	27
4.1	Demographic Data of the Respondents	29
4.2	Reliability Test	30
4.3	Mean Rating Scale	32
4.4	Service Quality	33
4.5	Price	34
4.6	Benefit Program	35
4.7	Convenience	36
4.8	Bank Image	37
4.9	Summary of Overall Mean Value	37
4.10	Customer Satisfaction	38
4.11	Effect of Influencing Factors on Customer Satisfaction	39
4.12	Customer Loyalty	41
4.13	Effect of Customer Satisfaction on Customer Loyalty	42



## LIST OF FIGURES

<b>Figure No.</b>	<b>Description</b>	<b>Page No.</b>
(2.1)	Conceptual Framework of Factors Influencing Customer Satisfaction and Customer Loyalty in Net Banking Services in Bangkok	15
(2.2)	Conceptual Framework of Customer Satisfaction and Customer Loyalty in Amhara Credit and Saving Institute in Sekota Town	16
(2.3)	Conceptual Framework of Customer Satisfaction towards Online Banking in Kuala Lumpur	17
(2.4)	Conceptual Framework of the Study	17
(3.1)	Organizational Structure of CB Bank – PCL	21
(3.2)	Organizational Structure of Cards and Merchant Services Division	22
(3.3)	Corporate Credit Card Limit for Registration	24

# CHAPTER 1

## INTRODUCTION

The financial sector assumes a significant role in fostering economic growth and facilitating the development of a nation. Cards can be categorized based on their issuance, utilization, and payment by the cardholder. There exist four distinct categories of cards, including debit, credit, prepaid, and electronic. The credit card and debit card are widely utilized as prevalent electronic payment systems. A credit card is a form of credit instrument offered by financial institutions, enabling individuals to access borrowed funds up to a predetermined credit threshold. This feature facilitates the ability of customers to engage in buy transactions for various items and services.

Credit cards are often regarded as a competitive banking instrument that enhances a bank's financial standing and facilitates financial transactions among its consumers. The credit card sector has undergone significant transformations in the last twenty years, resulting in an escalating significance of credit cards as a means of obtaining short-term loans. According to Chong (2011), credit cards were primarily distributed to individuals with higher income levels and those belonging to professional occupations. A corporate credit card refers to a credit card that is provided to designated employees by their employer, primarily intended for the purpose of covering business-related expenditures. Corporate credit cards are provided by companies to their employees as a means of facilitating payment during business trips, hence eliminating the need for employees to utilize their own funds or credit cards.

According to Timothy (2012), the electronic card service provided by banks, such as debit and credit cards, are now seen as a form of traditional banking, similar to branch banking, although being a component of net banking. The bank's clientele has become accustomed to utilizing these cards, and they consider the bank's branches to be essential in terms of the services they provide. Electronic transaction services, such as debit cards and credit cards, are predominantly utilized by clients for various purposes including utility payments, interbank and intrabank transfers, as well as bill payments. Net banking, sometimes referred to as web and mobile banking, is an increasingly prevalent practice for conducting virtual banking transactions.

According to Loke (2007), the possession of a credit card is indicative of an individual's social standing and is associated with many social advantages. Additionally, it plays a role in the overall quantity of credit cards in circulation. Various elements of service quality might have a moderate impact on a customer's level of satisfaction. Customer satisfaction plays a pivotal role in the ability of firms to retain their customer base, foster customer loyalty, and ultimately enhance their profitability (Reichheld, 1996). Customer satisfaction can be defined as the ability of an organization to meet the emotional, business, and psychological requirements of its customers (Pairot, 2008).

Loyalty can be conceptualized as a manifestation of customer dedication towards the consistent acquisition and utilization of a given product or service, leading to a recurring pattern of purchase and a steadfast preference for a single supplier or service provider. The loyalty of customers towards a service provider is contingent upon their overall pleasure with that supplier (Ashfaq & Irum, 2020).

The market is experiencing a tremendous increase in the adoption of card services and digital money. Private banks in Myanmar offer a range of financial services to both domestic and international individuals, including the issuance of debit, credit, and prepaid cards. Currently, there are six banks in Myanmar that provide credit card services. The banks in question include CB, UAB, MOB, KBZ, MAB, and AYA.

CB Bank was founded on August 21, 1992, following authorization from the Central Bank of Myanmar. The aforementioned financial institution is recognized as one of the oldest and most prominent commercial banks in Myanmar. The bank in question achieved the distinction of being the inaugural financial institution in Myanmar to introduce the issuance of ATM cards and credit cards. CB bank utilizes a Credit Card Formularized Lending System to compute the creditworthiness of prospective companies. The allocation of score marks is contingent upon the reputation of the firm, and any company listed with the Directorate of Investment and firm Administration (DICA) is eligible to apply for corporate credit cards at CB Bank. Hence, the primary objective of this study is to examine the corporate credit card service offered by CB Bank.

## **1.1 Rationale of the Study**

Credit cards have become an integral aspect of contemporary society, permeating the lives of the majority of customers and serving as a fundamental component of consumer

culture. In contemporary commerce, credit cards have emerged as a viable alternative to cash or checks for numerous everyday purchases and other transactions that would have otherwise posed logistical challenges or been unfeasible. Credit cards have gained significant acceptance and utilization among the general population as a means of conducting financial transactions.

In contemporary Myanmar, credit cards have gained widespread use as a means of payment at various establishments, including hotels and luxury dining establishments. However, it is frequently observed that individuals who possess credit cards issued by local financial institutions often encounter challenges when attempting to utilize their credit cards for transactions at supermarkets and other establishments. The comprehension of customer happiness enables firms to obtain valuable insights that can be utilized to optimize their operations and direct improvement initiatives towards attaining cost efficiency, ultimately leading to enhanced performance. In Myanmar, credit card issuers are currently engaging in competition through the implementation of strategies such as waiving yearly fees, offering additional benefits, and reducing interest rates. Historically, credit card issuers provided programs featuring a singular interest rate. However, contemporary practices have witnessed a shift, as numerous issuers now offer a diverse array of card plans, characterized by varying interest rates contingent upon users' credit risk and usage habits.

Historically, Myanmar has exhibited a predominant cash-oriented culture; nevertheless, it is presently aligning with the worldwide trajectory of transitioning from a cash-centric society to one that relies more heavily on card-based transactions. The prevalence of credit cards in Myanmar has witnessed a notable increase, as a majority of prominent financial institutions now provide this financial instrument to their customers. In contemporary times, numerous financial institutions have expanded their product offerings to encompass a diverse range of credit cards, each characterized by distinct spending limitations. These limits are determined by a multitude of factors, including but not limited to an individual's monthly income and organizational affiliations. Losing old customers poses a significant challenge for any firm, as it not only impacts present profitability but also has implications for future earnings. According to Lovelock et al. (2004), the cost of acquiring new consumers is five times higher than the cost of retaining existing ones. Financial institutions have made significant endeavors to facilitate the utilization of credit cards at retail establishments that currently accommodate such payment

methods. There has been an increasing inclination among consumers in Myanmar to adopt credit cards, prompting a growing number of banks to extend credit card services to its clientele as they gain a deeper understanding of their credit backgrounds. Nevertheless, the issue of consumer loyalty prediction remains relatively unexplored within the credit card market of Myanmar.

CB Bank is a privately-owned financial institution established in the year 1992 within the nation of Myanmar. The institution provides a range of financial services, including Consumer, Prestige, SME, and Corporate banking. In 2015, CB bank commenced the provision of appealing credit card services to both corporate entities and individuals. Despite being the pioneer of credit card services in Myanmar, CB bank is currently encountering significant competition and struggling to maintain its customer base in this domain. The company has had a significant market presence, however, the primary objective is to attract new subscribers while simultaneously retaining the existing client base in light of the increasing competition from credit card issuing institutions.

Customer loyalty plays a crucial role in maintaining competitiveness within the banking industry. Given that loyal clients tend to yield higher profitability, financial institutions are actively seeking strategies to cultivate customer loyalty. Hence, the cultivation of consumer loyalty towards banks can be effectively attained through the enhancement of customer happiness and trust. The factors contributing to customer happiness and loyalty are complex and evolve over time, with dynamic interrelationships that have not yet been fully comprehended. Hence, it is imperative for CB bank management to identify the key determinants that can impact customer happiness and loyalty, thereby ensuring competitiveness within the sector. The primary objective of this study is to investigate the factors that influence customer satisfaction and loyalty in relation to the corporate credit card service provided by CB Bank.

## **1.2 Objectives of the Study**

The main objectives of this study are

1. To examine the influencing factors on customer satisfaction towards credit card services of CB bank
2. To analyse the effect of customer satisfaction on customer loyalty of credit card services of CB bank

### **1.3 Scope and Method of the Study**

This study exclusively examines the elements that influence customer satisfaction and customer loyalty towards credit card services provided by CB bank. Both descriptive and quantitative research methodologies are utilized. Both primary and secondary data are utilized in the study.

The Yamane Formula (1973) was utilized to determine the appropriate sample size for this study. A total of 231 corporate credit card customers were identified at the CB bank head office, from which a random sample of 146 credit card users was selected. A structured questionnaire on a 5-point Likert scale is employed to gather primary data. The Google form was prepared and subsequently administered online in June of 2023. Secondary data refers to a collection of existing research papers, reports from CB Bank, textbooks, websites, and other relevant information resources obtained from banks.

### **1.4 Organization of the Study**

This research has five distinct chapters. Chapter one provides an overview of the study, encompassing the rationale, objectives, scope, and methodology. Additionally, it outlines the structure and organization of the article. Chapter two encompasses the theoretical framework. Chapter three of the document provides an overview of the profile and credit card services offered by CB Bank. In Chapter four, an examination is conducted on the levels of consumer satisfaction and loyalty pertaining to the credit card services offered by CB Bank. Chapter five of the document provides a comprehensive account of the research findings, subsequent discussions, proposed proposals, recommendations, and underscores the imperative for further investigation.

## **CHAPTER 2**

### **THEORETICAL BACKGROUND**

This chapter introduces the principles of service quality and provides an overview of the theoretical foundations, including the Service Quality Model (SERVQUAL) and the Marketing Mix (7Ps). Furthermore, the paper provides a comprehensive overview of the preceding research conducted in the field, as well as a detailed explanation of the conceptual framework employed in the study.

#### **2.1 Concept of Customer Satisfaction**

Customer satisfaction refers to the manner in which consumers assess and evaluate the apparent variance between their original expectations or certain performance criteria and the actual performance of a product following its consumption (Tse & Wilton, 1988). Schiffman and Wisenblit (2015) posit that satisfaction pertains to the perceptions of customers regarding the performance of a product or service in relation to their expectations. Customers who exhibit high levels of satisfaction tend to exhibit repeat purchase behavior, display positive advocacy by sharing favorable information, and actively engage in word-of-mouth promotion. Furthermore, these satisfied customers often develop long-term loyalty towards the brand or product. Consumer happiness is widely recognized as a crucial determinant for firms, as the primary objective of these organizations is to meet the demands and preferences of online consumers (Ali & Bhasin, 2019). According to a study conducted by Mbama et al. (2018), banks that exhibit a higher degree of customer satisfaction are more inclined to experience enhanced profitability in comparison to their competitors who demonstrate lower levels of customer satisfaction.

The focus on customer satisfaction has garnered significant attention among bankers due to its pivotal role as a crucial factor in an increasingly competitive market. The banking industry has observed that maintaining a satisfactory level of customer satisfaction is crucial for fostering customer loyalty and reducing the likelihood of customers switching their banking relationships (Tao, 2014).

According to Kotler and Keller (2012), customer satisfaction can be defined as an individual's emotional response, characterized by either joy or disappointment, that arises

from contrasting the perceived performance or outcome of a product with their initial expectations. Customer satisfaction is a consequential outcome of the act of purchasing and utilizing a product or service, which is influenced by the perceived quality. This perception of quality is formed by customers through a comparison of the benefits and drawbacks associated with the purchase, in relation to their expectations and the anticipated outcomes, therefore shaping their perceived value. Satisfaction can be derived from the cognitive process of evaluating the perceived benefits and sacrifices associated with acquiring a service, wherein customers compare what they obtain (rewards) to what they relinquish (costs).

Furthermore, satisfaction has been recognized as an affective state that arises from a cognitive assessment (Westbrook, 1981). According to Woodruff (1997), customer satisfaction can be conceptualized as an emotional reaction that arises from a cognitive evaluation of the service or product received in relation to the associated expenses of acquiring the service.

## **2.2 Concept of Customer Loyalty**

Customer loyalty refers to the extent of customer attachment to a particular brand, retailer, manufacturer, service provider, or other entities, which is influenced by a positive attitude and a favorable response resulting in repeat purchases (Widjaja, 2008). Customer loyalty is a manifestation of customer dedication towards a certain brand, company, or supplier, which stems from a very favorable attitude and is demonstrated via regular and consistent purchases. Customer loyalty refers to the level of commitment exhibited by customers to continue subscribing to or purchasing specific goods or services in the future. This commitment remains consistent despite potential influences from external factors, such as situational changes or marketing efforts, which may have the potential to alter the desired consumer behavior (Ramli & Sjahrudin, 2015).

Customer loyalty refers to the steadfast dedication of individuals to repeatedly repurchase specific products or services in the foreseeable future. According to the study conducted by Izogo et al. (2017), According to Chang and Hung (2018), customer loyalty is influenced by customer attitudes towards a company's performance. It encompasses more than just the inclination to repurchase a company's products or services, extending to a propensity to share positive experiences about the company with friends and relatives.



According to Hamouda (2019), the concept of customer loyalty can be defined as the consistent purchasing behavior exhibited by customers who regularly choose to purchase the same product or service from a certain firm, despite the presence of alternative options in the market. According to the aforementioned definition, it may be posited that customer loyalty refers to the dedication of a customer to regularly repurchase a particular product or service in the future, as well as to actively communicate positive experiences regarding said product or service to others. According to Clemes et al. (2010), customer loyalty can be understood as the outcome of regularly favorable emotional experiences, satisfaction derived from physical attributes, and the perceived value associated with an experience, encompassing both products and services.

According to Al-hawari (2014), client loyalty can be defined as the extent to which a customer exhibits a tendency to repurchase specific items or services. According to Li and Green (2011), loyalty has a crucial role in driving financial success, particularly in the context of an uncertain economy. According to the findings of Dick and Basu (1994), consumer loyalty encompasses not only observable behaviors but also psychological dimensions. According to Uncles, Dowling, and Hammond (2003), devoted customers serve as valuable brand ambassadors for companies by actively promoting favorable word-of-mouth. While numerous empirical studies have linked customer loyalty to happiness, Al-hawari (2014) posited that loyalty is also influenced by switching barriers. According to Ranaweera and Prabhu (2003), customer loyalty serves as a significant impediment to customer switching.

According to Gong and Yi (2018), an effective method for assessing customer loyalty involves examining the customer's intention to maintain a relationship with the firm and their inclination to recommend the brand to others. The operationalization of customer loyalty by Bei and Chiao (2006) involves measuring consumer engagement in transactions with a firm and their inclination to promote the brand to other customers.

### **2.3 Influencing Factors on Customer Satisfaction**

In this study, the influencing factors that could affect the satisfaction of credit card users will be analyzed. Those factors are service quality, price, benefit programs, convenience and bank image.

### **2.3.1 Service Quality**

According to Jonson (2006), service is an intangible activity that necessitates the connection between the service seeker and service provider in order to be accomplished. Services have been distinguished from things by several means, including their nature as a process, their intangibility and heterogeneity, their inability to be stocked, their lack of transferability of ownership, and the simultaneous nature of their consumption and creation, wherein customers actively participate during service delivery. Measuring the quality of a service is a challenging task due to the immediate perception of its quality during the production process.

The significance of service quality in the banking industry is widely recognized, and Buttle (1996) has introduced the SERVQUAL methodology as a valuable tool for evaluating and controlling service quality. Service quality is commonly perceived as the comprehensive assessment made by customers regarding the service they have received. Service quality is widely recognized as a crucial determinant of success for service-oriented firms. According to Wisniewski (2001), the idea of service quality has garnered significant interest and sparked debates in the research publications. Defining and measuring service quality has proven challenging, with no consensus forming on these aspects internationally. Palmer (2001) asserts that the quality of customer service serves as a significant means of distinguishing competence and is frequently regarded as a key aspect for achieving and maintaining a competitive advantage in service-oriented sectors.

Service quality refers to the assessment of the extent to which the services offered by banks align with the customers' expectations. Banking services encompass a range of offerings, such as digital services, commercial credit cards, drawing services, and automated payments. Ensuring the provision of timely and regular updates to consumers is of paramount importance for banks, as it fosters the development of a transparent relationship (Nambiar et al., 2018).

### **2.3.2 Price**

The pricing strategies implemented by credit card companies have significant implications for several interdependent relationships, including those with downstream and upstream stakeholders. The implementation of the no surcharge rule by networks and the provision of under-priced services to specific clients by issuers can potentially influence

the motivations for utilizing alternative payment methods. Credit card issuers, sometimes known as banks, incur many forms of fees (Murphy & Mack, 2007).

The intensification of competition in the marketplace has heightened the significance of price as a distinguishing feature in the development of marketing and company strategies. Consequently, the pricing factor has progressively assumed a central role in consumers' evaluations of the value proposition and their overall perceptions of the retailer (Ranaweera & Prabhu, 2003).

Manufacturers face challenges in achieving price receptiveness due to customer sensitivity and intense competition (Preikschas et al., 2017). The effectiveness of pricing policies directly influences the level of price receptiveness. According to their statement, there is a positive relationship between the perceived price and the level of repurchase intentions.

The significance of price in influencing consumer purchasing decisions is of significant importance, as it directly impacts the success of product marketing efforts. Price refers to the monetary value assigned to a product or service, representing the exchange of value between consumers and the benefits derived from owning or utilizing that product or service (Kotler & Armstrong, 2001). In general, the assessment of pricing is contingent upon the customer's judgment regarding whether the perceived price of a product or service is appropriate in relation to the reference prices of competitors (Han & Hyun, 2015).

#### **(i) Interest Expenses**

Estelami and Bergstein (2006) assert that the pricing of a product holds significant importance as a decision variable for both consumers and retailers. The intensification of competition within the marketplace has heightened the significance of price as a distinguishing feature in the development of marketing and commercial strategies. Consequently, the pricing factor has progressively assumed a central role in consumers' evaluations of the value proposition and their overall perceptions of the shop. The imposition of large fees was expected to dissuade individuals from utilizing credit cards; nevertheless, contrary to expectations, the opposite effect occurred. The high fees associated with credit card usage should have acted as a deterrent, however paradoxically, they appeared to have the opposite effect.

The issue faced by those who possess credit cards may also be ascribed to apprehension regarding exorbitant fees and interest rates. Credit card debt is considered to be one of the most expensive types of borrowing, with the potential for an annual interest rate as high as 40-45 percent on any outstanding balance. It is essential for users to settle any remaining balance within the designated credit timeframe. The prevailing interest rate for credit cards in the nation is approximately 30 percent.

Cardholders also possess certain expectations regarding their capacity to make payments. Rutherford and DeVaney (2009) assert that a significant number of individuals possess erroneous perceptions regarding their capacity to repay their debts on a monthly basis, resulting in the selection of credit cards that are ill-suited to their requirements. Individuals who typically accrue debt on their credit cards might benefit more from selecting a card with a low interest rate, even if the annual fee associated with the card is substantial.

**(ii) Charge offs**

In instances where a customer exhibits significant delinquency in debt repayment, typically after a period of six months without making any payments, the creditor has the option to classify the debt as a charge-off. Subsequently, the aforementioned information will be recorded as such on the debtor's credit bureau reports. A charge-off is classified as an instance where a debt is officially recognized as uncollectible and then removed from the financial records. According to Humphrey et al. (1996), banks perceive bad debts and instances of fraud as inherent expenses associated with conducting company operations.

Nevertheless, it is important to note that the debt remains legally enforceable, so granting the creditor the right to pursue the complete sum within the timeframes specified by state legislation, often ranging from 3 to 7 years. This encompasses communication from internal collections personnel or, more commonly, an external collection agency. In the event of a substantial sum, there exists the potential for legal action or other dispute resolution mechanisms such as arbitration (Humphrey et al., 1996).

### **(iii) Rewards**

Customer reward programs, often known as loyalty programs, are point-based initiatives that aim to enhance customer engagement and stimulate purchases by offering discounts and various other perks. A significant number of credit card consumers are provided with various incentives, such as frequent flyer points, gift certificates, or cash back, as a means of encouraging card usage. According to Amha (2020), rewards are typically associated with the acquisition of a product or service through the utilization of a card, encompassing potential features like as balance transfers, cash advances, and other specialized applications.

Certain issuers employ strategies to deter redemption by implementing a need for cardholders to contact customer service in order to access their rewards. Typically, issuers tend to obscure the redemption of rewards on their servicing websites. In a context characterized by fragmentation and intense competition, the allocation of rewards points significantly impacts the financial performance of an issuing entity. Consequently, the management of rewards points and associated incentives necessitates meticulous attention to safeguard the profitability of the portfolio. In contrast to unused gift cards, where the unclaimed value is transferred to the state's treasury, unredeemed credit card points are maintained by the issuer (Reichheld, 1996). Travel discounts are an often-encountered rewards program associated with credit cards. Frequent flyer miles, hotel loyalty points, and rental car concessions are prevalent forms of incentives. Certain credit cards may provide highly customized rewards programs, such as incentives in the form of cryptocurrency, gift cards, or discounts exclusively applicable to specific retail chains (Bitner & Hubert, 1994).

### **2.3.3 Benefits Program**

Credit cards offer a range of advantages, including enhanced convenience and flexibility when conducting transactions. Additionally, they play a crucial role in establishing and cultivating a credit history, which can yield significant benefits over an extended period. Furthermore, a multitude of credit cards provide customers with various perks and additional advantages. Credit cards provide a multitude of advantages to consumers, encompassing ease, rewards, and the opportunity to establish and enhance one's

creditworthiness. Numerous credit cards have rewards programs that allow cardholders the opportunity to accumulate points, miles, or cash back in exchange for their expenditures.

According to Hossain and Parvin (2010), clients have the potential to accumulate rewards on their purchases based on the type of card and program they are enrolled in. These incentives may be applicable to all transactions or limited to specific categories such as travel or dining. Arnold and Reynolds (2003) suggest that in the context of shopping activities, consumers exhibit similar levels of motivation across individuals. The underlying drive is to attain the advantages associated with engaging in these consumer-oriented endeavors. The advantages associated with engaging in these shopping activities encompass the acquisition of necessary commodities, the attainment of cost-effective prices, the procurement of high-quality goods, and the utilization of sales promotions, among other perks. financing cards provide several benefits in comparison to cash for users, including enhanced safety, increased convenience, access to short-term interest-free financing, and the opportunity to earn rewards points, among others. Merchants also derive advantages from credit cards, as individuals tend to exhibit increased spending behavior while utilizing this payment method.

Customers have the potential to accrue cash back, points, or miles on their most frequent transactions if they possess the appropriate credit card in their possession. Upon initiating the acquisition of a novel rewards credit card, individuals are presented with the opportunity to obtain a welcome bonus subsequent to fulfilling a certain expenditure level. To optimize the advantages of credit card rewards, it is advisable to select a credit card that matches with the customer's predominant spending patterns. One potential group that could derive significant advantages from a travel credit card is individuals who frequently engage in travel. This particular type of credit card allows users to accumulate points or miles that can be utilized for future travel purposes. Additionally, it offers supplementary perks such as access to airport lounges (Bitner & Hubert, 1994).

Credit cards enable merchants to cater to consumers who may have limited access to liquid funds or who want to make purchases using their future income. Several researchers have observed that retailers might deliberately employ credit card acceptance as a means to attract customers away from their competitors. According to Katz (2001), although there may be individual merchants that derive advantages from a certain situation, it is not necessarily the case that merchants collectively will observe an increase in sales.

Credit cards provide numerous advantages, including the provision of access to airport lounges worldwide and the availability of discount offers.

#### **2.3.4 Convenience**

The evaluation of service convenience by consumers entails the examination of the temporal and exertional demands associated with service utilization. The significant prevalence of credit card usage for convenience purposes compared to revolving credit utilization can be attributed to the appeal of credit cards as a means of conducting transactions. The attraction of this phenomenon arises from two fundamental origins. Initially, credit cards afford individuals the opportunity to reduce their holdings of physical currency, so facilitating the reallocation of their resources towards investments that offer more potential for financial gain. Furthermore, there has been a significant surge in consumer demand for credit card utilization, primarily attributed to the convenience associated with employing credit cards as a means of performing financial transactions (Chimerine, 1997).

The concept of convenience is a fundamental aspect of marketing strategies employed for both goods and services. The domain of service convenience encompasses several sorts of convenience that offer high-quality products. These conveniences include time-saving, cost-effective, and easy techniques that aim to decrease consumers' time and effort in the buying process (Srivastava & Kaul, 2014).

In recent times, credit cards have progressively emerged as a viable alternative to cash. The observed phenomenon can be attributed mostly to the progress in technology, namely the enhancements in credit card processing speed. Consequently, there has been a widespread acceptance of credit cards in various establishments, including fast food restaurants, coffee shops, parking garages, supermarkets, movie theatres, and taxi cabs (Hossain & Parvin, 2010).

Credit cards provide the advantage of facilitating cashless transactions and enabling purchases through telephone and internet platforms, which are becoming more prevalent. According to Carol et al. (2005), credit cards provide consumers with the option to postpone payment to a later date, enabling them to manage their spending during periods of temporary liquidity constraints.

### **2.3.5 Bank Image**

Schiffman and Wisenblit (2015) claim that the intended outcome of successful positioning strategies is the establishment of a distinct "position" or image that a company holds in the perceptions of its clients. The concept of a distinctive visual representation that fosters client allegiance, resulting in persistent purchasing behavior and resistance to experimenting with or transitioning to other items. The concept of a corporate image refers to the portrayal of a firm that is constructed inside the perceptions of its customers. Consequently, the corporate image is widely regarded as a pivotal factor in a company's capacity to sustain its position within the market (Hapsari et al., 2017).

According to Saleh et al. (2017), the concept of corporate image is influenced by the purchase experience and consistency, encompassing tangible features as well as emotional, affective, and organizational attitude components. According to Omoregie et al. (2019), the establishment of awards or the cultivation of a positive corporate image can lead to the attainment of a lasting competitive advantage. According to Omoregie et al. (2019), the concept of corporate image refers to an intangible representation of a distinct organization, enabling it to be readily recognized while posing challenges for replication.

According to Fusva et al. (2020), the perception of a bank encompasses an individual's assortment of beliefs, emotions, and comprehensions pertaining to the institution. The positive evaluation of a service and its subsequent impact on customer behavior can be attributed to the satisfaction and perceived value derived from a favorable image. Based on the aforementioned definitions, the corporate image assumes a crucial function in guaranteeing the prosperity of any given firm. The possession of such an asset allows the company to distinguish itself from its rivals in the pursuit of gaining a competitive edge.

## **2.4 Related Theories**

In this study, two main theories are referred as the background theories. Those theories include Service Quality Model: SERVQUAL and Marketing Mix (7Ps). Based on those theories, this study was thoroughly conducted.



### **2.4.1 Bank Service Quality (BSQ)**

Babakus and Boller (1992) argue that the five aspects of SERVQUAL are not universally applicable and should be customized to suit the specific characteristics of each business. The SERVQUAL model has undergone testing in various domains; nonetheless, its applicability and universality across all service industries can not be assumed. In their study, Seth, Deshmukh, and Vrat (2005) acknowledged that the assessment and evaluation of SERVQUAL were contingent upon various factors, including the nature of the service setting, the specific situation, the timing and frequency of contacts, the competitive landscape, and the unique needs of the individuals involved. The BSQ scale was developed specifically for application within the banking sector.

The Bank Service Quality (BSQ) scale, consisting of six dimensions, was developed by Bahia and Nantel (2000). These dimensions include efficacy and assurance, access, price, tangibles, service portfolio, and reliability. The BSQ model was employed as a means of assessing service quality with the aim of meeting customer satisfaction. In their study, Bahia and Nantel (2000) examined SERVQUAL and offered a critical analysis of its limitations. The primary focus was placed on the lack of comprehensiveness and the instrument's broad nature. It was postulated that certain services incorporate additional aspects within the SERVQUAL framework.

In their study, Bahia and Nantel (2000) employed several dimensions from the SERVQUAL framework, including assurance, tangibles, and reliability. Additionally, they introduced supplementary dimensions such as access and courtesy to comprehensively address all aspects of the marketing mix. The initial dimension pertains to the concepts of effectiveness and assurance. Effectiveness pertains to the provision of service, with particular emphasis on the courteous and friendly demeanor of employees. It also encompasses the staff's capacity to instill a sense of security among customers. On the other hand, assurance relates to the staff's aptitude in demonstrating effective communication skills and addressing customers' requirements in a confidential manner. Access, as the second dimension, pertains to the measurement of service delivery speed. The third component, namely price, evaluates the cost associated with the delivery of the service. The fourth dimension pertains to tangibles, encompassing the observable attributes of personnel's physical appearance and the presence and cleanliness of the bank's physical infrastructure. The services portfolio, as the fifth dimension, pertains to the measurement of the breadth, novelty, and coherence of the services provided by banks. The sixth factor

pertains to reliability, encompassing the evaluation of bank personnel' capacity to consistently provide the promised service with precision and without any errors.

#### **2.4.2 Marketing Mix (7Ps)**

The marketing mix is a conceptual framework utilized for the development and execution of marketing initiatives. The approach emphasizes the integration of several elements in a manner that achieves the goals of both the company and the consumer. The 7P's refer to the criteria that can be controlled by the marketing manager, taking into consideration internal factors. Borden (1965) is credited with the initial conceptualization of the marketing mix, however a clear definition of the marketing mix was not provided. The individual elucidated the concept as crucial components or constituents that constitute a marketing program.

The marketing mix encompasses a comprehensive range of strategies and tactics that an organization can employ to enhance the demand for its products (Kotler et al., 2005). The selection of an appropriate marketing mix is of considerable importance in order to enhance consumer satisfaction while maintaining a reasonable pricing strategy (Jobber & Fahy, 2009).

There is a consensus among marketing experts and scholars that the marketing mix comprises four primary components, sometimes referred to as the 4Ps. These factors are Product, Price, Promotion, and Place or Distribution (Barion, 2006). In the realm of services, additional components have been incorporated into the traditional 7Ps framework. These three supplementary parts include physical evidence, people, and the process of service delivery (Ivy, 2008).

Price refers to the monetary value assigned to a product or service, representing the exchange of resources, such as money, time, energy, and psychological impact, that customers undertake in order to obtain the advantages associated with the acquisition or utilization of said product or service. The revenue-generating aspect of the marketing mix is only attributed to this particular element, while the remaining aspects are associated with costs. According to Kotler and Armstrong (2008), it is important for pricing to be set within a range that avoids both too high prices, which may result in insufficient demand, and excessively low prices, which may lead to insufficient profit. It is vital for marketers to

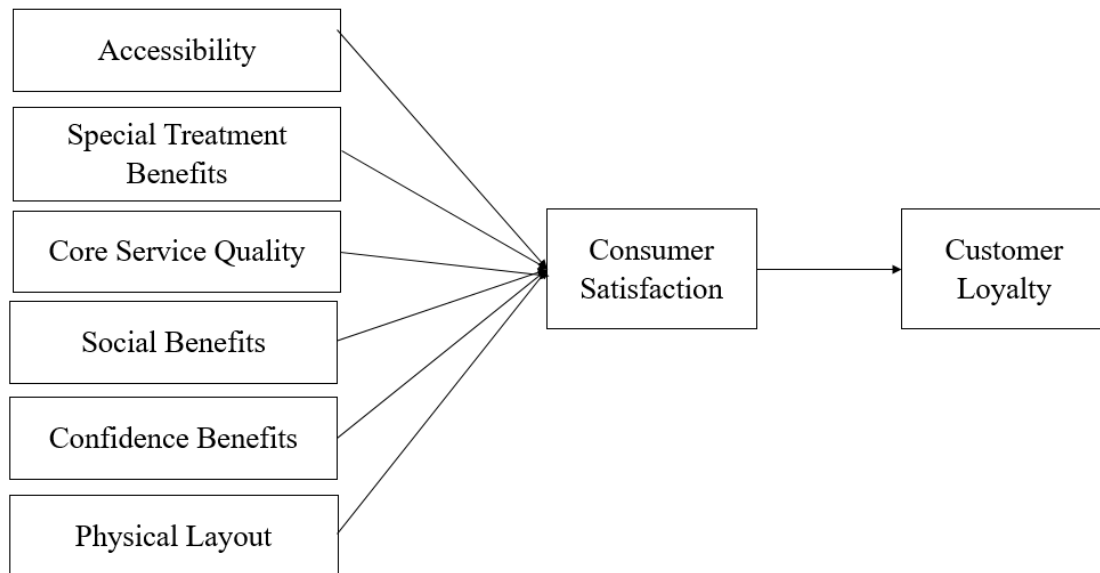
determine the pricing of their products or services by considering the customer's perception of the value associated with the supplied product or service.

## 2.5 Previous Studies

Examining prior research is crucial for gaining a deeper understanding of the essential aspects pertaining to the present investigation. This study makes reference to three prior studies that pertain to the topics of customer pleasure and loyalty.

In a study conducted by Bogati (2017), the focus was on examining the factors that influence customer satisfaction and customer loyalty in the context of net banking services provided by selected commercial banks in the Central Business District of Bangkok, Thailand. The main aim of this study paper was to examine the various elements that impact customer satisfaction and customer loyalty among net banking clients in the core business districts of Bangkok, Thailand. The authors present the conceptual framework of their investigation in Figure 2.1.

**Figure (2.1) Conceptual Framework of Factors Influencing Customer Satisfaction and Customer Loyalty in Net Banking Services in Bangkok**



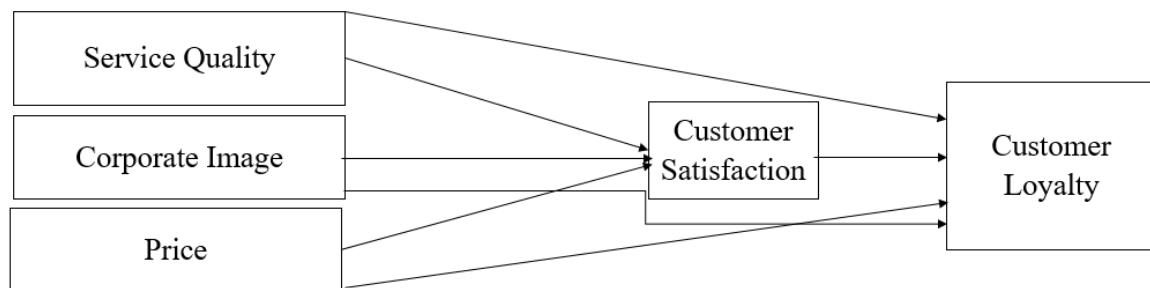
Source: Bogati, 2017

Based on Figure 2.1, the researcher considered multiple factors, including core service quality, social benefits, confidence benefits, physical layout, special treatment benefits, and accessibility, to examine their impact on customer satisfaction and customer loyalty among net banking clients. A total of 400 questionnaires were sent to clients of net

banking services in the core commercial sectors of Bangkok. In a study conducted by Bogati (2017), it was determined that various factors, namely core service quality, social benefits, confidence benefits, and physical layout, exerted a considerable impact on the level of customer satisfaction within the context of commercial banks. The Pearson correlation analysis yielded results indicating that there exists a statistically significant moderate positive link between customer satisfaction and customer loyalty.

In a study conducted by Amha (2020), the author examined the factors influencing customer satisfaction and customer loyalty within the context of the Amhara Credit and Saving Institute (ACSI), specifically focusing on the Waghimera Zone Sekota Town. The primary aim of this study was to evaluate and examine the levels of customer satisfaction and customer loyalty towards the American Customer Satisfaction Index (ACSI) in the municipality of Sekota. A total of 400 closed and open-ended self-administered questionnaires were sent to consumers using the simple random sampling technique. The conceptual framework proposed by Amha (2020) is visually depicted in Figure 2.2.

**Figure (2.2) Conceptual Framework of Customer Satisfaction and Customer Loyalty in Amhara Credit and Saving Institute in Sekota Town**

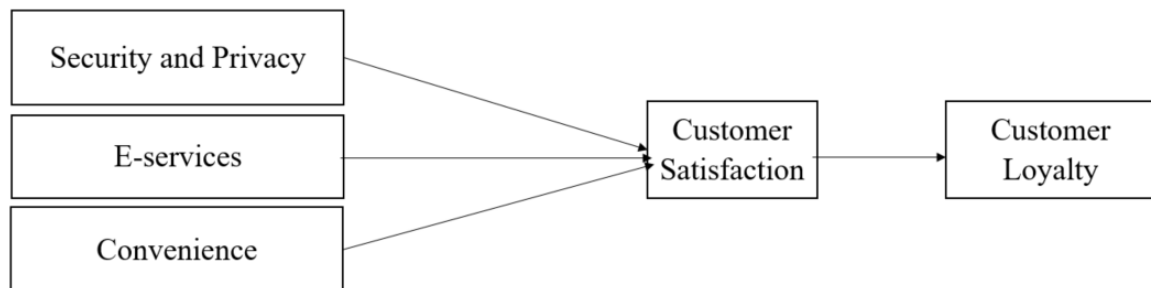


Source: Amha, 2020

Based on the data shown in Figure 2.2, Amha (2020) integrated the concept of service quality into their model to investigate the factors influencing client patronage. The researcher assessed customer happiness and customer loyalty by examining the service quality, company image, and price of the service. The author disclosed that the aspects of service quality have varying degrees of influence on customer satisfaction and customer loyalty. The findings of the study indicate that there is a positive and significant relationship between service quality, company image, price, customer satisfaction, and customer loyalty.

In a study conducted by Manierajoo (2020), the author examined the various elements that influence customer satisfaction in the context of online banking, with a specific focus on Maybank in Kuala Lumpur. The researcher's primary objective was to examine the influence of security and privacy, e-services, and convenience on consumer satisfaction within the context of online banking. The survey questionnaire was disseminated to a sample size of 250 individuals residing in the vicinity of Taman Sri Jati through digital communication channels such as WhatsApp or email. The conceptual framework proposed by Manierajoo (2020) is visually depicted in Figure 2.3.

**Figure (2.3) Conceptual Framework of Customer Satisfaction towards Online Banking in Kuala Lumpur**



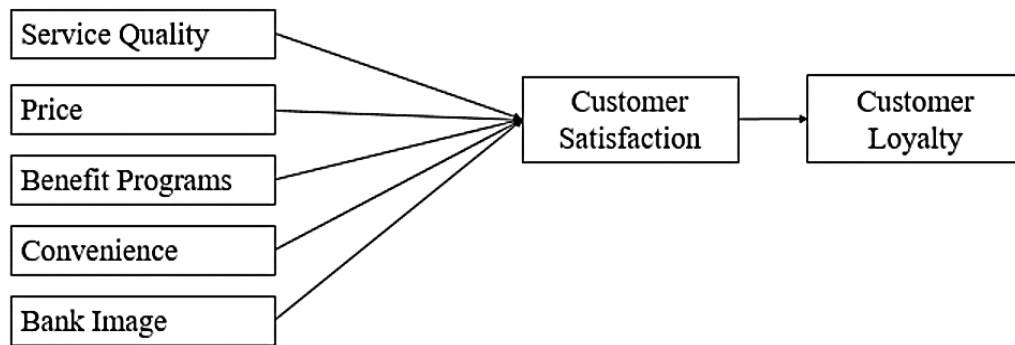
Source: Manierajoo, 2020

Findings indicated that security and privacy, e-services and convenience positively impact the customer satisfaction in online banking. It was also concluded that customer satisfaction positively impact the online banking services.

## 2.6 Conceptual Framework of the Study

The conceptual framework of the study is developed based on the theoretical background, and previous models. Figure (2.4) presents the conceptual framework of the study.

**Figure (2.4) Conceptual Framework of the Study**



Source: Own Compilation, 2023

Based on Figure 2.4, there are five elements that have been identified for analysis, including service quality, price, benefit programs, convenience, and bank image. This study investigates the potential relationship between influencing factors and customer satisfaction. The independent variables are defined as follows:

Service quality in this study pertains to the usefulness of CB bank's services for daily activities, the simplicity of use of these services, the professional handling of customer complaints by staff, the accuracy of billing, the availability of 24/7 customer care, and the genuine interest displayed by employees towards clients.

Price: The price of CB bank in this study pertains to the affordability of the interest rate, the lower application charge, the low penalty fee, the appropriate processing fee, and the duration of interest-free services.

The benefit programs offered by CB bank in this study encompass various incentives such as rewards, cashback, 0% interest installment payment plans, and seasonal popup promotions, among others.

The concept of convenience, as applied to CB bank in this study, pertains to the ease, utility, and accessibility of credit cards. The applicability of business credit card services in both domestic and international contexts, as well as their utility in facilitating daily operations, is a subject of inquiry. Furthermore, this is also pertinent to the concept of usage restrictions, since it eliminates the necessity of carrying large amounts of physical currency. Additionally, the implementation of an online system for transaction monitoring further enhances the overall functionality of the system.

The term "bank image" in this study pertains to the positive perception of CB bank, encompassing its reputation, reliability, fame, and responsibility.

## **CHAPTER 3**

### **PROFILE AND CORPORATE CREDIT CARD SERVICES OF CB BANK**

There are three sections in this chapter. The first section presents the profile of CB Bank. In section two, the organizational structure of CB bank is presented. Finally, it presents the corporate credit services currently offered by CB bank.

#### **3.1 Profile of CB Bank**

CB Bank- PCL is a publicly traded financial institution. The organization offers banking and financial services inside the country of Myanmar. CB Bank is a prominent financial institution in Myanmar, boasting a long-standing history and a substantial presence in the commercial banking sector. The bank in question achieved the distinction of being the inaugural financial institution in Myanmar to introduce automated teller machine (ATM) cards and credit cards. The establishment of the CB Bank took place on 21 August 1992, following the granting of authorization by the Central Bank of Myanmar. The corporation underwent a transition to a publicly traded entity in the year 2004. The headquarters of CB Bank is situated in the Botahtaung township region of Yangon. Over the course of its existence, CB Bank has experienced significant growth in its workforce, expanding from a mere 33 people to a substantial workforce of over 9,000 individuals.

CB Bank provides a range of banking products and services that are customized to meet the specific needs of individual clients, both in their personal and commercial capacities. These offerings cater to a diverse clientele, including corporate customers, small and medium-sized enterprises (SMEs), and retail consumers. The overarching objective of CB bank is to establish a prominent presence within the financial services sector of the Association of Southeast Asian Nations (ASEAN) and offer the most optimal financial solutions and platform inside the nation of Myanmar. The primary objective of the organization is to satisfy the desires and ambitions of both consumers and partners, which also include the well-being of staff.

CB Bank provides a range of banking products and services tailored specifically for corporate clients. These offerings include corporate loans, corporate finance and advisory



services, syndicated loans, security agency services, project financing, international trade services, point of sale (POS) services, application programming interface (API) and network integration, cash management, treasury services, internet banking, mobile banking, and payroll services.

CB Bank offers loans to its small and medium-sized enterprise (SME) customers, with the option of obtaining the loan with or without collateral. CB Bank collaborates with both domestic and foreign entities, including JICA, KfW Bank from Germany, and Myanma Insurance, in order to provide assistance to small and medium enterprises (SMEs) in Myanmar.

CB Bank employs digital technologies to enhance the customer experience and provide additional value that beyond conventional banking services, specifically for its Retail customers. Customers of CB Bank have the opportunity to access mobile and online banking services, open bank accounts, acquire financial assistance, and obtain debit and credit cards that can be utilized globally. Additionally, they may avail themselves of various tailored banking solutions that cater to their individual requirements and align with their chosen way of life.

The strategic objective of CB Bank is to transform into a "Digital Bank". CB Bank consistently engages in employee training programs to ensure their readiness for the digitalization of financial services. Promote enhanced levels of employee engagement and active participation by implementing strategies such as recognition programs, efficient communication channels, and constructive feedback mechanisms.

CB Bank is leveraging digital technologies to enhance the customer experience and provide additional advantages that go beyond conventional banking practices. Customers of CB Bank have access to a range of banking services, including mobile and online banking, bank accounts, loans, internationally recognized debit and credit cards, and other tailored banking products that cater to their specific requirements and align with their way of life.

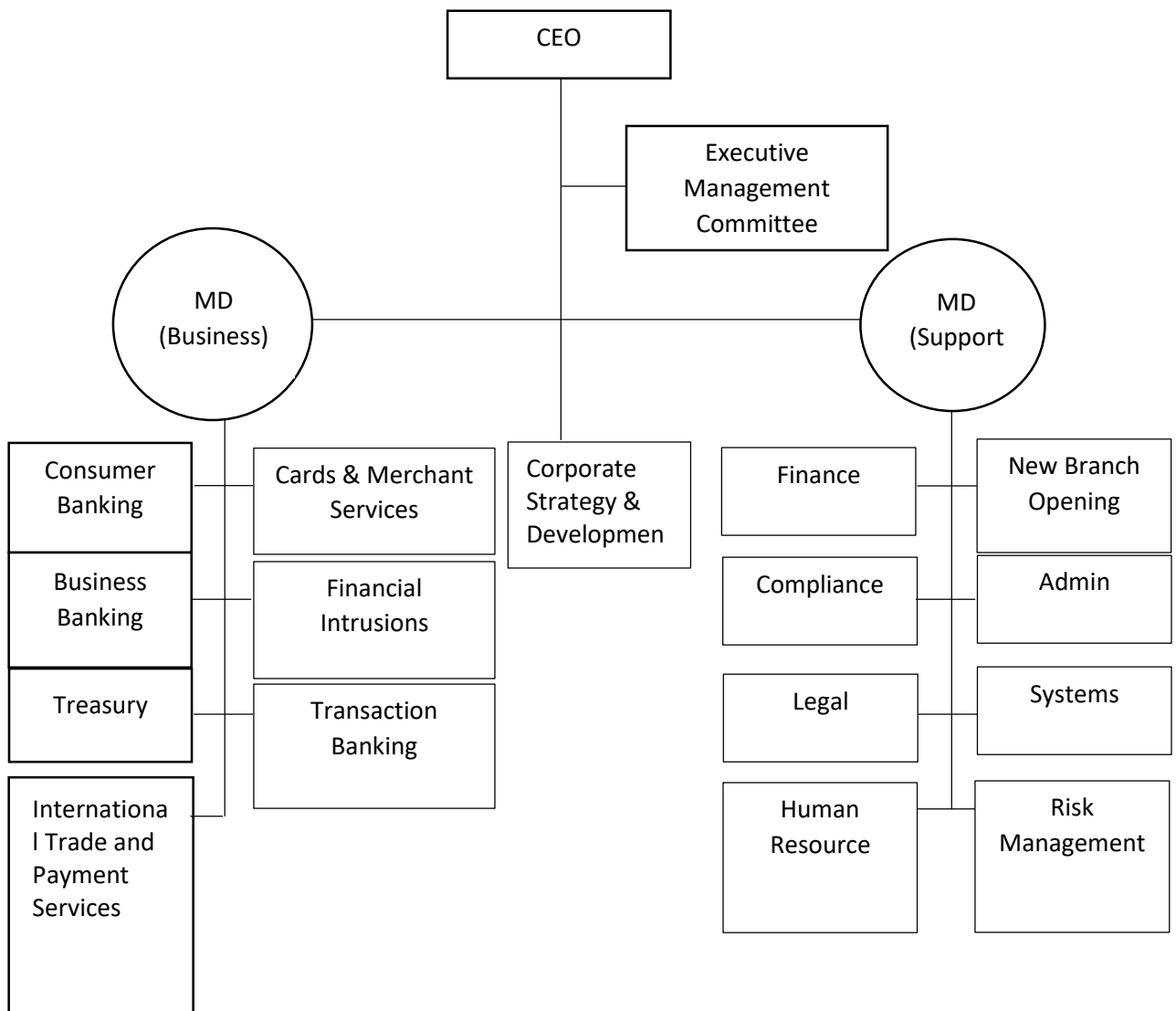
CB Bank promotes adherence to established codes of conduct and business ethics among its directors, employees, and other stakeholders representing the bank. These codes encompass fundamental principles such as carrying out responsibilities with honesty, integrity, ethical considerations, and accountability. It is expected that individuals will maintain confidentiality, refrain from misusing internal or confidential information for

personal gain or the benefit of others, avoid engaging in transactions that may give rise to conflicts of interest, and demonstrate professionalism through their knowledge, expertise, and diligent actions.

### 3.2 Organizational Structure of CB Bank

CB bank sets up the bank structure to achieve its vision and mission. It established necessary sections to provide quality of bank service to its customers and partners. Figure (3.1) presents the organizational structure of CB bank.

**Figure (3.1) Organizational Structure of CB Bank**

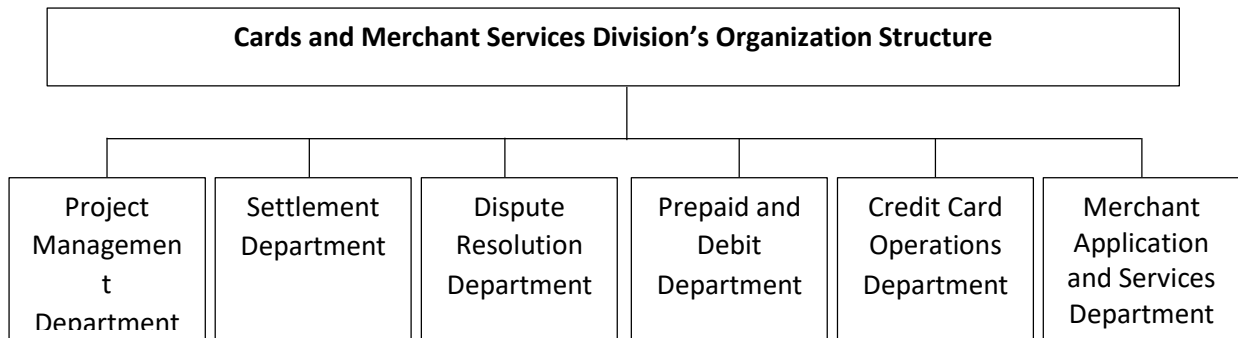


Source: CB Bank, 2023

Based on the information presented in Figure 3.1, it can be observed that within the organizational structure, the Chief Executive Officer (CEO) holds authority over two Managing Directors (MDs) who are specifically designated for overseeing business and support functions. The Business Managing Director (MD) is accountable for overseeing seven distinct divisions, which include consumer banking, business banking, treasury operations, international trade and payment services, cards and merchant services, financial institutions, and transaction banking. On the other hand, the Support MD is tasked with supervising various sections, including finance, compliance, legal affairs, human resources, new branch opening, administration, system management, and risk management.

CB bank has made advancements in its cards and merchant division in order to enhance the efficiency of its services for clients. The organizational structure of the cards and merchant services division is illustrated in Figure 3.2.

**Figure (3.2) Organizational Structure of Cards and Merchant Services Division**



Source: CB Bank, 2023

Based on Figure 3.2, the Cards and Merchant Services Division is comprised of six distinct departments, each of which possesses its own unique job description. The cardholder requirements and merchant requirements are both essential components. The department responsible for the management of credit cards encompasses several functions, including credit card management, branch management, provision of specialized services for affluent customers, card personalization, collection activities, and legal services.

### 3.3 Types of Credit Card Services

CB bank is the leading entity in Myanmar's CARD industry, operating in collaboration with the established Myanmar Payment Union (MPU). Together, we have

been actively issuing MPU Credit Cards for domestic purposes. The company offers credit cards in collaboration with globally recognized card business operators such as Mastercard, Visa, UPI (Union Pay International), and JCB (Japan Credit Bureau). In addition to this, CB bank has collaborated with Myanmar National Airline to produce a co-branded Visa Credit Card under the name MNA. Furthermore, the company provides a collaborative offering with Telenor Myanmar, namely the CB TELENOR co-branded Visa Credit Card. The publication of the CB MANU co-branded Visa Credit Card is being undertaken in collaboration with Manchester United FC.

Furthermore, a collaborative effort between CB and ATOM Telecom has resulted in the launch of the CB ATOM co-branded MPU credit card. CB bank is introducing a new credit card called the Rainbow World credit card, specifically designed for its high-level clients. This credit card is affiliated with Mastercard and is tailored to meet the needs of corporate customers. This study will focus on the inclusion of the Corporate Credit Card within the various card kinds.

### **3.4 Registration for Corporate Card (Master Card) of CB Bank**

CB bank has clear registration process for corporate credit card. It has clear policy for new, and existing corporate customers.

In order to initiate the application process for corporate cards, customers are required to visit either the nearest branch of CB Bank or the CB Bank Corporate Department, which falls under the purview of the Business Banking Division. Corporate credit cards are a type of credit card that is provided to employees of well-established organizations, enabling them to make allowed business-related purchases, such as hotel accommodations and airfare, without the need to utilize personal funds or cards. These cards, commonly referred to as commercial credit cards, facilitate the management of spending for both employees and employers, while also providing various benefits. Customers have the ability to utilize the full 100 percent of their card limit while making transactions through both Point-of-Sale machines and e-commerce systems. Nevertheless, when individuals withdraw funds from an automated teller machine (ATM), they are restricted to accessing only 80 percent of the maximum limit assigned to their card. Customers have the ability to utilize a MasterCard card at any location where it is accepted

on a global scale. Table (3.1) presents the detail requirements of the corporate credit card application.

**Table (3.1) Application Requirements of CB Bank Corporate Credit Card**

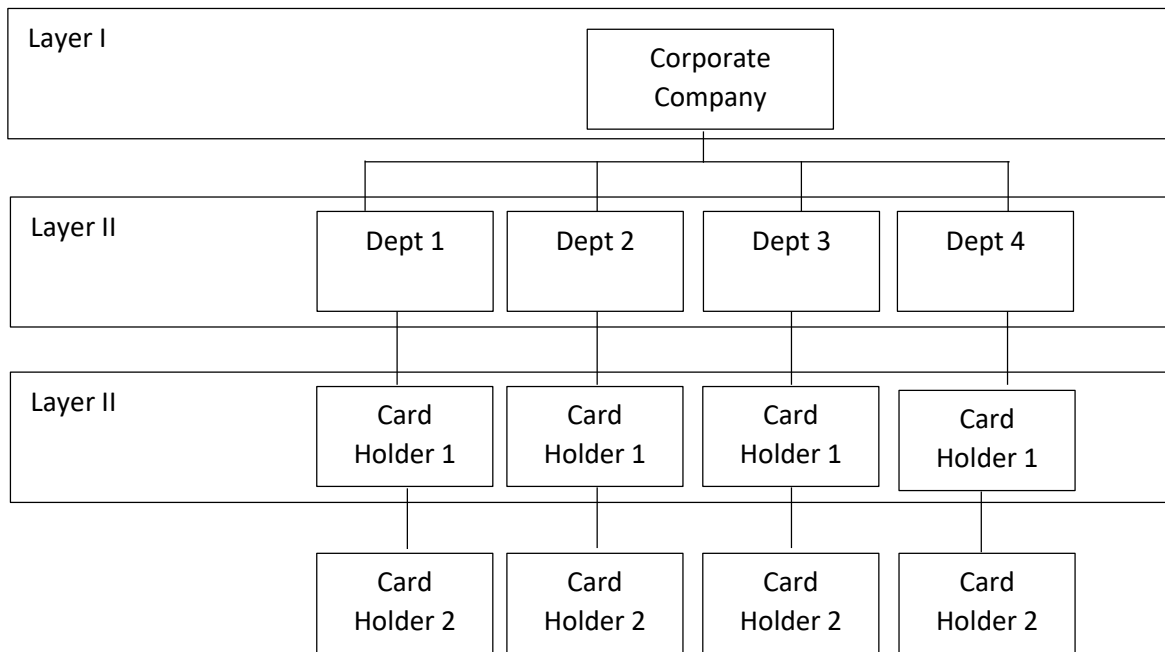
<b>Sr. No.</b>	<b>Requirements</b>	<b>New Corporate Customer</b>	<b>CB Existing Corporate Customer</b>	<b>Card Holder</b>
1.	Full set of Business License and Documents	✓	✓	
2.	Last 2 years Audited Financial Statements	✓		
3.	Last 6 Months Bank Statement	✓		
4.	Signed Corporate Service Agreement	✓	✓	
5.	Company Constitutions and BOD Minutes	✓	✓	
6.	Corporate Card Application Form	✓	✓	
7.	Terms and Conditions for Company	✓	✓	
8.	NRC & Household Registration of Authorized Person	✓	✓	
9.	Signed Cardholder Application			✓
10.	Terms and Conditions for Cardholder			✓
11.	NRC & Household Registration of Cardholder			✓

Source: CB Bank, 2023

As seen by the data presented in Table 3.1, there exists a well-defined registration procedure for accessing corporate card services. CB bank prioritizes to the specific needs of individual businesses by providing necessary support and assistance. Upon careful examination of the pertinent information, the contractual agreement is established between the consumers and the bank. Subsequently, corporate clientele will receive their corporate credit cards within a span of one week. There exists no finite restriction on the quantity of cards. Prospective applicants have the option to seek the inclusion of supplementary cardholders throughout the application process. The bank allows current clients to request

the addition of supplementary cardholders by submitting the required documentation. CB bank does not require comprehensive documentation from its current customers, as they are considered loyal patrons of the bank. CB bank has a well-defined registration procedure in place for obtaining a corporate credit card. The corporate credit card consists of three distinct layers. The diagram in Figure 3.3 illustrates the hierarchical structure of corporate credit card limit setting. The diagram depicted in Figure 3.3 illustrates the hierarchical structure of corporate credit card design.

**Figure (3.3) Corporate Credit Card Limit for Registration**



Source: CB Bank, 2023

Based on the information shown in Figure 3.3, it can be observed that the CB Bank Corporate Credit Card Creative structure is comprised of three distinct layers. The first layer establishes the credit limit for the company. The second tier establishes credit restrictions at the department level, while the third layer establishes credit limits at the card level. The above-layer credit limit is defined by CB Bank in accordance with the minutes of company meetings. Under the third tier, a corporation has the ability to make unlimited card requests, provided that the total number of cards requested does not exceed the credit limit set at the department level.

### 3.4.1 Fees of Corporate Credit Card of CB Bank

The rates and fees associated with corporate credit cards are clearly established for both new and existing customers in a straightforward manner. The interest-free period for point of sale (POS) and ecommerce transactions ranges from a minimum of 15 days to a maximum of 45 days. Customers who make payment for their spending amount prior to the due date are exempt from paying any interest charges. The standard billing cycle consists of a duration of 30 days, during which customers are required to remit payment equivalent to 10% of their usage. However, if customers exceed a certain threshold, namely 40,000 MMKs, they will be expected to pay an amount greater than this threshold.

The annual purchase interest rate is 20%, while the annual interest rate on cash advances obtained from an automated teller machine (ATM) is 19%. A service fee of MMK 10,000 will be levied for the issuance of replacement cards. The financial institution will proceed with the transfer of the outstanding balance to the newly issued card. Nevertheless, it is possible for the bank to exempt customers from service fees amounting to MMK 10,000, either in full or partially, under certain circumstances. The comprehensive information on the CB bank corporate credit card is provided in Table (3.2).

**Table (3.2) Fee Structure of CB Bank Corporate Credit Card**

No.	Types of Fee	MMK
1	Issuing Fee	50,000.00
2	Annual Regular Fee	120,000.00
3	Card Replacement Fee	10,000.00
4	PIN Re-Issue Fee	3,000.00
5	Card Downgrade Fee	10,000.00
6	Card Conversion Fee	10,000.00
7	Card Upgrade Fee	10,000.00
8	Annual SMS Fee	2,500.00
9	Card Renewal Fee	10,000.00
10	Balance Enquiry Fee	1,000.00

Source: CB Bank, 2023

These circumstances include instances where the chip storing essential security information is found to be faulty or where customers provide local police evidence to

support their claim of card loss. In relation to the fee associated with card issuance, CB bank offers exemptions for individuals who frequently travel by air and those who hold top-tier or membership status. In the past, CB bank provided discounts to its various tiers or members.

The standard cost for the issuance of a Corporate card is 50,000 MMK, with a validity period of 5 years. After a period of five years, customers are required to make a payment of 10,000 MMK in order to renew their card. The yearly service cost for the corporate card offered by CB Bank amounts to 120,000 MMK per year. In the event that customers' expenditure exceeds or equals MMK 1,000,000, the yearly charge for the card will be exempted for the subsequent term. The card conversion fee incurs a charge of 10,000 units on each occasion, and this identical amount is required for both card upgrades and balance inquiries.

Credit card holders of CB bank have the option to purchase goods and services through an instalment payment plan using their CB credit cards. The Instalment Payment Plan (IPP) allows clients to make purchases using their CB credit card and pay for them in instalments. Customers are required to remunerate a handling fee and an interest cost for the installment payment plan (IPP), as indicated in Table 3.3.

**Table (3.3) Fees for Instalment Payment Plan**

<b>Sr. No.</b>	<b>Installment Month (s)</b>	<b>Handling Fee (MMK)</b>	<b>Interest Rate (%)</b>
1.	3 Months	10,000	3
2.	6 Months	10,000	6
3.	9 Months	10,000	9

Source: CB Bank, 2023

Customers have the option to utilize the installment payment plan for both domestic and international transactions at CB POS. Furthermore, CB bank provides an installment payment plan (IPP) specifically tailored for e-commerce transactions. CB bank frequently provides interest-free installment payment plans (IPP) with a 0% interest rate. Customers have the option to utilize various payback methods, including the CB Pay channel, CB Bank Internet Banking payment channel, Cash and Cheque payment over the counter, CB Card+ Application, and Direct Debit from their CB Bank account.



### 3.4.2 Benefit Programs of Corporate Credit Card of CB Bank

CB bank arranges point system based on the spending amount of the customers. Customer can get benefits or money back according to their points. Table (3.6) presents the money back for the points.

**Table (3.4) Amount of Money Back for the Points**

<b>Sr. No.</b>	<b>Amount Spent (MMK)</b>	<b>Number of Point (s)</b>
1.	1,000	1
2.	100,000	100
3.	1,000,000	1,000

Source: CB Bank, 2023

Based on the data presented in Table 3.4, CB bank provides incentives to corporate cardholders in the form of monetary rewards, which are determined by the accumulated points. If a customer spends 1,000 MMK, they will receive 1 point. If a consumer makes a purchase of 100,000 MMK, they will be awarded 100 points. Similarly, a customer who spends 1,000,000 MMK would receive 1,000 points. The duration for which points remain valid is two years, allowing users to accumulate a substantial number of points throughout this timeframe. CB bank provides a monetary reimbursement of 1 Myanmar Kyat (MMK) for every 1 point accumulated in the cardholder's account. Furthermore, CB bank collaborates with merchants to facilitate the exchange of goods and points. In the past, CB bank implemented periodic promotional campaigns targeting credit card users through strategic partnerships with airlines, hotels, restaurants, and other relevant entities.

### 3.4.3 Customer Service for Corporate Credit Card

CB bank places the corporate name of the customer above the name of the individual cardholder on each card, so enhancing the status of the consumers. CB bank has implemented a Call Center facility to cater to the needs of its clients. This service enables CB bank to promptly provide online assistance to a maximum of 35 customers who have encountered issues such as lost cards, balance inquiries, or the need to deactivate credit cards. The Call Center operates continuously throughout the day and night in order to provide assistance to consumers.

Furthermore, CB bank has developed the CB Card Plus Application, which allows customers to independently manage various credit card matters such as monitoring their balance and canceling their account. Furthermore, CB bank provides round-the-clock customer care through its Facebook page and applications, ensuring that consumers have access to prompt feedback at any given time. CB bank has the capability to offer a replacement card within a period of two days in cases of card loss, theft, PIN revelation, or card damage.

Smart Data is an online expense management solution that offers a range of features for enhanced monitoring of a company's expenditures and costs associated with employee-issued credit cards. Smart Data is a payment technology developed by Mastercard that is designed to gather and analyze purchase data as well as card information. The financial manager of a company has the ability to promptly and effortlessly assess spending, as well as approve staff purchases without the need for physical documentation. Companies that want to utilize the CB Bank corporate credit card have the opportunity to avail themselves of several advantageous features and benefits associated with smart data.

Comprehensive monitoring and documentation of cardholder expenditure is conducted, encompassing transactional details, cardholder summaries, and statements. The integration of MasterCard data with the company's pre-existing accounting and Enterprise Resource Planning (ERP) system facilitates efficient and convenient retrieval of card expenditure data. From the administrative department to the procurement department, this system fulfills a diverse range of requirements for managing corporate expenses.

Simplified implementation across the entire organization The sole prerequisites for the system are a web browser and Internet connectivity, enabling the direct transmission of data and reports to the financial manager's desktop, without the need for any specialized software. Adequate Training for All Levels of Utilization A design and system interface that is straightforward and easy to understand necessitates minimal training. Extensions are readily accessible to all users, thereby obviating the necessity for extensive and expensive software upgrades, data downloads, and database load operations, among other procedures.

## **CHAPTER 4**

### **ANALYSIS OF CUSTOMER SATISFACTION AND LOYALTY TOWARDS CREDIT CARD SERVICES OF CB BANK**

This chapter presents the research design, influencing factors on corporate credit card user's satisfaction levels. In addition, it presents the analysis of customer satisfaction on the customer loyalty to CB bank.

#### **4.1 Profile of the Respondents**

To achieve the objectives of the study, 146 corporate credit users are surveyed as the sample population. Demographic data such as gender, age, education level, marital status, income and occupation are identified. Table (4.1) presents the demographic data of the respondents.

Table (4.1) presents the demographic profiles of major corporate credit card users of CB bank. It is found that the majority of the respondents are female. Majority of the respondents are from 26 to 35 years old and people less than 25 years old represent the minority group among the respondents. Regarding education, majority of the respondents have are graduated people while minority group contains people with high school level education.

**Table (4.1) Demographic Data of the Respondents**

<b>Sr. No</b>	<b>Item</b>	<b>Category</b>	<b>No. of Respondents</b>	<b>Percent</b>
		<b>Total</b>	<b>146</b>	<b>100</b>
1	Gender	Male	35	24.0
		Female	111	76.0
2	Age (Years)	≤ 25	3	2.1
		26 ~ 35	71	48.6
		36 ~ 45	54	37.0
		46 ~ 55	18	12.3
3	Education Level	High School	3	2.1
		Graduate	93	63.7
		Post Graduate	44	30.1
		Other	6	4.1
4	Marital Status	Single	93	63.7
		Married	53	36.3
5	Occupation	Company employee	131	89.7
		Government staff	9	6.2
		Business Owner	6	4.1
6	Income (MMK)	200,001 ~ 300,000	29	19.9
		300,001 ~ 500,000	34	23.3
		500,001 ~ 700,000	48	32.9
		700,001 ~ 1,000,000	21	14.4
		Above 1,000,000	14	9.6

Source: Survey Data, 2023

Other category includes people with no formal education. Among respondents, most of the people are singles who are working as company staff while minority of the people are business owners. Most of the respondents earn from 500,001 ~ 700,000 as they are senior level company staffs.

#### **4.2 Reliability Test**

Reliability refers to the degree of stability or consistency exhibited by the variable inside the structured questionnaire. The development of questions involves the utilization

of a 5-point Likert scale. According to Cronbach's (1951) study, the Alpha values were categorized as follows: excellent (0.93–0.94), strong (0.91–0.93), reliable (0.84–0.90), robust (0.81), fairly high (0.76–0.95), high (0.73–0.95), good (0.71–0.91), relatively high (0.70–0.77), slightly low (0.68), reasonable (0.67–0.87), adequate (0.64–0.85), moderate (0.61–0.65), satisfactory (0.58–0.97), acceptable (0.45–0.98), sufficient (0.45–0.96), not satisfactory (0.4–0.55), and low (0.11). The findings of the reliability assessment using Cronbach's Alpha are displayed in Table 4.2.

**Table (4.2) Reliability Test**

<b>Sr. No.</b>	<b>Variable</b>	<b>No. of Items</b>	<b>Cronbach's Alpha</b>
1	Service Quality	10	.881
2	Price	6	.832
3	Benefit Programs	6	.863
4	Convenience	8	.923
5	Bank Image	6	.927
6	Customer Satisfaction	7	.976
7	Customer Loyalty	6	.945

Source: Survey Data, 2023

According to Table (4.2), Cronbach's Alpha values for all variables show that all the scores shows reliable level. Therefore, the findings in this study are reliable and accurate.

### **4.3 Research Design**

This study exclusively examines the elements that influence customer satisfaction and customer loyalty towards credit card services provided by CB bank. This study employed both primary and secondary data sources. The Yamane Formula (1973) was used to determine the sample size for this study. A total of 231 corporate credit card customers were identified at CB bank head office, and a random sample of 146 users was selected. The Yamane sampling formula is explicated in the subsequent discussion:

$$n = \frac{N}{1 + N * (e)^2}$$

$$n = \frac{213}{1 + 213 * (0.05)^2} = 146$$

The variables in this formula are:

**n** = the sample size

**N** = the population of the study

**e** = the margin error in the calculation

The questionnaire employed in this study is meticulously crafted, incorporating a 5-point Likert scale to assess the impact of several influencing factors on customer satisfaction and customer loyalty towards CB Bank. The survey was performed in June of 2023. The utilization of linear regression is employed for the purpose of data analysis. This study employs both descriptive and quantitative research approaches. Secondary data sources include records from CB Bank, previously published publications, research papers, relevant textbooks, and foreign studies obtained from internet websites..

#### **4.4 Descriptive Analysis of Influencing Factors and Customer Satisfaction**

This section provides a study of the factors that influence customer satisfaction. A structured questionnaire was administered to a sample of 146 corporate credit card customers of CB bank. A survey instrument employing structured questions on a Five-point Likert scale (ranging from 1=Strongly Disagree to 5=Strongly Agree) was utilized to ascertain the significance of elements that influence satisfaction and loyalty. The mean rating scale is displayed in Table 4.3.

**Table (4.3) Mean Rating Scale**

<b>No.</b>	<b>Score Range</b>	<b>Mean Rating</b>
1	1.00 -1.80	Very Low
2	1.81 -2.60	Low
3	2.61-3.40	Neutral
4	3.41- 4.20	High
5	4.21-5.00	Very High

Source: Best, 1977

To interpret the survey data, Best (1977) specified the mean score range. There are five score range for very low, low, neutral, high, and very high. In this study, mean score range of Best (1977) is adopted to interpret the survey data.

#### **4.4.1 Influencing Factors on Customer Satisfaction**

In this study, there are five influencing factors analyzed to find out which influence on the customer satisfaction. Those factors include service quality, price, benefit programs, convenience, and bank image. To get the primary data, structured questionnaire with 5-point likert scale is used. To collect the data from the respondents efficiently, Google form is applied.

##### **(a) Customer Perception of Service Quality**

Prompt and efficient service will develop good public relations, reduce complaints and increase business. Survey data regarding service quality of CB bank's corporate credit card is shown in Table (4.4).

**Table (4.4) Service Quality**

<b>Sr. No.</b>	<b>Service Quality</b>	<b>Mean Score</b>	<b>Std. Dev</b>
1.	Providing to fully meet the needs of daily activities	4.10	0.67
2.	Providing professional, timely and effective online customer service to solve problems	4.14	0.74
3.	Being Ease of use CB bank's corporate credit card	4.50	0.66
4.	Staff showing sincere interest in solving customer's problems	4.20	0.74
5.	Offering 24/7 online customer service for credit cards	4.15	0.78
6.	Arranging safe in transactions with corporate credit cards	4.32	0.58
7.	Providing personal attention while giving service	4.19	0.87
8.	Arranging instance use for corporate credit card instantly after activation	4.52	0.54
9.	Being Able to use corporate credit card at oversea	4.36	0.62
10.	Offering fast Application process	4.29	0.69
<b>Overall Mean</b>		<b>4.27</b>	

Source: Survey Data, 2023

According to the data presented in Table 4.4, the mean score of 4.52 suggests that a significant majority of the participants strongly agree with the statement that they can utilize the corporate card immediately after activation. CB bank organizes the cards in a manner that ensures their readiness for customer use subsequent to the customers' agreement to the terms and conditions. Based on the second highest mean score of 4.50, a significant number of respondents express a strong agreement about the ease of use of CB's corporate credit card. This sentiment is attributed to the bank's practice of providing guidelines after each input box, which facilitates user-friendly navigation for cardholders. Based on the average score of 4.10, a significant majority of the participants express a strong agreement on the favorable service quality of the corporate credit card provided by CB bank.

**(b) Customer Perception of Price**

Price perception is the perceived worth of a product or service in the consumer's mind. Survey data regarding price of CB bank's corporate credit card is shown in Table (4.5).



**Table (4.5) Price**

<b>Sr. No.</b>	<b>Price</b>	<b>Mean Score</b>	<b>Std. Dev</b>
1.	Affordable interest rate	4.03	0.61
2.	Lower application fee for credit card than that of other banks	4.00	0.78
3.	Less penalty fees	4.00	0.78
4.	Reasonable processing fees for corporate credit card	4.04	0.69
5.	Static rate for POS Transactions and E-commerce	4.11	0.81
6.	Attractive Interest free period	4.28	0.70
	<b>Overall Mean</b>	<b>4.08</b>	

Source: Survey Data, 2023

Based on the survey data presented in Table (4.5), it can be observed that the highest mean score of 4.28 suggests a strong consensus among the respondents regarding their strong agreement with the attractiveness of CB bank's interest free time. This term, ranging from a minimum of 15 days to a maximum of 45 days, is offered by CB bank for point of sale (POS) and ecommerce transactions. Furthermore, the finding of a mean score of 4.11, which is the second highest, suggests that a significant number of respondents strongly agree with the notion that CB bank provides a consistent rate for point-of-sale transactions and electronic commerce. Cardholders who settle their spending amount before to the designated due date are exempt from paying any interest charges. Based on the calculated mean score of 4.08, it can be seen that a significant majority of the respondents strongly agree with the notion that the costs associated with the corporate credit card offered by CB bank are acceptable.

**(c) Customer Perception of Benefit Program**

A credit card offers multiple benefits to users such as rewards, cashback, interest-free credit, and convenience etc. Survey data regarding benefit program of CB bank's corporate credit card is shown in Table (4.6).

**Table (4.6) Benefit Program**

<b>Sr. No.</b>	<b>Benefit Program</b>	<b>Mean Score</b>	<b>Std. Dev</b>
1.	Receiving 1 reward point for every time 1,000 MMK used	4.08	0.89
2.	CB Bank offering redemption options.	3.95	0.76
3.	2% cash back on some merchants	4.21	0.78
4.	0% interest installment payment plan on the CB Bank online store (or) at some merchants	4.49	0.64
5.	Getting benefits such as cash back, or tickets based on reward points	4.19	0.73
6.	Seasonal popup promotions for corporate credit card users	4.25	0.79
	<b>Overall Mean</b>	<b>4.19</b>	

Source: Survey Data, 2023

Based on the data shown in Table 4.6, it can be observed that the highest mean score of 4.49 indicates a significant level of agreement among the respondents about the presence of a zero percent interest installment payment plan offered by CB bank card. Furthermore, the fact that the second highest mean score of 4.25 was obtained suggests that a significant number of respondents strongly agree with the notion that the seasonal promotions offered by CB bank are appealing. This is likely due to the fact that CB bank card members are able to avail discounts from various establishments such as airlines, restaurants, and hotels. Based on the calculated average score of 4.19, it can be seen that a significant majority of the participants strongly concur with the notion that the advantages associated with CB bank's corporate credit card are indeed appealing.

**(d) Customer Perception of Convenience**

Credit cards can be a convenient and more secure alternative to using cash or debit to make purchases. Survey data regarding convenience of CB bank's corporate credit card is shown in Table (4.7).

**Table (4.7) Convenience**

<b>Sr. No.</b>	<b>Convenience</b>	<b>Mean Score</b>	<b>Std. Dev</b>
1.	Able to use for both local and international payments	4.37	0.81
2.	Daily payment convenience	4.26	0.71
3.	No need to carry loads of cash	4.34	0.87
4.	Easy repayment through CB Bank mobile banking application4.60	4.60	0.73
5.	Able to check account balance and credit transaction details online	4.51	0.73
6.	Able to freeze credit card account at any time by calling to CB bank hotlines	4.20	0.78
7.	Most of the places accept CB Bank's corporate credit card.	4.24	0.70
8.	Able to limit the amount of money used and restrict the places to use	4.08	0.67
	<b>Overall Mean</b>	<b>4.33</b>	

Source: Survey Data, 2023

Based on the highest mean score of 4.60, it can be inferred that a majority of respondents strongly agree with the notion that credit repayment is facilitated by CB banks, owing to the availability of several channels for payback. Customers have the option to utilize various payback methods, including the CB Pay channel, CB Bank Internet Banking payment channel, Cash and Cheque payment over the counter, CB Card+ Application, and Direct Debit from the CB Bank account. The finding of a mean score of 4.51, which is the second highest, suggests that respondents strongly agree with the notion that credit balances and transactions may be conveniently monitored using online platforms. This agreement is likely influenced by the fact that CB bank offers prompt online services to cater to the needs of up to 35 customers simultaneously. Based on the average score of 4.33, it can be seen that respondents strongly concur with the notion that CB bank's corporate credit card offers a high level of convenience for them.

(e) **Customer Perception of Bank Image**

Credit card users used to consider the bank image before they take the credits. They used to select the bank that is less risk for them. Survey data regarding bank image of CB bank's corporate credit card is shown in Table (4.8).

**Table (4.8) Bank Image**

<b>Sr. No.</b>	<b>Bank Image</b>	<b>Mean Score</b>	<b>Std. Dev</b>
1.	A good reputation of CB bank	4.45	0.80
2.	CB Bank's corporate credit card service being very good	4.34	0.78
3.	Assistance of professionals for corporate credit card service	4.27	0.85
4.	Believing the corporate credit card service quality of CB Bank is highly than others.	4.45	0.66
5.	CB Bank being one of famous banks in Myanmar.	4.68	0.65
6.	Having a good impression of CB Bank's credit card service.	4.42	0.67
	<b>Overall Mean</b>	<b>4.43</b>	

Source: Survey Data, 2023

According to Table (4.8), based on the highest mean score 4.68, most respondents very highly agree that CB bank famous bank and has a good reputation since CB bank is the first bank in Myanmar to issue ATM cards and credit cards. Relating to second highest mean score 4.45, many respondents very highly agree that credit card service of CB bank is better than that of other banks. CB bank tries to tailor the client's personal and business requirements, and offers banking products and services to corporate clients, SMEs and retail customers. According to the overall mean score 4.43, most respondents very highly agree that CB bank has a good and reliable reputation.

**Table (4.9) Summary of Overall Mean Value**

<b>Sr. No.</b>	<b>Summary of Overall Mean Value</b>	<b>Mean Score</b>
1.	Service Quality	4.27
2.	Price	4.08
3.	Benefits	4.19
4.	Convenience	4.33
5.	Bank Image	4.43

Source: Survey Data, 2023

According to Table (4.9), all mean scores of influencing factors are above 4.00. Hence, customers are satisfied with the corporate credit card services of CB bank. All those factors contributes in achieving customer satisfaction.

#### **4.4.1 Customer Satisfaction**

Customer satisfaction refers to the subjective perception of customers about a product or brand. It is an essential factor for the economic success of any business. Survey data regarding customer satisfaction of CB bank's corporate credit card is shown in Table (4.10).

**Table (4.10) Customer Satisfaction**

<b>Sr. No.</b>	<b>Customer Satisfaction</b>	<b>Mean Score</b>	<b>Std. Dev</b>
1.	Generally pleased with the CB bank corporate credit card experience	4.21	0.78
2.	Satisfied towards the services offered in CB bank corporate credit cards	4.29	0.77
3.	Satisfied with charges on corporate credit cards	4.23	0.75
4.	Satisfied with issue of corporate credit cards.	4.26	0.80
5.	Satisfied with the convenience of CB bank corporate credit cards.	4.32	0.76
6.	Satisfied with the corporate credit card service quality of CB bank.	4.34	0.79
7.	Feeling secure using corporate credit card for payments.	4.31	0.81
	<b>Overall Mean</b>	<b>4.28</b>	

Source: Survey Data, 2023

According to Table (4.10), highest mean score 4.34 indicates that most of the respondents very highly satisfied with the service quality of corporate credit card of CB bank because they can use the card immediately at locally and internationally easily once activation. Based on the second highest mean score 4.32, they are also very highly satisfied with the convenience of credit card as they can use in many places even for installments. Many customers feel secure about CB bank corporate credit card services since they can check balances and transactions easily. According to the overall mean score 4.28, most of the card holders are very highly satisfied with the CB bank credit card service.

#### **4.5 Analysis on the Effect of Influencing Factors on Customer Satisfaction**

This section presents the regression analysis to find out the effect of influencing factors on customer satisfaction. Table (4.11) presents the effect of influencing factors on customer satisfaction.

**Table (4.11) Effect of Influencing Factors on Customer Satisfaction**

Variable	Unstandardized Coefficients		Standardized Coefficients (Beta)	t	Sig
	B	Std Error			
(Constant)	.828	.172		4.824	.000
Service Quality	.104**	.050	.068	2.091	.038
Price	.092	.061	.068	1.527	.129
Benefits	.163***	.049	.132	3.331	.001
Convenience	.093	.059	.077	1.581	.116
Bank Image	.922***	.049	.801	18.961	.000
R <sup>2</sup>	.916				
Adjusted R <sup>2</sup>	.913				
F Value	306.236***				

Source: Survey Data, 2023

\*\*\* Significant at 1% level, \*\* Significant at 5% level

Based on the data shown in Table 4.11, it can be observed that the modified R<sup>2</sup> value is 0.913. This indicates that the model under consideration has the ability to account for approximately 91.3% of the variability in customer satisfaction, as assessed through the examination of influencing factors. The model's overall significance is deemed valid as the F value is very significant at the 1 percent level. The regression analysis reveals that out of the five factors examined, namely service quality, social benefits, bank image, pricing, and convenience, three factors (service quality, social benefits, and bank image) have a statistically significant impact on customer satisfaction. Conversely, the components of price and convenience do not demonstrate a significant effect on customer satisfaction.

The study found that there is a statistically significant positive relationship between service quality and customer satisfaction at a significance level of 5 percent. Customers like the convenience of being able to using the corporate card immediately upon activation. Based on the findings of the regression analysis, there exists a positive relationship between the level of service quality provided by CB bank and the degree of customer satisfaction with respect to the corporate credit card service.

The presence of benefits has a statistically significant beneficial impact on customer satisfaction at a significance level of 1 percent. Corporate credit card holders are provided with the option to participate in a zero percent interest installment payment scheme, thereby

facilitating a more convenient installment payment process. Based on the findings of the regression analysis, it can be inferred that an increase in the provision of perks associated with corporate credit cards is positively correlated with greater levels of customer satisfaction with the corresponding credit card service.

The presence of bank imagery has a statistically significant beneficial impact on customer satisfaction, with a significance level of 1 percent. Corporate credit card customers place their trust in CB bank due to its status as the pioneering bank in Myanmar to introduce ATM cards and credit cards throughout the country. Based on the findings of the regression analysis, there is a favorable correlation between the bank image of CB bank and customer satisfaction with corporate credit card services.

Based on the highest Beta score, the bank's image emerges as the most influential element on customer happiness, followed by advantages and service quality. In the past, customers would choose a bank based on its perceived image, and their satisfaction was derived from the dependable service provided by a bank with a strong reputation. Furthermore, factors such as reward points and high service quality have an impact on consumer satisfaction.

#### **4.6 Analysis on the Effect of Customer Satisfaction on Customer Loyalty**

This section has two sections. First section presents the customer loyalty status towards the corporate credit card service of CB bank by mean values. The second section presents the effect of customer satisfaction effects on customer loyalty by regression analysis.

##### **4.6.1 Customer Loyalty**

Customer loyalty is incredibly important for every business. All the business tries to learn how to build real customer loyalty and keep customers coming back. Table (4.12) presents the customer loyalty status of CB bank corporate credit card users.



**Table (4.12) Customer Loyalty**

<b>Sr. No.</b>	<b>Customer Loyalty</b>	<b>Mean Score</b>	<b>Std. Dev</b>
1.	CB bank corporate credit card being my first choice.	4.05	0.80
2.	Continuing to use CB bank's corporate credit cards in the future	4.25	0.76
3.	Always speaking positive things about CB bank corporate credit card	4.26	0.77
4.	Recommending relatives and friends use the corporate credit card services of CB bank	4.32	0.76
5.	Preferring CB bank corporate credit card	4.28	0.82
6.	Paying with CB bank corporate credit card whenever I can use credit cards	4.30	0.75
	<b>Overall Mean</b>	<b>4.24</b>	

Source: Survey Data, 2023

Based on the highest mean score of 4.32, a significant majority of respondents express a strong inclination to endorse the utilization of CB bank's corporate credit card service to their acquaintances, family members, and coworkers. This endorsement is mostly attributed to the perceived utility and convenience of the service. The mean score of 4.30, which is the second highest, suggests a strong inclination to consistently utilize the corporate credit card provided by CB bank. This preference is likely driven by the bank's reward points program, which pays incentives based on the amount spent. Based on the calculated average score of 4.24, it can be inferred that a majority of the participants exhibit a significant level of loyalty towards CB bank.

#### **4.6.2 Effect of Customer Satisfaction on Customer Loyalty**

This section presents the regression analysis to find out the effect of influencing factors on customer satisfaction. Table (4.13) presents the effect of influencing factors on customer satisfaction.

**Table (4.13) Effect of Customer Satisfaction on Customer Loyalty**

Variable	Unstandardized Coefficients		$\beta$	t	Sig
	B	Std Error			
(Constant)	.612	.148		4.149	.000
Customer Satisfaction	.849***	.034	.901	24.956	.000
R <sup>2</sup>	.812				
Adjusted R <sup>2</sup>	.811				
F Value	622.821***				

Source: Survey Data (2022)

\*\*\* Significant at 1% level

According to the data presented in Table 4.12, the corrected R<sup>2</sup> value suggests that the model under consideration is capable of accounting for 81.1% of the observed variability in customer loyalty, specifically when examining the impact of customer satisfaction. The model's overall significance is deemed legitimate due to the high level of significance of the F value, which is significant at the 1 percent level. The results of the regression analysis indicate a statistically significant positive relationship between customer satisfaction and customer loyalty at a significance level of 1%. Based on the regression analysis findings, there exists a positive relationship between customer satisfaction and customer loyalty towards the corporate credit card service provided by CB bank.

## **CHAPTER 5**

### **CONCLUSION**

Presented in this chapter are the conclusions and discussions. It then goes on to explain the advice and suggestions. Considering the study's limits and breadth, it concludes by highlighting the need for additional research.

#### **5.1 Findings and Discussions**

The objective of this study is to investigate the various elements that influence customer satisfaction with credit card services provided by CB bank. Additionally, this study seeks to analyze the impact of customer satisfaction on customer loyalty towards credit card services offered by CB bank. This study incorporates the utilization of both primary and secondary data in the analysis of information. The collection of primary data was conducted among a sample of 146 credit card users, representing approximately 63% of the total population of corporate credit card users at CB bank main office, which consists of 231 individuals.

In relation to the aspect of service quality, it has been determined that consumers possess the ability to utilize the corporate credit card immediately upon activation. Additionally, it has been observed that CB bank's corporate credit card is characterized by user-friendly features, as the bank provides clear directions for each input box, hence facilitating ease of use for cardholders. The research indicates that the service quality of the corporate credit card provided by CB bank is of a high standard.

The interest-free period offered by CB bank is seen appealing due to its provision of a duration ranging from a minimum of 15 days to a maximum of 45 days for point-of-sale (POS) and ecommerce transactions. Furthermore, a significant number of participants expressed a preference for the consistent rate offered for point-of-sale (POS) transactions as well as electronic commerce (e-commerce). Cardholders who settle their spending amount before to the designated due date are exempt from paying any interest charges. Hence, the majority of participants express the opinion that the charges associated with the corporate credit card offered by CB bank are justifiable.

The present study examines the preferences of respondents regarding the 0% interest installment payment plan offered by CB bank card and the seasonal promotions

provided by CB bank. It is observed that a majority of the respondents express a favorable inclination towards these offerings. This is mostly attributed to the benefits enjoyed by CB bank card users, such as discounts on services provided by airlines, restaurants, and hotels. Hence, it can be concluded that the advantages offered by CB bank's business credit card are highly appealing.

The ease of credit payback is facilitated by the availability of many channels, including the CB Pay channel, CB Bank Internet Banking payment channel, Cash and Cheque payment over the counter, CB Card+ Application, and Direct Debit from the CB Bank account. Additionally, it has been observed that customers have the convenient ability to access and review their credit balances and transaction history using online platforms. Hence, a significant proportion of the participants express that the corporate credit card offered by CB bank is deemed convenient by them.

The majority of participants recognize CB bank as a renowned financial institution with a strong standing, attributed to its distinction as the first bank in Myanmar to introduce ATM and credit card services. Additionally, it is held by individuals that the credit card service provided by CB bank surpasses that of other financial institutions. CB bank endeavours to customize its offerings to meet the individual needs of its clientele, encompassing both personal and business requirements. It provides a comprehensive range of banking products and services to cater to corporate clients, small and medium-sized enterprises (SMEs), as well as retail consumers. Hence, a significant proportion of clients hold the perception that CB bank possesses a favourable and trustworthy reputation.

In relation to objective 1, an analysis of five influencing factors (namely service quality, social benefits, bank image, price, and convenience) reveals that service quality, social benefits, and bank image exhibit a statistically significant positive influence on customer satisfaction. Conversely, the factors of price and convenience do not demonstrate a significant effect on customer satisfaction.

The final noteworthy component, namely the perception of the bank's image, exerts a favorable influence on the level of client satisfaction. The most influential aspect on customer satisfaction is identified as such. The reputation of CB bank is widely trusted by a majority of clients due to its distinction as the pioneering bank in Myanmar to introduce ATM cards and credit cards. Furthermore, it is argued that the credit card service provided by CB bank surpasses that of other financial institutions due to its ability to effectively cater to the specific needs and desires of its customers. Hence, the respondents express satisfaction with the bank's image.

With respect to objective 2, the findings of this study demonstrate a significant and positive correlation between customer satisfaction and customer loyalty. Due to the high level of customer satisfaction with the corporate credit card service provided by CB bank, it has become common for customers to actively endorse and encourage the usage of CB bank's corporate credit cards to others. Additionally, they opt to persist in use business credit cards wherever feasible. Hence, it may be inferred that a majority of the participants exhibit loyalty towards CB bank.

## **5.2 Suggestions and Recommendations**

According to the results obtained in this study, CB bank has the potential to enhance its service offerings in order to attain higher levels of customer satisfaction and foster more customer loyalty. First and foremost, it is imperative for bank authorities to give due consideration to the demographic characteristics of their primary clientele. Furthermore, it is imperative to assign a significant level of importance to the reputation of the bank, since it is widely recognized as one of the most influential variables impacting client satisfaction. It is recommended that CB bank maintain a constant level of service in order to cultivate confidence among its consumers. Furthermore, it is imperative for the organization to offer contemporary training and development initiatives to its employees, thereby ensuring that clients receive proficient service.

The implementation of digital marketing strategies, such as disseminating comprehensive product knowledge, providing transparent product information, and offering customer support through social media platforms, is recommended for CB bank. Subsequently, the clientele will experience heightened satisfaction with the bank's overall reputation. In order to derive advantages, it is recommended that CB bank continues to introduce compelling promotions and incentives with the aim of attracting an increasing number of consumers. It is recommended that CB bank diversify its credit card offerings across many categories to cater to the distinct needs and preferences of different consumer segments. This approach would enable individuals from various demographic groups to select a credit card that aligns with their specific requirements. Banks should consider providing credit cards to their clients through collaborative partnerships with businesses that are frequently patronized by their primary clientele. Subsequently, individuals utilizing credit cards will be entitled to appealing advantages, including discounts or complimentary items. Subsequently, it can be posited that clients will experience heightened levels of

satisfaction as a result of the various advantages associated with the corporate credit card provided by CB bank.

To effectively cater to its clientele, CB bank ought to uphold or enhance the standard of its services for users of corporate credit cards. It is recommended that CB bank consider implementing a credit card protection plan, since this would enable users to safeguard their cards against potential misuse in instances of theft or loss. Subsequently, patrons will increasingly utilize cards as a means of conducting their routine tasks. Furthermore, it is recommended that CB bank implement round-the-clock call centers equipped with a wider choice of communication channels to facilitate seamless access for consumers seeking assistance or resolution of any concerns they may encounter. It is recommended that CB bank proactively notify or prompt consumers prior to the expiration of the grace period, so enabling customers to settle their outstanding balance within the interest-free timeframe. By implementing the aforementioned recommendations, it is expected that clients will experience higher levels of satisfaction with the service quality provided by the bank, leading to an increased likelihood of customer loyalty.

Nevertheless, the impact of price and convenience on customer satisfaction is not deemed to be substantial. Therefore, it is recommended that CB bank should consider revising its pricing strategies by closely monitoring those implemented by its competitors. Furthermore, there is a need for the enhancement of the corporate credit card service in order to provide increased convenience to clients.

### **5.3 Need for Further Research**

This thesis exclusively examines the corporate credit card service provided by CB bank. The credit card service of other banks in Myanmar is not included in its coverage. Hence, it is recommended that future research be undertaken to explore other credit card services in order to comprehensively address the credit card business in Myanmar. Furthermore, this study has included only five elements as drivers of customer satisfaction and customer loyalty. Hence, it is advisable to conduct more research in order to investigate and analyze additional variables that may influence customer satisfaction and customer loyalty.

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# APPENDIX A

## QUESTIONNAIRE

The purpose of this questionnaire is to collect data for the research titled “**Customer Satisfaction and Customer Loyalty towards Credit Card Service of CB Bank**” as part of my academic research study for the MBF at YUE. I appreciate your value and time in responding to the questions and assure you of confidentiality and privacy.

Yours Sincerely,  
Wut Hmone Oo

### Section A: Demographic Data

#### 1. Gender

- Male  Female

#### 2. What is your age?

- Under 25  26-35  36-45  46-55  Above 55

#### 3. Education Background

- High School  Undergraduate  Graduate  Post Graduate  
 Others.....

#### 4. Marital Status

- Single  Married

#### 5. Occupation

- Student  Company employee  Government Staff  
 Business Owner  Others .....

#### 6. Income (Ks)

- 100,000 ~ 200,000  200,001 ~ 300,000  300,001 ~500,000  
 500,001 ~ 700,000  700,001 ~ 1,000,000  Above 1,000,000

## Section B:

Please state level of your agreement on each statement by providing the most relevant number.

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

### Service Quality

No	Items	Scale				
		1	2	3	4	5
1.	Corporate credit card service of CB bank can fully meet the needs of daily activities.					
2.	Online customer service CB bank is professional, timely and effective to solve problems.					
3.	It is easy to use CB bank's corporate credit card.					
4.	CB Bank shows sincere interest in solving customer's problems.					
5.	CB Bank offers 24/7 online customer service for credit cards.					
6	I feel safe in transactions with corporate credit cards.					
7	Bank employees give customers personal attention.					
8	Corporate credit card can be used instantly after activation.					
9	CB bank's corporate credit card can be used at oversea.					
10	Application process does not take much time.					

### Price

No	Items	Scale				
		1	2	3	4	5
1.	The credit card interest rate of CB bank is affordable.					
2.	The application fee for credit card is lower than that of other banks.					
3.	The penalty fees are not very high.					
4.	Corporate <i>credit card</i> processing fees are reasonable.					
5.	CB bank does not charge for POS Transactions and E-commerce.					
6.	Interest free period is attractive.					

## Benefit Program

No	Items	Scale				
		1	2	3	4	5
1.	Whenever customers used 1,000 MMK with corporate credit card, they will get 1 reward point.					
2.	CB Bank offers redemption options.					
3.	Customers can get 2% cash back on some merchants with CB Bank's Corporate Credit Card.					
4.	Customers can get 0% interest installment payment plan on the CB Bank online store (or) at some merchants with CB.					
5.	Based on reward points, customers get benefits such as cash back, or tickets etc.					
6.	CB bank provides seasonal popup promotions for corporate credit card users.					

## Convenience

No	Items	Scale				
		1	2	3	4	5
1.	CB Bank's corporate credit cards can be used for both local and international payments.					
2.	Credit payments by CB Bank's corporate credit cards facilitates for daily convenience.					
3.	With CB Bank's corporate credit card, customers do not need to carry loads of cash.					
4.	CB bank arranges easy repayment through CB Bank mobile banking application.					
5.	Customer can check account balance and credit transaction details online.					
6.	Customer can freeze credit card account at any time by calling to CB bank hotlines when the card is lost.					
7.	Most of the places accept CB Bank's corporate credit card.					
8.	A company can limit the amount of money used and restrict the places to use.					

### Bank Image

No	Items	Scale				
		1	2	3	4	5
1.	CB bank has a good reputation.					
2.	CB Bank's corporate credit card service is very good.					
3.	The employees who assist corporate credit card service are professionals.					
4.	I believe the corporate credit card service quality of CB Bank is highly than others.					
5.	CB Bank is one of famous banks in Myanmar.					
6.	I have a good impression of CB Bank's credit card service.					

### Customer Satisfaction

No	Items	Scale				
		1	2	3	4	5
1.	I am generally pleased with the CB bank corporate credit card experience.					
2.	I am satisfied towards the services offered in CB bank corporate credit cards.					
3.	I am satisfied with charges on corporate credit cards.					
4.	I am satisfied with issue of corporate credit cards.					
5.	I am satisfied with the convenience of CB bank corporate credit cards.					
6.	I am satisfied with the corporate credit card service quality of CB bank.					
7.	I feel secure using corporate credit card for payments.					



## Customer Loyalty

No	Items	Scale				
		1	2	3	4	5
1.	CB bank corporate credit card is my first choice.					
2.	I will continue to use CB bank's corporate credit cards in the future.					
3.	I always speak positive things about CB bank corporate credit card.					
4.	I will recommend my relatives and friends use the corporate credit card services of CB bank.					
5.	I prefer CB bank corporate credit card over any other bank.					
6.	I will continue to use CB bank corporate credit card for future transactions.					

## APPENDIX B

### Analysis on the Effect of Influencing Factor on Customer Satisfaction

#### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.957 <sup>a</sup>	.916	.913	.21499

a. Predictors: (Constant), Bank Image Mean, Service Quality Mean, Social Benefits Mean, Price Mean, Convenience Mean

#### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	70.772	5	14.154	306.236	.000 <sup>b</sup>
	Residual	6.471	140	.046		
	Total	77.243	145			

a. Dependent Variable: Customer Satisfaction Mean

b. Predictors: (Constant), Bank Image Mean, Service Quality Mean, Social Benefits Mean, Price Mean, Convenience Mean

#### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.828	.172		4.824	.000
	Service Quality Mean	.104	.050	.068	2.091	.038
	Price Mean	.092	.061	.068	1.527	.129
	Social Benefits Mean	.163	.049	.132	3.331	.001
	Convenience Mean	.093	.059	.077	1.581	.116
	Bank Image Mean	.922	.049	.801	18.961	.000

a. Dependent Variable: Customer Satisfaction Mean

## Analysis on the Effect of Customer Satisfaction on Customer Loyalty

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.901 <sup>a</sup>	.812	.811	.29885

a. Predictors: (Constant), Customer Satisfaction Mean

### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	55.627	1	55.627	622.821	.000 <sup>b</sup>
	Residual	12.861	144	.089		
	Total	68.488	145			

a. Dependent Variable: Customer Loyalty Mean

b. Predictors: (Constant), Customer Satisfaction Mean

### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.612	.148		4.149	.000
	Customer Satisfaction Mean	.849	.034	.901	24.956	.000

a. Dependent Variable: Customer Loyalty Mean