YANGON UNIVERSITY OF ECONOMICS

DEPARTMENT OF COMMERCE

MASTER OF MARKETING MANAGEMENT PROGRAMME

CUSTOMER SATISFACTION AND CUSTOMER LOYALTY OF SME DEVELOPMENT BANK

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MMM (1st BATCH)

AUGUST, 2023

YANGON UNIVERSITY OF ECONOMICS
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MASTER OF MARKETING MANAGEMENT

CUSTOMER SATISFACTION AND CUSTOMER LOYALTY OF SME DEVELOPMENT BANK

A thesis submitted as a partial fulfillment towards the requirements for the degree of
Master of Marketing Management (MMM)

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AUGUST, 2023

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Accepted by the Board of Examiners of the Department of Commerce, Yangon University of Economics, in partial fulfilment for the requirements of the Master Degree, Master of Marketing Management.

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AUGUST, 2023

ABSTRACT

This study centers on the examination of customer satisfaction and customer loyalty within the context of the SME Development Bank. The primary aims of this study are to investigate the many elements that impact customer happiness and to assess the impact of customer satisfaction on customer loyalty within the context of SME Development banks. In order to accomplish the stated aims, both primary and secondary data are utilized within the scope of this study. The primary data for this study were obtained from the individuals in charge of SMEDB, as well as from a sample of 110 respondents who have made deposits at SMEDB branches in the Yangon Division. The Simple Random Sampling method is employed to gather primary data. The collection of secondary data involves the utilization of publications, pertinent textbooks, other online sources, as well as the records maintained by the SME Development Bank. The influencing elements encompass various aspects, including accessibility, reactivity, reliability, employee competency, and price transparency. Based on the findings of the multiple regression analysis, the study reveals that various parameters, namely accessibility, reactivity, reliability, employee competency, and price transparency, exhibit positive and statistically significant impacts on customer satisfaction. Out of the factors considered, responsiveness emerges as the primary determinant with a notable and favorable impact on customer satisfaction. Additionally, it is worth noting that customer happiness has a noteworthy and constructive impact on client loyalty. Hence, it is recommended that SMEDB enhance their focus on responsiveness factors to enhance customer satisfaction and foster customer loyalty within the banking sector.

ACKNOWLEDGEMENTS

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CHAPTER 1
INTRODUCTION

The business environment has changed in a sense that it has experience a paradigm shift from monopolist umbrella to a more competitive business environment. For competitive viability, business have to produce goods and services which are in line and requirement of customers, bank has to identify the need of customer through the getting right information from the customer that take information and convert it into profitable goods and services. Customer satisfaction is a tactic of making money and this money can only be generated by having a satisfied and loyal customer base. The quality of products and services consumed is a great importance in the business world. While the quality of goods can easily be measured by taking into account of certain physical properties, the measurement for services is rather difficult because the quality depends on large number of factors.

Due to the increased competition faced by companies around the world, companies choose to expand their market size and increase customer expectations through advancement in technology and globalization. Hence. necessitating businesses to be more customer centric. Nowadays, majority of customers have become more quality conscious, there has been an increased customer demand for higher quality service. Therefore services providing companies are compelled to provide excellent services to their customers in order to have sustainable competitive advantage, especially in the current trend of trade liberalization and globalization. High patronage of services depends on the satisfaction customers derived from a service. Revenues of the company are directly related to customer satisfaction and customer satisfaction can increase customer loyalty.

All businesses gradually shift from manufacturing industry to service industry as the growing trend in the emergence of service as the dominant sector in the economy. Among then, the Banking Industry also included in service industry.

Banking industry is a key sector in the economy of any country and the success of banking system in the country depends on the operation, products and services of its banks. Banks have always been an important role and an integral part of the whole economy of the country. Customers are at the focal point of every business and banks are no different. Apart from doing business with other businesses, banks are also

entrusted with individuals' assets and finances. The banking sector is now highly competitive and therefore there is need to keep the customers coming. Customer satisfaction is very important as it has many benefits other than keeping the customer content. Satisfied customers can market the bank's services to the benefit of the bank itself. In addition, customer satisfaction can also enhance profitability as the current customers continue to enjoy the services. This is important as it has been found that it is cheaper to keep current customers than acquiring new ones.

In addition, customer satisfaction has also been found to lead to customer loyalty (Brodie et al, 2009). Customers who are happy with the bank's services will continue using them and in time be not interested in other offerings by other banks (Shah et al, 2015). They added that it also improved the whole organizational performance. Customer satisfaction is the key factor for customer retention and thereby the banks success. Identifying and improving the factors that can limit the satisfaction of customer is the crucial step for the bank which wants to be a step forward than its competitors. Satisfaction is a relevant predictor of loyalty, where customers that are more satisfied tend to be more loyal and are more likely to recommend the bank to new customers by positive word of mouth. Satisfied customers was the foundation of any successful business as they lead to repeat purchases, brand loyalty, and positive word of mouth among others. Today, the increasing awareness among bank customers of their rights, changing demands and highly competition requires constant progress in influencing factor from the bank for their customers to stay loyal.

In developing countries, including Myanmar, customer satisfaction become important to business success of banking institutions. From the customer's point of view to retain the relationship with the bank, the importance of customer satisfaction is clearly obvious. Myanmar is in the middle of a democratic and economic transition; the country is moving from a centrally-directed economy to a market-oriented one. Both domestically and regionally high hopes are attached to this transition. In the current business environment, which is constantly changing and contains intense competition, commercial banks are facing with many challenges. One of the biggest challenges is competitiveness. When competitive pressures increase, influencing factor is considered as a competitive factor of the banks and it is also considered as an essential key to create the difference among banks.

Influencing factor is importance in analyzing the performance of SME Development Bank branches, since their survival depends on their influencing factor levels, they provide. Influencing factor is a key to achieve customer loyalty, which is the primary goal of business organizations, due to the advantages of customer retention. Over 90 percent of all business in Myanmar is classified as SMEs, and the government has recognized that SMEs are the main driver for the country's future national economic development. MSME facing the problems such as capital, competitors, no investor and inflection rate. SME Development Bank needs to provide proper banking service to meet the satisfaction of their customers. Thus, this study focuses to influencing factors on customer satisfaction and customer loyalty of SME Development Bank.

1.1 Rationale of the Study

The intensification of competition, the presence of highly educated consumers, and the rise in the level of life have compelled numerous organizations to reassess their customer service strategy. Numerous businesses are already prioritizing the allocation of resources towards customer retention rather than client acquisition, as the expenses associated with obtaining a new customer surpass those incurred in retaining existing customers. The significance of service quality cannot be overstated, particularly in relation to the advancement and expansion of businesses operating within the service sector. It functions as a precursor to the delight of customers. Historically, the measurement of quality was mostly focused on tangible objects, as the service sector held a lesser degree of prominence within the economy. The measuring of influencing factors has gained significance due to the growing relevance of the service sector in the economy. In the contemporary business landscape, the significance of product and service quality in consumer consumption is of paramount importance.

Satisfied clients are inclined to disseminate their experiences to approximately five or six individuals in their immediate social circle. Similarly, disgruntled clients exhibit a higher propensity to communicate their unfavorable encounters with a specific firm to an additional ten others. To get customer satisfaction, firms must possess the capability to establish and sustain enduring connections with consumers by effectively meeting a diverse range of customers' wants and demands. In order to get a notable degree of customer happiness, existing research indicates that service providers should supply a substantial amount of influencing factor, as this component is commonly seen

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as a precursor to customer pleasure. As the influencing factor improves, there is an increase in the likelihood of customer happiness.

Banks play a crucial role in an economy as they serve as the key facilitators of fund mobilization and operate as the principal source of financing to sustain national economic activities. In the realm of business operations, banks prioritize the provision of superior services over the pursuit of profit, as a means to sustain their competitive standing within the industry. In order to align with the economic interests of the nation, banks must offer their services in a manner that effectively meets the demands and expectations of their customers. Hence, it is imperative for banks to prioritize the assessment of factors that can exert influence on their clients, with the aim of attracting and maintaining their patronage. Therefore, customers who choose a bank for their financial services will invariably prioritize receiving the service that provides them with the highest level of happiness. In addition to pricing and product quality, there are additional considerations that should be considered.

In contemporary times, there has been a significant focus on the concept of influencing factors due to its evident correlation with costs, financial performance, customer happiness, and customer retention. Organizations require empirical data to comprehend the extent of customer happiness, as well as the ability to effectively incorporate these influential factors into customer satisfaction management. The present conceptual work aims to address the existing knowledge gap. The objective of this study is to review previous literature on factors that influence customer satisfaction and intention, with the aim of constructing a conceptual framework for future research. Hence, this research endeavor aims to assist service providers in gaining a comprehensive understanding of the factors that influence their operations. By doing so, they may develop targeted strategies and guidelines to effectively meet the expectations of their customers.

Myanmar is home to a total of 27 private banks. One of the institutions that provide financial services to small and medium-sized enterprises (SMEs) is the SME Development Bank. The rationale for choosing to analyze the influencing factors of SME Development is rooted in the fact that SME Bank operates a contemporary banking system that provides customers with safety, stability, and satisfaction. In order to effectively maintain and expand market share, it is imperative for an institution such as the SME Development Bank to prioritize customer satisfaction with its products and services, and continuously strive to enhance it. To achieve this objective, it is

imperative for the SME Development Bank to acquire an understanding of its customers' perspectives. This knowledge will enable the bank to effectively maintain its existing core customers and attract new customers by providing enhanced services and well-organized product offerings. The examination of how the SME Development Bank may get a competitive advantage by effectively meeting client needs and desires in comparison to other banks, particularly in terms of service characteristics, is a topic of considerable interest. The findings of this study contribute to our understanding of the banking sector and provide light on how SME Bank delivers its products and services in order to attain client satisfaction and loyalty. Hence, the primary objective of this study is to ascertain the nature of services provided by SME Development Banks and to gauge consumer attitudes regarding these services. The findings of this study can potentially serve as a valuable tool for SME Development Banks, enabling them to make informed decisions and undertake appropriate measures in response. This study has the potential to yield valuable insights and information.

1.2 Objectives of the Study

The objectives of the study are as follow,

1. To examine the factors influencing customer satisfaction of SME Development Bank.
2. To analyze the effect of customer satisfaction on customer loyalty of SME Development Bank.

1.3 Scope and Methods of the Study

The primary objective of this study is to examine the various elements that influence customer satisfaction and customer loyalty within the context of SME Development Bank. This study employed both the descriptive research approach and the quantitative research method. In order to accomplish the primary goal of the study, a combination of primary data and secondary data is employed. The collection of primary data involves the distribution of questionnaires to a sample representing 20% of the population, specifically 110 deposit customers from the SME Development Bank in the Yangon Division. The Yangon region is home to a total of eight branches of the SME Development Bank. The study will employ the Simple Random Sampling approach. The designated time frame for conducting the study is May of 2023. The collection of secondary data involved gathering information from several sources,

including pertinent textbooks, previously published research papers, bank records and yearly reports, as well as internet websites.

1.4 Organization of the Study

This study is organized into five chapters. Chapter one is introduction which includes rationale of the study, objectives of the study, scope and methods of the study and organization of the study. Chapter two discusses theoretical background of the influencing factors, customer satisfaction and customer loyalty. Chapter three describes about the profile and influencing factors of SME Development Bank. Chapter four presents the analysis of the influencing factors on Customer Satisfaction and Customer Loyalty of SME Development Bank. Chapter five presents the conclusion that involving findings and discussions, suggestions and recommendation, and needs for further research.

CHAPTER 2
THEORETICAL BACKGROUND

This chapter presents the theoretical underpinnings of the concept of service quality, the factors that influence it, as well as customer pleasure and loyalty. Furthermore, this section provides an overview of prior research conducted by various scholars and presents the theoretical framework that underpins the current study.

2.1   Customer Satisfaction

The future viability of a business is contingent upon the attainment of customer satisfaction. In addition to fostering customer loyalty and repeat purchases, satisfied consumers also engage in word-of-mouth marketing by sharing their experiences with acquaintances and relatives. The significance of customer satisfaction cannot be overstated for organizations, as it plays a crucial role in establishing and maintaining a competitive advantage within the contemporary competitive landscape.

According to Kotler and Keller (2012), satisfaction refers to an individual's emotional state of contentment or dissatisfaction, which arises from the evaluation of a product's perceived performance or outcome in relation to their initial expectations. The level of customer satisfaction is positively correlated with customer loyalty, financial profitability, and market share. Customers who express satisfaction with the value derived from products and services are more inclined to maintain their patronage over an extended period of time.

Customer satisfaction can be conceptualized as a construct encompassing elements such as value, quality, and satisfaction, as discussed by Tahseen et al. (2013) and Zeithaml et al. (1988 & 1994). Fecikova (2004) posits that the concept of value is intricately linked to the service provided and the monetary compensation exchanged, whereas quality pertains to the fulfillment of customers' requirements and expectations. Given the trusted nature of the banking business, ensuring high levels of customer satisfaction is widely recognized as vital for the long-term viability and continued relevance of banks (Titko & Lace, 2010).

According to Minazzi (2008), customer satisfaction is determined by the contrast between a client's expectations and their perceptions. The satisfaction of customers is contingent upon various characteristics, including reliability,

responsiveness, assurance, empathy, and tangibles. Additionally, factors such as price, personal attributes, and situational circumstances that arise during the provision of services can also influence customer satisfaction (Bateson and Hoffman, 1999).

2.2 Influencing Factors on Customers Satisfaction

Numerous elements can exert influence on consumer happiness. Several elements that are often regarded as significant in general. According to Satyendra (2020), several elements have been identified as influential in determining customer satisfaction. These factors include product quality, price, service, customer emotion, personal considerations, situational factors, perception of equality or fairness, and product features. Certain clients may consider reliability and brand loyalty to be crucial criteria, whilst others may prioritize organizational image and product quality. Furthermore, the characteristics of frequency, reliability, ease, and responsiveness are influential factors that are deemed significant in determining consumer satisfaction. Quality is typically seen as the consistent execution of correct actions.

Furthermore, Green (2021) provides a comprehensive definition of the characteristics that impact customer happiness, including accessibility, empathy, language, reaction time (reactivity), ease, choices, simplicity, quality, affordable prices, appreciation, trust, and employee competency. This study places particular emphasis on five characteristics, including accessibility, reactivity, reliability, personnel competency, and price transparency, among various other factors.

2.2.1 Accessibility

According to Yarimoglu (2014), the concept of access pertains to the convenience, ease of accessibility, and the ability to establish contact with a certain provider. The schedule encompasses office hours that are convenient for clients and certain time slots during which transactions can be carried out. According to Flavian, Torres, and Guinaliu (2004), empirical evidence indicates that enhanced accessibility to services leads to heightened levels of consumer satisfaction. The impact of accessibility, as a component of service image, on customer satisfaction and loyalty within the banking sector has been highlighted by Ladhari, Souiden, and Ladhari (2011).

The accessibility of banking refers to the ease with which individuals can make payments. Customers are provided with a range of financial tools, including internet banking services, automated teller machines (ATMs), point-of-sale (POS) terminals,

mobile banking applications, and payment applications. Accessibility refers to the manner in which these channels provide customers with meaningful experiences in terms of their ability to access funds, banking facilities and services, as well as provide feedback.

2.2.2 Reactivity

This variable pertains to the inclination and preparedness of personnel and digital platforms to deliver service. The task at hand include the proficient management of mailing and communication processes with clients, including prompt and frequent responses to emails and phone calls (Grandey et al., 2011). This pertains to the inclination to promptly address client requirements. The term "bank service responsiveness" pertains to the promptness and timeliness of services provided by banks to their customers (Kotler & Keller, 2009). The passage delineates the prompt and efficient responsiveness of the bank personnel towards addressing the enquiries and requirements of the bank's clientele. Customer satisfaction is significantly impacted by the level of responsiveness exhibited by a firm (Lohani and Bhatia, 2012).

Responsiveness or reactivity refers to the inclination to assist clients and deliver timely service (Zeithaml et al., 2009). The metric assesses the ability of service providers to immediately and attentively address client requests, inquiries, and grievances. Prior research has indicated that customer satisfaction is contingent upon a significant degree of response (Grandey et al., 2011). According to Grandey et al. (2011), research has indicated that there is a negative correlation between response time and customer satisfaction, suggesting that as the response time increases, customers tend to become more unsatisfied.

Customers that have a waiting period of less than 15 minutes to receive a response to their enquiry may perceive the duration as being over an hour, so exerting a negative impact on the customer relationship and overall satisfaction. One potential strategy employed by the banking industry to manage client inquiries and maintain engagement is to provide alternative services to customers while they await a response. This may involve posing more pertinent questions to customers regarding their financial circumstances.

2.2.3 Reliability

According to the study conducted by Parasuraman et al. (1985), reliability refers to the ability of organizations to consistently deliver services accurately and without

errors on the initial attempt. Furthermore, this finding demonstrates that businesses are committed to fulfilling their commitments and prioritizing outcomes. The initial dimension of the SERVQUAL influencing factor model is categorized as reliability.

Reliability, as a crucial determinant, exerts a substantial influence on customer satisfaction (Parasuraman, 1988). According to Ennew et al. (2013), reliability can be described as the consistent and correct provision of promised services to customers, along with the ability to effectively address any issues or challenges encountered by customers. The implementation of proactive problem-solving measures, the prompt delivery of necessary services upon initial engagement, and the timely provision of services are of utmost importance. The maintenance of a record that is free from errors is considered a fundamental aspect of reliability, as it significantly affects customer satisfaction (Parasuraman, 1988).

According to Peng and Moghavvemi (2015), the key determinants for customer retention in the banking sector are the accuracy in order fulfillment, meticulous maintenance of records and quotations, precision in billing processes, and the fulfillment of promised services. The following are fundamental components pertaining to reliability. According to Kant (2017), prior research has demonstrated that there exists a positive correlation between reliability and client satisfaction within the banking industry.

2.2.4 Employee Competences

The competence of employees in the service industry is characterized by fundamental attributes that facilitate exceptional performance in their roles and the ability to enhance client pleasure. Competency refers to a fundamental criterion encompassing skill, knowledge, ability, or behavioral qualities that an individual must possess in order to effectively carry out work tasks (Boyatziz, 2008).

Moreover, these competences encompass a set of skills that facilitate a firm's ability to establish strong connections with its consumers. The fundamental components of skills encompass customer knowledge, customer access, and competitor knowledge. The assessment of employees' competency level is utilized to effectively include processes such as selection, training, appraisal, and remuneration. In contrast, competencies are employed as a strategic approach to enhance the connection between corporate culture, outcomes, and individual performance, with a specific focus on highlighting competencies.

2.2.5   Price Transparency

The role of price or cost is of considerable importance in the decision-making process of customers within the service sector, namely within the finance and banking business (Hanif et al., 2010). The concept of price or cost fairness refers to the evaluation made by consumers on the reasonableness and justifiability of a price for a particular product or service (Kukar-Kinney, Xia, & Monroe, 2007).

Previous studies have indicated that the way in which a consumer perceives a price that is deemed acceptable has a favorable impact on their level of satisfaction and their likelihood of exhibiting loyalty or engaging in repurchase behavior (Martin-Consuegra, Molina, & Esteban, 2007).Price transparency pertains to the level of accessibility that consumers have in acquiring comprehensive price and market data for various products. Numerous organizations have implemented software-based advisory systems that assist clients in obtaining comprehensive product and price information to facilitate their purchasing choices. Within the banking sector, certain credit unions, such as First Tech, which caters to clients from Intel and Microsoft as well as the Northwest US region, SACU in San Antonio, Mission Federal in San Diego, and Patelco in Colorado, have undertaken trials with online tools aimed at assisting customers in their decision-making process regarding mortgages, loan programs, deposit accounts, and other related services. Customers hold certain expectations regarding the perceived value of a product or service, as discussed by Matzler et al. (2006) and Lichtenstein et al. (1990).

2.3   Customer Loyalty

According to Lau and Lee (1999), loyalty can be described as the establishment and maintenance of a reliable connection with clients, resulting in their recurrent acquisition of items or services within a specific timeframe. Typically, loyal consumers exhibit a greater propensity to pay a premium price and demonstrate increased tolerance and comprehension when confronted with instances of service failure.

The paramount objective of including relationship marketing activities is to cultivate customer loyalty. In order to cultivate loyalty, it is imperative for the company to concentrate on emphasizing the value of its products and services. This approach will effectively demonstrate the company's eagerness to satisfy consumer desires and foster strong customer relationships (Griffin, 2002). It may be observed that the costs associated with acquiring a new customer are significantly higher compared to maintaining the loyalty of an existing consumer. Dedicated clientele will serve as

advocates, influencing prospective buyers and fostering a deliberate decision-making process when considering alternative service providers. Hence, the establishment of client loyalty holds significant importance.

Customer loyalty can be regarded as an outcome resulting from the level of customer happiness. Customer loyalty is a direct result of the satisfaction experienced by business customers. In general, it is evident that there exists a substantial positive correlation between customer pleasure and customer loyalty. According to Chi (2005), the presence of customer loyalty has a positive impact on sales and profitability.

2.4   Previous Studies

This study prioritized the examination of prior research papers and analyses in order to construct the conceptual model for this investigation. References to earlier research studies that discuss the aspects impacting customer satisfaction and customer loyalty are required.

These references are presented in each Figure as follows.In a recent study conducted by Amha, G. G. (2020), the focus was on investigating the factors that influence customer satisfaction and customer loyalty inside the Amhara Credit and Saving Institute (ACSI), specifically in the context of Waghimera Zone Sekota Town. The framework that was examined in their study is depicted in Figure 2.1 below.

Figure (2.1)   Determinants of Customer Satisfaction and Customer Loyalty in Amhara Credit and Saving Institute (ACSI)

Influencing Factors
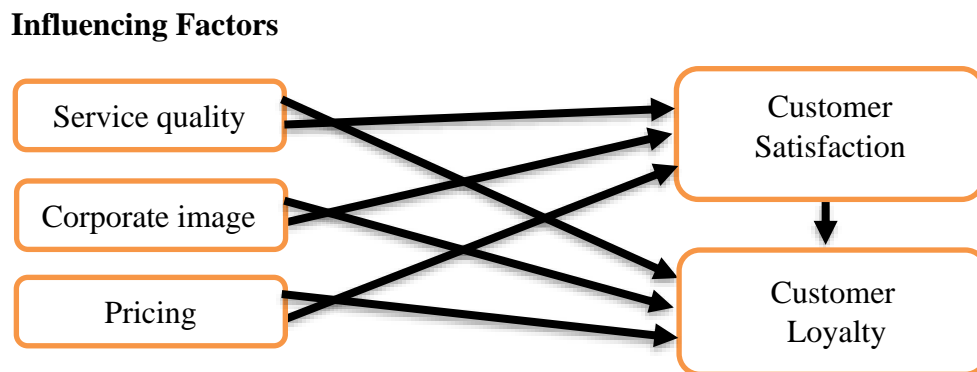
Source: Amha, G. G. (2020)

As depicted in Figure 2.1 above, the independent variables in this study are corporate image and price, which are considered as influencing factors. Customer satisfaction and customer loyalty are elements that are interrelated. The findings from the multiple regression analysis indicate that all of the independent variables, namely the influencing factor, corporate image, and pricing, have a statistically significant impact on customer satisfaction. The findings from the multiple regression analysis indicate that there is a substantial relationship between customer loyalty and the independent variables, namely influencing factor, company image, and pricing. The findings revealed that two factors, namely corporate image and price, were positively and significantly associated with both customer satisfaction and customer loyalty. Additionally, the findings indicate that customer happiness has a statistically significant beneficial impact on customer loyalty.

In their recent study, Nils, B., Alban, F., and Rahul, S. (2021) conducted research on "Customer satisfaction in the cooperative banking industry" using a quantitative methodology. The framework that was examined in their study is depicted in Figure 2.2 below.

Figure (2.2)   Customer Satisfaction in the Cooperative Banking Industry

Influencing Factors
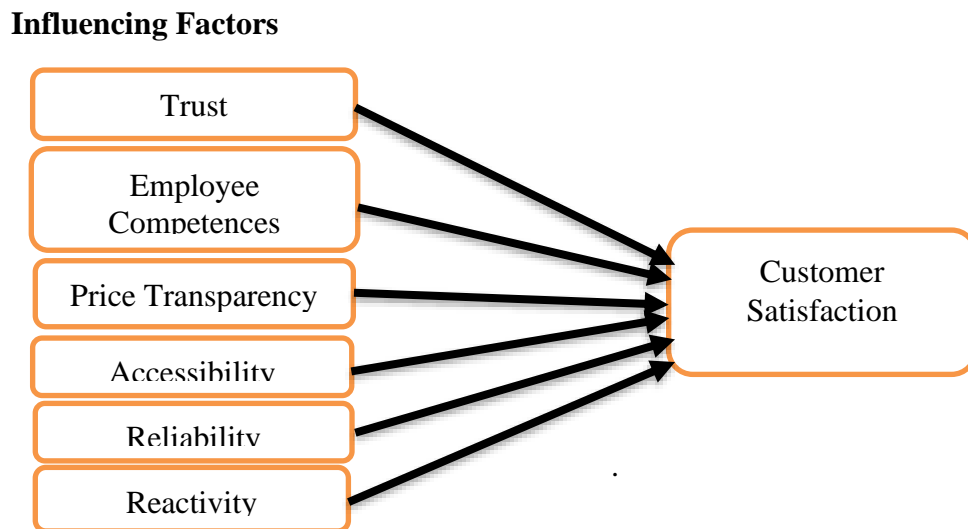
Source: Nils. B., Alban. F., & Rahul. S. (2021)

As depicted in Figure 2.2 above, the factors of Trust, Employee competency, and Price transparency are illustrated. The characteristics of accessibility, reactivity, and reliability are considered independent variables, while customer pleasure is regarded as the dependent variable. For the purpose of empirical research, a sample of 129 bank customers from the cooperative banking industry was selected as the respondents. The research findings indicate that each of the variables examined in the study has a positive and statistically significant impact on customer satisfaction. Among the several factors, accessibility, employee competences, and trust are identified as the most crucial elements in meeting customers' expectations and ensuring their happiness.

In their 2014 study, Ali, R., Leifu, G., and Rehman, R. examined the factors that have an impact on customer loyalty within the banking industry. The study specifically focused on empirical evidence gathered from Pakistan. The framework that was examined in their study is depicted in Figure 2.3, presented below.

Figure (2.3)   Factors Influencing Customer Loyalty of Banking Industry in Pakistan

Influencing Factors
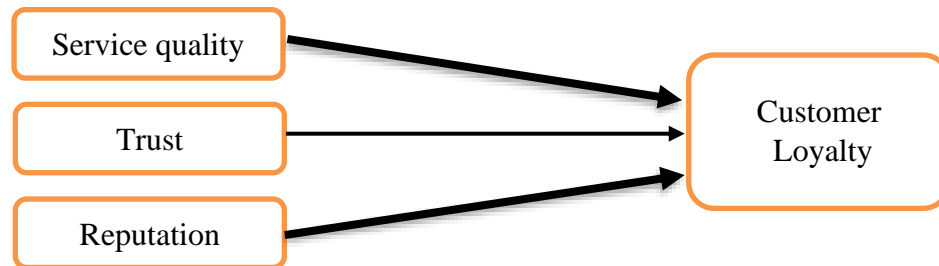
Source: Ali. R., Leifu. G., and Rehman. R. (2014)

As depicted in Figure 2.3 above, the variables of trust and reputation are identified as independent factors, while consumer loyalty is recognized as the dependent variable. A comprehensive dataset comprising the replies of 645 bank customers was gathered for the purpose of conducting empirical research. The results of this study suggest that trust and reputation have a favorable impact on consumer loyalty. Furthermore, it is imperative to consider reputation, influencing factors, and particularly trust when devising tactics to cultivate consumer loyalty, as indicated by the findings.

Nguyen et al. (2022) conducted a study titled "Factors Influencing Customer Satisfaction with Banking Services: Evidence from Agribank, Vietnam." This study aims to examine the many elements that have an impact on customer satisfaction with deposit services offered by the Vietnam Bank for Agriculture and Rural Development (Agribank) in Bac Giang province, Vietnam. The framework that was examined is depicted in Figure 2.4, as presented below.

Figure (2.4)   Factor Affecting Customers Satisfaction at Banking Services in Vietnam

Influencing Factors
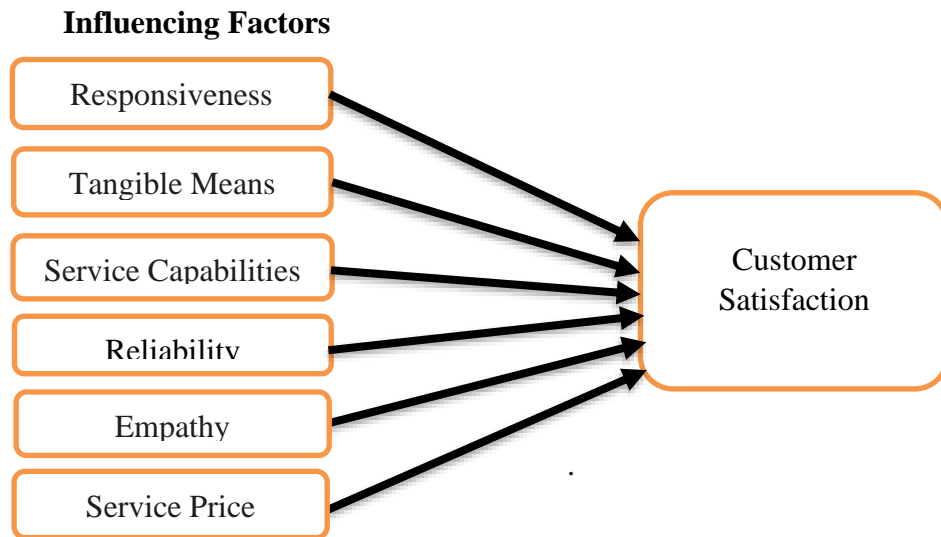
Source: Nguyen, et al., (2022)

The independent factors in the study, as depicted in Figure 2.4, are reliability, responsiveness, service capabilities, empathy, tangible means, and service price. The dependent variable, on the other hand, is customer satisfaction. Empirical research involved the collection of responses from a sample size of 300 bank clients. Based on the results of the study, it can be concluded that the level of customer satisfaction about the deposit service provided by Agribank in Bac Giang province is significantly impacted by six key criteria. These elements include timeliness, tangible resources, reliability, service capabilities, empathy, and service price.

2.5   Conceptual Framework of the Study

This study investigates the relationship between customer satisfaction and customer loyalty within the context of SME Development Bank, as evidenced by the existing literature. The primary objective of this study is to examine the various elements that have an impact on customer satisfaction and subsequent customer loyalty. The present investigation references the subsequent conceptual framework. After reviewing the previous three articles, it has been determined that the following factors are deemed appropriate for inclusion in this study.

Figure (2.5)   Conceptual Framework of the Study
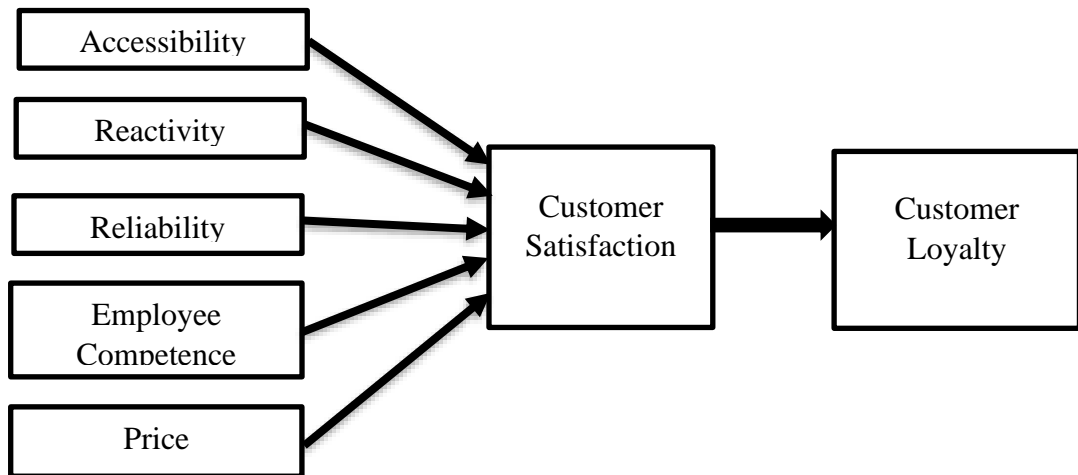
Source: Own Compilation constructed on Previous Studies (2023)

The study employed the conceptual framework depicted in Figure 2.5. This study aims to investigate the primary factors that exert the greatest influence on customer satisfaction. The independent variables in this study include accessibility, reactivity, reliability, employee competency, and price transparency. The dependent variable is customer satisfaction. The variable of interest in this study is customer satisfaction, which is considered as the independent variable. On the other hand, customer loyalty is the dependent variable, as it is influenced by the level of customer satisfaction.

Working Definition

Accessibility - Accessibility refers to whether the service is convenient, easy to access, and can be contacted easily in Bank.

Reactivity - Reactivity is the willingness to help customers and provide prompt service, answering emails, phone calls quickly and frequently by bank.

Reliability - Reliability is the ability to perform the required service for customers, completing orders, maintaining precise records and quotations, exact in billing dependably, accurately and the capacity to treat problems faced by customers.

Employee Competences- Employee Competences is the skill, knowledge, ability or behavioral characteristics of bank employee to provide right service to customers.

Price Transparency - Price Transparency refers to the ease with which consumers can obtain detailed price and market information of different products about bank.

Customer Satisfaction- Customer satisfaction is a bank customer's feelings of pleasure or disappointment provided services by bank.

Customer Loyalty- Customer Loyalty is the building and sustaining a trusted relationship with customers that leads to the customers' repeated purchases of products or services of bank.

CHAPTER 3

PROFILE AND SERVICES PROVIDED BY SME DEVELOPMENT BANK

This chapter consists of two sections. The initial section provides an overview of the banking industry in Myanmar and presents a detailed profile of the SME Development Bank. The subsequent section discusses the various aspects that have an impact on customer satisfaction within the context of SME Development Bank.

3.1 Background of Banking Industry in Myanmar

Myanmar is currently in the nascent phase of implementing financial reforms, which have been designated as a key economic priority by the government. Currently, Myanmar's financial sector is characterized by a very low level of development compared to other countries globally. Myanmar continues to exhibit a predominantly cash-based economic system. The banking and financial services business has faced significant public distrust due to a historical backdrop characterized by instances of excessive inflation, bank runs, and insider lending. Currently, government-owned banks continue to maintain a substantial amount of foreign reserves, exceeding U.S. $7 billion, which are held in accounts with banks located outside their home country. According to estimates, the percentage of individuals in Myanmar who possess a bank account is below 10%, while the proportion of the general population actively participating in the credit market is less than 0.1%. Myanmar continues to maintain a substantial informal banking system. Both registered and unauthorized remittance organizations continue to maintain their popularity, alongside the persistent existence of the black market for foreign exchange. The financial sector in Myanmar has experienced significant growth in recent years. However, the global proliferation of financial technology (fintech), including its emergence in Myanmar, holds the potential to address this existing gap.

The banking industry include the Central Bank of Myanmar (CBM), which was created in accordance with the Central Bank of Myanmar Law in 1990, together with four more state-owned banks and nineteen domestic commercial banks. At present, the industry comprises 27 privately-owned local banks, alongside the four banks that are held by the state.

In April 2012, the Central Bank of the country initiated the initial phase of revamping the nation's exchange rate system by abandoning the fixed exchange rate regime and adopting a managed float approach. The introduction of the new Central Bank of Myanmar Law (CBM Law) occurred on July 11, 2013. The legislation enforces the autonomy of the Central Bank of the country and incorporates provisions designed to enhance the levels of transparency and accountability. In accordance with the CBM Law, the State holds exclusive ownership of the CBM, possessing an authorized capital of three hundred thousand million kyats. Out of this amount, one hundred thousand million kyats is designated as completely paid up by the State. The establishment of a General Reserve is also a requirement for the CBM. At the conclusion of each fiscal year, a sum equivalent to 40% of the net earnings shall be apportioned in increments of one million to the General Reserve until such time that it reaches a value equivalent to 100% of the paid-up capital of the CBM. The central administrative headquarters of the Central Bank of Myanmar (CBM) is located in Naypyitaw. However, the CBM has the potential to establish additional branches within or beyond the jurisdiction of the State, subject to the authorization of the Board of Directors. Among other things, the CBM Law contains provisions in relation to:-

- Kyat stabilization and issuance;
- Foreign exchange and International Reserves Management;
- Stabilizing the monetary system;
- Management of financial markets, the foreign exchange market, currency payment and settlement of accounts;
- The CBM acting as a lender of last resort.

Myanmar's domestic banks are actively participating in reform measures by capitalizing on the chance to broaden their branch network and launch novel financial products. Additionally, they are engaging in contractual arrangements with global payment card issuers. There has been a substantial growth in the number of automated teller machines (ATMs) in Myanmar since 2012.

The ongoing transformation of Myanmar's banking system appears to be progressing towards a significant milestone, marked by increased liberalization. On November 7, 2019, the Central Bank of Myanmar (CBM) made an announcement regarding the initiation of a new phase of foreign bank licensing. This round of licensing is specifically targeted towards foreign banks that already have representative offices established in Myanmar. It is worth noting that this marks the third instance in which

the CBM has conducted a foreign bank licensing exercise. The previous two exercises took place in 2014 and 2016, resulting in the granting of licenses to a cumulative total of 13 financial institutions. These licensed institutions were then permitted to establish branches and engage in onshore wholesale banking activities within Myanmar. Foreign financial institutions have the option to choose between obtaining a branch license or a subsidiary license. Commencing from January 1, 2020, subsidiaries will be granted permission to partake in onshore retail banking activities and establish a maximum of ten (10) locations for conducting business, including branches or off-site automated teller machines (ATMs).

Previously, the ability of foreign banks to engage in banking activities in Myanmar had been restricted. Currently, as reported by the Central Bank of Myanmar (CBM), there are a total of 13 international bank branches that have been granted licenses to operate within the country since 2014. Additionally, there are 46 representative offices of foreign banks and 7 foreign non-banking entities with representative offices that are actively conducting operations in Myanmar.

On September 7, 2021, the Central Bank of Myanmar (CBM) released a formal communication to inform banks, financial services businesses, and mobile financial service providers on a modification to Myanmar's financial year calendar for the period of 2022-2023. Currently, this modification exclusively pertains to banks, financial service providers, and mobile financial service providers. However, it is anticipated that a revised definition of the financial year, which would encompass all organizations, will be released in the future.

In accordance with the communication from the Central Bank of Myanmar (CBM), it has been determined that the fiscal year for firms of this nature in Myanmar should commence on April 1 and conclude on March 31, starting from the financial year 2022-2023 and onwards. Furthermore, it is worth noting that the designated time frame spanning from October 2021 to March 2022 has been designated as an interim budget period. This proposed adjustment is a departure from the existing convention in Myanmar, wherein the fiscal year has always spanned from October 1 to September 30. In order to adhere to the revised schedule specified in the correspondence from the Central Bank of Myanmar (CBM), it will be necessary for banks, financial services firms, and mobile financial service providers to make appropriate modifications to their financial operations.

3.2   Profile of SME Development Bank

The primary objective of the Small and Medium Enterprise Development Bank is to facilitate the provision of ample financial resources for the advancement and growth of small and medium firms. The financial institution known as the Small and Medium Enterprise Development Bank (SME-Development Bank) was previously referred to as the Myanmar Industrial Development Bank (MID Bank). The institution was established in the year 1996 and began its operations as a semi-governmental bank till the year 2010. In 2010, the bank underwent a reform, transitioning into a public bank that operates as a stand-alone entity. The financial institution underwent a name change to SMID bank and is overseen by a Board of Directors that is elected by the bank's shareholders. In May 2019, the Small and Medium Enterprise Development Bank underwent a change in its name, as per the prescribed terms.

Small and Medium Enterprises (SMEs) play a crucial role in fostering economic development through the generation of employment opportunities and the production of essential alternative machines and equipment components, thereby contributing to substantial savings in foreign currency. The small and medium-sized enterprise (SME) sector is experiencing a gradual rise as an industrial sector, contributing to the growth of the export business. However, this sector encounters various common challenges, including a lack of technical expertise, insufficient long-term financial support, a shortage of skilled workers, limited marketing connections, inadequate research and development capabilities, and a lack of knowledge regarding safety measures, hygiene, and environmental pollution.

The primary goal of the SME Development Bank was founded with the purpose of operating as a financial institution that supports and caters to the distinct requirements of small and medium enterprises (SMEs) by offering a range of financial and non-financial services to assist SMEs. The objectives, vision, mission, and basic values of the SME Development Bank are outlined as follows.

Objectives

The objective is to develop the country economic by giving financing service to local SMEs sector.

Vision

Leading bank for providing financial assistance to development of Small and Medium Enterprises (SMEs).

Mission

- To Deliver tailor -made services to the SMEs so as to support the development of the SME sector in particular and economic growth of Myanmar.

- To provide smoother access to banking facilities to the customers for their convenience.

- To generate more revenue by delivering digital modern financial services to the individual and corporate customers in order to benefit them as well as the shareholders.

Brand Value

- Shareholders

- Small & Medium Enterprises

- Public

- Government

The SME Development Bank enhances its operations by effectively disbursing high-quality loans, doing thorough market research to identify customer needs and preferences, and actively engaging with numerous enterprises to promote the utilization of its diverse range of financial products. Figure 3.1 illustrates the significant achievements of the SME Development Bank.

Figure (3.1) Milestone of SME Development Bank

2024 → ONGOING PROGRESS
-SME Development Bank Mobile Banking
-SME Pay
-Credit Card

PAYMENT CARD
1.   Launched MPU Debit Card
← **2022-2023**

2021 →
1.   Launched Mortgage Loan
2.   Launched Care Banking System

-Change bank Name in May,2019
-Project & Invoice Financing
← **2019**

2018 →
-CFB Loan

-Education Loan

-Trade Finance Service
← **2017**

2016 →
-JICA two step loan
-Government and Private Staff loan

PRIVATIZATION
-Privatized in September, 2015
-Started SME Financing with 30 billion MMK to 1000 SMEs
← **2015**

1996 →
1.   Founded in 16th Februrary,1996 on Public Limited Co., Ltd.

Source: SME Development Bank, 2023

Milestone of SME Development Bank

The SME Development Bank was established in 1996 and commenced providing financing to small and medium-sized enterprises (SMEs) with an initial capital of 30 billion. By 2015, the bank has extended its financial support to over 1000 SMEs. The Japan International Cooperation Agency (JICA) is a governmental organization that provides assistance and support In 2016, the MEB initiated a two-step loan programme, while the Government employee loan was introduced in the current year. In the year 2017, the Trade Financing for Small and Medium Enterprises (SMEs) was introduced, followed by the launch of the CFB loan and Education loan in 2018. In the year 2019, the bank underwent a name change, transitioning from SMID to SMEDB. The initiation of a mortgage loan occurred in 2021, while the introduction of debit card usage, mobile banking, and payment applications took place between 2022 and 2023.

3.3 Products & Services of SME Development Bank

Myanmar has established multiple branches throughout the country, with a total of 26 branches. Among these, 8 branches are located in the Yangon Division, 6 branches in the Mandalay Division, and the remaining 12 branches are situated in other divisions. The bank provides a range of services including customer deposits, cash withdrawals for money transfers, and several other banking services. In relation to the interest rates corresponding to the fixed deposit amount, it is possible to get a maximum annual rate of 9.7%. Additional interest rates for savings bank deposits will be offered, with a maximum rate of 7.5%. The SME-Development Bank offers a range of loan services, consisting of 16 different categories, which can be acquired based on the predetermined criteria established by the bank. The offerings provided by the SME Development Bank encompass both products and services.

Current Account

A transaction account that does not accrue interest and includes the provision of a cheque book. One possible way to simplify the payment process is by utilizing the method of payment through the use of a cheque. Customers have the ability to make withdrawals and deposits during regular office hours. In the event of an overdraft, an automated transfer of funds will occur from the Call Deposit Account to the Current Account. Customers have the convenience of making cashless payments and withdrawals at SME Development branches. Customers have the ability to obtain comprehensive statements that provide extensive information regarding their daily expenditures and account transactions.

Call Deposit

The customer's capital accrues through the utilization of an interest-bearing Call Deposit Account. An individual or participant in a joint account has the ability to obtain all the advantages associated with a Current account, while also earning interest. The calculation of daily accrued interest commences from an initial amount of 100,000 MMK. Customers have the freedom to make multiple withdrawals and deposits at their discretion during the operating hours of the bank. In the event of an overdraft, an automated transfer of funds will occur from the Call Deposit Account to the Current Account.

Special Call Deposit

The special call deposit account provides customers with unrestricted access to their funds at any time. Interest can be accrued based on the balance at the end of each day. The bank computes the daily accrued interest, commencing from an initial principal amount of 10,000 MMK. Customers of the bank are permitted to make multiple withdrawals and deposits during the designated office hours. Cash deposits are required to be conducted in person at bank locations. The ability to withdraw funds at an automated teller machine (ATM) is contingent upon the ATM's operational restrictions. Customers of the bank have the ability to make unlimited withdrawals and deposits during the operating hours of the bank. Cash deposits are required to be conducted in person at bank locations. The option to conveniently transfer funds from a Special account to various SME Bank accounts, as well as accounts held with other banks, is readily accessible. Upon the customer's request, a passbook is supplied subsequent to the establishment of an account. The interest is computed on a daily basis and disbursed on a monthly basis.

Fixed Deposit Account

A Fixed Deposit account is widely regarded as a highly efficient and secure method for augmenting one's financial resources and strategizing for future endeavors. By opting for secure, extended-duration deposits, customers can avail themselves of our most competitive interest rates. Customers have the option to make a deposit at any point within the month and yet maintain eligibility for receiving interest payments. It is possible to obtain a high interest rate. The greatest yearly interest rates, reaching up to 9.7%, are contingent upon the duration of the deposit.

Deposit Term	Annual Interest Rate
30 days	7.5%
60 days	7.5%
90 days	8.25%
180 days	8.35%
270 days	8.45%
365 days	9.7%

Payroll Service

The SME Development Bank offers payroll services that give a straightforward and convenient method for appropriately compensating employees. In addition to offering payroll services to businesses of all sizes, the Payroll Bundle also grants employees access to a diverse range of special services and incentives. The objective is to efficiently execute monthly payroll operations while minimizing expenses and administrative efforts. There is no necessity to remunerate staff in physical currency, as paychecks can be conveniently and securely sent to designated accounts through reliable methods, thereby minimizing the potential for cash-related risks and errors. The SME Development Bank guarantees the timely provision of payroll services to its customers.

Home Loan

Customers of the SME Development Bank have the convenience of readily applying for a house loan. The initial phase entails the user's inquiry at the branches and online of SME Bank. The home loan consultant from SME Development will provide an explanation regarding the various processes involved. The minimum down payment is the lowest amount of money that a buyer is required to pay upfront when purchasing a property. Customers have the option to make a down payment of merely 30% on their new home loan. With loan terms extending up to a duration of 25 years, customers are afforded the flexibility to choose an appropriate amount of time for repayment in accordance with their individual needs. The maximum loan terms exhibit variability contingent upon the type of property. The fees and charges of SME Bank are outlined as follows:

Interest and Fees

Land & Building, Condo and Mini Condo, Up to 25 years   30% down payment

Apartment up to 15 years	30% down payment
Interest Rate for 30% down payment	10%
Interest Rate for 50% down payment	8%
Service Charges	1.5% of Loan Amount
Penalty fees	3.5%
Early repayment fees (if paid first 3 years)	3%
Calculation Method	EMI

Business Loan

The Business Loan offered by the SME Development Bank is a versatile financing option that can be utilized for various business objectives, such as acquiring specific assets, implementing long-term expansion strategies, or managing day-to-day operational expenses. A Business Loan offers customers the opportunity to secure cash for their business with the benefit of fixed interest rates lasting for a maximum duration of 36 months. This lending option provides a straightforward and uncomplicated means of acquiring the necessary funds for commercial purposes. The Business Loan offers financial support for various business requirements, such as working capital, asset acquisition, or the implementation of corporate expansion strategies. The SME Development Bank aims to assist customers in identifying the most suitable loan options that align with their business objectives, encompassing a range of financial needs such as single asset acquisitions and long-term strategic business initiatives.

Other Loans

JICA Loan, Education Loan, Private and Government Staff Loan, CFB Loan and Auto Loan services are provided by SME Development Bank.

Guarantee

A Bank Guarantee (BG) refers to a documented assurance provided by a bank (acting as the guarantor) to compensate the beneficiary with a predetermined amount of funds within a given timeframe, in the event that the applicant (acting as the principal) fails to meet their contractual or other obligations pertaining to an underlying transaction. Typically, it is employed to ensure the fulfillment of a financial or performance commitment by the principal. The SME Development Bank provides a range of products. The concepts of Tender Guarantee, Bid Bond, and Performance

Guarantee are essential components within the realm of contractual agreements. These instruments serve to provide assurance and security to parties involved in various business transactions. The Tender Guarantee, also known as a Bid Bond, is a sort of financial guarantee that a bidder must provide to a project owner during the tendering process.

3.3 Customer Services Provided by SME Development Bank

The banking industry in Myanmar is presently undergoing significant transformations. The enduring repercussions of financial instability persist, accompanied by a growing need for enhanced service quality, heightened competitive pressures, and shifts in governmental laws. Several considerations are compelling banks to prioritize client requirements. Banking, financial products, and services constitute a fundamental component of individuals' daily existence. Technological advancements have significantly enhanced the efficacy and comfort of banking operations. However, they have concurrently necessitated banks and other financial service providers to promptly adjust their systems to ensure the secure and seamless accessibility of banking services for all consumers. The imperative for banks to collaborate in order to enhance accessibility for a wide range of clients, encompassing individuals, organizations, entities, enterprises, and institutions, arises from the growing adoption of various forms of payment.

3.3.1 Accessibility of SME Development Bank

Accessibility of SME Development Bank makes easy to use financial tools, easy making payments, branches locations for their customers such as various digital channels namely, online banking facilities, (5) ATM, (20) POS terminals and mobile banking. SME Development Bank is committed to ensuring the accessibility of all banking products and services for all customers.

Customers can open the accounts, check their balances, pay their bills and transfer money by using SME Development Bank. Whether customers choose to bank online, by phone, ATMs or in person, SME Development Bank makes accessibility a priority. Accessibility services of SME Development Bank are:

- A strong commitment to provide a easy financial service
- SME Bank's relationship Managers advise which product are suitable for Customers
- Can get easily SME Bank's product information on website and Facebook page.

- SME Bank has diversified transaction channels (Call center, Facebook, Telegram, Viber and LinkedIn)
- SME Development operating hours and location are convenient to all its customers

Moreover, customers can request their monthly checking and/or savings account statements in a variety of alternate formats. Available to order online, by phone or at nearest SME Development Bank. or visit a SME Development Bank.

3.3.2 Reactivity of SME Development Bank

The SME Development Bank responded to this potentially detrimental degradation of their company through three distinct measures. Efforts can be made to expedite the resolution of consumer complaints and enhance the quality of apologies and compensatory measures.

Additionally, the SME Development Bank must prioritize the reduction of customer waiting time, streamline transaction processes, and minimize costs and inefficiencies by addressing idle time, waste, and other inefficiencies in both the front-line and back-end operations. Responsive banking is an effective strategy aimed at mitigating customer attrition by addressing the underlying factors that contribute to the provision of delayed and unresponsive bureaucratic services. This issue is tackled by the implementation of system modifications that lead to the adoption of paperless and queue-less banking practices. In addition, individuals have the opportunity to experience the benefits of streamlined, digital deposit and withdrawal procedures, eliminating the need for physical paper and traditional forms.

In order to enhance customer convenience, SME Development Bank has redesigned the SME Pay application to provide clients with expanded access to information. An increasing number of clients express a preference for obtaining their bank information and independently managing the associated processes. Due to the rapid advancement and complexity of information technology, along with the growing challenges associated with transportation such as traffic congestion and limited parking availability, a significant number of consumers are increasingly perceiving direct interaction with bank personnel and physical access to banking goods as undesirable and superfluous. The SME Development Bank prioritizes the provision of timely services, which includes promptly mailing transaction slips, promptly returning client calls, and delivering prompt service.

3.3.3 Reliability of SME Development Bank

The SME Development Bank demonstrates a high level of proficiency in delivering its services accurately and effectively on the initial attempt. Additionally, this implies that the organization upholds its commitments. More specifically, it encompasses the adherence to precise billing practices, the accurate maintenance of records, and the timely execution of the service as scheduled. Consistency in delivery and adherence to pledges and promises made to clients are essential factors in this context. In addition, reliability encompasses the ability to consistently deliver services as promised to clients, maintain the confidentiality of information, and safeguard the assets of individual customers. The SME Development Bank demonstrates a commendable level of creditworthiness, consistently fulfilling its commitments and promptly addressing any inquiries posed by its clients. Ensuring the prompt resolution of customers' complaints and maintaining the confidentiality of customers' information by SMEDB banks would enhance the quality of banking services.

3.3.4 Employee Competency

The performance of individual employees significantly impacts the overall success of an organization or corporation. The presence of employees plays a crucial role in establishing and maintaining the continuity of the customer-bank relationship. The SME Development Bank provides its staff with many forms of specialized training, including Basic Banking Training, Sales Training, Risk Management, Credit Analysis, Write-off Policy, Financial Management, and T24 Training.

Hence, the employees of SME Development Bank possess a high level of experience in providing services to their consumers. The workers of SME Development Bank demonstrate proficiency in efficiently and accurately executing their assigned duties in accordance with the established work standards of the organization. The personnel of the SME Development Bank demonstrate a high level of emotional competence when it comes to effectively managing customer interactions. Hence, it is imperative for banks to effectively cultivate and maintain positive connections with their customers. They adhere to the updating instructions provided by their financial institution. The competency of personnel is a crucial factor in deciding the success of a service in this particular scenario. The employees of SMEDB has the ability to effectively articulate product information due to their participation in a specialized training program, which has equipped them with a comprehensive understanding of the bank's offerings.

3.3.5 Price Transparency

The price of a product or service is a significant determinant that has a direct impact on the level of customer satisfaction and subsequent customer loyalty. The transaction costs, interest rates, and service charges of SMDB bank are comparatively more fair than those of other private banks. The interest rate for loan products offered by SME Development is 9%, which is lower than the interest rate of 10% offered by other private banks. The service costs imposed by SME Development are limited to a one-time collection on loan products. The penalty penalties for overdue days on loan products amount to a mere 3%. In contemporary times, clients possess a substantial level of awareness regarding the diverse range of goods offered by banks, facilitated by several channels of communication. Among these channels, the most expeditious means by which customers may obtain information is through brief messages disseminated by the bank. Consequently, the SME Development Bank endeavors to provide its products at the most cost-effective prices.Customers have a wide array of banking institutions to select from until they attain satisfaction, as the pricing differentials among banks are minimal and the associated fees can be readily compared. Within the context of SMEDB, the provision of unambiguous and easily comprehensible data pertaining to pricing enables clients to engage in a comparative analysis, hence facilitating the selection of the most optimal banking option. Customers can easily access all the charges through the official websites, Facebook Pages, LinkedIn profiles, and other social media platforms of the individual SMEDB banks.

CHAPTER 4

ANALYSIS ON INFLUENCING FACTORS , CUSTOMER SATISFACTION AND CUSTOMER LOYALTY OF SME DEVELOPMENT BANK

This chapter presents the findings derived from the analysis and interpretation of the collected data. This chapter is structured into four main sections. The initial section focuses on the research design, while the second section provides a descriptive analysis of the demographic data pertaining to the respondents. The third section of this study focuses on the assessment of reliability for the influencing factors, customer satisfaction, and customer loyalty. This is achieved by employing the Cronbach alpha value and describing the variables used in this study through the application of descriptive statistics. The final part of the study examines the relationship between influencing factors and customer satisfaction, as well as customer loyalty in the context of SME Development Bank. This analysis is conducted through correlation analysis and multiple regression analysis.

4.1   Research Design

The study employed a quantitative research methodology, utilizing statistical analysis to derive solutions from the gathered data. This study used a descriptive research approach to investigate the factors influencing customer satisfaction and customer loyalty within the context of SME Development Bank. The primary objective of this study is to examine the impact of customer satisfaction and customer loyalty through the application of a quantitative research design.

The primary data for this study were obtained from the individuals responsible for SMEDB, as well as from 110 respondents who made deposits at branches of the SME Development Bank in the Yangon Division. The primary data was collected using the Simple Random Sampling approach. Secondary data are obtained by utilizing various sources such as academic journals, pertinent textbooks, web resources, and the records maintained by SME Development.

The data collection process involved the distribution of structured questionnaires, which were self-administered by the participants. The questions were partitioned into two distinct sections. The initial section pertained to the profile of the

respondents, while the subsequent section focused on characteristics that influence consumer happiness and loyalty. This study employed a set of five influencing criteria, including accessibility, reactivity, reliability, employee competency, and price transparency. All statements in this study are evaluated using a five-point Likert scale, ranging from strongly disagree (1) to strongly agree (5).

The objective of this study is to determine the elements that have an impact on customer satisfaction and customer loyalty at the SME Development Bank. The whole customer base of the SMEDB, specifically those located in the Yangon Division Branches, is considered as the population for this research. Hence, a sample of one hundred and ten clients from the SME Development Bank has been chosen using the simple random sampling technique, representing a known population. Therefore, a total of 110 questionnaires were delivered to individual customers of the SME Development Bank as part of this study. A total of 110 questionnaires were distributed to respondents, and all 110 questions were completed and deemed usable, resulting in a response rate of 100 percent. The poll was done during the month of May in the year 2023.

This study investigates the application of reliability testing in measuring the scale items pertaining to the influencing variables of customer satisfaction. According to Konting (2009), variables with a reliability coefficient exceeding 0.7 are considered dependable and appropriate for utilization as research instruments in this study. The study employed Pearson's correlation coefficient and multiple regression analysis to examine the factors that influence customer satisfaction and customer loyalty in the context of SME Development Bank.

4.2 Demographics Characteristics of Respondents

This section assesses the demographic characteristics of the respondents through the utilization of frequency and percentage measures. In addition, participants are instructed to choose a single response from a predetermined set of alternatives. A study was conducted to investigate the elements that influence customer satisfaction and customer loyalty at SME Development Bank. The sample consisted of 110 customers that utilize banking services at the aforementioned institution. The present study examines the demographic characteristics of the participants, including gender, age, marital status, education level, occupation, monthly income in Myanmar Kyat (MMK), service usage duration, frequency of visits per month, reasons for selecting

SMEDB, and sources of information about SMEDB. These characteristics are presented in Table 4.1.

Table (4.1) Respondents Relationship with SME Development Bank

Classification	Descriptions	Frequency	Percentage
Total		**110**	**100.0**
Gender	Male	24	21.82
	Female	86	78.18
Marital Status	Single	18	16.36
	Married	92	83.64
Age	Under 20 and 20 years	8	7.27
	21 – 30years	22	20.00
	31 – 40 years	38	34.55
	41 - 50 years	26	23.64
	Above 50 years	16	14.54
Education level	High School and Below	2	1.82
	Diploma Level	8	7.27
	Bachelor Degree	76	69.09
	Master Degree	23	20.91
	Doctoral Degree	1	0.91
	Government Staff	3	2.72
	Company Staff	18	16.36
	Self-Employed	79	71.82
	Dependent	10	9.09
Monthly Income (MMK)	Below 300,000	4	3.64
	300,001 – 500,000	8	7.27
	500,001 – 700,000	69	62.73
	700,001 – 900,000	22	20.00
	Above 900,000	7	6.36
Service Usage Year	Less than 1 year	8	7.27
	1 – 2 years	28	25.45
	2 – 3 years	37	33.64
	3 – 4 years	15	13.64
	4 – 5 years	12	10.91
	More than 5 years	10	9.09

Table (4.1) Respondents Relationship With SME Development Bank (Continued)

Classification	Descriptions	Frequency	Percentage
Total		**110**	**100.0**
Frequency of Visit Per Month	1-5 times	21	19.09
	6-10 times	58	52.73
	11-15 times	16	14.55
	Above 15 times	5	4.53
	Good reputation	12	10.91

Reason for Choosing SMEDB	Good customer service	68	61.82
	Easy availability and accessibility	12	10.91
	Fast banking service	18	16.36
Knowing Sources about SMEDB	Newspaper/Journals	17	15.46
	Television/Radio	0	0.00
	Billboard/Broachers	34	30.91
	Social network	13	11.82
	From friends/colleges	46	41.81

Source: Survey Data, 2023

Based on the data shown in Table 4.1, it is evident that females had a higher propensity to utilize banking services compared to males. The data suggests that there is a higher percentage of bank usage among married customers compared to single customers. This observation may be attributed to the fact that married individuals tend to exhibit a greater inclination towards saving money as compared to their single counterparts. Based on the findings pertaining to age demographics, it is evident that individuals falling within the age bracket of 31 to 40 years exhibit the most consistent financial stability, hence enabling them to accumulate savings within banking institutions. The Education level with the highest number of respondents was Bachelor Degree, whilst the Education level with the lowest response rate was Doctoral Degree. According to the findings, a majority of the consumers that engage with SMEDB bank hold a bachelor's degree compared to individuals with other levels of education. According to the findings of this study, it can be observed that self-employed individuals constitute the largest proportion of bank clients, while government staff members exhibit the lowest utilization rates. The study included a total of 110 participants who reported varying monthly salaries (in MMK) based on their respective vocations. The findings revealed that the group with the highest utilization of bank services consisted of those earning between 500,000 MMK and 700,000 MMK per month, and who had accumulated 2 to 3 years of professional experience. Through an analysis of the monthly visit frequency data in SMEDB, it was seen that a significant proportion of the respondents frequented the bank between 6 and 10 times to avail themselves of the SMEDB service. This study highlights that a significant proportion of bank clients primarily utilize banking services for the purpose of receiving satisfactory customer service, as opposed to other motivations. When examining the awareness of customers regarding SMEDB, it was found that a majority of the

respondents acquired knowledge of SMEDB from word-of-mouth referrals from friends and colleagues.

4.3 Reliability Test

According to Chetty (2015), Cronbach Alpha is demarcated as a reliability test conducted within the Statistical Package for the Social Sciences (SPSS) in order to measure the internal consistency. It is most generally used when the questionnaire is developed using multiple Likert scale statements and therefore to determine if the scale is reliable or not for a study. Then, reliability of measurement scale is measured by Cronbach alpha value that demonstrates to be the most precise method. Additionally, Konting (2009) described that the scale of Cronbach Alpha is:

0.01 – 0.60 = Non acceptable

0.61 – 0.70 = Acceptable

0.71 – 0.80 = Good and Acceptable

0.81 – 0.90 = Good

0.91 – 1.00 = Excellent.

Frost (2022) posits that the calculation of Cronbach's alpha serves to assess the overall internal consistency or dependability of a given set of test items. The assessment of the response questionnaire's reliability is conducted by the utilization of Cronbach's alpha calculation.

The measure denotes the degree of association among a collection of elements. A variable possessing a Cronbach's alpha value exceeding 0.61 indicates that the variables in question are deemed reliable and acceptable. A higher value of Cronbach's alpha indicates greater internal consistency among the items on the scale, and a reliability coefficient closer to 1.0 indicates a higher level of dependability.

In the present study, the variables and measure items can be characterized as reliabilities of the following constructs: accessibility, reactivity, reliability, employee competency, price transparency, customer satisfaction, and customer loyalty. Each construct was assessed using a specific number of items: accessibility (7 items), reactivity (7 items), reliability (7 items), employee competency (7 items), price transparency (7 items), customer satisfaction (10 items), and customer loyalty (12 items), as presented in Table (4.2).

<div align="center">

Table (4.2)   Reliabilities of the Variables

Sr. No.	Variables	Items	Cronbach's Alpha
1.	Accessibility	7	0.957
2.	Reactivity	7	0.969
3.	Reliability	7	0.957
4.	Employees Competency	7	0.962
5.	Price Transparency	7	0.959
6.	Customer Satisfaction	10	0.953
7.	Customer Loyalty	12	0.956

</div>

Source: Survey Data, 2023

The results of the reliability for each factor in this study are presented in above Table (4.2). It described that the Cronbach's alpha values of accessibility, reactivity, reliability, employees competency, price transparency, customer satisfaction and customer loyalty are 0.957, 0.969, 0.957, 0.962, 0.959, 0.953 and 0.956 respectively which are considered as excellent reliability for these variables. Scale items of each variable are consistent and reliable because Cronbach's alpha value are greater than 0.7. Consequently, this could be assumed that all variables were reliable and acceptable in this study.

4.4   Respondent Perception on Influencing Factors, Customer Satisfaction and Customer Loyalty of SME Development Bank in Yangon

Before analyzing the data, descriptive statistics is used to define the relationship between pairs of variables. Descriptive statistics includes the mean values and standard deviation of the items. By looking at the maximum and minimum point, the interval that will be used as a scale can be determined.

Questionnaire Scales
Maximum Score = 3
Minimum Score = 1
Interval $= \frac{Maximum - Minimum}{Total} = \frac{5-1}{3} = 1.33$

In this study , perception allocated in three categories.

The score among 1.00-2.33   Low level
The score among 2.34-3.67   Moderate Level
The score among 3.68-5.00   High Level

The mean and standard deviation of influencing factors, customer satisfaction and customer loyalty were studied and shown in following Tables.

4.4.1   Respondent Perception on Accessibility

The following Table (4.3) describes the respondent perception on accessibility of SME Development Bank. There are 7 items in accessibility.

Table (4.3)   Accessibility of SME Development Bank

Sr. No.	Descriptions	Mean	Standard Deviation
1.	SMEDB products information are readily accessible from banking website.	3.47	0.781
2.	SMEDB products information are readily accessible from Mobile Banking Application.	3.33	0.726
3.	SME Development Bank's has convenient operating hours and location to all its customers.	3.56	0.702
4.	Bank's branches (branches, transaction offices) network are widespread.	3.52	0.701
5.	The bank has sufficient number of ATMs per branch.	3.31	0.762
6.	The bank has the latest technology and the modern-looking equipment.	3.25	0.787
7.	The bank has diversified transaction channels (telephone, internet etc.)	3.32	0.775
Overall Mean		**3.39**	

Source: Survey Data, 2023

According to Table (4.3), the overall mean value of accessibility was 3.39. Hence, most of the respondent perception moderate on accessibility factor. Among the accessibility influencing factor, having operating hours and location convenient to all its customers had the maximum mean value of 3.56, and having the latest technology and the modern-looking equipment had the minimum mean value of 3.25. In this study respondents perceived that the bank has average level of accessibility.

4.4.2   Respondent Perception on Reactivity

The following Table (4.4) describes the respondent perception on reactivity of SME Development Bank. There are 7 items in reactivity.

Table (4.4)   Reactivity of SME Development Bank

Sr. No.	Descriptions	Mean	Standard Deviation
1.	SMEDB consistently responds within promised timeframe to me.	3.96	0.589
2.	SMEDB makes phone call to all customer for their maturity date by product.	4.06	0.684
3.	Can get minimum waiting time and queuing time from SMEDB.	3.94	0.622
4.	SMEDB informs about their insurance before expire (home loan, auto loan, business loan) to all customer.	3.79	0.791
5.	SMEDB provides financial advice to me.	3.82	0.639
6.	Communication by email, phone and in person of SMEDB is fast and efficient	3.46	0.728
7.	SMEDB can quickly support and solve when the customer have service problems related services.	3.42	0.718
Overall Mean		**3.78**	

Source: Survey Data, 2023

As stated by Table (4.4), the overall mean value of reactivity was 3.78. Therefore, most of respondent perceptions have a high level regards to reactivity. It can be conducted that reactivity of SMEDB as conducting customer satisfaction on an high level. Among reactivity factors, making phone call to all customer for their maturity date by product had the maximum mean value of 4.06, and being quick support and solve when I have service related problems had the minimum mean value of 3.42. It reflected that bank makes regularly inform for maturity date to satisfy customers. Furthermore, overall mean score of reactivity of influencing factor achieved as agree and it can take it as it was satisfaction and customers accepted the criteria of reactivity of influencing factor for SMEDB.

4.4.3 Respondent Perception on Reliability

The following Table (4.5) presents the respondent perception on reliability of SME Development Bank. There are 7 items in reliability.

Table (4.5) Reliability of SME Development Bank

Sr. No.	Descriptions	Mean	Standard Deviation
1.	SMEDB provides clear and accurate time and date record of performance/ transactions.	3.36	0.776
2.	The transactions done in SMEDB are quick and speedy.	3.58	0.752
3.	SMEDB maintains timely and error-free records.	3.43	0.759
4.	Consistency of performance of services facilities e.g. ATM	3.21	0.900
5.	SMEDB has precision of filing systems.	3.42	0.744
6.	When they promise to do something by a certain time, they do it.	3.28	0.789
7.	If there is something issued , SMEDB shows sincere interest in solving the problem.	3.24	0.826
Overall Mean		**3.36**	

Source: Survey Data, 2023

As described by Table (4.5), the overall mean value of reliability was 3.36. Therefore, most of the respondent perceptions was moderate level regarding to reliability. Among the reliability factor, being quick and speed the transaction done by SMEDB had a maximum mean value of 3.58, and being consistent of performance of services facilities (e.g. ATM) had a minimum mean value of 3.21.

4.4.4   Respondent Perception on Employee Competency

The following Table (4.6) describes the respondent perception on employee competency of SME Development Bank. There are 7 items in employee competency.

Table (4.6) Employee Competency of SME Development Bank

Sr. No.	Descriptions	Mean	Standard Deviation
1.	Staff of SMEDB can efficiently explain their product information.	3.61	0.755
2.	Staff of SMEDB always provide the correct service from the first transaction.	3.63	0.741
3.	Perform of the staff is well and it's impossible that lost the transactions.	3.73	0.699
4.	Bank staff can clearly explain the various options available to a particular query.	3.58	0.781
5.	Bank staffs are humble, polite and professional skill when customers deal with them.	3.52	0.759
6.	Bank staff have a very good knowledge about the bank products.	3.59	0.742
7.	Staff provide correct instructions and sound advice to me.	3.67	0.698
Overall Mean		**3.62**	

Source: Survey Date, 2023

According to Table (4.6), the overall mean value of employee competency was 3.62. As a result, most of the respondent perceptions are moderate level regarding employee competency. Among the employee competency, performing of the staff had a maximum mean value of 3.73, and then, having humble, polite and professional skill when customers deal with them had the minimum mean values of 3.52. Based on results, most of customer trusted on employee competency of SMEDB because all of mean score of respondent perception on employee competency have above 3.4.

4.4.5 Respondent Perception on Price Transparency

The following Table (4.7) describes the respondent perception on price transparency of SME Development Bank. There are 7 items in price transparency.

Table (4.7) Price Transparency of SME Development Bank

Sr. No.	Descriptions	Mean	Standard Deviation
1.	The cost of transaction of SMEDB bank is reasonable price.	3.47	0.695
2.	Interest Rate and charges are competitive and fair in SMEDB.	3.41	0.703
3.	Repayment Period of SMEDB is preferable.	3.53	0.686
4.	Services charges of SMEDB are acceptable.	3.38	0.752
5.	Savings interest rates of this bank are flexible according to each savings product.	3.53	0.693
6.	Interest earned on fixed term deposits are high compared to other banks.	4.03	0.742
7.	Costs of maintaining account in bank is low compared to other banks	3.64	0.821
	Overall Mean	3.57	

Source: Survey Data, 2023

According to the data presented in Table 4.7, the average value for pricing transparency was found to be 3.57. As a result, the majority of respondents had a moderate level of perception with regards to pricing transparency. In terms of pricing transparency, it is observed that the average value for earning interest on fixed term deposits is quite high compared to other banks, with a maximum mean value of 4.03. Additionally, the service costs offered by SMEDB are deemed appropriate, as they have a minimum mean value of 3.38. Furthermore, the data indicated that clients exhibited a preference for the interest rates offered on fixed term deposits by SMEDB.

4.4.6 Summary of Respondent Perception on Influencing Factors on Customer Satisfaction

The following Table (4.8) describes the respondent perception on influencing factor of SME Development Bank. There are 5 items in influencing factor on customer satisfaction.

Table (4.8)   Overall Mean Value of Independent Variables

Sr. No.	Descriptions	Mean	Standard Deviation
1.	Accessibility	3.39	0.666
2.	Reactivity	3.78	0.518
3.	Reliability	3.36	0.708
4.	Employee Competency	3.62	0.686
5.	Price Transparency	3.57	0.576

Source: Survey Data, 2023

According to the data presented in Table 4.8, the average scores obtained for the factors indicate a reasonable level of agreement. Among the factors that exert influence, responsiveness exhibited the highest overall mean value of 3.78, while accessibility demonstrated the lowest overall mean value of 3.39. Hence, it can be inferred that the majority of bank customers expressed satisfaction with the responsiveness of SME Development Bank. For example, the bank proactively contacts its customers through phone to inform them about the maturity date. Additionally, the bank efficiently manages its operations, ensuring minimal waiting and queue times for consumers during bank transactions. The survey results on influencing factors yielded a mean score at a modest level, suggesting that these factors are likely to be aligned with the satisfaction and loyalty of the SME Development Bank.

4.4.7 Customer Satisfaction of SME Development Bank

The following Table (4.9) describes the respondent perception on customer satisfaction of SME Development Bank. There are 10 items in customer satisfaction.

Table (4.9) Customer Satisfaction at SME Development Bank

Sr. No.	Descriptions	Mean	Standard Deviation
1.	Satisfying with the technological up-to-date equipment of the bank	3.36	0.737
2.	Satisfying with the services provided by the bank as promised	3.67	0.733
3.	Satisfying by the service of handling a problem (speed of problem solving)	3.42	0.723
4.	Satisfying with the operating hours and location of the bank	3.83	0.768
5.	Satisfying with the willingness of employees to help customers	3.43	0.732
6.	Satisfying of the knowledge of the employees (up to date knowledge about products, services, rules and regulations)	3.47	0.729
7.	Satisfying with the price of services provided by the bank to be reasonable	3.39	0.752
8.	Satisfying with debit card ATM the provided by the bank	3.41	0.732
9.	Satisfying with high-quality services with competitive interest rates	3.57	0.729
10.	Satisfying take the service at SMEDB	3.52	0.753
Overall Mean		**3.49**	

Source: Survey Data, 2023

According to Table (4.9), since the overall mean value of customer satisfaction was 3.49, most of the respondents are moderately satisfied with the services of SME Development Bank. Among the customer satisfaction items, most respondent are highly satisfied with the operating hours and location of the bank that had a maximum mean value of 3.83 while the most respondents moderately satisfied with the technological up-to-date equipment of the bank that had a minimum mean value of 3.36.

4.4.8 Respondent Perception on Customer Loyalty

The following Table (4.10) represents the respondent perception on customer loyalty of SME Development Bank. There are 12 items in customer loyalty.

Table (4.10) Customer Loyalty at SME Development Bank

Sr. No.	Descriptions	Mean	Standard Deviation
1.	Choosing to save money at SMEDB is the right decision.	3.46	0.745
2.	Ithe money savings deposit products that SMEDB offers.	3.43	0.759
3.	My family members and friends all like to savings deposit products of SMEDB.	3.39	0.734
4.	Recommend this bank to relatives, friends and others.	3.42	0.731
5.	Will continue to use savings deposit products of SMEDB in the future.	3.54	0.765
6.	I prefer transact with SMEDB more than other banks	3.37	0.779
7.	I plan to use other products and services of SMEDB.	3.39	0.728
8.	SMEDB is my first choice when I save money.	3.37	0.751
9.	I will always use this Bank in every my bank activities/ transactions.	3.34	0.781
10.	I will say positive things about the bank to other people.	3.39	0.740
11.	I seldom consider switching away from this bank.	3.38	0.762
12.	I will never change this Bank even I found another bank which offer completely.	3.39	0.784
	Overall Mean	**3.40**	

Source: Survey Data, 2023

As stated by Table (4.10), the overall mean value of customer loyalty was 3.40 which was meaning that most of the respondents had a moderate level with regards to customer loyalty. It can be conducted that customers have moderate level loyalty towards SME Development Bank Service. In particular, most of the customers have moderate level with regards to loyalty at all items.

4.5 Correlation Analysis of Influencing Factors, Customer Satisfaction and Customer Loyalty

Correlation analysis was conducted in order to investigate the association between the independent variables and dependent variables in the present study. The study examined several independent variables, including accessibility, reactivity, reliability, employee competency, and price transparency, which were hypothesized to have an impact on the dependent variables of customer satisfaction and customer loyalty. The research employed Pearson correlation analysis to examine the association between various influencing factors on customer satisfaction and customer loyalty within the context of SME Development Bank.

According to Saunder and Lewis (2012), Pearson's correlation coefficient is a statistical measure that allows for the quantification of the strength of the linear relationship between two numerical variables. The coefficient, commonly denoted as "r," can assume values ranging from +1 to -1, indicating positive and negative correlations, respectively. A value of 0 signifies full independence between the variables. According to Saunder and Lewis (2012), the interpretation of the correlation coefficient is as follows:

0.00 – 0.20 = No correlation

0.21 – 0.35 = Weak correlation

0.36 – 0.60 = Moderate correlation

0.61 – 0.80 = Strong correlation

0.81 – 1.00 = Very strong correlation

A score of +1 indicates a strong positive correlation, indicating that the two variables are closely associated. Specifically, when the values of one variable increase, the values of the other variable also increase. On the contrary, a value of -1 indicates a strong negative correlation, indicating that the two variables are precisely related in opposite directions. Specifically, as the values of one variable grow, the values of the other variable fall. In order to evaluate the degree of association between various variables, such as the factors impacting customer satisfaction and customer loyalty, the researcher inputted the collected data into the statistical analysis program, specifically SPSS, with the aim of obtaining a more comprehensive understanding of the relationship. Table 4.11 presents the Pearson's correlation coefficients that depict the relationship between various influencing elements and customer satisfaction. The

characteristics that have an impact on customer satisfaction encompass accessibility, reactivity, reliability, employee competency, and price transparency.

Table (4.11) Pearson's Correlation between Influencing Factors and Customer Satisfaction

Sr. No.	Variables	Pearson's Correlation Coefficient	P-Value
1.	Accessibility	.721**	.000
2.	Reactivity	.903**	.000
3.	Reliability	.887**	.000
4.	Employee Competency	.828**	.000
5.	Price Transparency	.869**	.000

Source: Survey Data, 2023

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

Based on the data presented in Table 4.11, it can be observed that there is a positive correlation between customer satisfaction and all of the independent factors, namely accessibility, reactivity, reliability, employee competency, and price transparency. Upon examination, it was found that reactivity, reliability, employee competency, and price transparency had a significant and robust positive link with customer satisfaction. The correlation coefficients for these variables were 0.903, 0.887, 0.828, and 0.869, respectively. Additionally, the p-values associated with these correlations were less than 0.01, indicating a high level of statistical significance. Furthermore, there was a significant association between accessibility and customer satisfaction, with a score of 0.721. Therefore, by enhancing these aforementioned characteristics, there would be a corresponding rise in customer satisfaction. Furthermore, Table 4.12 presents the Pearson's correlation coefficient that quantifies the relationship between customer satisfaction and customer loyalty.

Table (4.12) Pearson's Correlation between Customer Satisfaction and Customer Loyalty

Sr. No.	Variables	Pearson's Correlation Coefficient	P-Value
1.	Customer Satisfaction	.944**	.000

Source: Survey Data, 2023

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

Based on the data shown in Table 4.12, there is a positive correlation between customer satisfaction and customer loyalty. Furthermore, the obtained P value of .000 indicates that the correlation observed was statistically significant at a significance level of one percent. Hence, it was determined that the correlation coefficient exhibited statistical significance.The results of the analysis indicate a significant positive association between customer satisfaction and customer loyalty. This is supported by a p-value of less than 0.01, suggesting a strong statistical relationship. Additionally, the correlation coefficient (r) between the two variables was found to be 0.944, indicating a very strong correlation. The findings suggest a considerable correlation between customer satisfaction and customer loyalty. Therefore, enhancing customer satisfaction will result in a corresponding rise in customer loyalty.

4.6   Analysis on Influencing Factors of Customer Satisfaction and Customer Loyalty of SME Development Bank

A multiple regression analysis was performed to examine the factors that influence customer satisfaction and customer loyalty in the present study.

This analysis considers many influencing aspects, including accessibility, reactivity, reliability, employee competency, and price transparency, as independent variables, while customer satisfaction is considered as the dependent variable. The findings of the multiple regression analysis are presented in Table 4.13.

Table (4.13) Multiple Regression Analysis of Influencing Factors on Customer Satisfaction

Independent Variables	Unstandardized Coefficient		Standardized Coefficient	t	Sig.	VIF
	B	**Std. Error**	**Beta**			
(Constant)	.142	.081		1.740	.083	
Accessibility	.079**	.040	.063	8.831	.026	6.128
Reactivity	.354***	.035	.362	2.239	.000	2.903
Reliability	.182***	.037	.198	4.890	.000	5.970
Employees Competency	.163***	.030	.172	5.478	.000	3.598
Price Transparency	.262***	.040	.232	6.482	.000	4.665
R	.944					
R Square	.892					
Adjusted R Square	.891					
F	650.379*** (P = 0.000)					

Source: Survey Data, 2023

a. ***Significant at 1 percent level, **Significant at 5 percent level

Based on the data presented in Table 4.13, the statistical analysis revealed that the F value was determined to be 650.379, while the corresponding P value was discovered to be 0.000. The presence of multi-collinearity was not seen in this investigation, as shown by the Variance Inflation Factor (VIF) values being below the threshold of 10. The study's model was deemed appropriate, and it was shown that the influencing elements had a statistically significant positive impact on customer satisfaction ($P = 0.000 < 0.01$). The Adjusted R Square value of 0.891 suggests that the factors influencing customer satisfaction may account for approximately 89.1 percent of the observed changes.

Based on the findings of the conducted multiple regression analysis, it can be inferred that reactivity, pricing transparency, reliability, and employee competency exhibit a statistically significant positive impact on customer satisfaction, with a significance level of 1%. The study findings indicate that accessibility has a statistically significant and beneficial impact on customer satisfaction, with a significance level of 5%. This finding suggests that a one-unit change in responsiveness, while holding price transparency, reliability, personnel competency, and accessibility unchanged, will result in a 0.354 increase in customer satisfaction.

Out of the several variables examined, it was found that reactivity exerted the greatest influence on customer satisfaction. It can be inferred that the responsiveness element played a significant role in enhancing customer satisfaction for the SME Development Bank. The last step involved the examination of the impact of customer satisfaction on customer loyalty by the utilization of basic linear regression analysis, as depicted in Table 4.14.

Table (4.14) Simple Linear Regression Analysis of Customer Satisfaction and Customer Loyalty

Independent Variables	Unstandardized Coefficient		Standardized Coefficient	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	-.228	.065		-3.518	.000	
Customer Satisfaction	1.038***	.018	.944	57.043	.000	1.000
R	.944					
R Square	.891					
F	3253.956*** (P = 0.000)					

Source: Survey Data, 2023

a. Predictors: (Constant)

b. ***Significant at 1 percent level

c. Dependent Variable: Customer Loyalty

Based on the data presented in Table 4.14, the statistical analysis revealed that the F value was determined to be 3253.956, while the P value was discovered to be 0.000. The study's model was deemed appropriate, and it was shown that the influencing elements had a statistically significant positive impact on customer satisfaction (P = 0.000 < 0.01). The R Square statistic served as a statistical indicator of the degree of proximity between the data points and the regression line that was fitted. It was alternatively referred to as the coefficient determination or the coefficient of single determinations in the context of simple linear regression. The coefficient of determination, denoted as R Square, was calculated to be 0.891. This value suggests that customer satisfaction has the ability to account for around 89.1 percent of the observed fluctuations in customer loyalty.

Based on the regression analysis findings, it is observed that even in cases where customer satisfaction is not appropriately implemented, the average level of customer satisfaction is estimated to be -0.228. The coefficient of efficiency, with a value of 1.038, was found to be a major factor in determining customer satisfaction. This finding suggests that there is a strong and statistically significant relationship between customer satisfaction and customer loyalty, with a significant level of 1%. Hence, the

enhancement of customer loyalty was contingent upon the pivotal role played by customer satisfaction.

CHAPTER 5

CONCLUSION

This chapter delineates the findings and implications of the research study, comprising three distinct sections. The initial section of the chapter entails a comprehensive discussion of the principal discoveries derived from the analysis of the research. The subsequent part provides ideas and recommendations derived from the findings presented in the preceding chapter. Subsequently, the final segment of the chapter delineates the imperative requirements for future investigations.

5.1   Findings and Discussions

The aim of this study is to investigate the elements that have an impact on customer satisfaction and customer loyalty within the context of SME Development Bank. Both descriptive study and quantitative research have been conducted to investigate the elements that influence customer satisfaction and customer loyalty in the context of SME Development Bank.

In order to execute the stated purpose, primary data is gathered from a sample of 110 customers who are currently utilizing the deposit service offered by SME Development Bank. The survey results reveal a disparity in the demographic profile, with a higher representation of female respondents compared to male respondents. Regarding the marital status of the respondents, the majority of individuals are customers who are married. Furthermore, individuals within the age range of 31 to 40 years old comprise this particular demographic.

In relation to the average score of many influencing elements, such as accessibility, reliability, employee competency, and price transparency, the study revealed that all of these aspects exhibit a moderate level, except for the responsiveness factor, which has a high level mean score.   Among the several factors that exert influence, responsiveness exhibited the highest mean value, while accessibility demonstrated the lowest mean value. Hence, it can be inferred that the majority of bank customers expressed satisfaction with regard to the responsiveness of both the bank and its customer service.

Subsequently, the correlation coefficient analysis reveals a favorable association between accessibility, reactivity, reliability, employee competency, and price transparency with customer happiness. The augmentation of accessibility, reactivity, reliability, employee

competency, and price transparency is anticipated to result in a corresponding enhancement in consumer pleasure. Furthermore, a strong correlation was observed between customer satisfaction and customer loyalty. Therefore, enhancing customer pleasure would result in a corresponding rise in customer loyalty.

When doing regression analysis to examine the variables, it was observed that factors such as accessibility, reactivity, reliability, personnel competency, and price transparency had a positive and statistically significant impact on customer satisfaction at a substantial level. The research revealed that customer satisfaction was most influenced by reactivity, as the SMEDB actively engaged in making phone calls to consumers in order to give them with information regarding the maturity date of their fixed deposits, while also ensuring timely responses within the agreed timeframe. The findings suggest that the responsiveness component played a significant role in enhancing customer satisfaction, hence fostering customer loyalty within the context of SME Development Bank.

Furthermore, with regards to the impact of customer satisfaction on the relationship between customer satisfaction and customer loyalty, it was shown that customer satisfaction had a positive and statistically significant influence on customer loyalty. In a similar vein, it may be inferred that the enhancement of customer loyalty for SME Development Bank was contingent upon the attainment of customer happiness. Hence, it can be said that customer satisfaction is a determinant factor in fostering customer loyalty, as it is influenced by several factors such as reactivity, reliability, employee competency, and price transparency, which are offered by SME Development Bank.

The study offered valuable insights into the elements that influence customer satisfaction and customer loyalty, with a specific focus on private banks, particularly the SME Development Bank. This finding suggests that the delivery of services that effectively meet the needs and expectations of customers is a significant determinant of their satisfaction with banking services. Consequently, banks can expect to attract a larger customer base, foster customer loyalty, and ultimately generate higher profits, thereby ensuring the long-term viability of the firm within the banking sector.

5.2 **Suggestions and Recommendations**

The current investigation additionally determined that responsiveness is identified as the primary component that significantly impacts customer happiness. In terms of factors influencing consumer satisfaction, price transparency, reliability, employee competency, and accessibility are respectively placed second, third, fourth, and fifth. In contrast, respondents regarded accessibility as the least significant factor. Based on the findings of this study, the following proposals and recommendations are proposed to enhance customer satisfaction and foster customer loyalty within the banking sector.

Given the substantial and favorable impact of accessibility on customer satisfaction, it is imperative for the bank's management to employ contemporary information technology in order to provide customers with up-to-date product information. In order to enhance the accessibility of banking services for their consumers, it is recommended that the bank expand its branch network.

Additionally, it is imperative for the bank to consistently arrange customer meetings and conferences in order to engage in discussions regarding client expectations and effectively identify the most optimal strategies for addressing customer needs. Additionally, it is imperative to conduct regular assessments of consumer feedback regarding the methods employed for mobilizing savings deposits in recent times. Based on the input provided by consumers, the bank has the potential to enhance its expertise and develop a deeper understanding of customer requirements. In order to enhance customer satisfaction, it is advisable for bank management to promote long-term savings among clients, so enabling them to avail greater interest rates.

This practice also ensures a stable capital base, which benefits the bank. Customers seeking flexible capital utilization should be recommended to engage in short-term savings, enabling them to readily withdraw funds for the execution of their goals while assuring the preservation of their capital. In addition, it is recommended that the management of SMED bank establish specific targets and objectives for each branch with the aim of augmenting the number of depositors and borrowers.

The impact of reliability on customer satisfaction within the context of SME Development Bank is especially noteworthy. Hence, it is imperative for the bank to consistently deliver accurate and error-free banking services from the outset. Furthermore, it

is imperative for the bank to consistently furnish accurate information on its commitments and any modifications to its operational systems. This is crucial in order to facilitate a comprehensive comprehension of the currency exchange procedures, return policies, and the time frame within which these transactions may be conducted, all of which are of utmost significance to the clients.

The competency of employees also has an impact on customer satisfaction. Hence, it is imperative for workers of banks to possess a high level of professional expertise in order to deliver exceptional services to their clientele. It is imperative for workers of banks to possess a comprehensive understanding and extensive knowledge of their institution's products and services in order to effectively provide recommendations and successfully convince consumers. In addition, it is imperative for the individual to possess a range of soft skills in order to effectively deliver deposit services. These talents include proficient communication abilities, persuasive aptitude, adept negotiation techniques, and competent sales acumen. Hence, it is imperative for the management to offer comprehensive training programs and courses to its staff, enabling them to stay abreast of the latest developments in banking goods, services, and information.

Furthermore, given that accessibility significantly impacts customer satisfaction, it is imperative for the bank to expeditiously review and modify its rules and regulations pertaining to the banking process, with the aim of enhancing ease and convenience in accessing services within a minimal transaction duration. The bank should employ contemporary technologies and maintain investments in enhancing its security system and information technology infrastructure. This is because modernized technology has the potential to shorten transaction time, mitigate risks, and safeguard information confidentiality.

5.3   Needs for Further Studies

This study undertook an analysis of customer satisfaction and loyalty among SME Development customers. Furthermore, the research places particular emphasis on five key criteria that have an impact on consumer satisfaction, namely accessibility, reactivity, reliability, employee competency, and price transparency. Hence, it is recommended that future studies should be conducted to explore additional characteristics, such as trust, bank

image, promptness, sincerity, and willingness of staff, among others. Furthermore, it is worth noting that the current study exclusively examines customer happiness and loyalty towards private banks. Therefore, it is recommended that future research should also investigate consumer satisfaction and loyalty towards public banks as a complementary study. Additionally, it is imperative to consider the various aspects that influence users' satisfaction with the banking industry in Myanmar. Furthermore, it is imperative to consider the various elements that influence customer retention within the context of private banks in Myanmar.

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Appendix

Survey Questionnaire

Influencing Factors on Customer Satisfaction and Customer Loyalty of SME Development Bank

I am a student of Master of Marketing Management Programme at Yangon University of Economics. I am doing the research on "**The Influencing Factors on Customer Satisfaction and Customer Loyalty of SME Development Bank**. Please respond to the following questions by ticking the best fitting choice. All the information collected through the questionnaire will be confidentially kept and used for academic purpose only. Please kindly give a few minutes of your time to answer these questions. Thank you advance for your participation and valuable time.

Section (A): Demographic Characteristics of Respondents

Please place a tick (√) in the box ☐ to represent your answers.

1. Gender

☐ Male   ☐ Female

2. Marital Status

☐ Single   ☐ Married

3. Age (Years)

☐ Under 20   ☐ 21 – 30   ☐ 31 – 40   ☐ 41 – 50   ☐ Above 50

4. Education Level

☐ High School and Below   ☐ Undergraduate

☐ Diploma Level   ☐ Bachelor degree

☐ Master degree   ☐ Doctoral degree

5. Occupation Level

☐ University Student   ☐ Government Staff   ☐ Company Staff

☐ Self-employed   ☐ Dependent

6. Monthly Income (Kyats)

☐ 300,000MMK and below   ☐ 300,001 - 500,000MMK

☐ 500,001 - 700,000MMK   ☐ 700,001 – 900,000MMK

☐ 900,000 MMK and above

7. How long have you been customer of this bank?

☐ less than 1 year ☐ 1-2 years ☐ 2-3 years

☐ 3-4 years ☐ 4-5years ☐ more than5years

8. Frequency of Visit Per Month

☐ 1-5 times ☐ 6-10 times ☐ 11-15 times ☐ Above 15 times

9. What are your reasons for choosing SMDB?

☐ Good reputation ☐ Good customer service

☐ Easy availability and accessibility ☐ Fast banking service

☐ Others (Specify)…………………………………………

10. From which sources do you know about SMDB?

☐ Newspaper/Journals ☐ Television/Radio ☐ Billboard/Broachers

☐ Social network ☐ From friends/colleges ☐ Other

Section (B): Influencing Factors on Customer Satisfaction

This section is seeking your opinion regarding Influencing Factors, Customer Satisfaction and Customer Loyalty of SME Development Bank. For each statement, please indicate to which extent you feel it is agreeable or disagreeable. Please make a Tick (√) one of the following questionnaires, indicating your answer.

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

1) Accessibility

Sr. No.	Statements	1	2	3	4	5
1	SMEDB products information are readily accessible from banking website.					
2	SMEDB products information are readily accessible from Mobile Banking Application.					
3	My bank has operating hours and location convenient to all its customers.					
4	Bank's branches (branches, transaction offices) network are widespread.					
5	The bank has sufficient number of ATMs per branch.					
6	The bank has the latest technology and the modern-looking equipment.					
7	Bank has diversified transaction channels (telephone, internet etc.)					

2) Reactivity

Sr. No.	Statements	1	2	3	4	5
1	SMEDB consistently respond within promised timeframe to me.					
2	SMEDB make phone call to all customer for their maturity date by product.					
3	I get responds minimal waiting and queuing time from SMEDB.					
4	SMEDB inform about their insurance before expire (home loan, auto loan, business loan) to all customer.					
5	SMDB provides financial advice to me.					
6	Communication by email, phone and in person of SMEDB is fast and efficient					
7	SMEDB can quickly support and solve when I have service related problems.					

3) Reliability

Sr. No.	Statements	1	2	3	4	5
1	SMEDB provides clear and accurate time and date record of performance/ transactions.					
2	The transactions done in SMEDB are quick and speedy.					
3	SMEDB maintains timely and error-free records.					
4	Consistency of performance of services facilities e.g. ATM					
5	SMEDB has precision of filing systems.					
6	When they promise to do something by a certain time, they do it.					
7	When I have a problem, SMEDB show sincere interest in solving the problem.					

4) Employee Competency

Sr. No.	Statements	1	2	3	4	5
1	Staffs of SMEDB can efficiently explain their product information.					
2	Staffs of SMEDB always provide the correct service from the first transaction.					
3	Perform of the staff is well and it's impossible that I lose my transactions.					
4	Bank staffs are humble, polite and professional skill when customers deal with them.					
5	Bank staff can clearly explain the various options available to a particular query.					
6	Bank staff have a very good knowledge about the bank products.					
7	Staffs provide correct instructions and sound advice to me.					

5) Price Transparency

Sr. No.	Statements	1	2	3	4	5
1	The cost of transaction of SMEDB bank is reasonable price.					
2	Interest Rate and charges are competitive and fair in SMEDB.					
3	Repayment Period of SMEDB is preferable.					
4	Services charges of SMEDB are acceptable.					
5	Savings interest rates of this bank are flexible according to each savings product.					

Sr. No.	Statements					
6	Interest earned on fixed term deposits are high compared to other banks.					
7	Costs of maintaining account with the bank is low compared to other banks					

Section (C): Customer Satisfaction and Customer Loyalty

This section is seeking your opinion regarding Customer Satisfaction and Customer Loyalty of SME Development Bank. For each statement, please indicate to which extent you feel it is agreeable or disagreeable. Please make a Tick (√) one of the following questionnaires, indicating your answer.

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

Customer Satisfaction

Sr. No.	Statements	1	2	3	4	5
1	I am satisfied with the technological up-to-date equipment of the bank.					
2	I am satisfied with the services provided by the bank as promised.					
3	I am satisfied by the service of handling a problem (speed of problem solving).					
4	I am satisfied with the operating hours and location of the bank.					
5	I am satisfied with the willingness of employees to help customers.					
6	I am satisfied of the knowledge of the employees (up to date knowledge about products, services, rules and regulations).					
7	I am satisfied with the price of service is provided by the bank to be reasonable.					
8	The services (i.e debit card, ATM) I receive from bank is excellent compared to what I give (in terms of money).					

9	I am satisfied with high-quality services with competitive interest rates.					
10	I am completely satisfied with the services delivered by my bank.					

Customer Loyalty

Sr. No.	Statements	1	2	3	4	5
1	Choosing to save money at SMEDB is the right decision.					
2	I like the money savings deposit products that SMEDB offers.					
3	My family members and friends all like to savings deposit products of SMEDB.					
4	I would recommend this bank to relatives, friends and others.					
5	I will continue to use savings deposit products of SMEDB in the future.					
6	I prefer transact with SMEDB more than other banks					
7	I plan to use other products and services of SME DB.					
8	SMDB is my first choice when I save money.					
9	I will always use this Bank in every my bank activities/ transactions.					
10	I will say positive things about the bank to other people.					
11	I seldom consider switching away from this bank.					
12	I will never change this Bank even I found another bank which offer completely.					

Thank You for Your Cooperation and Valuable Time

APPENDIX II

<p align="center">SPSS Output</p>

A. Demographic Data

Scale: Gender

<p align="center">1. Gender</p>

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	24	21.82	21.82	21.82
	Female	86	78.18	78,18	100.0
	Total	110	100.0	100.0	

Scale: Marital Status

<p align="center">2. Marital Status</p>

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	18	16.36	16.36	16.36
	Married	92	83.64	83.64	100.0
	Total	110	100.0	100.0	

Scale: Age

<p align="center">3. Age</p>

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Under 20 and 20 years	8	7.27	7.27	7.27
	21 – 30years	22	20.00	20.00	27.27
	31 – 40 years	38	34.55	34.55	61.82
	41 - 50 years	26	23.64	23.64	85.46
	Above 50 years	16	14.54	14.54	100.0
	Total	110	100.0	100.0	

Scale: Education Level

4. Education Level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High School and Below	2	1.82	1.82	1.82
	Undergraduate	0	0.00	0.00	1.82
	Diploma	8	7.27	7.27	9.09
	Bachelor	76	69.09	69.09	78.18
	Master	23	20.91	20.91	99.09
	Doctoral	1	0.91	0.91	100.0
	Total	110	100.0	100.0	

Scale: Occupation

5. Occupation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Student	0	0.00	0.00	0.00
	Government Staff	3	2.72	2.72	2.72
	Company Staff	18	16.37	16.37	19.09
	Self-Employed	79	71.82	71.82	90.91
	Dependent	10	9.09	9.09	100.0
	Total	110	100.0	100.0	

Scale: Monthly Income (MMK)

6. Monthly Income (MMK)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 300,000	4	3.64	3.64	3.64
	300,001 – 500,000	8	7.27	7.27	10.91
	500,001 – 700,000	69	62.73	62.73	73.64
	700,001 – 900,000	22	20.00	20.00	93.64
	Above 900,000	7	6.36	6.36	100.0
	Total	110	100.0	100.0	

Scale: Service Usage Year

7. Service Usage Year

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 1 year	8	7.27	7.27	7.27
	1 – 2 years	28	25.45	25.45	32.72
	2 – 3 years	37	33.64	33.64	66.36
	3 – 4 years	15	13.64	13.64	80.00
	4 – 5 years	12	10.91	10.91	90.91
	More than 5 years	10	9.09	9.09	100.0
	Total	110	100.0	100.0	100.0

Scale: Frequency of Visit Per Month

8. Frequency of Visit Per Month

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-5 times	21	19.09	19.09	19.09
	6-10 times	58	52.73	52.73	71.82
	11-15 times	16	14.55	14.55	86.37
	Above 15 times	15	13.63	13.63	100.0
	Total	110	100.0	100.0	

Scale: Reason for Choosing SMEDB

9. Reason for Choosing SMEDB

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Good reputation	12	10.91	10.91	10.91
	Good customer service	68	61.82	61.82	72.73
	Easy availability and accessibility	12	10.91	10.91	83.64
	Fast banking service	18	16.36	16.36	100.00
	Other	0	0.00	0.00	100.00
	Total	110	100.0	100.0	

Scale: Knowing Sources about SMEDB

10. Knowing Sources about SMEDB

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Newspaper/Journals	17	15.46	15.46	15.46
	Television/Radio	0	0.00	0.00	15.46
	Billboard/Broachers	34	30.91	30.91	46.37
	Social network	13	11.82	11.82	58.19
	From friends/colleges	46	41.81	41.81	100.0
	Other	0	0.00		100.0
	Total	110	100.0	100.0	

B. Means and Standard Deviation

Scale: Accessibility

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
AC1	110	1.0	5.0	3.473	.7815
AC2	110	1.0	5.0	3.330	.7262
AC3	110	1.0	5.0	3.560	.7022
AC4	110	1.0	5.0	3.520	.7006
AC5	110	1.0	5.0	3.310	.7618
AC6	110	1.0	5.0	3.250	.7868
AC7	110	1.0	5.0	3.323	.7746
Valid N (listwise)					

Scale: Reactivity

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
REA1	110	1.0	5.0	3.958	.5887
REA2	110	1.0	5.0	4.055	.6842
REA3	110	1.0	5.0	3.935	.6219
REA4	110	1.0	5.0	3.790	.7192
REA5	110	1.0	5.0	3.820	.6392
REA6	110	1.0	5.0	3.460	.7278
REA7	110	1.0	5.0	3.420	.7176
Valid N (listwise)					

Scale: Reliability

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
REL1	110	1.0	5.0	3.358	.7757
REL2	110	1.0	5.0	3.580	.7523
REL3	110	1.0	5.0	3.433	.7595
REL4	110	1.0	5.0	3.205	.9000
REL5	110	1.0	5.0	3.415	.7444
REL6	110	1.0	5.0	3.282	.7891
REL7	110	1.0	5.0	3.238	.8259
Valid N (listwise)					

Scale: Employees Competency

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
EC1	110	1.0	5.0	3.608	.7549
EC2	110	1.0	5.0	3.630	.7413
EC3	110	1.0	5.0	3.728	.6996
EC4	110	1.0	5.0	3.578	.7814
EC5	110	1.0	5.0	3.515	.7588
EC6	110	1.0	5.0	3.585	.7421
EC7	110	1.0	5.0	3.670	.6981
Valid N (listwise)	110				

Scale: Price Transparency

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
PR1	110	1.0	5.0	3.470	.6946
PR2	110	1.0	5.0	3.413	.7026
PR3	110	1.0	5.0	3.533	.6857
PR4	110	1.0	5.0	3.383	.7520
PR5	110	1.0	5.0	3.530	.6930
PR6	110	1.0	5.0	4.030	.7419
PR7	110	1.0	5.0	3.635	.8206
Valid N (listwise)	110				

Scale: Customer Satisfaction

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
CustomerSatisfaction1	110	1.0	5.0	3.359	0.7371
CustomerSatisfaction2	110	1.0	5.0	3.671	0.7334
CustomerSatisfaction3	110	1.0	5.0	3.424	0.7232
CustomerSatisfaction4	110	1.0	5.0	3.834	0.7679
CustomerSatisfaction5	110	1.0	5.0	3.428	0.7322
CustomerSatisfaction6	110	1.0	5.0	3.471	0.7290
CustomerSatisfaction7	110	1.0	5.0	3.393	0.7518
CustomerSatisfaction8	110	1.0	5.0	3.409	0.7322
CustomerSatisfaction9	110	1.0	5.0	3.572	0.7290
CustomerSatisfaction10	110	1.0	5.0	3.522	0.7534
Valid N (listwise)	110				

Scale: Customer Loyalty

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
CustomerLoyalty1	110	1.0	5.0	3.458	.7447
CustomerLoyalty2	110	1.0	5.0	3.425	.7588
CustomerLoyalty3	110	1.0	5.0	3.390	.7343
CustomerLoyalty4	110	1.0	5.0	3.418	.7311
CustomerLoyalty5	110	1.0	5.0	3.539	.7651
CustomerLoyalty6	110	1.0	5.0	3.365	.7799
CustomerLoyalty7	110	1.0	5.0	3.393	.7279
CustomerLoyalty8	110	1.0	5.0	3.365	.7505
CustomerLoyalty9	110	1.0	5.0	3.335	.7806
CustomerLoyalty10	110	1.0	5.0	3.385	.7404
CustomerLoyalty11	110	1.0	5.0	3.375	.7621
CustomerLoyalty12	110	1.0	5.0	3.392	.7843
Valid N (listwise)	110				

C. Correlation Analysis

Correlations

		Accessibility	Reactivity	Reliability	Employee Competency	Price Transparency	Customer Satisfaction
Accessibility	Pearson Correlation	1	.624**	.896**	.778**	.820**	.721**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	110	110	110	110	110	110
Reactivity	Pearson Correlation	.624**	1	.648**	.744**	.756**	903**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	110	110	110	110	110	110
Reliability	Pearson Correlation	.896**	.648**	1	.771**	.824**	.887**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	110	110	110	110	110	110
Employee Competency	Pearson Correlation	.778**	.744**	.771**	1	.754**	.828**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	110	110	110	110	110	110
Price Transparency	Pearson Correlation	.820**	.756**	.824**	.754**	1	.869**

	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	110	110	110	110	110	110
Customer Satisfaction	Pearson Correlation	721**	.903**.	.887**	.828**	.869**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	110	110	110	110	110	110

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

Correlations

		Customer Satisfaction	Customer Loyalty
Customer Satisfaction	Pearson Correlation	1	.944**
	Sig. (2-tailed)		.000
	N	110	110
Customer Loyalty	Pearson Correlation	.944**	1
	Sig. (2-tailed)	.000	
	N	110	110

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

D. Regression Analysis

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.944[a]	.892	.891	.21516	.892	650.379	5	394	.000	1.519

a. Predictors: (Constant), Accessibility, Reactivity, Reliability, Employee Competency, Price Transparency
b. Dependent Variable: Customer Satisfaction

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	150.548	5	30.110	650.379	.000[b]
	Residual	18.240	394	.046		
	Total	168.789	399			

a. Dependent Variable: Customer Satisfaction
b. Predictors: (Constant), Accessibility, Reactivity, Reliability, Employee Competency, Price Transparency

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.142	.081		1.740	.083		
	Accessibility	.079	.040	.063	8.831	.026	.163	6.128
	Reactivity	.354	.035	.362	2.239	.000	.345	2.903
	Reliability	.182	.037	.198	4.890	.000	.168	5.970
	Employee Competency	.163	.030	.172	5.478	.000	.278	3.598
	Price Transparency	.262	.040	.232	6.482	.000	.214	4.665

a. Dependent Variable: Customer Satisfaction

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.944[a]	.891	.891	.23640	.891	3253.956	1	398	.000	1.742

a. Predictors: (Constant), Customer Satisfaction

b. Dependent Variable: Customer Loyalty

ANOVA[a]

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	181.853	1	181.853	3253.956	.000[b]
Residual	22.243	398	.056		
Total	204.096	399			

a. Dependent Variable: Customer Loyalty

b. Predictors: (Constant), Customer Satisfaction

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	-.228	.065		-3.518	.000		
Customer Satisfaction	1.038	.018	.944	57.043	.000	1.000	1.000

a. Dependent Variable: Customer Loyalty