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**FACTORS AFFECTING CUSTOMER ATTITUDE  
TOWARDS FOREIGN REMITTANCE SERVICES AT  
MYANMAR CITIZENS BANK**

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

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**FACTORS AFFECTING CUSTOMER ATTITUDE TOWARDS  
FOREIGN REMITTANCE SERVICES AT  
MYANMAR CITIZENS BANK**

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

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## **ABSTRACT**

The primary aims of this study are to investigate the elements that influence customer attitudes regarding international remittance services and to analyze the impact of customer attitudes on the intention to continue using foreign remittance services provided by Myanmar Citizens Bank. This study utilizes both descriptive and quantitative research approaches. A total of 293 respondents were gathered using the Yamane sampling method. The participants were chosen using a basic random sample technique in order to complete the structured questionnaire. This study also incorporates the utilization of secondary data. The multiple regression method is employed for the analysis of data. The findings of the study indicate that there is a favorable and considerable impact of relative advantage, social influence, and promotion on customer attitude. Promotion emerges as the foremost influential component in shaping client attitudes, among other notable variables. Additionally, research has indicated that consumer attitude exerts a favorable impact on the intention to continue using a product or service. The management of MCB bank should prioritize promotion efforts by considering the provision of free home services to recipients in Myanmar who express a desire for such services. The management of MCB bank should prioritize the development of a system that enables consumers to track the status and progress of their remittances. It is suggested that MCB bank consider implementing a rewards or incentives program to encourage clients to refer MCB remittance services to their colleagues.

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# CHAPTER 1

## INTRODUCTION

A remittance refers to the act of transferring funds, typically conducted by a migrant worker, to an individual residing in their place of origin (Assaf et al., 2014). Remittance is commonly understood as the act of a worker regularly transferring modest sums of money to others residing overseas, such as family members, friends, relatives, or other acquaintances. The term "migrant worker's remittance" pertains to the monetary transfers made by migrant workers to provide financial support to their families, friends, and relatives residing in their home countries. Migrant worker remittances constitute a significant proportion of financial inflows into the home country, originating from individuals who have traveled to foreign destinations in pursuit of economic opportunities, employment, or education.

Financial institutions provide an international remittance service tailored to migrant workers, sometimes referred to as foreign workers, who are employed in countries other than their place of origin. International remittances have the potential to serve as a significant means of development funding for emerging economies. In numerous developing nations, the financial inflow generated by remittances from their diaspora population residing abroad surpasses the contribution of international trade, foreign aid, and foreign investment in terms of foreign exchange. The value of remittances received globally has shown a substantial increase over the last twenty years, surpassing government development assistance. Moreover, it has demonstrated greater stability compared to private capital inflows in low to middle-income nations from 1990 to 2019.

According to the World Bank, there is an estimation that remittances would surpass foreign direct investments in 2019, and this trend is projected to persist in the future. Remittances have garnered the interest of multinational banks and other financial organizations due to their keenness for market prospects, aiming to secure a portion of this potentially profitable commerce. Informal remittances are a prevalent practice in many South Asian nations, serving as a means to allow trade between geographically distant regions where traditional banking mechanisms are either lacking or insufficient. In light of the intensely competitive nature of the economy, in contemporary times, possessing a comprehensive comprehension of customer attitudes

and their intentions to continue using a product or service is crucial for marketers to attain a competitive edge and foster favorable and enduring customer relationships. Attitudes can be defined as an individual's enduring judgments, either favorable or negative, encompassing emotional responses and behavior tendencies towards a particular item or idea (Krech et al., 1962).

Continuance Usage Intention refers to a favorable post-utilization conduct, encompassing an individual's inclination to persist in utilizing or purchasing a certain brand, product, or service subsequent to its first adoption (Kumar & Shah, 2021). According to Parasuraman, Zeithaml, and Berry (1988), perceived service quality can be conceptualized as the cognitive assessment made by customers on the superiority of a service provider. The perceived service quality is determined by the customer's evaluation of the product's overall excellence. This evaluation is based on the customer's expectations and understanding of the product's intrinsic and extrinsic features, which in turn influences their perception of the service provided. The relative advantage of a specific product or service is a crucial determinant in capturing the attention of customers. Relative advantage refers to the degree to which an innovation is considered as superior to conventional approaches (Rogers, 2010). Furthermore, consumer behavior is subject to the impact of social influences, including but not limited to norms, roles, reference groups, opinion leaders, and word-of-mouth communication.

Shamout (2016) asserts that sales promotion has emerged as a potent instrument for marketers to alter consumer perceptions of a brand and incite interest in making a purchase. The government of Myanmar offers an additional K30 per dollar, which is an equivalent value of foreign money, to augment the remuneration received by Myanmar nationals residing overseas. Furthermore, apart from the supplementary payments and commission, individuals are granted tax exemption on foreign income inward remittance in accordance with the provisions of the Union Tax Law. According to the respective declarations, the government of Myanmar is providing additional assistance funds to the authorized banks in the country for foreign currency purposes. The purpose of this initiative is to provide assistance and motivation to Myanmar nationals working overseas, who contribute to the country's foreign revenues.

The Myanmar Citizens Bank (MCB) is a publicly owned financial institution that was founded in the year 1992. MCB, a financial institution that has traditionally prioritized the Commercial and SME sectors, is currently experiencing significant

growth in its Corporate and Retail banking divisions. This expansion involves the development of novel and competitive products and services, which are being made available to customers through an extensive network of over 50 branches throughout 26 cities in Myanmar (MCB, 2023). The primary objective of this study is to examine the consumer attitude towards the intention to continue using overseas remittance services provided by Myanmar Citizens Bank.

## **1.1 Rationale of the Study**

Remittances hold significant importance as they involve the transfer of funds by migrant workers to their families and other recipients, which are predominantly utilized for the purchase of domestic goods and services within their home countries. The inflow of international remittance income serves the dual purpose of augmenting foreign currency reserves and exerting a substantial impact on poverty reduction and economic advancement within the nation. Remittances have a significant role in mitigating poverty, a matter of utmost importance in Myanmar, where 26 percent of the population resides below the poverty threshold (World Bank, 2019).

Remittance revenue confers benefits not just onto individual beneficiaries but also upon the local and national economies in which they reside. Myanmar presents significant prospects for augmenting the magnitude of remittance inflows. Moreover, the utilization of official financial channels facilitates the augmentation of the monetary base within the nation. Myanmar is home to an estimated four million individuals who have migrated internationally, with the majority finding employment in countries such as China, Thailand, Malaysia, and India. Therefore, the influx of international remittances serves as a significant source of income for numerous people in both rural and urban areas of Myanmar. One of the most prominent obstacles faced by Myanmar's banking sector pertains to the volatility and fast devaluation of the Myanmar Kyat, alongside the scarcity of cash availability.

The predominant informal channels in Myanmar, namely for foreign transfers to and from the country, are commonly referred to as "Hundi networks." These networks enable informal money transfers, which do not involve physical cash or wire transfers between banks. Instead, they rely on the performance and trust established among brokers and companies inside a particular network. Hundi brokers frequently engage in their activities without possessing any formal licenses. Consequently, the utilization of Hundi networks for remittances is deemed unlawful in Myanmar, thereby

subjecting clients to a multitude of legal and practical vulnerabilities. Therefore, there exists a high level of competitiveness within the industry.

Migrant individuals contribute substantial financial remittances, which can subsequently be utilized by the country to support investment in economic development, enhance educational infrastructure and services, and expand and enhance healthcare provisions. The remittances that are repatriated also provide benefits to both families and the nation by mitigating poverty, facilitating investment in small enterprises, and creating opportunities for educational advancement.

The Hundi system in Myanmar is extensively utilized by both local inhabitants and migrant workers abroad for the purpose of internal and international money remittance. The prevalence of remittances in Myanmar can be attributed to the historical presence of strict banking and foreign exchange regulations, as well as limited access to both local and internationally connected financial institutions. Furthermore, it continues to lack regulation despite authorities confirming its involvement in criminal and terrorist activities. Approximately 44% of remittances were transmitted through Hundi, while 22% were attributed to family members, and an additional 22% were facilitated by merchants or transporters. According to the IGC (2017), the remaining portion of remittances, which accounts for less than 12%, was transmitted through Myanmar banks. According to labor organizations, the Myanmar government is reportedly considering a policy that would require approved banks to receive particular parts of overseas income at the official currency rate, which would then be distributed to families in Myanmar. Therefore, the government of Myanmar, along with local banks, is offering increased incentives to encourage customers to utilize official banking services.

The main factor of Continuance Usage Intention appears to be attitude. Therefore, marketers endeavor to comprehend the attitudes of customers in order to effectively influence consumers to develop favorable attitudes towards products and services. The significance of attitudes in shaping consumer opinions and influencing decision-making processes is of significant importance. Customer attitudes encompass a combination of an individual's cognitive beliefs, affective feelings, and behavioral intentions directed towards a particular commercial entity. These sentiments are frequently shaped by several factors. Contemporary consumers exhibit an increased inclination towards seeking elevated standards of service quality. Therefore, the significance of service quality lies in customers' evaluation of it while determining

whether to continue utilizing the service in the future. The maintenance of high service quality is crucial for firms as it facilitates the retention of existing customers and the acquisition of new ones. Additionally, it mitigates expenses linked to the acquisition of new clientele. Furthermore, the level of adoption of a novel product or service holds significant importance for consumers. Specifically, the degree of benefit offered by a product directly influences its acceptance among the intended consumer base, and conversely, a lack of advantage diminishes its popularity.

In the past, customers would often rely on the guidance and recommendations of their intimate acquaintances or professional associates when utilizing services or purchasing products. When individuals in a consumer's social circle provide recommendations for particular items or services, it is common for the customer to adopt and utilize them. Therefore, social influence plays a significant role in shaping client attitudes towards products or services. However, the promotional activity serves to motivate customers to reconsider and assess the brand and quantity that they may not have previously recognized. The utilization of sales promotion has been increasingly significant for marketers and merchants, who employ various promotional methods and strategies to comprehend customer preferences and enhance corporate sales. Myanmar Citizens Bank, which commenced operations in 1992, offers a foreign remittance service that offers appealing incentives to its consumers. MCB is engaged in the facilitation of international remittance services through a collaborative partnership with RIA IME (International Money Express), a Malaysian-based entity. This collaboration encompasses a network of one hundred agents situated across sixty-nine locations, offering comprehensive transactional services to Myanmar employees residing abroad. Nevertheless, the informal hundi system is currently seeing mounting competition and obstacles due to the growth and modernization of the banking industry.

Myanmar Citizens Bank (MCB) provides International Money Transfer Services at affordable exchange rates and gives additional benefits for remittance transactions involving migrant workers from or to Myanmar and Oversea. MCB encounters significant market rivalry and seeks to ascertain client attitudes about overseas remittance services. This study aims to identify the elements that influence customers' attitudes about the overseas remittance service provided by Myanmar Citizens Bank. Through a comprehensive analysis of these aspects, this study provides valuable insights for marketers at MCB bank, enabling them to develop impactful campaigns aimed at client retention in the overseas remittance segment.

## **1.2 Objectives of the Study**

The main objectives of this study are:

- (i) To examine the influencing factors on customer attitude towards foreign remittance service provided by Myanmar Citizens Bank
- (ii) To analyze the effect of customer attitude on continuance usage intention of foreign remittance services of Myanmar Citizens Bank

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

This study aims to investigate the elements that influence customer attitudes on the continuance usage intention of overseas remittance services provided by Myanmar Citizens Bank.

Both descriptive and quantitative research methodologies are utilized in this study. Both primary and secondary data are utilized in the research process. According to the Yamane (1973) Formula, a total of 1,100 international remittance customers at the MCB head office were considered for the study. Out of these, a sample of 293 customers (27%) was picked using the basic random sampling approach. A structured questionnaire on a 5-point Likert scale is employed to gather primary data. The questionnaire has been transformed into a Google form to facilitate the collecting of data online. Secondary data sources for this study encompass the records of Myanmar Citizens Bank, previously published papers, earlier research papers, pertinent textbooks, and overseas studies accessed through internet websites.

## **1.4 Organization of the Study**

This research has five distinct chapters. Chapter one provides an overview of the study, encompassing the rationale, objectives, scope, methodology, and organization of the article. Chapter two encompasses the theoretical underpinnings, prior research, and conceptual framework that inform the investigation. Chapter three of the study elucidates the profile and foreign remittance service offered by Myanmar Citizens Bank. In Chapter four, an analysis is presented on the customer attitude and continual intention to use the overseas remittance service of Myanmar Citizens Bank. Chapter five provides a comprehensive account of the research findings, accompanied by in-depth discussions. Additionally, this chapter offers valuable suggestions and

recommendations based on the obtained results. Furthermore, it highlights the significance of conducting further studies in order to address the remaining gaps in knowledge.



## **CHAPTER 2**

### **THEORETICAL BACKGROUND**

This chapter firstly presents the related theories. Then, it presents the influencing factors on customer attitude. It also describes the previous studies that are relevant to this study. Finally, it contains the conceptual framework of the study.

#### **2.1 Customer Attitude towards Foreign Remittance Service**

Given its multidimensional nature, attitude is often subjective and has a discernible impact on behavior (Hook & Lucier, 1995). Attitudes play a significant role in shaping consumer behavior, and numerous models have been devised to facilitate the assessment of attitudes. The impact of attitudes on purchasing decisions is contingent upon whether the underlying attitude is primarily driven by utilitarian or hedonic considerations. The utilitarian aspect pertains to the practicality or usefulness of the product, whereas the hedonic aspect quantifies the subjective experience or emotional satisfaction gained from utilizing the object.

Attitude refers to the manifestation of customers' affective responses towards an object, indicating whether it is favorably or unfavorably regarded. According to Mowen and Minor (1998), the concept of customer attitude formation frequently pertains to the interplay among trust, attitudes, and consumer behavior. According to Hawkins and Molthersbaugh (2016), attitudes can be understood as a confluence of various psychological processes, including motivation, emotion, perception, and cognition. Therefore, it can be inferred that consumers who possess a favorable disposition towards a particular product will have a significant impact on their inclination to purchase this product.

According to Engel et al. (2000), attitude typically exerts significant influence on the formation of consumer behavior. When making purchasing decisions, consumers often go for the brand or business that receives the highest favorable evaluation. Therefore, while attempting to comprehend the factors influencing consumer purchasing decisions and store preferences, the concept of attitude proves to be quite valuable. According to Kotler (2000), attitude refers to an individual's persistent positive or negative judgments, emotional responses, and inclinations towards certain objects or ideas.

According to Assael (1998), attitudes refer to the acquired inclinations of consumers to regularly assess brands in a favorable or unfavorable manner. This implies that customers evaluate brands within a certain product category based on an overall scale ranging from poor to great.

## **2.2 Influencing Factors**

There are many factors that may affect on the customer attitude. In this study, four factors that could influence on the attitude of the customers are examined. Those factors are service quality, relative advantage, social influence, and promotion.

### **(a) Service Quality**

According to Ismail and Yunan (2016), service quality refers to the collection of judgments made by customers following their prolonged interaction with a product or service. The term can alternatively be conceptualized as the disparity between the anticipated desires of customers and their actual experiential outcomes subsequent to engaging with the provided service (Joudeh & Dandis, 2018).

Service quality can be defined as the customer's view of the entire impression of a particular organization and its delivery of services, whether it is deemed superior or inferior (Neupane & Devkota, 2017). The emphasis on service quality and the provision of exceptional service to consumers serves as a crucial factor in persuading customers to engage in recurrent use of the service (Ismail & Yunan, 2016). The concept of service quality refers to the evaluation made by customers regarding the overall excellence or superiority of a service provided by an entity, as described by Parasuraman et al. (1988). In recent decades, the topic of service quality has garnered considerable attention in the marketing literature, mostly due to its perceived associations with customer satisfaction, customer retention, sales revenue, and market shares (Siu & Cheung, 2001).

Service quality is widely recognized as having a multi-dimensional structure (Gronroos, 1990). However, there is a lack of consensus regarding the specific nature and content of these dimensions due to the unique characteristics of service quality, such as intangibility, heterogeneity, and inseparability (Bateson, 1995). Due to the intricate nature of service quality, it is unsurprising that there have been conflicting perspectives regarding the optimal approach to conceive and assess it. Palmer (2011)

conducted a study. According to Churchill and Suprenant (1989), a customer's expectations are affirmed in a positive manner when a service meets their anticipated level of performance. Conversely, expectations are disaffirmed in a negative manner when the product or service exceeds their initial expectations. The concept of service quality, as discussed in the management and marketing literature, pertains to the degree to which consumers' perceptions of service align with or surpass their expectations. This definition is exemplified by Zeithaml et al. (1990).

Service quality refers to the manner in which customers are attended to within a company, encompassing both positive and negative experiences. The concept of perceived service quality refers to the evaluation made by consumers on the overall excellence or superiority of a business (Parasuraman et al., 1988). According to Jiang and Wang (2006), the concept can be described as the assessment made by consumers regarding the performance of a service they have gotten, and the extent to which it aligns with their initial expectations. The analysis of expectations and the subsequent evaluation of performance can be conducted using five dimensions: responsiveness, assurance, tangibles, empathy, and reliability.

Responsiveness pertains to the ability of the service provider to immediately address the customer's needs. Assurance refers to the degree of confidence exhibited by the customer in the satisfactory execution of a service. The term "tangibles" pertains to the material components that are engaged in the provision of services. This include the physical infrastructure, machinery, and human resources involved in carrying out the designated tasks. Empathy refers to the service provider's capacity to demonstrate genuine concern and comprehension towards the consumer and their specific requirements. Reliability refers to the service provider's capacity to continuously deliver services in a dependable and accurate manner, aligning with the commitments made (Reimann et al., 2008).

#### **(b) Relative Advantage**

The concept of relative advantage (RA) was first established by Rogers in his seminal work, "Diffusion of Innovations" (Rogers, 1962). Initially, the concept of relative advantage (RA) was utilized to assess the comparative excellence of an innovation in a comprehensive manner. It was specifically described as "the extent to which an innovation is perceived as superior to the idea it replaces" (Rogers, 2003). In the study conducted by Karahanna (2008), the concept of relative advantage was

defined as a formative construct comprising three sub-dimensions, namely convenience, trust, and efficacy of information acquisition.

According to Rogers (2003), the concept of "relative advantage" in relation to an innovation refers to the extent to which the innovation is viewed as superior than the notion it replaces. It is imperative for organizations to acknowledge that the incorporation of innovation can yield either resolutions to current challenges or novel avenues for production, including heightened productivity and enhanced operational efficacy. The concept of relative advantage pertains to the extent to which a user perceives mobile banking to be more advantageous compared to other banking services such as ATM usage, SMS communications, and physically visiting banking branch offices. These advantages encompass the facilitation of expedited banking transactions for consumers, as well as the provision of accessibility to banking services at any given time and location.

According to Gebreyohans and Ali (2019), customers who see mobile banking as a faster option compared to other alternatives are more likely to use mobile banking technology. Relative advantage refers to the extent to which an individual considers a novel innovation as superior to its predecessor, potentially encompassing advantages such as improved efficiency, economic gains, and greater social standing (Rogers, 1995). According to a study conducted by Johnson et al. (2018), there exists a positive correlation between relative advantage and mobile payment users. Hence, the degree to which an invention is perceived as superior to the software, technology, or product it replaces (Lau, 2002). The concept of relative advantage encompasses various factors, including cost, time efficiency, social standing, value, and the incorporation of technology (Rogers, 2003).

**(c) Social Influence**

The inherent characteristic of human beings is to exert influence upon others and to be influenced by others. Social influence, as defined by Raven (1964), refers to the alteration of an individual's cognition, attitude, and conduct, which is instigated by another individual or a collective group. In light of the significant impact of social influence on customer attitudes and perceptions, numerous research studies have sought to discover and understand this relationship. The clients placed significant emphasis on the influence exerted by their relatives, friends, and family members while choosing an Islamic bank (Marimuthu, et al., 2010). According to Ajzen (1991), individuals are

influenced in their behavior by the perception of social pressure experienced in their everyday lives. Social influence refers to the extent to which an individual recognizes the significance of others' beliefs regarding their adoption of a new system (Venkatesh et al., 2003).

The theory of social influence offers many conceptual frameworks to elucidate the mechanisms via which individuals' behaviors are influenced by others as a consequence of interpersonal interactions (Hillman & Trier, 2013). Social influence refers to the cognitive process through which individuals perceive and internalize the acceptance of a particular lifestyle by their family and friends within a given social context (Hashim et al., 2018). The impact of social influence on consumer purchase decisions exerts a substantial influence on consumer behavior. The determination of consumer purchasing decisions is significantly influenced by the acquisition and assimilation of information from many sources (Ajzen & Fishbein, 1980).

#### **(d) Promotion**

Promotion entails the various methods employed to effectively communicate product information and its associated advantages to clients. Organizations employ a variety of promotional strategies to enhance client awareness of their products and services (Osborne et al., 2013). A variety of promotional methods are commonly employed by organizations to effectively engage clients and enhance their level of satisfaction. Promotion refers to the strategic dissemination and effective communication of a tailored message to the intended target audience, with the aim of generating customer awareness and capturing their attention.

The banking industry, in particular, typically experiences intense rivalry from various perspectives, necessitating extensive promotional efforts to effectively communicate with prospective clients. In the realm of tangible products, advertising holds paramount significance. According to Tsotsou and Goldsmith (2012), personal selling plays a crucial role in the marketing of intangible products such as banking services. Sales promotion, advertising, personal selling, public relations, and direct marketing are encompassed within the concept of marketing mix, as defined by Borden (1984). This entails making strategic decisions on how to effectively position the product in relation to the target market and employing persuasive techniques to encourage their purchase, as discussed by Lovelock et al. (1998).

The significance of a communication program within marketing strategies is in its ability to fulfill three essential functions: the provision of necessary information and guidance, the persuasion of target customers regarding the advantages of a particular product, and the stimulation of their actions at specific moments (Lovelock and Wright, 2002). Various activities that are aimed at promoting products or services include advertising, sales promotion, personal selling, and publicity. These activities have the potential to impact consumers' cognitive processes, emotional responses, overall experience, and ultimately their purchase behavior. Promotion encompasses various aspects, including advertising, sales activities, public relations, and direct marketing (Rousta et al., 2001). In essence, this term encompasses all the operations related to building client preferences and motivation specifically tailored for a given service or service provider. The marketing mix serves three essential functions, namely: delivering necessary information in accordance with predetermined objectives, persuading customers to adopt specific product attributes, and motivating customers to take action at specific moments (Kashani, 2009).

### **2.3 Continuance Usage Intention**

Continued usage intention refers to a facet of behavioral intention that pertains to a consumer's inclination to persist in utilizing a service throughout the post-consumption phase. The measurement of this construct holds significance due to its potential to impact real-world consumption behavior. According to Chen et al. (2012), a positive user experience with a particular technology often serves as a motivating factor for users to persist in their usage of that technology.

Consumer Continuance Usage Intention refers to the amalgamation of deliberate, logical, and affective reactions. Hence, the view of consumers regarding the performance of bank services and their level of attachment to the bank play a significant role in influencing their decision to either continue or quit availing the bank's services. The concept of continuance use intention refers to the post-adoption behavior exhibited by users, indicating their commitment to continue utilizing an information system (IS) following a substantial period of experience with it (Osatuyi & Turel, 2018). Continuance Usage Intention refers to the extent to which an individual who is presently utilizing a product or service has formulated deliberate intentions to sustain its usage in the future.

## **2.4 Related Theories**

Related theories include Service Quality Model (SERVQUAL), Customer Attitude Model (Tri Component Attitude Model), and Marketing Mix Theory. Those theories are considered as the theoretical background for this study.

### **2.4.1 Service Quality Model (SERVQUAL)**

The significance of service quality has garnered heightened attention in recent years, mostly attributable to its distinct impact on the competitive advantage of businesses. The topic of service quality has garnered significant attention and sparked much discussion within the research literature due to the challenges associated with its definition and measurement (Wisniewski, 2001). Rahaman (2011) posits that service quality encompasses a strategic approach to effectively manage company operations, with the ultimate goal of ensuring complete customer satisfaction. This, in turn, contributes to enhancing the competitiveness and overall effectiveness of the sector.

The concept of service quality is centered on the notion that it is determined by consumers through a comparison between their expectations of a service and their impression of how the service was actually delivered. Service quality can be conceptualized as the disparity between customers' anticipated level of service and their actual perception of the service's performance. Service quality can be defined as the variance between the expectations of customers and their actual perceptions of the service received. Service quality refers to the extent to which the services received align with the preconceived expectations, as defined by Parasuraman et al. (1988). The SERVQUAL scale was created as a tool to evaluate consumer perceptions of service quality within the service industry. SERVQUAL, a conceptual framework that emerged in the 1980s, was derived from the GAP model and further developed by Parasuraman, Zeithaml, and Berry.

The dimensions of service quality pertain to the manner in which clients mentally categorize information regarding the quality of a service (Zeithaml & Bitner, 2003). The primary focus of these dimensions lies in the human components of service delivery, encompassing responsiveness, reliability, assurance, empathy, as well as the tangibles associated with the service. The tangibility of a service refers to a metric used to assess the perceived reliability of a service provider, which is determined by the

quality of its most prominent characteristics. Tangibles encompass several elements such as physical facilities, equipment, and staff appearance, among others. According to Lehtinen's (1982) perspective, service quality may be understood through the dimensions of physical quality, which encompasses corporate image, as well as quality and interaction quality.

The term "physical quality" pertains to the observable and tangible attributes of a service. Corporate quality encompasses the perception of the service provider held by both existing and prospective consumers, as well as other stakeholders. The concept of interactive quality pertains to the interactive characteristics of a service, encompassing a reciprocal exchange that takes place between the service provider and the consumer, or their representative. This exchange includes both dynamic and automated interactions. The concept of reliability in the context of a service refers to the service provider's capacity to consistently and accurately deliver the service as promised. The concept of reliability can be described as the capacity to consistently and precisely deliver the expected service. Reliability, in its most comprehensive interpretation, pertains to the company's capacity to fulfill its commitments, encompassing aspects such as timely delivery, supply of services, settlement of issues, and adherence to pricing agreements. Customers are inclined to engage in commercial transactions with organizations that consistently fulfill their commitments, especially in terms of service results and essential service qualities (Zeithaml & Bitner, 2003).

Responsiveness refers to the inclination to assist clients and deliver timely service. This dimension places emphasis on the qualities of attentiveness and promptness in addressing client requests, inquiries, grievances, and issues. The measure of responsiveness towards consumers is conveyed through the duration of time they are required to wait for assistance, responses to inquiries, or resolution of issues. The concept of responsiveness encompasses the ideas of adaptability and the capacity to tailor the service to meet the specific requirements of the consumer (Zeithaml & Bitner, 2003). In order to achieve high levels of responsiveness, it is imperative for a company to adopt a customer-centric approach when evaluating service delivery processes and addressing consumer demands, rather than solely focusing on internal perspectives.

Assurance can be characterized as the collective understanding and politeness exhibited by employees, as well as the capacity of the organization and its personnel to instill a sense of trust and confidence. This component is expected to hold significant importance for services that customers perceive as carrying a high level of risk and/or



services for which they feel unclear about their abilities to assess the outcomes (Zeithaml & Bitner, 2003). The individual who establishes a connection between the consumer and the company can serve as a manifestation of trust and confidence. In service-oriented environments, the corporation endeavors to establish trust and foster loyalty between designated representatives and particular clients. The notion of a personal banker encapsulates the notion that customers are allocated to a banker who will establish an individualized understanding of their needs and will oversee the management of all their banking services (Kotler and Kelly, 2006).

The final dimension in the SERVQUAL Model is empathy, which encompasses qualities such as care, approachability, and the provision of individual attention by the organization to its consumers. Empathy can be defined as the provision of caring and personalised attention by a corporation to its clients. The fundamental concept of empathy involves the provision of individualized or customized services that effectively communicate to clients their individuality and significance. According to Zeithaml and Bitner (2003), customers have a need to experience a sense of understanding and significance from the organizations that offer services to them.

#### **2.4.2 Customer Attitude Model**

The term "attitude" refers to the physical stance or position of an individual that is intended to convey or express a mental state, emotion, or mood. Moreover, the term "attitude" can be delineated across various aspects. The attitude towards a product can be described as the degree to which consumers anticipate that the product will meet their specific demands. If consumers possess such expectations, their attitude towards a brand influences their intention to make a purchase (Kotler and Kelly, 2006).

Attitudes can be conceptualized as cognitive assessments pertaining to concepts, events, objects, or individuals. Attitudes often manifest as either positive or negative, although there are instances where they may exhibit uncertainty. Theories on attitudes demonstrate that customer attitudes towards a product have an impact on consumer behavior and actions towards those products. Consequently, marketers must possess knowledge of consumer attitudes towards the products they are promoting in order to develop strategies that can effectively influence these attitudes. Market research or consumer research is a crucial undertaking aimed at assessing consumer opinions towards a certain commodity. The measurement of attitudes commonly employed by consumer researchers is the Multi Attribute Attitude Model developed by

Fishbein. This model comprises three distinct components, namely the attitude toward the object model, attitude toward behavior model, and the theory of Reasoned Action (Sumarwan, 2004).

The object model is very appropriate for assessing attitudes towards a category of items or services, as well as towards a specific brand. Based on this theoretical framework, customer attitudes towards items or specific product brands are determined by the assessment and perception of certain attributes or convictions. In essence, it can be observed that customers typically possess a certain threshold of satisfactory attributes and favorable perceptions. Consequently, they tend to exhibit a negative disposition towards brands that they perceive as lacking sufficient levels of unwanted characteristics or possessing an excessive number of negative or undesirable features (Schiffman & Kanuk, 2008).

### **2.4.3 Marketing Mix Theory**

Marketing is the strategic undertaking employed by organizations to generate value for customers and establish enduring customer relationships, hence enabling the acquisition of reciprocal value from customers (Kotler & Armstrong, 2005). Marketing is a strategic management process that involves the effective allocation and utilization of an organization's resources to meet the specific needs of targeted client segments. The ultimate goal of marketing is to accomplish mutually beneficial objectives for both the firm and its customers. According to McDonald (1989), marketing can be seen as a mindset rather than a collection of operational tasks.

The marketing mix is a crucial component in product marketing, and the effective management of the marketing mix is widely recognized as a fundamental marketing practice (Jobber & Fahy, 2009). Kotler et al. (2005) share a parallel perspective on the concept of marketing mix, regarding it as a prominent concept within contemporary marketing. The marketing mix refers to a collection of controllable marketing instruments that can be combined and manipulated in order to attain a specific aim. The marketing mix encompasses the whole range of strategies and tactics that an organization can employ to enhance the desirability and demand for its products (Kotler et al., 2005). The selection of an appropriate marketing mix is crucial in order to enhance consumer satisfaction while maintaining a competitive price point (Jobber & Fahy, 2009).

According to Zeithaml and Bitner (2003), the utilization of the marketing mix comprising the 7Ps is particularly suitable for enterprises operating in the service industry. However, the extended marketing mix proposed by Booms and Bitner (1981) has been regarded as a helpful instrument for service marketing.

**(i) Product**

A product refers to any entity that have the ability to fulfill the requirements and desires of consumers. However, upon examining the nature of the customer's purchase, it becomes evident that it primarily involves the acquisition of a service, regardless of whether it is tangible or intangible in nature (Jobber, 2007). Woodruffe (1995) posits that the product component of the marketing mix encompasses the manner in which the offering is constructed. This often encompasses several factors such as quality, styling, color, design, brand name, container sizes, and additional features. A product refers to any offering made by a business to a market, with the intention of attracting, acquiring, and satisfying the needs or desires of customers (Kotler & Armstrong, 2010).

According to their assertion, services can be seen as a type of product that encompasses intangible activities, benefits, or satisfaction that are provided for sale, without resulting in the acquisition of any tangible ownership. Some examples of industries include banking, restaurants, hotels, airlines, wireless communication, and retail, among others. It is noteworthy to emphasize that within marketing literature, the terms "product" and "service" are sometimes used interchangeably, particularly in the context of the service business (Preko, 2014). A service product refers to any offering provided by an organization, either independently or in conjunction with other offerings, with the aim of meeting the demands of prospective clients. According to Kandampully (2002), the service product is a fundamental element that underpins the existence of an organization.

**(ii) Price**

Price is a fundamental component of the marketing mix that serves as a variable, distinct from other elements, as it does not solely entail expenditures but also creates revenue. It represents the monetary value assigned to a product or service, or the aggregate worth that consumers are willing to exchange for the benefits derived from utilizing or possessing that product or service. According to Kotler and Armstrong (2008), it is important for pricing to be set within a range that avoids both too high

prices, which may result in insufficient demand, and excessively low prices, which may lead to insufficient profit.

According to Kotler and Armstrong (2008), while determining a price, it is crucial to consider the strategies and pricing of competitors, particularly in markets where the items or services offered are similar. The pricing component of the services marketing mix is primarily influenced by the fees associated with the provision of services (Ivy, 2008). The price of a product or service can serve as an indicator of its level and quality, and as such, it is often seen by customers as a reflection of its value (Rafiq & Ahmed, 1995). According to Zeithaml and Bitner (2003), service organizations can choose three fundamental marketing price strategies. These methods encompass competition-based pricing, cost-based pricing, and demand-based pricing strategies.

### **(iii) Place**

The element of place in the marketing mix encompasses the strategic decisions about the distribution and sales channels, as well as the associated transportation and logistics considerations (Kotler & Armstrong, 2008). While services themselves are intangible, the provision of services often requires the use of tangible assets. For instance, when a client seeks insurance, they may require a physical location in order to engage in face-to-face communication with the service provider.

Woodruffe (1995) emphasizes that the placement of services within the marketing mix serves the primary objective of enhancing the accessibility and availability of services. Accessibility can be defined as the level of ease and convenience associated with the acquisition, utilization, or reception of services. On the other hand, availability refers to the degree to which services are accessible or capable of being obtained, utilized, or received. The geographical location of service production holds significant importance, particularly in cases where services are characterized by inseparability, such as those provided by hairdressers. The preferences and desires of customers determine their desired service and the specific channels via which they seek to obtain it.

Woodruffe (1995) also emphasizes the significance of geographical position in relation to service provision, as it must be easily accessible to customers, whether they need to visit the firm or the company needs to travel to the client. In their study, Zeithaml and Bitner (2003) emphasize the significance of effectively managing supply

and demand in order to enhance customer satisfaction. They argue that reducing the perceived waiting time for consumers is crucial, suggesting that efforts should be made to make the waiting experience enjoyable or, at the very least, tolerable.

#### **(iv) Promotion**

Promotion encompasses the various endeavors undertaken to effectively convey the advantages of items or services, with the aim of stimulating client interest and ultimately prompting their acquisition (Kotler et al., 2005). Promotion, as a component of the marketing mix, primarily encompasses communications (Woordruffe, 1995). In order for target groups to commence the process of contemplating a purchase, it is imperative that they are provided with pertinent information regarding the items and services in question. Kotler and Armstrong (2008) conducted a comprehensive analysis, whereby they expounded on the concept of communication as a means of presenting a proposition to customers, with the ultimate goal of fostering positive customer connections. The authors also emphasize the significance of the promotion mix, which encompasses advertising, sales promotion, public relations, personal selling, and direct marketing.

In their study, Jobber and Fahy (2009) examined several promotional approaches and highlighted the need of incorporating online marketing as an additional strategy. Promotion refers to the utilization of integrated marketing communication strategies with the aim of effectively conveying marketing operations to clients. For instance, Kotler and Armstrong (2008) mention many promotional strategies employed by businesses, such as special promotions, media-distributed coupons, package coupons, rebates, and refunds. The aforementioned factors can have an impact on customers in terms of their sequential occurrence. It is necessary for the consumer to possess initial knowledge regarding the existence of the product, followed by a subsequent inclination to allocate attention towards the product and its potential benefits. During the subsequent phase, it becomes imperative for the consumer to assess the inherent advantages of the product, with the hopeful intention of engaging in a trial of the product. Positive experiences can potentially result in the sustained utilization of a product or service.

The term "promotional mix" refers to the collection of tools available to businesses for the purpose of efficiently communicating the advantages of their products or services to their consumer base. Market communication serves three

fundamental functions in the field of marketing: informing, persuading, and reminding. Traditional promotion encompasses a range of techniques, such as advertising, sales promotion, public relations, and personal selling, which are utilized to capture the interest of both current and prospective customers. Its primary objective is to disseminate information regarding the products, services, and exclusive deals offered by the company (Peattie & Peattie, 1994).

The many components of the promotion mix have gained widespread recognition in numerous domains within the field of services marketing. In the context of insurance services, the promotion of these offerings is typically achieved using a combination of advertising, personal selling, and sales promotion strategies. Promotion serves as a means of communication with the potential market, with the aim of persuading prospective clients to engage with a novel insurance product (Periasamy, 2005). The optimal approach is to implement the prohibition of inline advertising in trade journals, industrial publications, and magazines.

**(v) People**

Woodruffe (1995) acknowledged the significance of individuals involved in the service encounter, including service employees and consumers, and their respective contributions to the delivery of service and the resulting service benefits. The primary responsibility of employees is to provide services, and it is incumbent upon organizations to utilize human resource management strategies to identify and cultivate individuals who possess the requisite skills and attributes to effectively deliver these services to their clients. The quality of a service can be significantly influenced by the activities of the personnel, depending on whether the service is labor-intensive or equipment-based.

According to Zeithaml and Bitner (2003), service employees play a significant role in determining the overall quality of service. This underscores the crucial role of employees in upholding commitments and effectively establishing client connections, hence contributing to the success of a firm. The authors of the book assert that the implementation of human resource strategies is essential for firms to effectively fulfill their commitments. The aforementioned tactics, which revolve around the concept of customer-centric service delivery, are founded upon the principles of recruiting suitable

personnel, retaining top talent, cultivating individuals to ensure service excellence, and establishing necessary support mechanisms.

Hence, it is imperative to place significant emphasis on the caliber of personnel and diligently oversee their productivity. The significance of this matter is particularly pronounced within the realm of services, as employees have a tendency to exhibit variability in their performance, hence resulting in fluctuating levels of quality (Rafiq & Ahmed, 1995). Individuals constitute the primary and indispensable asset within any firm, with a special emphasis on service-oriented entities. The acquisition and effective training of suitable personnel are crucial for service providers aiming to gain a competitive edge. Insurance businesses should prioritize investing in the training and professional development of its workers and agents. Developing robust relationships with both agents and customers is crucial for effectively addressing customers' demands and delivering fast service. The level of satisfaction experienced by consumers is contingent upon the quality of interaction between customers and the individuals who serve as representatives for insurance businesses. The primary areas of focus involve providing training to employees and agents in order to facilitate the introduction of new goods and enhance the utilization of information technology for improved efficiency, both at the staff and agent levels.

**(vi) Process**

According to Booms and Bitner (1981), the concept of process encompasses various elements such as policies, procedures, mechanization, employee discretion, customer involvement, customer direction, and flow of operations (Rafiq & Ahmed, 1995). This element pertains to consumers, specifically in terms of the process involved in ordering or acquiring a service. The appropriate queue and delivery times should be ensured to meet the expectations of customers. Moreover, the presence or absence of other consumers can influence purchasing behavior.

The presence of extended lineups at checkout counters has the potential to deter numerous customers from patronizing a certain establishment (Rafiq & Ahmed, 1995). A process refers to the systematic approach and ordered series of steps involved in the execution of a service. In contrast to tangible objects, services can be conceptualized as dynamic processes. Services are the outcomes derived from the actions, behaviors, executions, and undertakings carried out by the employees of a company either independently or in collaboration with different types of equipment,

machinery, facilities, and similar resources. When evaluating the assessment process, customers determine if the service adheres to a standardized production line approach or if the procedure is tailored to provide individualized attention to the customer (Bowen & Lawler, 1992).

According to Shostack (1984), the intangible nature of services necessitates a clear definition of the service process, as they are mostly described through verbal communication by individuals. One must be cautious when depending solely on verbal descriptions to convey information about services, as there are several inherent dangers associated with this approach. These risks include the potential for oversimplification, the likelihood of incomplete descriptions, the subjectivity of individual readers, and the potential for biased interpretations stemming from the language chosen to describe the service.

#### **(vii) Physical Evidence**

Physical evidence refers to the contextual setting in which a service is rendered, encompassing the space where service providers and customers engage, as well as any actual assets that aid in service delivery or convey the essence of the service. Zeithaml and Bitner (2003) assert that clients often rely on tangible cues or physical evidence to evaluate services prior to purchase and measure their satisfaction with the service post-purchase. The physical attributes of a firm, such as the architecture, landscaping, interior design, equipment, printed materials, and other observable indicators, collectively serve as concrete manifestations of the organization's service excellence.

According to Bitner (1996), this type of tangible proof presents advantageous prospects for a service organization to effectively communicate marketing messages that are coherent and unambiguous with regards to the firm's objectives, target market segment, and the characteristics of the service. According to Bitner (1990), the physical evidence of a service encounter includes visual evaluation of employees' attire and nonverbal indicators. Physical evidence refers to the various elements that contribute to the total environment, such as furnishings, color schemes, layout, noise levels, and enabling goods (Rafiq & Ahmed, 1995).

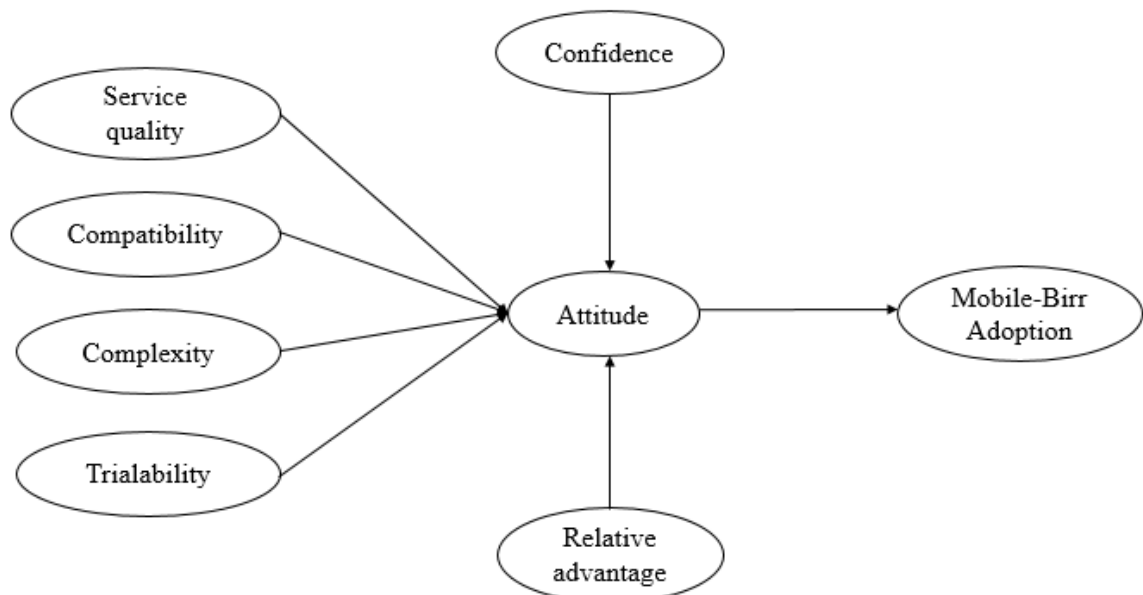
The significance of physical evidence is in its ability to enable customers to evaluate the quality of service rendered through the utilization of tangible indicators. According to Shostack (1987), there is a positive correlation between the level of intangibility of a service and the necessity to render it tangible.



## 2.5 Previous Studies

This study makes reference to four prior studies that are pertinent to the subject matter at hand. The aforementioned studies are utilized in order to construct the conceptual framework of the research. In this study, Gebreyohans and Ali (2019) examined the various elements that influence customers' attitudes towards the adoption of m-birr in Ethiopia. The study was carried out among the clientele of the M-Birr service in Addis Ababa, Ethiopia. The authors present the conceptual framework of their investigation in Figure 2.1.

**Figure (2.1) Conceptual Framework of Influencing Customers' Attitude**



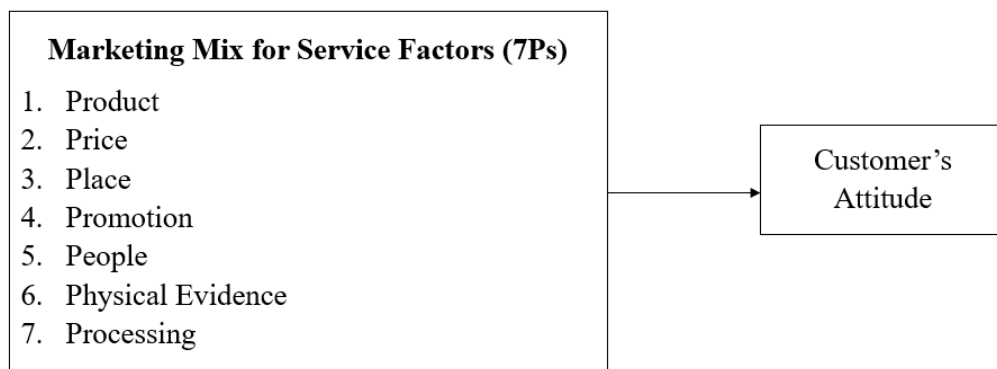
Source: Gebreyohans & Ali, 2019

The data collection instrument utilized in this study consisted of a closed-ended questionnaire that was delivered to a total of 211 respondents. In their study, Gebreyohans and Ali (2019) conducted an examination of the six attitude attributes in relation to the utilization of the M-Birr system. The researchers discovered that the categories of confidence, service quality, and trialability exhibited a positive correlation with the attitude towards technology usage. Conversely, the constructs of compatibility, relative advantage, and complexity demonstrated a negative correlation with the attitude towards technology usage.

The objective of the study conducted by Redwanuzzaman and Khan (2021) was to furnish commercial banks with insights on the influence of various components of

the marketing mix on customer behavior. The primary objective of doing this study was to determine the specific aspects within the marketing mix that exert the greatest influence on customer satisfaction within the commercial banking sector in the Rajshahi division of Bangladesh. In the midst of 2020, a survey was conducted utilizing a basic random sampling technique, encompassing a sample size of 350 consumers from commercial banks. The conceptual framework proposed by Redwanuzzaman and Khan (2021) is visually depicted in Figure 2.2.

**Figure (2.2) Conceptual Framework of Service Marketing Mix on Customer Attitude**

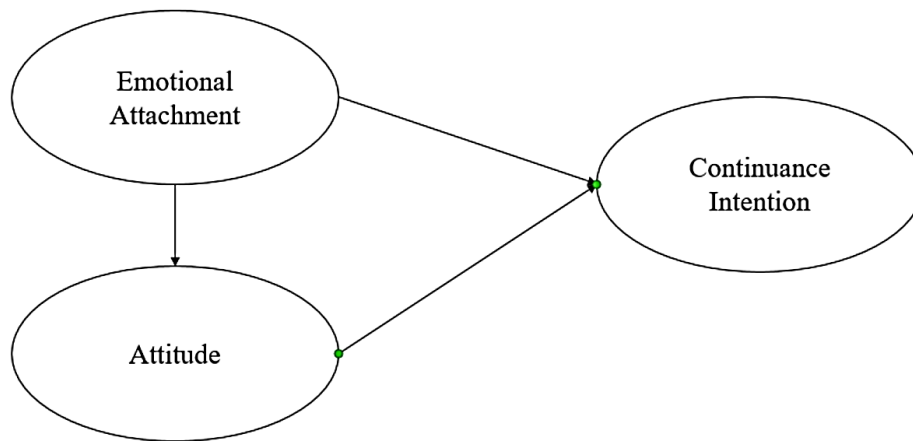


Source: Redwanuzzaman & Khan, 2021

Based on the data shown in Figure 2.2, Redwanuzzaman and Khan (2021) utilized the service marketing mix (7Ps) as the independent variables, with customer attitude serving as the dependent variable. The results of the study indicated a strong correlation between the attributes of 'People,' 'Price,' and 'Product,' which are key components of the marketing mix in the context of bank settings. These attributes were found to have the most substantial impact on predicting customer satisfaction among commercial banks in the Rajshahi division of Bangladesh.

The study conducted by Nasir et al. (2022) sought to examine the determinants contributing to the lack of customer loyalty towards Islamic banks in coastal regions. The participants in this study consisted of clients of traditional banks residing in the regions of Aceh, North Sumatra, and Riau. The study's sample size consisted of 350 participants. The researchers employed a stratified random sample technique to conduct the sampling process. The conceptual framework proposed by Nasir et al. (2022) is visually depicted in Figure 2.3.

**Figure (2.3) Conceptual Framework of Continuance Intention**

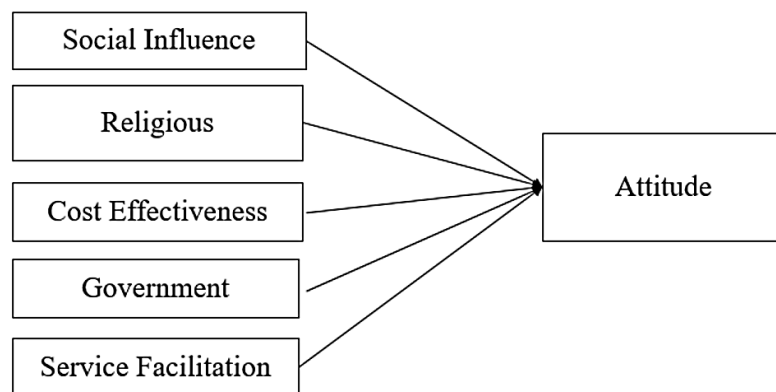


Source: Nasir et al., 2022

The results of Nasir et al. (2022) showed that both emotional attachment and attitude had a significant effect on continuance intention of bank customers based on the regression results.

Shah et al. (2015) studied the influencing factors on the attitude of the customers towards Islamic banking. Shah et al. (2015) distributed 300 Questionnaire through convenience sampling among the customers. The conceptual framework of Shah et al. (2015) is presented in Figure (2.4).

**Figure (2.4) Conceptual Framework of Influencing Factors on Attitude**



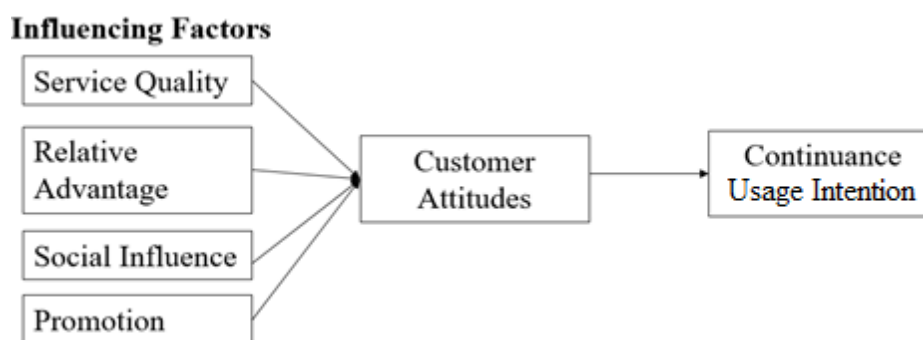
Source: Shah et al., 2015

Shah et al. (2015) found that cost effectiveness, Service facilitation and intention to use had more significant effect on the attitude of the customers than other factors like religious compliance and social influence.

## 2.6 Conceptual Framework of the Study

The conceptual framework of the study is developed by referring the theoretical background, and previous studies mentioned above. Figure (2.5) presents the conceptual framework of the study.

**Figure (2.5) Conceptual Framework of the Study**



Source: Own Compilation, 2023

Based on Figure 2.5, the four characteristics that are considered to be independent are service quality, relative advantage, social effects, and promotion. Customers have a desire to assess the level of service quality prior to selecting a remittance service. Furthermore, the evaluators take into account the comparative benefits offered by each service provider. Typically, individuals may seek guidance from their own social circle, such as close friends or relatives. Promotions might serve as compelling considerations for clients when choosing an international remittance service. This study investigated the potential impact of influencing factors on customer attitudes towards remittance services. Furthermore, this study examines the impact of customer attitudes on the intention to continue using the remittance service provided by Myanmar Citizens Bank.

Working definitions of the independent variables are as follow:

- (i) **Service Quality:** Service quality in this study refers providing error-free service, right service at the first time, relevant feedback based on enquiry and individual attention of MCB to remittance customers.
- (ii) **Relative Advantage:** Relative advantage in this study refers advantages of using foreign remittance service from MCB bank. Those advantages include reliable, secured, fast, ease of use and avoidance of illegal money transfer service.

- (iii) **Social Influence:** Social influence in this study refers to the suggestions and recommendations of closed people such as friends, relatives or colleagues while considering to use foreign remittance service of MCB.
- (iv) **Promotion:** *Promotion* in this study refer to the competitive exchange rates, no additional service fee from recipients and additional offers of MCB for foreign remittance service.

## **CHAPTER 3**

### **PROFILE AND FOREIGN REMITTANCE SERVICE OF MCB BANK**

This chapter includes the profile of MCB bank, the organizational structure and the foreign remittance services of Myanmar Citizen Bank (MCB), currently providing to its customers.

#### **3.1 Profiles of MCB Bank**

The Myanmar Citizen Bank (MCB) is a privately-owned commercial bank that was founded in the year 1992. MCB initiated its business operations on the 2nd of June, 1992, at the address of No. 383, Maharbandoola Road, situated in Kyauktada Township, Yangon. On August 17, 2012, MCB received authorization from the Central Bank of Myanmar (CBM) to operate as a Foreign Exchange Authorized Dealer. Subsequently, on January 5, 2013, MCB joined the Society for Worldwide Inter Bank Financial Telecommunication (SWIFT) as a member. The money changer license was awarded to MCB on October 24, 2011. Subsequently, MCB established money changer counters at various branches, including Kyauktada Branch, Muse Branch, Mandalay Branch, and Dawpon Mini Branch (MCB, 2023).

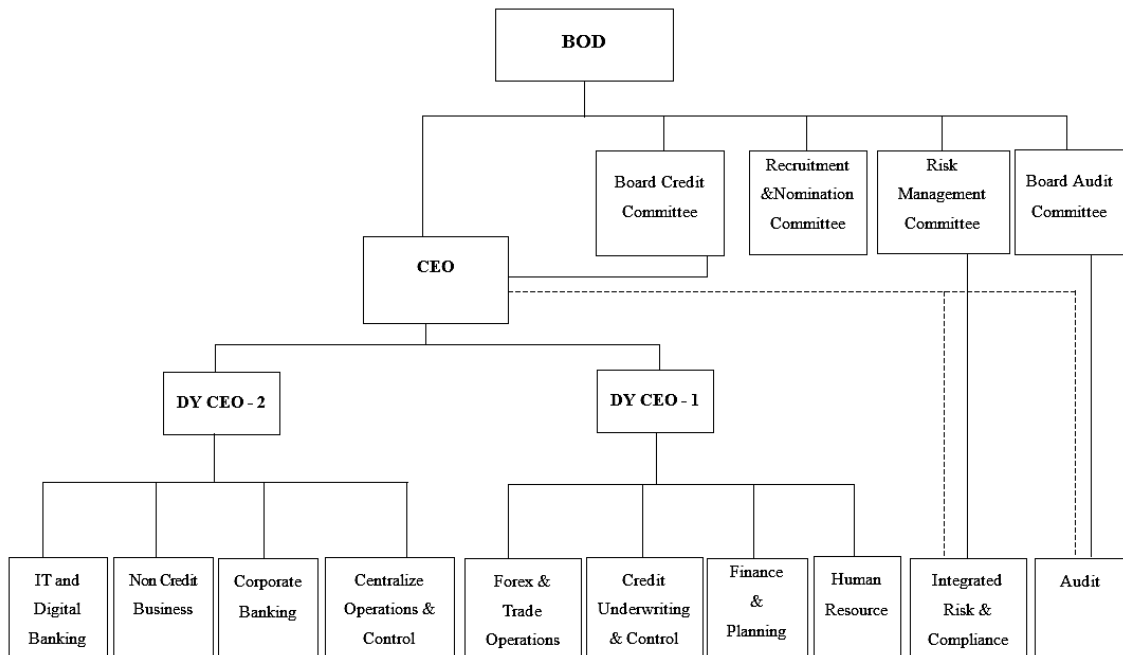
The MCB bank has been providing acquisition services for Visa and MasterCard since 2014. Additionally, the bank has produced a branded credit card called the "Citizens card," which is affiliated with MasterCard. MCB was listed on the Yangon Stock Exchange on August 26, 2016, and thereafter commenced trading of its shares. MCB is now offering a range of services to its customers through its connections with correspondent banks. These services include the creation of Foreign Currency Current accounts, facilitating Export/Import Settlements, disbursing cash, providing Bank Guarantees, facilitating Account transfers, and engaging in foreign Exchange Market operations. According to the latest available data from MCB bank (2023), the bank currently operates a network of 51 branches around the country.

The mission of MCB is to establish itself as a robust, enduring, environmentally responsible, morally upright, and forward-thinking financial institution that generates wealth for all interested parties by leveraging and facilitating the advancement of Myanmar. The primary objectives of the organization are to generate value for its

investors by achieving strong financial performance while upholding principles of transparency, accountability, and good governance. Additionally, the organization aims to offer services to various sectors, including Corporate, Small and Medium Enterprises (SMEs), Micro, Small and Medium Enterprises (MSMEs), and individual consumers.

The organization also seeks to promote financial inclusivity through the establishment of branches, agent banking, and digital delivery channels. Furthermore, the organization is committed to recruiting and nurturing talented individuals to cultivate a dedicated, capable, ethical, and compassionate workforce. Lastly, the organization aims to establish a secure and robust IT infrastructure to streamline internal operations through digitalization (MCB, 2023). This section elucidates the organizational structure of the Myanmar Citizen Bank (MCB). MCB employs a methodical approach in organizing its organization in order to provide high-quality service to its clientele. The organizational structure of MCB is depicted in Figure 3.1.

**Figure (3.1) The Organizational Structure of MCB**



Source: MCB, 2023

According to the diagram presented in Figure 3.1, the organizational structure includes two Deputy Chief Executive Officers (Dy CEO) positioned directly below the Chief Executive Officer (CEO). MCB has established departments under the supervision of two Deputy CEOs in order to deliver efficient and dependable customer service. The overall number of departments at MCB amounts to ten. The various

departments of Myanmar Citizen Bank are actively engaged in providing extensive support aimed at enhancing the skill sets of its workers. MCB is currently enhancing its human resource development sector in order to optimize the provision of banking services through a highly skilled and proficient workforce.

The process of staff selection and appointment at Myanmar Citizen Bank is conducted with careful consideration of the skills and qualities required for specific job roles and associated tasks. The emphasis on human resource development is a significant aspect of Myanmar Citizen Bank's core responsibilities. To enhance the quality of banking services, there is an ongoing effort to enhance the abilities and expand the service areas of staff. Additionally, employees receive annual training to provide them with increased assistance.

In response to the Covid-19 epidemic, MCB implemented an online learning platform to enhance instructional efficacy and facilitate remote work. MCB ensures that all workers possess a comprehensive understanding of the laws and regulations prescribed by Myanmar Citizen Bank. This enables employees to effectively adhere to instructions and promptly complete assigned tasks. The Human Resource Development Department actively engages in the formulation and implementation of objectives and key performance indicators (KPIs) to facilitate the systematic execution of assigned duties by workers.

### **3.2 Foreign Remittance Service Myanmar People in MCB Bank**

Citizen Bank provides international money transfer services with competitive exchange rates and supplementary incentives for remittance transactions involving migrant workers moving between Myanmar and abroad nations. In order to avail of the remittance service, customers are required to furnish comprehensive information including the full names, identification numbers, transfer account numbers, addresses, and phone numbers of both the sender and the receiver.

At now, Myanmar Citizens Bank is engaged in a collaborative partnership with International Money Transfer services, encompassing a vast network spanning over 200 countries across the globe. MCB has established partnerships with seven prominent entities to facilitate overseas remittance services. Table 3.1 displays the International Money Transfer agents in conjunction with MCB.



**Table (3.1) International Money Transfer Agents with MCB**

<b>Sr. No.</b>	<b>International Agent Companies</b>	<b>Based Country</b>
1.	Money Gram	USA
2.	Ria	USA
3.	Merchantrade	Malaysia
4.	Myanmar Remit	Nepal
5.	Queenbee	Japan
6.	Dollarsmart	Thailand
7.	Transferto	Singapore

Source: MCB, 2023

MCB is engaged in the provision of International Remittance services through a collaborative partnership with RIA IME (International Money Express), a Malaysian-based entity. This collaboration involves the participation of a network of one hundred agents located across sixty-nine different locations. The primary objective of this initiative is to facilitate global transactional services for Myanmar employees residing outside their home country. Additionally, the company facilitates transactions in collaboration with MoneyGram, a financial services company headquartered in London, which boasts a vast network of 300,000 agents spanning across 197 countries.

In addition to offering Inbound Remittance services in collaboration with MoneyGram, the bank has introduced a new financial product known as Non Trade Remittance: Outbound Remittance. This service permits users to send a maximum amount of USD 3,000 per individual. In addition to the aforementioned mobile networks, transactions can also be conducted through alternative platforms such as Transfer To and Merchantrade.

The bank has been expanding its network through partnerships with other foreign money services organizations, including Transfer to Mobile Financial Services, foreign F.C. Stone, City Express, Queen Bee Capital (based in Japan), and Hanpass (located in Korea). The Molecular and Cellular Biology department has implemented a Portal Download System and a Remit Check System, both of which incorporate a comprehensive customer database. The registration number serves as a means to access

data pertaining to returning consumers. The transfer limit for a single transaction is USD 3,000.

A maximum annual transfer limit of USD 10,000 is applicable. The variability of service charges is contingent upon the specific type of remittance being conducted. The MCB provides remittance transfer services at a competitive rate of 150 Kyats. Recipients will not be subject to any supplementary service charges, as they are just need to present their Pin number and National Registration Card-NRC.

Myanmar Citizens Bank (MCB) provides a prompt and dependable foreign remittance service, facilitating transactions between foreign nations and Myanmar. The bank provides remittance services for Myanmar migrant workers through partnerships with international banking institutions.

### **3.2.1 Standard Operating Procedure (SOP)**

The workforce of Myanmar Citizen Bank comprises highly skilled and proficient people. The operational procedures of the firm are explicitly delineated, and routine activities are assigned on a daily basis. Therefore, employees are able to efficiently and expeditiously carry out their designated duties. The officers have diligently conducted systematic checks, employing the Maker and Checker method, and have rendered their services in a meticulous, sequential manner to ensure the absence of any errors. The systematic planning and implementation of standard operating procedures (SOPs) have been carried out across multiple departments within MCB. The heads of departments across numerous departments demonstrate proficient management skills in effectively overseeing their personnel.

Standard Operating Procedures (SOPs) are prepared by the respective departments and thereafter reviewed and assessed by the departmental leaders. The appointment of the Head of the Audit Department and the Head of the Compliance Department was formulated in collaboration with the Head of the Legal Department. The initial versions of the Statement of Purpose (SOP) are presented to the management for their review and endorsement. Standard Operating Procedures (SOPs) that have received approval from upper management are disseminated to all relevant divisions. Subsequently, all departments exclusively adhere to the Standard Operating Procedures (SOPs) that have been authorized by the management inside their respective organizations. The overall number of Standard Operating Procedures (SOPs) at MCB

exceeds one hundred. Furthermore, while introducing novel products and establishing new divisions, it is imperative to develop new Standard Operating Procedures (SOPs).

### **3.2.2 Customer Service**

The employees of MCB are well trained to deliver efficient and dependable remittance services. Employees have the ability to provide personalized attention in order to suggest appropriate items and services. Furthermore, the staff of MCB are consistently prepared to address customer concerns due to the use of a system that is regularly updated to ensure prompt responses to customer queries. The duration of the transfer varies depending on the Time Zone of the country, with a maximum time of T+1. Upon the arrival of the transferred funds, bank officials have the capability to verify the transaction by accessing the Remittance System. Upon the successful completion of the money transfer process, the bank personnel duly notify the beneficiaries at the designated destination and inquire about their preferred course of action, such as whether they would want to withdraw the funds or transfer them to their bank account.

Customers who open a Remit Saving Account at the bank have the ability to monitor the status of their transfers by accessing the mobile application. The funds that have been moved and deposited into the account can also be withdrawn using automated teller machines (ATMs) as well as through authorized agents of Citizens Pay. MCB Bank offers a range of financial services, including cash pick-up, bank deposit, and wallet deposit services, which are available for application at any of its offices. To use of the Cash Pick Up Service, customers are required to submit an application at the branches of MCB.

### **3.2.3 Remittance Safety Arrangements**

Customers can engage in online money transfers through various platforms, namely Mobile Wallet, Queen Bee Agent, and Tunes Agent. MCB provides comprehensive training programs aimed at cultivating employees' professional ethics and ensuring compliance with legal regulations, hence mitigating the risk of customer data breaches. Furthermore, the bank consistently maintains and disseminates the specifications provided by the central bank. The bank issues unique identification credentials, including staff ID and password, to enable authorized access to the necessary data. Customers are granted access solely to files that pertain to their

designated tasks, while being restricted from accessing files that are unrelated to their assigned responsibilities. MCB successfully acquires real-time information to enable staff to carry out their jobs with optimal effectiveness and efficiency.

#### **3.2.4 Promotion**

The Central Bank of Myanmar (CBM) has recently declared its intention to offer an additional subsidy of 30 kyats for every dollar received as remittances from overseas sources. The customary practice of Myanmar Citizen Bank entails providing an additional (5) kyat as a form of incentive. The employees of Myanmar Citizen Bank would often visit the Ministry of Labor office on a weekly basis in order to conduct awareness programs pertaining to education, marketing, and promotion. In addition, the MCB frequently provides significant rewards to consumers who engage in regular semiannual money transfers. In the event that clients opt to transfer funds to their parents, the latter have the opportunity to initiate the opening of a Senior Savings Deposit Account with Myanmar Citizen Bank. Furthermore, the bank frequently bestows gifts upon parents throughout significant occasions, including Mother's Day, Father's Day, and other such celebrations.

# CHAPTER 4

## ANALYSIS ON CUSTOMER ATTITUDE TOWARDS CONTINUOUS INTENTION TO FOREIGN REMITTANCE SERVICE AT MYANMAR CITIZENS BANK

This chapter presents the findings according to the survey findings. This chapter has the research design, and reliability test. Then, it presents demographic data of the respondents. It also describes the influencing factors on attitude of foreign remittance customers of MCB bank. Finally, it presents the analysis data for the effect of customer aptitudes on Continuance Usage Intention of foreign remittance service.

### 4.1 Research Design

This study focuses the remittance of MCB bank. Primary data and secondary data are used to analyse the data. To get the sample size, Yamane (1973) Formula is used. Among 1,100 MCB foreign remittance customers at MCB head office, 293 (27%) foreign remittance customers were selected by simple random sampling method. The Yamane sample size formula is shown as following:

$$n = \frac{N}{1 + N * (e)^2}$$
$$n = \frac{231}{1 + 1,100 * (0.05)^2} = 293$$

The variables in this formula are:

n = the sample size

N = the population of the study

e = the margin error in the calculation

For primary data, structured questionnaire with 5-point likert scale was applied. Survey was distributed via online by creating Google Question Form. Both Descriptive and quantitative research methods were applied in this study to meet the main objectives of the study.

Survey data were collected in June 2023. Regression analysis was applied to find out the effect between independent and dependent variables. Secondary data

include Myanmar Citizens Bank’s records, previous published papers, earlier research papers, relevant text books and international studies through internet websites.

#### 4.2 Demographic Data of the Respondents

This section presents the profiles of 293 respondents who completed and returned the structured questionnaire. Demographic information includes gender, marital status, age, education, occupation, In the Table (4.1), profiles of the respondents are expressed by frequency and percentage.

**Table (4.1) Demographic Data of the Respondents (Part-A)**

Sr. No	Item	Category	No. of Respondents	Percent
		Total	293	100.0
1	Gender	Male	111	37.9
		Female	182	62.1
2	Marital Status	Single	142	48.5
		Married	151	51.5
3	Age (Years)	20-25	15	5.1
		26-30	51	17.4
		31-35	78	26.6
		36-40	96	32.8
		41-45	35	11.9
		46-50	18	6.1
4	Education	Undergraduate	7	2.4
		Graduate	249	85.0
		Post Graduate	36	12.3
		Master	1	0.3
5	Occupation	Company Employee	202	68.9
		Government Staff	17	5.8
		Foreign Company	70	27.9
		Retired	4	1.4

Source: Survey Data, 2023

This study aims to examine the association between individuals and Myanmar Citizens Bank (MCB), as well as their utilization of various MCB products.

Additionally, the investigation will explore the different types of goods offered by MCB, the geographical context in which these products are available, and the frequency of remittance transactions conducted on a monthly basis. The data is shown in Table 4.1.

Based on the data shown in Table 4.1, it can be observed that the proportion of female respondents is 62.1 percent, whilst the remaining respondents are male. Furthermore, this particular demographic constitutes 32.8% of the participants and falls between the age range of 31 to 35 years. The bulk of respondents, or 51.5 percent, are married individuals with a background in accounting. The majority of the group, at 85 percent, consists of those who have completed their degree studies. The highest proportion of respondents, including 68.9 percent, identified themselves as employees of the organization.

**Table (4.2) Relationship between Respondents and MCB Bank (Part-B)**

Sr. No	Item	Category	No. of Respondents	Percent
		Total	293	100.0
1	Relationship with Myanmar Citizens Bank	Less than 1 year	23	7.8
		1-2 years	46	15.7
		3-4 years	132	45.1
		4-5 years	39	13.3
		Above 5 years	53	18.1
2	Using other products of MCB	Yes	287	98.0
		No	6	2.0
3	Types of other products	Saving Account	132	45.1
		Special Call Deposit	91	31.1
		Current Account	43	14.7
		Fixed Deposit	21	7.8
4	Remitted Country	Japan	104	35.5
		Korea	57	19.5
		Malaysia	48	16.4
		USA	36	12.3
		Omen	19	6.5
		Other	29	9.9

5	Remittance every month	Yes	202	68.9
		No	91	31.1

Source: Survey Data, 2023

As shown in Table (4.2), among 293 respondents, the majority 45.1 percent has relationship with Myanmar Citizens Bank for 3-4 years, and 98 percent has used other products of MCB. Among other products, the majority 45.1 percent has used saving account. The largest group is from Japan marking up with 35.5. The majority group 68.9 percent gets Remittance every month.

### 4.3 Reliability Test

In the realm of academic inquiry, the concept of dependability pertains to the extent to which the findings of a particular investigation may be reproduced or duplicated under same circumstances. Cronbach (1951) provided a range of descriptive terms to characterize the Alpha values, including excellent (0.93–0.94), strong (0.91–0.93), reliable (0.84–0.90), robust (0.81), fairly high (0.76–0.95), high (0.73–0.95), good (0.71–0.91), relatively high (0.70–0.77), slightly low (0.68), reasonable (0.67–0.87), adequate (0.64–0.85), moderate (0.61–0.65), satisfactory (0.58–0.97), acceptable (0.45–0.98), sufficient (0.45–0.96), not satisfactory (0.4–0.55), and low (0.11). The findings of the reliability assessment using Cronbach's Alpha are displayed in Table 4.3.

**Table (4.4) Reliability Test**

Sr. No.	Variable	No. of Items	Cronbach's Alpha
1	Service Quality	7	.902
2	Relative Advantage	7	.916
3	Social Influence	6	.941
4	Promotion	5	.871

Source: Survey Data, 2023

According to Table (4.1), Cronbach's Alpha values for all variables show that all the scores are greater than 0.7. Therefore, it is said to have good reliability and the findings are valid for this study.



#### 4.4 Descriptive Analysis of Influencing Factors and Customer Attitude

Primary data are collect by using structured questions with Five-point Likert scale (1= Strongly Disagree, 2= Disagree, 3=Neutral, 4= Agree, and 5= Strongly Agree) was used to find out the influencing factors on customer attitude. The mean rating scale is presented in Table (4.4) as per Best (1977) contribution.

**Table (4.4) Mean Rating Scale**

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

Source: Best, 1977

According to Table (4.4), Best (1977) identified mean rating scale in order to interpret the survey data. He classified five ranges by specifying score range and mean rating. This study applied mean rating scale of Best (1977).

##### 4.4.1 Influencing Factors on Customer Attitude

In this study, the influencing factors that can affect attitude of the customers include service quality, relative advantage, social influence and promotion. To get the perceptions of the customers, structured questionnaires are used to collect the data from 293 foreign remittance customers of MCB bank.

##### (a) Customer Perception on Service Quality

Service quality is an input variable for customer attitude and leads to customer satisfaction. Customers used to look for the bank that offers good service quality. Customer perception towards the foreign remittance service quality of MCB bank is presented in Table (4.5).

**Table (4.5) Service Quality**

<b>Sr. No.</b>	<b>Service Quality</b>	<b>Mean Score</b>	<b>Std. Dev</b>
1.	Service right at the first time	3.87	0.75
2.	Services provided according to the promise	3.95	0.73
3.	Fast feedback whenever customer enquiries	4.01	0.76
4.	Many remittance agents at many foreign countries	3.98	0.85
5.	MCB providing exact information of remittance status	3.97	0.78
6.	Error free records regarding remittance	3.93	0.85
7.	Customer individual attention	4.01	0.85
	<b>Overall Mean</b>	<b>3.96</b>	

Source: Survey Data, 2023

Based on the data shown in Table 4.5, it can be observed that the highest mean score of 4.01 suggests that a significant proportion of the respondents strongly agree with the notion that MCB promptly addresses customer inquiries and that its workers possess the necessary skills to deliver a reliable and efficient remittance service. Furthermore, a significant majority of respondents express strong agreement about MCB's provision of personalized attention in the realm of international remittance services, wherein the bank actively identifies and addresses the specific requirements and unique requests of its customers. The finding of a mean score of 3.98, which is the second highest, suggests that a significant proportion of the respondents strongly agree with the presence of MCB agents in numerous other nations. Therefore, they are advantageous for facilitating international money transfers.

Based on the calculated average score of 3.96, it can be inferred that a significant majority of the participants strongly concur with the notion that the service quality provided by Myanmar Citizens Bank for overseas remittance is highly satisfactory.

**(b) Customer Perception on Relative Advantage**

Relative Advantage is the level to which an innovation is perceived as being higher than the concept it overtakes. Customer perception towards the relative advantage of foreign remittance of MCB bank is presented in Table (4.6).

**Table (4.6) Relative Advantage**

<b>Sr. No.</b>	<b>Relative Advantage</b>	<b>Mean Score</b>	<b>Std. Dev</b>
1.	MCB remittance service being secure	4.14	0.82
2.	Fast remittance service offered by MCB	4.11	0.87
3.	Easy to transfer money by MCB remittance service	4.09	0.82
4.	Able to follow up the remittance status	3.96	0.86
5.	Able to transfer the money on time to my family.	4.03	0.79
6.	Able to avoid illegal money transfer agents	4.02	0.89
7.	Additional incentives provided by MCB remittance service	4.15	0.88
<b>Overall Mean</b>		<b>4.07</b>	

Source: Survey Data, 2023

Based on the findings presented in Table 4.6, it is evident that the majority of the respondents strongly agree with the notion that MCB remittance service provides supplementary benefits. This is primarily attributed to the fact that MCB offers low transfer fees amounting to 150 kyats. Furthermore, the data reveals that the second highest mean score (4.14) indicates a significant level of agreement among the respondents on the security of MCB remittance service. The respondents also express strong agreement with the promptness of MCB remittance service, highlighting their ability to transfer funds to their families in a timely manner.

The average score of 4.07 suggests that a significant majority of the respondents strongly agree with the notion that they obtain a relative advantage from the foreign remittance service provided by MCB.

**(c) Customer Perception on Social Influence**

Social influence is the technique through which people adapt their opinion, revise their beliefs, or alternate their conduct due to social interactions with different people. Customer perception of social influence towards the foreign remittance of MCB bank is presented in Table (4.7).

**Table (4.7) Social Influence**

<b>Sr. No.</b>	<b>Social Influence</b>	<b>Mean Score</b>	<b>Std. Dev</b>
1.	Colleagues using MCB remittance service	3.91	0.83
2.	Family preferring MCB remittance service	4.00	0.88
3.	Most people recommending the MCB remittance service.	3.99	0.74
4.	Hearing about the positive image of MCB remittance service from friends	3.95	0.80
5.	People important to me considering MCB remittance service should be used.	4.03	0.81
6.	Used to take suggestions from friends and relatives	4.02	0.80
	<b>Overall Mean</b>	<b>3.98</b>	

Source: Survey Data, 2023

Based on the data presented in Table 4.7, it is evident that the respondents' average score of 4.03 indicates a strong agreement with the recommendation of MCB remittance service by significant individuals in their lives. Based on the data, it can be inferred that a significant proportion of the participants (as indicated by the second highest mean score of 4.02) strongly concurred with the notion that they had previously sought advice from their friends and relatives. Furthermore, it is widely acknowledged that their families have a strong preference for the MCB remittance service.

The average score of 3.98 suggests that a significant majority of the participants strongly agree with the notion that they typically seek advise from friends, relatives, and colleagues instead of utilizing MCB services, and that they gain substantial knowledge about the favorable reputation of MCB services. Therefore, it has been determined that the respondents experience a certain level of social influence from individuals in their immediate social circles.

**(d) Customer Perception on Promotion**

Promotion consists of the whole set of activities, which talk about the product to promote awareness of the products to the user. Customer perception towards promotion of foreign remittance of MCB bank is presented in Table (4.8).

**Table (4.8) Promotion**

<b>Sr. No.</b>	<b>Promotion</b>	<b>Mean Score</b>	<b>Std. Dev</b>
1.	Looking for the promotion regarding remittance services	3.89	0.82
2.	Additional amount (30 Kyats per dollar) on the exchange rate at MCB	4.13	0.90
3.	Competitive exchange rates and additional offers at MCB	4.00	0.89
4.	Available home-service from MCB when customers want to open USD A/C.	3.82	1.00
5.	No service fee from recipients	4.08	0.89
<b>Overall Mean</b>		<b>3.98</b>	

Source: Survey Data, 2023

Based on the data shown in Table 4.8, it is evident that the majority of the respondents expressed a high level of agreement (mean score of 4.13) about MCB's provision of an additional sum of 30 Kyats per dollar on the exchange rate. Myanmar Citizen Bank commonly provides an additional (5) kyat as a form of incentive. According to the second highest mean score (4.08), there is a strong consensus among respondents that MCB does not impose a service fee on recipients.

The data indicates that a significant proportion of the participants hold a strong positive perception (mean score of 3.98) regarding the appeal of the promotions provided by MCB for their foreign remittance service.

Table 4.9 displays the mean summary table encompassing various influencing aspects, namely service quality, relative advantage, social influence, and promotion. The mean scores mentioned are derived from the aggregate mean score of each element.

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

<b>Sr. No.</b>	<b>Summary of Mean Value</b>	<b>Mean Score</b>
1.	Service Quality	3.96
2.	Relative Advantage	4.07
3.	Social Influence	3.98
4.	Promotion	3.98

Source: Survey Data, 2023

As shown in Table (4.9), all mean scores of influencing factors are above 3.00. Therefore, it can be concluded that all influencing factors are effective and well perceived by customers. Among them, relative advantage is the main effective factor for attitude of the customers.

#### 4.4.1 Customer Attitude

Consumer attitude refers to a set of behavioral intentions, cognitive beliefs, and emotions regarding a product or behavior. Customer attitude towards the foreign remittance of MCB are presented in Table (4.10).

**Table (4.10) Customer Attitude**

<b>Sr. No.</b>	<b>Customer Attitude</b>	<b>Mean Score</b>	<b>Std. Dev</b>
1.	Getting convenient remittance service of MCB	4.08	0.79
2.	Receiving reliable remittance service of MCB	4.20	0.83
3.	MCB remittance service enabling legal remittances	4.08	1.00
4.	MCB remittance service being more secured than hundi	4.21	0.84
5.	MCB remittance service being worth of money	4.10	0.82
6.	MCB remittance service being favorable	4.15	0.82
7.	Appealing remittance service of MCB	4.06	0.81
<b>Overall Mean</b>		<b>4.12</b>	

Source: Survey Data, 2023

Based on the data presented in Table 4.10, it is evident that the majority of respondents express a strong agreement (mean score of 4.21) with the higher level of security offered by MCB remittance service compared to hundi. Based on the second highest mean score (4.20), there is strong consensus among respondents about the reliability and favorability of the MCB remittance service. Furthermore, a significant majority of the participants express strong agreement with the value for money offered by the MCB remittance service.

The collective average score of 4.12 indicates that a significant majority of the participants strongly agree with the notion that MCB's foreign remittance service is favorable, attractive, convenient, and secure.

#### 4.5 Analysis of Influencing Factors on Customer Attitude

In order to find out the effect of influencing factors on customer attitude, structured questionnaire with 5-point likert scale is collected from 293 foreign remittance customers of MCB. Regression result is shown in Table (4.11).

**Table (4.11) Influencing Factors on Customer Attitude**

Variable	Unstandardized Coefficients		Standardized Coefficients (Beta)	t	Sig
	B	Std Error			
(Constant)	.177	.127		1.393	.165
Service Quality	.011	.067	.009	.159	.874
Relative Advantage	.310***	.065	.293	4.767	.000
Social Influence	.195***	.057	.189	3.406	.001
Promotion	.468***	.048	.467	9.674	.000
R <sup>2</sup>	.794				
Adjusted R <sup>2</sup>	.791				
F Value	277.300***				

Source: Survey Data, 2023

\*\*\* Significant at 1% level

Based on the data shown in Table 4.11, the corrected R<sup>2</sup> value is determined to be 0.791. This indicates that the model under consideration has the capacity to account for about 79.1% of the variability observed in customer attitude, as influenced by the components being examined. The model's overall significance can be deemed genuine as the F value is extremely significant at the 1 percent level. According to the data shown in Table 4.11, it can be observed that, out of the four independent variables examined, all components, with the exception of service quality, demonstrate a statistically significant impact on customer sentiment. The salient aspects encompass relative advantage, social influence, and promotions.

The regression analysis reveals that the variable of relative advantage exerts a statistically significant positive impact on customer attitude, with a significance level of 1 percent. Customers exhibit a favorable disposition as a result of receiving incentives contingent upon their remittance behavior. It may be inferred that there is a

positive correlation between the perceived relative benefit of MCB's foreign remittance service and customers' attitudes towards this service. According to the findings shown in Table 4.11, it can be observed that social influence has a statistically significant positive impact on customer attitude at a significance level of 1 percent. Customers would often examine the remittance services utilized by their acquaintances. It may be inferred that there is a positive correlation between the number of recommendations for MCB's remittance service and customers' favorable perception of MCB's overseas remittance service.

The regression analysis reveals that the promotion variable has a statistically significant positive effect on customer attitude, as evidenced by the significant coefficient at the 1 percent level of significance. An appealing promotional campaign has the potential to elicit a favorable disposition among clients. It may be inferred that an increase in appealing promotional offerings by MCB for their remittance service will result in a corresponding improvement in customers' positive attitudes towards MCB's foreign remittance service.

Based on the greatest Beta score, promotion emerges as the primary determinant of customer attitude, followed by relative advantage and social influence. Customers typically choose the banking institution that provides greater incentives for their international money transfers. Furthermore, a significant proportion of customers typically engage in the evaluation of the benefits associated with products or services, as well as seek recommendations from individuals within their personal networks.

#### **4.6 Analysis on the Effect of Customer Attitude on Continuance Usage Intention**

In order to analyze the effect of customer attitude on continuance usage intention, structured questionnaire with 5-point likert scale is collected from 293 foreign remittance customers of MCB.

##### **4.6.1 Continuance Usage Intention**

Continuance Usage Intention as an individual's intention to continue using the certain products or services. Continuance usage intention of foreign remittance service of MCB bank is presented in Table (4.12).



**Table (4.12) Continuance Usage Intention**

<b>Sr. No.</b>	<b>Continuance Usage Intention</b>	<b>Mean Score</b>	<b>Std. Dev</b>
1.	Intending to continue use of MCB remittance service	4.18	0.81
2.	Intending to increase use of MCB remittance service	4.19	0.81
3.	Strongly recommending others to use MCB remittance service	4.26	0.79
4.	Intending to continue using MCB remittance service than use any alternative means	4.16	0.81
5.	Having plan to use the MCB remittance service on a regular basis in the future	4.23	0.82
<b>Overall Mean</b>		<b>4.20</b>	

Source: Survey Data, 2023

Based on the data presented in Table 4.12, it can be observed that the highest mean score of 4.26 suggests a strong consensus among the respondents. This consensus indicates that a significant majority of the participants express a high level of agreement on their intention to strongly advocate the utilization of MCB remittance service to others. The primary motivating factor behind this intention appears to be the attractive incentives offered by MCB bank. Based on the second highest mean score of 4.23, there is a strong consensus among respondents on their intention to utilize MCB's foreign remittance service in the future, mostly due to its perceived safety and legality. The respondents express a strong inclination for increased utilization of the overseas remittance service in the future. The respondents' high agreement with a mean score of 4.20 suggests a strong intention to continue utilizing MCB bank's overseas remittance service. This is attributed to the convenience it offers in allowing users to track the progress of their remittances.

#### **4.6.2 Effect of Customer Attitude on Continuance Usage Intention**

In order to find out the effect of on customer attitude on continuance usage intention, structured questionnaire with 5-point likert scale is collected from 293 foreign remittance customers of MCB. Regression result is shown in Table (4.13).

**Table (4.13) Effect of Customer Attitude on Continuance Usage Intention**

Variable	Unstandardized Coefficients		$\beta$	t	Sig
	B	Std Error			
(Constant)	.611	.135		4.512	.000
Customer Attitude	.872***	.032	.845	26.939	.000
R <sup>2</sup>	.714				
Adjusted R <sup>2</sup>	.713				
F Value	725.726***				

Source: Survey Data (2022)

\*\*\* Significant at 1% level

Based on the data presented in Table 4.13, the coefficient of determination (R<sup>2</sup>) is calculated to be 0.714. This indicates that the model under consideration has the ability to account for approximately 71.4% of the variability observed in the intention to continue using a particular product or service, as it is influenced by the attitudes held by customers. The model's overall importance, as indicated by the very significant F value at the 1 percent level, suggests that the model can be considered legitimate. According to the data shown in Table 4.13, it is evident that customer attitude has a significant role in influencing the intention to continue using a certain product or service.

The findings of the linear regression analysis indicate a statistically significant positive relationship between customer attitude and continuance usage intention, with a significance level of 1 percent. The international remittance service offered by MCB is well-received by customers due to several factors. Firstly, customers are motivated by the incentives provided by the service, which contribute to their good attitude. Additionally, customers experience a sense of security when utilizing the service, further enhancing their perception. Lastly, positive referrals from colleagues or relatives also play a significant role in shaping customers' favourable disposition towards the foreign remittance service of MCB. There is a positive correlation between customers' attitudes and their intention to continue using a certain product or service.

## **CHAPTER 5**

### **CONCLUSION**

This chapter presents the findings and discussions. Besides, it describes the suggestions and recommendations according to the survey findings. Finally, it presents the need for further study based on the scope and limitations of the study.

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

The primary aims of this study are to investigate the elements that influence customer attitudes regarding the foreign remittance service offered by Myanmar Citizens Bank, as well as to analyze the impact of customer attitudes on their desire to continue using the foreign remittance services provided by Myanmar Citizens Bank. A structured questionnaire on a 5-point Likert scale was utilized to collect main data. A total of 293 consumers who engaged in overseas remittance transactions with MCB bank were chosen using a simple random selection technique. Additionally, secondary data were utilized in the present investigation. In relation to the initial objective, it has been determined that all criteria, with the exception of service quality, exert a notable impact on customer attitude.

The key factors that hold significance in this context are relative advantage, social influence, and promotion. Among these aspects, promotion emerges as the most influential factor affecting customer attitudes. The impact of promotion on customer attitude has been found to be positive. MCB bank offers supplementary incentives and refrains from levying service fees on recipients. Therefore, customers hold a positive opinion towards the promotional activities associated with MCB's foreign remittance service.

The findings of this study indicate that there is a favorable correlation between relative advantage and customer attitude. Customers exhibit a favorable disposition due to the provision of supplementary incentives and a reliable remittance service. Therefore, the participants in the study exhibit a positive view of the comparative benefits of MCB's overseas remittance service. In relation to social impact, it has been observed that a majority of the respondents express that individuals of significance to them hold the belief that the utilization of MCB's international remittance service is advisable. The majority of participants in the study indicated a tendency to seek advice

and recommendations from their intimate social circles. Therefore, it has been observed that the participants experience a certain level of social influence from those in their immediate social circles. The findings indicate that the second objective reveals a significant positive relationship between customer attitude and continuous usage intention.

The results suggest that customers who maintain a good attitude are more likely to express an intention to continue using remittance services in the future. When customers hold favorable attitudes towards promotional efforts, recommendations from others, and the perceived relative advantage, they are more likely to experience a sense of security when engaging in financial transactions.

## **5.2 Suggestions and Recommendations**

Based on the data presented in this study, it is recommended that the management of MCB bank enhance its overseas remittance service in order to cultivate a more favorable perception among consumers and foster customer retention. The management of MCB bank should prioritize promotions as a matter of utmost importance. If the receivers in Myanmar express a desire for home service, it is recommended that the bank consider providing this service free of charge. Furthermore, it is recommended that the bank consider augmenting supplementary incentives or providing rewards to loyal customers who engage in monthly money transfers. Subsequently, clients are likely to exhibit a more favorable disposition towards the promotional incentives provided by MCB bank, thereby increasing the likelihood of their continued utilization of the foreign remittance service given by MCB.

To enhance relative advantage, it is recommended that the management of MCB bank should devise a system that enables clients to track the status and progress of their remittances. Furthermore, it is imperative that the system provides timely notifications to the senders regarding the progress of their remittances using SMS or email communication channels. Subsequently, customers will experience a sense of tranquility and assurance regarding the security of their remittance. F

Furthermore, it is recommended that MCB bank expands its range of services to include international remittance capabilities on a global scale. This would enable individuals from Myanmar residing in various parts of the world to conveniently transfer their funds, eliminating the need for reliance on illicit money transfer services. Furthermore, it is recommended that the bank provide customers with the ability to

provide specific remittance instructions, such as specifying the precise day for the transfer of funds at the intended destination. By adhering to the directions provided by clients, the perceived relative advantages of MCB remittance service would be enhanced.

In order to use social influence, it is recommended that MCB bank consider implementing a rewards or incentives program that encourages clients to advocate MCB remittance services to their colleagues. In addition, it is recommended that MCB bank establishes a dedicated webpage for overseas remittance customers, where they can freely express their experiences and contribute to the promotion of a positive perception of MCB bank. Utilizing the overseas remittance solution offered by MCB will yield a substantial enhancement in social influence.

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

This study exclusively examines the foreign remittance service provided by MCB bank, without encompassing the remittance services offered by other banks in Myanmar. Therefore, it is recommended that future research should concentrate on the foreign remittance services offered by other banks in order to have a deeper understanding of the remittance service landscape in Myanmar. Furthermore, this study solely examines four influential elements. It is advisable for future research to additionally consider analyzing additional potential factors, such as legal risk, convenience, and financial hazards, among others.

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**APPENDIX A**  
**QUESTIONNAIRE SURVEY**  
**Factors Affecting Customer Attitude towards Foreign Remittance**  
**Services at Myanmar Citizens Bank**

This questionnaire will be used to study factors affecting customer attitude towards foreign remittance services at Myanmar Citizens bank. This would be confidential and data will be only used for the academic research of Executive MBF thesis for Yangon University of Economic.

**Section A: Demographic Data**

Instruction: Please mark ✓ in  for the most possible answer

**1. Gender**

- Male  Female

**2. Marital Status**

- Single  Married

**3. Age (Years)**

- below 20  20-25  26-30  
 31-35  36-40  41-45  
 46-50

**4. Education Background**

- Undergraduate  Graduate  
 Post Graduate  Master

**5. What is your Job?**

- Company Employee  Government Staff  Foreign Company  
 Retired  Other.....

**Section B: Relationship with Bank Information**

**6. How long have you been using Myanmar Citizens Bank?**

- Less than 1 year       1-2 years       3-4 years  
 4-5 years       Above 5 years

**7. Have you been using other products of MCB?**

- Yes       No

**8. Please choose the other products that you have been using at MCB.**

- Saving Account       Special Call Deposit       Current Account  
 Fixed Deposit       Others.....

**9. From which country, do you used to do remittance?**

- Japan       Korea       Malaysia  
 USA       Omen  
 Others.....

**10. Do you transfer every month?**

- Yes       No

### Section C: Influencing Factors

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

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

Strongly Agree

#### Service Quality

No.	Items	Scale				
		1	2	3	4	5
1	MCB always performs the service right at the first time.					
2	MCB provides the services according to the promise.					
3	MCB responds fast feedback whenever customer enquiries.					
4	MCB has many remittance agents at many countries.					
5	MCB tells the customers exactly when the remittance money will be transferred.					
6	MCB maintains error free records regarding remittance.					
7	MCB gives the customers individual attention.					

#### Relative Advantage

No.	Items	Scale				
		1	2	3	4	5
1	MCB remittance service is secure.					
2	MCB remittance service is fast.					
3	It is easy to transfer money by MCB remittance service.					
4	MCB remittance service enables customers to follow up the remittance status.					
5	I can transfer the money on time to my family.					
6	I can avoid illegal money transfer agents because of MCB remittance service.					
7	MCB remittance service offers additional incentives					

### Social Influence

No.	Items	Scale				
		1	2	3	4	5
1	My colleagues use MCB remittance service.					
2	My family prefers MCB remittance service.					
3	Most people recommend the MCB remittance service.					
4	I heard about the positive image of MCB remittance service from friends.					
5	People who are important to me think I should use MCB remittance service.					
6	I used to take suggestions from my friends and relatives.					

### Promotion

No.	Items	Scale				
		1	2	3	4	5
1	I look for the promotion regarding remittance services.					
2	MCB provides additional amount (30 Kyats per dollar) on the exchange rate.					
3	MCB offers money transfer services with competitive exchange rates and additional offers.					
4	MCB provides home-service when customers want to open USD A/C.					
5	MCB does not take service fee from recipients.					

### Customer Attitude

No.	Items	Scale				
		1	2	3	4	5
1	MCB remittance service is convenient.					
2	MCB remittance service is reliable.					
3	MCB remittance service enables legal remittances.					
4	MCB remittance service is more secured than hundi.					
5	I believe that MCB remittance service is worth of money.					
6	MCB remittance service is favorable.					
7	MCB remittance service is appealing.					

### Continuance Usage Intention

No.	Items	Scale				
		1	2	3	4	5
1	I intend to continue my use of MCB remittance service in the future.					
2	I intend to increase my use of MCB remittance service in the future.					
3	I will strongly recommend others to use MCB remittance service.					
4	I intend to continue using MCB remittance service than use any alternative mean.					
5	I plan on using the MCB remittance service on a regular basis in the future.					



## APPENDIX B

### Analysis on the Effect of Influencing Factors on Customer Attitude

#### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.891 <sup>a</sup>	.794	.791	.33593

a. Predictors: (Constant), Promotion Mean, Service Quality Mean, Social Influence Mean, Relative Advantage Mean

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

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	125.175	4	31.294	277.300	.000 <sup>b</sup>
	Residual	32.501	288	.113		
	Total	157.676	292			

a. Dependent Variable: Customer Attitude Mean

b. Predictors: (Constant), Promotion Mean, Service Quality Mean, Social Influence Mean, Relative Advantage Mean

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

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.177	.127		1.393	.165
	Service Quality Mean	.011	.067	.009	.159	.874
	Relative Advantage Mean	.310	.065	.293	4.767	.000
	Social Influence Mean	.195	.057	.189	3.406	.001
	Promotion Mean	.468	.048	.467	9.674	.000

a. Dependent Variable: Customer Attitude Mean

## Effect of Customer Attitude on Customer Loyalty

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.845 <sup>a</sup>	.714	.713	.40624

a. Predictors: (Constant), Customer Attitude Mean

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

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	119.769	1	119.769	725.726	.000 <sup>b</sup>
	Residual	48.025	291	.165		
	Total	167.793	292			

a. Dependent Variable: Continuance Usage Intention Mean

b. Predictors: (Constant), Customer Attitude Mean

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

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.611	.135		4.512	.000
	Customer Attitude Mean	.872	.032	.845	26.939	.000

a. Dependent Variable: Continuance Usage Intention Mean