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**RELATIONSHIP MARKETING PRACTICES, CUSTOMER  
SATISFACTION AND CUSTOMER LOYALTY TOWARDS  
MTB BANK**

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**RELATIONSHIP MARKETING PRACTICES, CUSTOMER  
SATISFACTION AND CUSTOMER LOYALTY TOWARDS  
MTB BANK**

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## **ABSTRACT**

This study's main goals are to ascertain how MTB Bank's relationship marketing strategies affect customer loyalty and satisfaction. A quantitative research method and descriptive statistics were implemented in this investigation. Secondary data and primary data were both employed. Based on Yamane's (1973) sampling formula, 207 corporate customers of MTB were randomly selected as a sample from a total of 431. Utilizing an online survey, a structured questionnaire was implemented to accumulate primary data. The regression technique was implemented to analyze the data. The investigation demonstrated that consumer satisfaction is significantly enhanced by relationship marketing strategies, including customization, competence, and commitment. The study's findings also indicated that consumer loyalty is significantly influenced by customer satisfaction. Consequently, corporate clients are content with the relationship marketing strategies implemented by Myanma Tourism Bank (MTB). Consequently, customization is the most significant determinant of consumer satisfaction. In order to enhance client satisfaction with the bank's services, it is advised that MTB bank prioritize customer feedback.

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# **CHAPTER 1**

## **INTRODUCTION**

The banking industry is highly competitive globally. As a result of the swift growth in the banking sector and intense competition for customer loyalty, banks have implemented many marketing tactics to accomplish their goals. Given that banks primarily offer a similar product, there is a growing demand for banks to differentiate themselves from their competitors in some way. To maintain competitiveness in the present landscape, banks must not only offer superior service and products, but also possess the ability to effectively handle consumer interactions (Greenberg, 2010). The primary goal of any banking industry is to ensure client happiness by offering high-quality products that aid in customer retention.

Customer satisfaction is a crucial factor in establishing and maintaining positive relationships with customers, which is vital for achieving success in company (Homburg et al., 2005). Customer satisfaction refers to the degree to which customers are pleased with their purchase of products or services (Kurtz, 2013). Customers exhibit loyalty towards a producer or service provider as long as they are content with the quality of the items or services. According to Oliver (1999), customer loyalty is the emotional attachment that a customer develops towards a business firm or its brand. This attachment is demonstrated when the customer continues to purchase or use the firm's products or services, even when there are alternative options available from different firms or brands.

Relationship marketing functions as a strategic instrument that facilitates the increased sale of products and services by companies. Acquiring and maintaining new clients is a costly and challenging endeavor for organizations. The primary focus is on establishing and sustaining a durable relationship between the company, customers, and other relevant stakeholders. This involves engaging in dialogue about shared interests and facilitating multiple transactions among the parties involved. The objective of relationship marketing is to establish an enduring connection with clients, while also nurturing and expanding these relationships to ultimately enhance the overall market share (Stone et al., 2000).

According to Walsh et al. (2004), relationship marketing is a strategic approach aimed at attracting, retaining, and improving client relationships with the goal of obtaining new consumers and retaining existing ones. Sin (2022) defined relationship marketing as a complex concept comprising six behavioral elements: trust, connection, communication, shared value, empathy, and reciprocity. By using effective relationship marketing strategies, organizations can enhance customer happiness and foster more customer loyalty.

Marketing is the managerial function that involves the identification, prediction, and fulfillment of client needs in a profitable manner. The philosophy of business posits that the fulfillment of customers' desires and requirements is the economic and social rationale for the existence of a corporation. The marketing concept suggests the most effective approach to achieve organizational goals by identifying the desires and requirements of target markets (Knowles et al., 2007).

The marketing strategy can be viewed as the culmination of various decisions made within a structured planning framework. It can be defined as the amalgamation of two fundamental components, namely target marketing and the marketing mix (Knowles et al., 2007). Furthermore, there is currently a sufficient understanding of consumer behavior that can serve as a practical reference for marketing professionals in both commercial enterprises, charitable organizations, and regulatory bodies (Hanna & Wozniak, 2001).

The Myanma Tourism Bank (MTB bank) received authorization to operate as a commercial bank in 2018. As a bank specializing in tourism, it prioritizes and provides support to the tourism industry, while also offering financial services to many other industries and businesses. Establishing and maintaining a long-term customer relationship is crucial for the survival of MTB bank. This study specifically examines the correlation between relationship marketing, customer happiness, and customer loyalty at MTB Bank.

## **1.1 Rationale of the Study**

Over the years, the private banking sector has become increasingly competitive, and as a result, prominent regional banking companies in a variety of countries are now experiencing a greater challenge in attracting and retaining consumers. This is a result of the competition from a variety of prominent international and regional banks. Customer satisfaction is regarded as the cornerstone of success in the current, fiercely competitive banking sector (Siddiqi, 2011). Businesses rely on the ties they establish with their clients.

Establishing robust client relationships is crucial for service companies to maintain a competitive edge.

Relationship marketing is gaining significance in the financial service industry. Establishing and maintaining a strong rapport with its customers allows a bank to secure a lasting competitive advantage that is difficult for its rivals to replicate. Customers have a sense of connection and contentment with a bank when its workers cultivate a strong rapport with them, actively involve them in events or exclusive programs, and provide tailored product recommendations based on their individual needs. Therefore, establishing a strong link is a crucial aspect of the interaction between banks and their customers. Commitment is a crucial factor that influences the intensity of a marketing relationship. Customers desire unwavering dedication from the bank to fulfill their requirements. Customers will be dissatisfied with a bank that is unable to give commitment.

In order to thrive in a highly competitive market, banks must divide themselves based on their level of expertise. Moreover, conflicts may emerge due to misunderstandings, service disruptions, or alterations in regulations that impact client connections. To enhance customer satisfaction and instill peace of mind, the bank will promptly resolve conflicts with its customers. Personalizing banking services is crucial to cater to the unique requirements of individual consumers. The significance of customer satisfaction in the banking sector cannot be exaggerated, since it results in client loyalty, favorable word-of-mouth, and recurring transactions. Customer loyalty is crucial for banks to ensure the uninterrupted operation of their business.

The banking industry is a vital component of the financial system of every nation. Due to intensifying competition in the business environment, banks are actively seeking to attract consumers and gain a deep understanding of their needs in order to provide a wide range of products and services. They aim to establish long-term relationships with customers. The primary objective of a corporation is to ensure client loyalty at whatever expense, in order to establish a mutually beneficial and enduring connection with customers, ultimately leading to long-term profitability. MTB Bank's objective is to provide loans with a low interest rate to support the tourism industry. This can have a positive impact on the economy by increasing revenue, generating numerous employment opportunities, and enhancing a country's infrastructure. Hence, the viability of MTB bank is crucial for the Myanmar Tourism Industry.

Myanmar has a combined total of 31 domestic banks and 13 international branch banks, resulting in intense rivalry within the banking industry (CBM, 2023). Relationship marketing is the fundamental basis of the bank's business operations. MTB bank has introduced digital offerings including cards, mobile banking, online banking, and MTB Pay, however, these services have not gained significant recognition. Due to its tiny size, MTB Bank has a limited number of customers who visit the bank in person. To establish itself as a prominent bank, it is essential to implement effective relationship marketing strategies in order to enhance the bank's visibility and familiarity among the general public.

MTB Bank is now experiencing client attrition and needs to establish robust customer relationships in order to achieve a competitive edge. Consequently, MTB bank is in immediate need of customer retention and must establish strong customer relationships. This study examines the impact of relationship marketing on customer satisfaction and loyalty towards Myanma Tourism Bank.

## **1.2 Objective of the Study**

The main objectives of this study are as follow:

1. To identify the relationship marketing practices of MTB Bank
2. To examine the effect of relationship marketing practices on customer satisfaction at MTB Bank
3. To analyze the effect of customer satisfaction on customer loyalty at MTB Bank

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

This research solely looks at MTB Bank's relationship marketing strategies, client loyalty, and customer satisfaction. The study's relationship marketing strategies include communication, connection, customisation, trust, and empathy.

Both a quantitative research approach and descriptive statistics were used in this investigation. There was use of both primary and secondary data. There are 431 corporate clients of MTB in total. The Yamane (1973) sampling formula was used to choose a sample of 207 corporate customers of MTB. A structured questionnaire with a 5-point Likert scale is used in an online survey to collect primary data. Regression analysis was used to analyze the data. Research papers, MTB Bank reports, textbooks, websites, and other pertinent information sources acquired from banks are examples of secondary data.

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

This research is divided into five separate portions. The study's purpose, methods, organization, scope, and methodology are all covered in the first chapter, which also serves as an introduction. The theoretical backdrop, relevant theories, earlier research, and the study's conceptual framework are covered in chapter two. The profile and relationship marketing strategies of MTB Bank are presented in Chapter 3. The examination of relationship marketing strategies, customer happiness, and customer loyalty at MTB Bank is covered in Chapter 4. Chapter five concludes with a presentation of the results and comments, along with recommendations and proposals for further research.

## **CHAPTER 2**

### **THEORETICAL BACKGROUND**

This chapter provides a theoretical framework, literature review, and analysis of consumer loyalty and satisfaction. The conceptual framework and previous investigations are also presented.

#### **2.1 Concept of Relationship Marketing**

A business tactic called relationship marketing is used to build long-lasting customer ties. Relationship marketing is defined in a variety of ways by different authors, resulting in the situation where no single definition is regarded as the ideal one, despite the fact that a review of various definitions reveals similar characteristics.

Relationship marketing is a marketing technique that aims to improve client connections via customer acquisition and retention, especially in multi-service firms (Berry et al., 1983). The primary objective of relationship marketing is to establish a strong connection with each customer, resulting in reciprocal advantages and fostering an ongoing relationship with consumers across a range of connected products and services.

Database marketing, direct marketing, public relations, sales promotions, and general advertising are all combined in relationship marketing (Copulsky and Wolf, 1991). Relationship marketing, according to Shani and Chalasani (1992), is a blend of numerous factors that involve the identification, maintenance, and development of a relationship with individual customers. This relationship is then reinforced on a continuous basis to generate mutual benefits through a variety of interactive, personalized interactions that can generate added value over time. Brand loyalty will be the outcome of relationship marketing, which will bind the customer to the marketer even when it is against the customer's self-interest (Czepiel & Gilmore, 1987).

According to Cosic and Djuric (2010), relationship marketing emphasizes the transition from transaction-centric marketing practices to customer-centric ones. This approach emphasizes the importance of maintaining the continuity of the relationship between the firm and its customers by prioritizing customer services and quality standards. Maxim (2009) posited that relationship marketing is not solely concerned with the acquisition and retention of customers, but also with the development of a deeper

understanding of them, which can lead to a variety of additional benefits for the organization. Marketers must regard the extant customers of a business enterprise as a vast resource with significant growth potential, as stated by Ramkumar and Saravan (2007).

### 2.1.1 Difference between Relationship and Transaction Marketing

In the study, Coviello et al. (1997) categorized marketing into two distinct segments: transaction marketing and relationship marketing. Sweidan et al. (2012) asserted that marketers are placing greater emphasis on relationship-based marketing tactics over transaction-based marketing techniques.

According to Maxim's (2009) study, transaction marketing focuses on attracting new customers and generating as many transactions as possible. In contrast, relationship marketing prioritizes not only attracting new customers but also retaining existing customers. Table (2.1) illustrates the distinction between relationship marketing and transaction marketing.

**Table (2.1) Difference between Relationship and Transaction Marketing**

Transaction Focus	Relationship Focus
<ul style="list-style-type: none"> <li>• Focused on one sales transaction;</li> <li>• Contact with customer is not continuous in nature</li> <li>• More emphasis on features associated with the products;</li> <li>• Based on a short time frame business activities</li> <li>• Less priority for customer service</li> <li>• Less emphasis on quality</li> </ul>	<ul style="list-style-type: none"> <li>• Focused on retention of current customers;</li> <li>• Contact with customer is not continuous in nature</li> <li>• More emphasis on creation of value for customers;</li> <li>• Based on longer time frame business activities</li> <li>• Customer service is a major priority</li> <li>• More emphasis on quality</li> </ul>

Source: Payne et al. (1995)

As indicated in Table (2.1), transactional and relationship marketing share the common goal of generating sales, but they employ distinct approaches to achieve this objective. Transactional marketing employs mass marketing and promotional strategies to



generate sales, whereas relationship marketing utilizes personalized marketing techniques and fosters client ties to drive sales (Cosic & Djuric, 2010).

### **2.1.2 Benefits of Relationship Marketing**

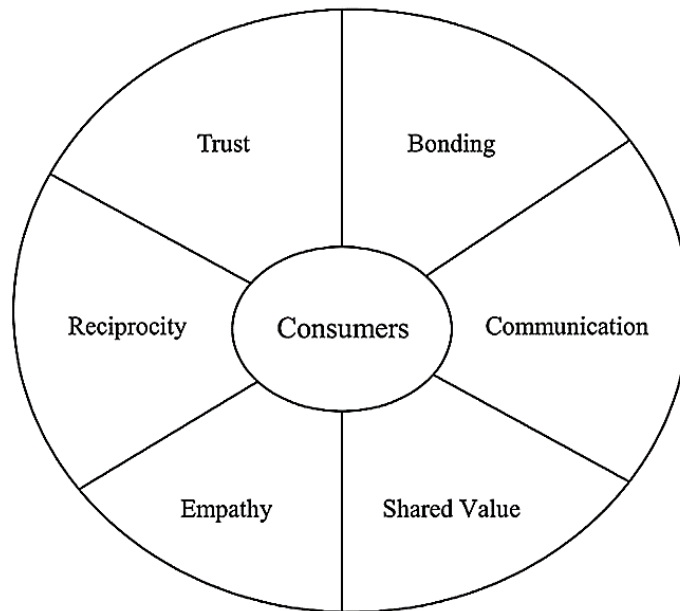
Ramkumar and Saravan (2007) highlighted the significance for marketers to perceive current clients of a corporate enterprise as a valuable asset with substantial growth potential. In their study, Sweidan et al. (2012) identified four key advantages that a firm can gain by implementing relationship marketing strategies. Relationship marketing offers the potential to improve the buying habits of current customers across various products or services. It enables more accurate demand estimation, leading to reduced production and storage costs for the products. Relationship marketing enables businesses to leverage the benefits of word-of-mouth marketing, which emphasizes the positive reputation of the business. Additionally, employees of the organization will find it more convenient to interact with familiar customers, leading to higher employee retention rates.

Establishing a lasting relationship between banks and their clients enables the bank to consistently evaluate these clients in terms of credit assessment, enforcing contractual compliances, and gathering information about profitability, distribution, and pricing (Haubirich, 1989). From a customer's perspective, if there is a strong and long-lasting relationship between a bank and a customer, it is probable that the bank may offer credit to that customer based on the strength of the relationship. This is in contrast to situations where banks may not provide credit due to factors such as risk assessment or other considerations (Eccles & Crane, 1988).

### **2.1.3 Components of Relationship Marketing**

In the financial industry, relationship marketing is crucial for maintaining a competitive market position, as their products are nearly identical to those of their competitors. Trust, rapport, communication, shared value, empathy, and reciprocity comprise the six components of relationship marketing, as per Sin (2022). The components are depicted in Figure (2.1).

**Figure (2.1) Components of Relationship Marketing**



Source: Sin (2022)

The development of relationship marketing as a new approach in marketing will be incomplete until its fundamental aspects have been discovered and put into practice. It is crucial to identify the primary aspects of relationship marketing. Sin (2022) delineated six constituents of relationship marketing that might facilitate businesses in cultivating favorable relationships with clients. Sin (2022) identifies several key components of relationship marketing tactics, which encompass connection, communication, shared values, empathy, reciprocity, and trust. In order to optimize its long-term performance in areas such as customer retention, sales growth, and profitability, a firm must establish, sustain, and improve a long-term and mutually advantageous connection with its intended client base.

## **2.2 Social Exchange Theory (SET)**

Social exchange theory states that when one party gains from another, the other party will feel bound to return at a later time due to the presence of an unseen and vague type of mutual obligation. This interchange may happen in a number of ways. (Blau (2017) The aforementioned favor exchanges will lead to customer loyalty after businesses and consumers have established contact.

There are two categories into which business-customer interactions may be established, according to Grönroos (2002). While the second kind is intended to build a connection with clients in order to achieve certain economic goals, the first type is intended to draw in customers. The contact between the service provider and the customer serves as a crucial component of pleasure and a strong argument for sustaining a connection, making the theory appropriate for this inquiry. Service encounters may be seen as social interactions.

### **2.3 Relationship Marketing Practices**

The implementation of a relationship marketing strategy is crucial in effectively engaging and maintaining customer loyalty, particularly in service industries where the intangible nature of the offerings poses unique challenges. This study examines five relationship marketing tactics that have the potential to impact customer happiness. The activities encompass bonding, commitment, dispute resolution, competence, and personalization.

#### **2.3.1 Bonding**

When a supplier and customer work together to achieve a common goal and reap reciprocal benefits, this is referred to as bonding in a commercial partnership (Callaghan et al., 1995). According to Wilson (1995), there are two main types of bonding: structural bonding and social bonding. The social connection encompasses various characteristics, such as social contacts, intimacy, the formation of friendships, and the joy derived from achieving goals.

Bonding is the process of establishing a connection or relationship with another individual through shared emotions, interests, or experiences (Wongkitrungrueng et al., 2020). Bonding refers to the establishment of an emotional connection between two individuals who collaborate towards a shared objective. An enduring buyer-seller relationship requires the establishment of a strong connection between the organization and its clientele. Undoubtedly, bonding has a crucial role in establishing the standards between buyers and sellers, making it a vital component for a successful buyer-seller collaboration (Ngoma & Ntale, 2019). In addition, establishing robust connections between the seller and

the buyer diminishes the probability of a disagreement arising between the two parties. According to Christopher et al. (1995), customers who have a more robust relationship with their partners due to this bonding experience are more content than those who do not.

The bonding dimension in relationship marketing typically involves the cultivation and strengthening of customer loyalty. This immediately results in sentiments of affection and a strong dedication to the business partnership. Additionally, it indirectly aids in the development of a feeling of loyalty to the company (Sin et al., 2002). Wilson and Mummalaneni (1986) discovered that a better interpersonal connection between buyers and sellers will ultimately result in a higher level of commitment and effort in continuing a relationship.

The other component is a commercial transaction that facilitates communication between the buyer and seller, with the status of the transaction playing a crucial part in achieving the intended outcome. This component of relationship marketing contributes to the growth and improvement of customer loyalty as well as the establishment of both an indirect and direct feeling of affiliation with the association (Sin et al., 2005).

### **2.3.2 Commitment**

Commitment can be described as the deliberate and steadfast determination to sustain a mutually valued connection between two parties. To foster commitment, organizations should develop a customer-centric, long-term strategy that is grounded in reciprocal advantages (Vazifedoost et al., 2008). As to Moorman et al. (1992), commitment is defined as a deep and genuine want to sustain a relationship for a prolonged period of time.

An ongoing relationship with another individual is considered significant by a partner, and they make every effort to maintain it. Furthermore, commitment has the potential to extend the client-service provider relationship, making it a valuable factor for the identification and scaling of customer loyalty, as well as for the prediction of future demand (Gundlach et al., 1995). The establishment and maintenance of interactions with other parties are significantly influenced by commitment. Based on the service provider, commitment is represented by both explicit and implied collateral.

Commitment is the state of being willing to actively cultivate and sustain positive contacts and exchanges (Cater & Zabkar, 2014). Moorman and Deshpande (2012) define

commitment as the interplay between behavior towards tangible evidence, procedures, and personnel, utilizing the quality of connectivity, and their influence on repurchase intention and loyalty. Commitment is considered the primary factor that can influence the inclination to form enduring relationships with the firm. Commitment is the deliberate and enduring dedication to upholding a lasting relationship due to the perception that the engagement is valuable and advantageous.

According to Roy et al. (2020), a customer's level of commitment to a company determines how involved they are with a product or service. A strong and pleasant connection between the company and its customers leads to increased customer engagement. In a similar vein, Bergel and Brock (2019) claimed that via the process of relationship exchange, customer commitment leads to customer engagement. Customers thus believe that a business wants to have a long-term connection with them when they get care from the organization, which raises customer engagement. Conflict resolution is an essential aspect of relationship marketing. It is essential to possess the capacity to discern potential issues that may occur with clients and effectively manage them.

Commitment is a powerful inclination or will to uphold and sustain a relationship that is regarded as significant and holds enduring worth (Ellena, 2011). Commitment is typically demonstrated by collaborative and constructive behaviors aimed at sustaining the established relationship. Commitment is a critical component of the power of relational marketing, as it enables us to ascertain the extent of consumer loyalty and anticipate the frequency of future purchases. This demonstrates that commitment is the outcome of a successful, mutually beneficial, and gratifying relationship (Ndubisi, 2007).

### **2.3.3 Conflict Handling**

Conflict is typically perceived as a detrimental and damaging encounter by individuals, however it is a more inherent and pervasive occurrence in their comprehension (Boonsathorn, 2007). Inside an organization, conflict is a normal and healthy occurrence. In the end, a lack of tension is boring and unchangeable, and it is not likely to spur creativity and advancement. Putnam and Poole (1987) studied conflict from the standpoint of communication. One of the five elements of conflict situations is communication. Conflict handling pertains to the seller's capacity to mitigate the adverse outcomes of both existing and potential conflicts.

Complaint handling is an essential component of customer interactions between service providers and their clients. If customers perceive the service provider as treating complaints inappropriately and slowly, it can have a detrimental effect on the provider's credibility and the trust customers have in them (Ganesan, 1994). Conflict management is the capacity of an organization to lessen the adverse effects of both apparent and prospective conflicts, according to Dwyer et al. (1987).

Conflict management is a nonbillable function that service organizations employ to acquire client value, as defined by Andleeb (2017). Cheng et al. (2019) assert that the effective management of customer complaints is indicative of a dedication to prioritizing the client's requirements, which in turn leads to increased customer engagement and enhanced customer satisfaction. Consequently, dispute resolution significantly influences the extent of consumer engagement with services.

The primary focus for a corporation can be addressing consumer complaints. The customer's voice represents the consumer's expectations on the attributes of the company in terms of customer satisfaction (Ellena, 2011). Consumer complaint behavior refers to the many acts that consumers engage in when they are dissatisfied with a product or service. Consumer dissatisfaction resulting from disparities between consumer expectations and the actual performance of products and services can have negative consequences that are believed to impact consumer loyalty. It is essential that the company address and resolve the issue in order to lessen these negative repercussions. Conflict handling refers to the specific approach taken while dealing with consumers (Ndubisi, 2007).

#### **2.3.4 Competence**

Competence is determined by the perceptions of each party in the relationship regarding the amount of skills, abilities, and knowledge required by the opposing party to perform their duties effectively (Smith & Barclay, 1996). In accordance with Anderson and Weitz (1989), competence is the buyer's assessment of the seller's technological and commercial competency. The operationalization of competence is accomplished through four methods: the supplier's marketing expertise, the ability to offer sound advice on business operations, the ability to provide the buyer with the necessary information regarding the purchasing process, and the provision of a variety of materials to facilitate sales promotions.

The primary factor contributing to the switch of consumers from their previous financial institutions in the United States is the issue of service quality (Raddon, 1987). The following factors have not yet been prioritized by such organizations: The profitability factor of banks is significantly influenced by customer retention (Newman & Crowling, 1996). Additionally, a five percent increase in the retention of existing customers will result in a 125-150 percent increase in the bottom line (Rosenberg & Czepiel, 1983). The average business return of a company is generated by the existing customers (65 percent) (Vavra, 1992). A small increase in the retention rate of customers will result in a substantial increase in profits (Reichheld, 1996).

According to Smith and Barclay (1996), competence can also be defined as the opinions of each party in a relationship regarding the caliber of professional knowledge and business skills that each party needs from the other in order for the relationship to function well. In this particular study, competency is determined by factors like having sufficient knowledge of banking services and the financial market and advising consumers on how to make profitable investments in the financial markets and how to advertise effectively.

### **2.3.5 Customization**

The degree to which a business tailors its goods or services to meet the unique needs of a certain client is known as customization (Coelho & Henseler, 2012). Customization is a potent instrument in the realm of commerce and marketing, enabling customers to personalize items or services according to their distinct preferences and requirements. This technique provides a means for individuals to express themselves personally, allowing consumers to incorporate their preferences, requirements, and experiences into their purchases.

Customization prioritizes serving the diverse wants of individual clients, rather than aiming to serve a large number of customers with limited demands, as conventional strategies do. Thus, it is regarded as a pragmatic remedy for the issues linked to the rising need for superior products, characteristics, and product diversity (Tarasi et al., 2013). Furthermore, it is a crucial approach for enhancing customer experience in effective relationship marketing as it aids in collecting and evaluating vital information that distinguishes the product and services in ways that go beyond the usual communications focused on features.

In the banking industry, customization refers to the provision of a valued service or product to a customer, taking into account their individual experiences and previous data. Building trust can have a positive impact on driving results and generating money. During the 1990s, the emphasis on establishing direct consumer ties led to a significant change in marketing strategies. Currently, numerous organizations prioritize the establishment and nurturing of enduring and lucrative relationships with devoted clients as the primary goal of marketing. The objective of CRM is to enhance the level of customization in all aspects of the company's operations and to enhance the precision of marketing offers targeting (Corbae et al., 2003).

The consumer will be delighted by a high degree of personalization, as it offers individualized attention and tailored solutions that are particular to their needs. Customer happiness can be increased by offering personalized solutions that are based on identifying hidden needs and providing a high level of personalization. The majority of organizations utilize a customization approach in order to attain a competitive edge and foster corporate expansion. Buyers are prepared to pay a premium for products that are tailored to their preferences, fashion choices, and suitable measurements, as per Coelho and Henseler (2012). Although customization is frequently associated with increased profits, research has demonstrated that customers are only inclined to pay a premium if they perceive the product or service to be of exceptional value and are convinced that the associated expenditures, both monetary and non-monetary, are justifiable. Consequently, consumers acknowledge the value of personalized items that are customized to their individual requirements and preferences (Van et al., 2015).

## **2.4 Customer Satisfaction**

Academicians and practitioners identically have been recognizing the significance of satisfaction since the 1970s (Jones & Suh, 2000). The primary criterion for a successful buyer-supplier relationship is the attainment of a specific level of consumer satisfaction (Moliner et al., 2007). Customer satisfaction is the primary indicator of a successful exchange from the customer's perspective (Stephen, 2010).

Consumer satisfaction is the emotional bond that a consumer develops with a business organization, which is achieved through increased interaction with the organization over time (Verhoef, 2003). Maleki and Darabi (2008) define customer



satisfaction as the sentiment or perspective of the customer regarding the products or services that may influence their purchasing decisions.

Consumer satisfaction was defined by Kotler and Armstrong (2004) as the consistency between the performance characteristics of a product or service and the expectations that a consumer may have regarding it. Client satisfaction is the degree of satisfaction that a client experiences with the product or service that is provided. It is closely associated with interpersonal trust (Geyskens et al., 1996). Therefore, satisfaction can be readily regarded as a critical element that establishes a successful relationship, both independently and in relation to the other components.

Customer satisfaction refers to the consumer's reaction to the level of fulfillment provided by a good or service in relation to their consumption needs (Brent, 2013). As stated by Chen and Demirci (2019), it occurs when the actual performance of a good or service aligns with, surpasses, or falls below the expectations. Customer satisfaction fosters enduring customer relationships, providing the organization with a competitive edge (Storbacka et al., 1994).

## **2.5 Customer Loyalty**

Client loyalty is the steadfast determination to continually use or buy a favored product or service in the future, even in the face of the possibility of changing one's mind owing to outside factors like advertisements and situational effects. Oliver (1997). Consequently, it is regarded as the ultimate objective of firms' application of relationship marketing strategies, which establishes long-term mutual relationships with customers. In other words, managers should devise innovative strategies to attract new consumers and retain them for the duration of their lives.

In general, customer loyalty is regarded as one of the most critical factors in determining the success of a business. Jones and Sasser (1995) had observed that it is typically five to six times more expensive for a company to acquire a new consumer than to retain an existing one. Loyalty may lead to the recommendation of products and services that have been previously purchased to friends and colleagues. According to Pitta et al., many customers are unable to understand the idea of customer loyalty (2006). Customers' attitudes toward a service, product, or brand in terms of commitment and preference have a big impact on how loyal they become.

Loyalty is not limited to recurrent purchases. The concept is more complex than that, as a consumer may purchase from the same business enterprise due to inertia, indifference, or factors related to existing barriers, rather than loyalty. Thus, consumer loyalty encompasses not only behavior but also attitude (Bagdonienė & Jakštaitė, 2007).

The feeling of connection or fondness that a consumer has for a company's goods, services, or employees is known as customer loyalty. The customer's propensity to purchase the product or service and the extent to which they do so are the ultimate indicators of customer loyalty (Jones & Sasser, 1995). This sentiment is expressed in a variety of ways.

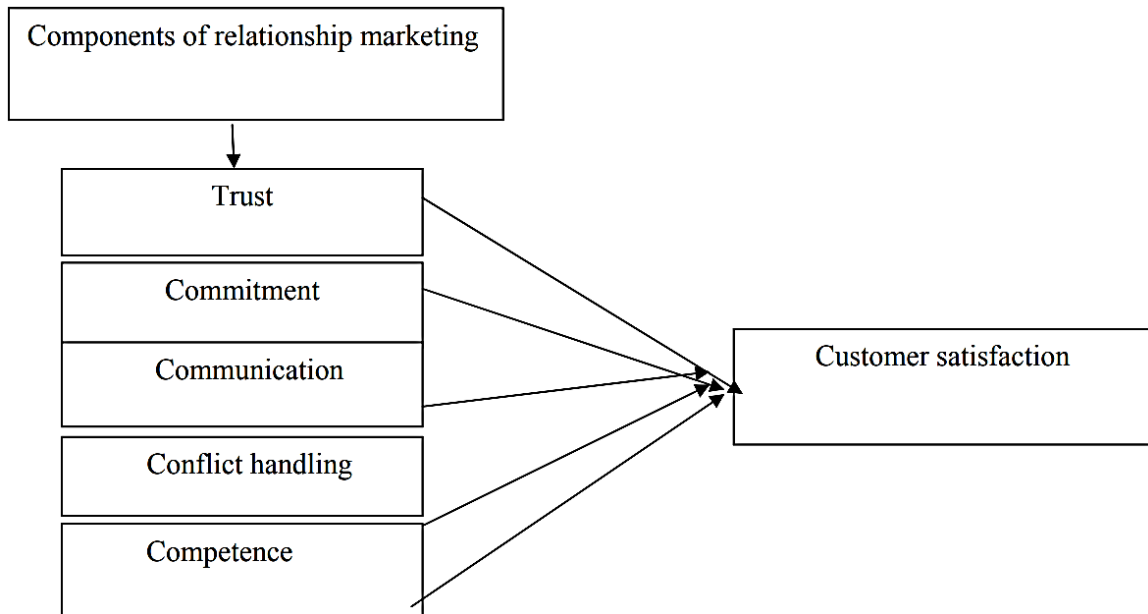
Customer loyalty was described by Ariff et al. (2013) as a customer's inclination or desire to make repeat purchases from a business. According to Caruana (2004), customer loyalty is a deep commitment to continuing to buy the favored product in the face of environmental uncertainty. Jones and Mothers Baugh (2002) also define it as an attachment to the same organization for an extended period, with the intention of making a repeat purchase. According to this research, customer loyalty is the result of a client's sustained affiliation with a business over a long period of time.

## **2.6 Previous Studies**

Four earlier research are acknowledged in order to provide the theoretical groundwork and conceptual context for this inquiry.

Examining the impact of customer relationship marketing on customer satisfaction was the aim of Atrif (2015). A questionnaire on a five-point Likert scale was used to collect the data. 42 customer service managers and 210 clients were given the questionnaire in person. A questionnaire was used as the main data gathering tool, and it was distributed at the chosen CBE branches in Addis Ababa with the help of patrons and customer service managers. Questionnaires and interviews were implemented from primary sources of data, while document analysis was implemented from secondary sources. The questionnaire was frequently employed to collect data for descriptive surveys. The conceptual paradigm of Atrif (2015) is illustrated in Figure (2.2).

**Figure (2.2) Impact of Customer Relationship Marketing on Customer Satisfaction: (The Case of Commercial Bank of Ethiopia)**

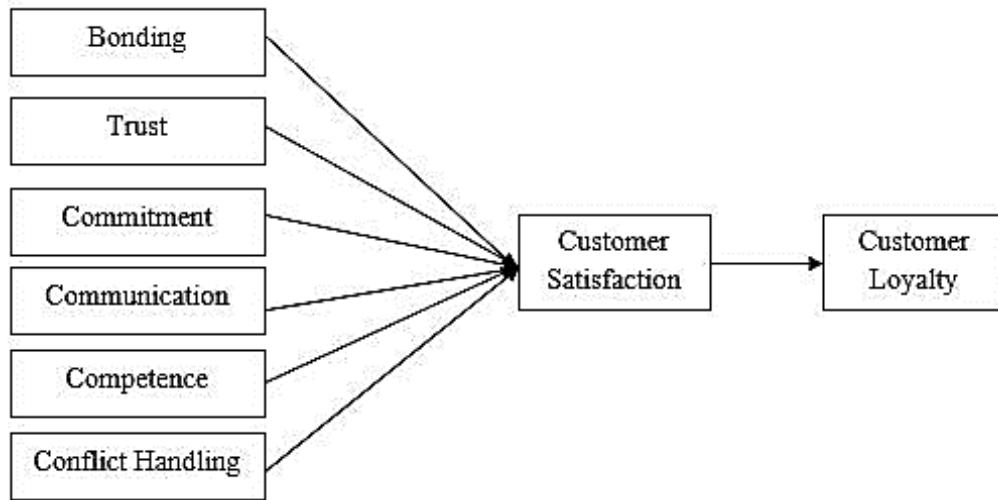


Source: Atrif (2015)

Based on Figure (2.2), Atrif (2015) conducted all of the data processing activities mentioned. The acquired data was analyzed using descriptive, correlation, and econometric analytic approaches. According to a research by Atrif (2015), there is a strong link between customer satisfaction and a number of relationship marketing elements, such as competence, communication, trust, commitment, and conflict management.

John (2015) carried out research to determine the association between customer happiness and customer loyalty among banking clients and the six chosen relationship marketing components. The target respondents for the study were the student customers of ABC Bank who had accounts at Assumption University Thailand's Suvarnabhumi or Hua Mak campuses. 400 people were included in the convenience sample for a research that was carried out in 2015. Structured questionnaires were sent in order to collect data. The conceptual framework that John presented in 2015 is shown in Figure (2.3).

**Figure (2.3) Relationship Marketing and Customer Loyalty at ABC Bank from the Student's View in Assumption University Campuses Study**

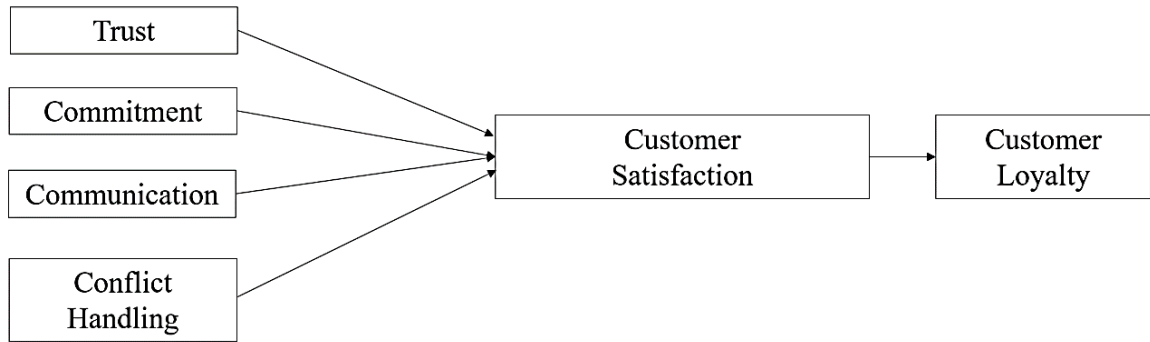


Source: John (2015)

John (2015) demonstrated that customer satisfaction is significantly correlated with all six underpinnings of relationship marketing, as illustrated in Figure (2.3). While the commitment dimension has a substantial association among important elements, the other dimensions—trust, bonding, communication, competence, and conflict resolution—show only a modest relationship with customer satisfaction. Furthermore, John (2015) found a strong positive association between customer loyalty and customer satisfaction.

Omeje and Olise (2022) carried out an investigation to look into how commercial bank clients in Awka, Anambra state, were affected by relationship marketing, customer happiness, and customer loyalty. They looked at how relationship marketing elements including communication, trust, commitment, and dispute resolution affected customer loyalty. Data was collected from 691 participants. Figure (2.4) depicts the philosophical underpinnings of Omeje and Olise (2022).

**Figure (2.4) Relationship Marketing and Customer Loyalty among Commercial Banks Customers in Awka, Anambra State**

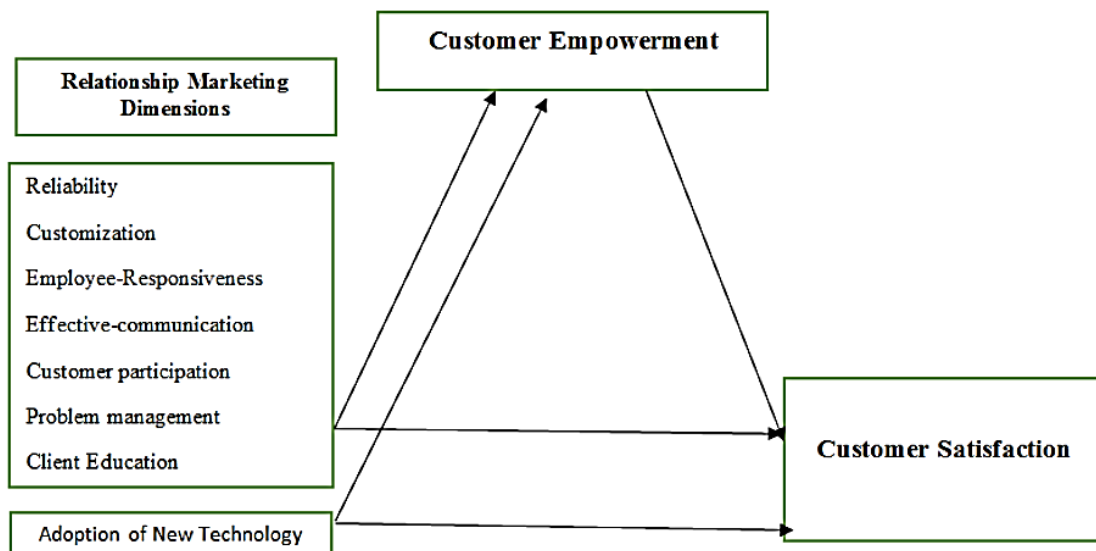


Source: Omeje and Olise, 2022

Regression analysis was used by Omeje and Olise (2022) to examine the data, as shown in Figure (2.4). The investigation's relationship marketing dimensions—trust, commitment, communication, and conflict resolution—were shown to have a considerable impact on consumer loyalty. Additionally, there is a strong mediating effect of customer satisfaction in the link between the relationship marketing components of trust, commitment, communication, and conflict management and customer loyalty.

In their quest to ascertain the function of consumer empowerment in mediation, Chatterjee et al. (2013) found a significant correlation between the relationship marketing strategy and customer pleasure. A study of eight hundred clients from various public and private sector organizations was conducted. This image illustrates Chatterjee et al. (2013)'s conceptual framework.

**Figure (2.5) Customer Empowerment as Mediator between Customer Relationship Marketing and Satisfaction Level in Banking Sector**



Source: Chatterjee et al. (2013)

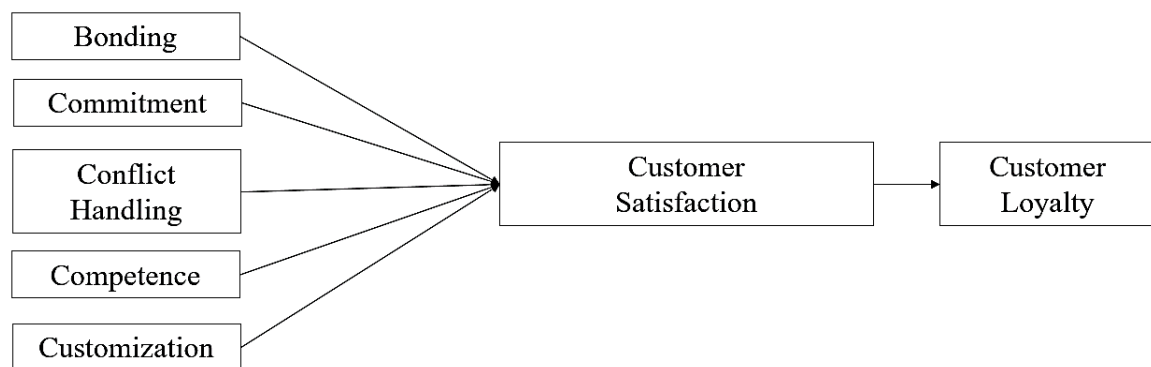
Reliability, customization, employee responsiveness, effective communication, customer participation, problem management, client education, and the adoption of new technology are the essential relationship marketing characteristics, according to the report. The satisfaction level of consumers in banks is significantly influenced by customer relationship marketing. The link between customer satisfaction and customer relationship marketing in banks is significantly mediated by consumer empowerment.

## 2.7 Conceptual Framework of the Study

The study's conceptual framework is developed in compliance with the theoretical underpinnings, literature review, and earlier research. The data presented in Figure (2.6) indicates that five practices exert an influence: bonding, commitment, conflict management, customization, and competence. The concept of bonding is derived from the research conducted by John (2015). From the research conducted by Atrif (2015), John (2015), and Omeje and Olise (2022), the components of commitment and conflict management are derived, while competence is derived from the research of John (2015) and Atrif (2015). The relationship marketing dimension customization is implemented in accordance with Chatterjee et al. (2013). Figure (2.6) illustrates the conceptual model of the study.

**Figure (2.6) Conceptual Framework of the Study**

### Relationship Marketing Practices



Source: Own Compilation, 2024

In this conceptual framework, there are five independent variables: bonding, commitment, conflict management, competence, and customization. The aim of this study

is to examine the link between relationship marketing strategies and customer happiness. Furthermore, it examines the correlation between consumer loyalty and satisfaction.

### **Working Definitions**

**Bonding** in this study pertains to the dissemination of new products and services to corporate customers of MTB Bank, as well as the transmission of routine communications.

**Commitment** In this study, the term "dedication" refers to the readiness to respond to customers' inquiries, the willingness to assist customers, the provision of banking services by MTB Bank with empathy, and the timely provision of services.

**Conflict handling** in this study pertains to the comprehensive management of each complaint, the establishment of a sense of security among customers, the encouragement of them to file complaints, and the demonstration of genuine interest in resolving customer service issues.

**Competence** in this study refers to individuals who possess a comprehensive understanding of all products and services, provide attentive service in response to customer requests, and provide plain and detailed information about the products and services.

**Customization** in this study pertains to the provision of personalized services that are tailored to the preferences and requirements of the consumers.

**Customer satisfaction** in this study refers to the competency, empathetic, and courteous conduct of employees, conflict resolution practices, and expeditious services of MTB Bank.

**Customer loyalty** in this study refers to the following: the initial choice among other banks, the enjoyment of the banking relationship, the intention to utilize services, the decision to purchase banking services, and the encouragement of others to use MTB Bank services.

## **CHAPTER 3**

### **PROFILE AND RELATIONSHIP MARKETING PRACTICES OF MYANMA TOURISM BANK (MTB)**

This chapter outlines the characteristics and features of Myanmar Tourism Bank (MTB). Furthermore, it showcases the bank's offered services and products. Ultimately, it provides an overview of the participants' characteristics as determined by the findings of the survey.

#### **3.1 Profile of Myanmar Tourism Bank (MTB)**

In accordance with the Financial Institution Law (FI Law), the Central Bank of Myanmar granted the Myanmar Tourism Bank, or MTB, a commercial banking license in 2018. There are many branches spread out over the nation, with the main office being on Sule Pagoda Road in Yangon. Myanmar tourist Bank (MTB) has 17 branches that are solely for the purpose of assisting and catering to the travel and tourist industry. The firm provides financial services to a broad variety of industries and organizations and employs 500 people nationally.

Myanmar Tourism Bank (MTB) uses the Oracle digital banking platform as an online channel to facilitate online and mobile banking, as well as the Oracle FLEXCUBE Core Banking Software for its banking operations. This guarantees the bank's improved procedures and dependable services. Additionally, it aligns with digital payment systems, financial technology (Fintech), and other technical sectors where bank services might be integrated. The corporate social responsibility (CSR) programs of Myanmar tourist Bank (MTB) are focused on advancing tourist development, assisting with tourism-related endeavors, and supporting social welfare and events.

Myanmar Tourism Bank's (MTB) goal is to emerge as the leading financial organization supporting the development of the tourism and small and medium-sized enterprise (SME) sectors. MTB aims to offer inventive financial solutions and technology-based services, while also promoting economic prosperity and safeguarding Myanmar's cultural heritage.

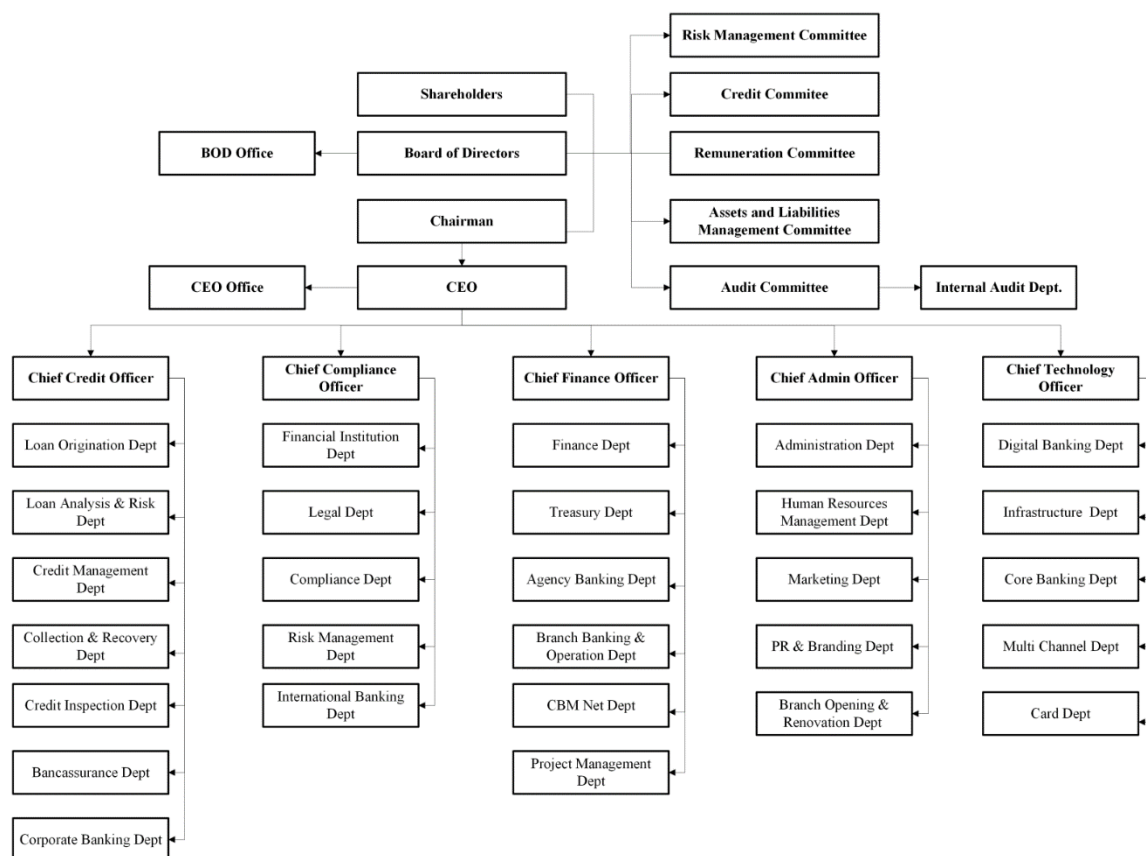


The mission of MTB Bank is to provide comprehensive financial services and develop a sustainable tourism ecosystem in Myanmar. This is done to support cultural preservation, empower local entrepreneurs and small businesses by offering financing, expertise, and resources for their growth and success.

The bank strives to consistently innovate and adjust to evolving market trends and client demands by leveraging technology to enhance efficiency and customer satisfaction. Furthermore, MTB Bank actively participates in corporate social responsibility endeavors that have a positive impact on local communities, foster education, and contribute to sustainable development projects. The bank cultivates a heterogeneous and all-encompassing work atmosphere that esteems collaboration, expertise, and ongoing education, enabling people to achieve their utmost capabilities. By effectively disbursing high-quality loans, carrying out in-depth market research to determine customer needs and preferences, and actively interacting with a variety of businesses to promote the use of its extensive array of financial products, the Myanmar Tourism Bank (MTB) increases operational efficiency.

Thirty divisions and five management committees, including an independent audit committee and the Board of Directors, make up Myanmar Tourism Bank's (MTB) organizational structure. The chairman, who also chairs the board of directors, is in charge of the executive committee. The senior management level is accountable for overseeing every affiliated department, encompassing roles ranging from assistant general manager to senior general manager. Figure (3.1) shows the Myanmar Tourism Bank's (MTB) corporate structure.

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



Source: MTB, 2024

### 3.2 Products & Services of Myanmar Tourism Bank (MTB)

In Myanmar, the Myanmar Tourism Bank (MTB) has established a network of 17 branches. Eight branches are situated in the Yangon Division, four branches are located in the Mandalay Division, and the remaining five branches are located in other divisions. The bank provides a wide range of services, including the acceptance of customer deposits, the facilitation of cash withdrawals for money transfers, the provision of loan services, the provision of card services, the facilitation of intra-bank and other bank remittances, the provision of digital banking services, the provision of bancassurance, and a variety of other banking services. During the promotion period, the fixed deposit amount has the potential to earn a maximum annual interest rate of 8.7%, with a potential reach of 9.9%. Supplementary interest rates will be offered for savings bank accounts, with a maximum rate of 8.75%. The Myanmar Tourism Bank (MTB) offers a diverse array of loan services, which are categorized into twenty-eight distinct categories. These services can be obtained

by adhering to the bank's established criteria. The Myanmar Tourism Bank (MTB) offers a variety of products and services.

### **Current Account**

An interest-free transaction account that includes a check book. Utilizing a check as a means of payment can streamline the payment process. Individuals, joint entities, companies, or associations in the travel and tour industry can conduct secure business transactions using cheques, which are negotiable instruments, using either over-the-counter service or the CBM net channel. Customers have the ability to make deposits and withdrawals within the standard operating hours of the business. Consumers have the option to obtain comprehensive statements that provide an abundance of information regarding their daily expenditures and account transactions.

### **Call Account**

The customer's capital accumulates through the use of an interest-bearing Call Deposit Account. In addition to generating income, an individual or joint account member can take advantage of all the benefits of a current account. The daily accrued interest is calculated by starting with an initial balance of 10,000 MMK. Customers are permitted to conduct an infinite quantity of withdrawals and deposits during the bank's business hours. The interest is computed on a daily basis and disbursed on a monthly basis.

### **Fixed Deposit Account**

A Fixed Deposit account is widely acknowledged as a secure and highly effective method for increasing one's financial resources and preparing for future efforts. Customers that want to invest in secure, long-term deposits are given the most favorable interest rates. Regardless of the timing of their deposits, consumers are entitled to receive interest payments. It is possible to achieve a high interest rate. The maximum annual interest rates, which can reach up to 8.75%, depend on the length of the deposit and can go up to 9.9% during the promotional period.

### **Remittance Services**

MTB Bank's branch network, together with associated bank branches and Intrabank, provide local remittance services. MTB branches offer domestic remittance

services for both receiving and depositing funds. MTB banks and other local correspondent bank branches, as well as special regions, provide domestic remittance services for the withdrawal and cashing of funds. MTB bank has established connections with local correspondent banks such as Myanma Apex Bank (MAB), Myanmar Oriental Bank (MOB), Cooperative Bank (CB), Myanmar Citizen Bank (MCB), and Innwa Bank Limited (IBL) to provide remittance services. Particularly for remittances to specific regions, the quantity can be sent at a specific time.

### **Card services**

A complimentary debit card is included with each individual account at MTB Bank, which can be used at ATMs for a continuous period of 24 hours. The ATM's operational constraints determine whether it is feasible to extract cash. Individuals who satisfy the criteria established by MTB Bank are eligible to submit an application for an MPU Debit Card.

### **Payroll Services**

Myanma Tourism Bank (MTB) offers payroll services that are straightforward and convenient for duly employed employees. The Payroll Bundle offers not only payroll services for organizations of all sizes, but also grants employees access to a wide range of exclusive benefits and services. The goal is to effectively carry out monthly payroll procedures while reducing expenses and administrative burden. Payrolls can be securely and conveniently transferred to specified accounts using dependable means, removing the need to pay employees with physical currency and reducing the risk and mistakes associated with cash handling. MTB Bank ensures prompt delivery of payroll services to its clients.

## Loan Services

**Table (3.2) Loan Services Provided by MTB Bank**

<b>Business Loans</b>	<b>Consumer Loans</b>
Overdraft	Short Term Loan on Deposit
Corporate Loan	Short Term Loan
MSME Loan	Education Loan
CGI (with/without) Collateral	Corporate Traveler Loan
Pledge Loan	Staff Loan (internal/ External/ Government)
Hypothecation Loan	Green financing/ Hire Purchase (With/ Without Guarantee)
Invoice Financing	Home Loan /Residential Mortgage
Tender Loan	Consumer Loan to SHG
Housing Construction Loan	Oversea Worker Loan
Other Commercial Enterprise Loan	Student Loan
Commercial Real Estate and Construction Loan	Employee Installment Loan
Agricultural Loan	Travelling with Association Loan
Financial Institution Loan	Travelling with Travel and Tour Association Loan

Source: MTB, 2024

MTB Bank provides loan services to help individuals and organizations accomplish their personal and professional goals. MTB offers two main types of loans: business loans and consumer loans. Each category contains a total of thirteen loan items. Customers have the option to request loans that are specifically designed to meet their individual requirements.

## Other Services

MTB Bank is improving its services by tailoring financial products to meet the specific needs of customers. These services include utility bill payment, payment orders, bank guarantees, and meter bill payment for various townships in Yangon. MTB offers

internet banking, mobile banking, and wallet services, enabling users to quickly access their accounts 24/7 from any location.

### **3.3 Relationship Marketing Practices of MTB Bank**

MTB bank employs relationship marketing strategies such as bonding, commitment, conflict resolution, competence, and personalization to cultivate strong relationships with customers, ultimately leading to customer happiness and loyalty.

#### **3.3.1 Bonding**

MTB bank previously sent emails on specified occasions. The user's login credentials for Mobile Banking are supplied to them via email. The bank extends invites to its frequent clients for events, either independently or in collaboration with other associations, with the aim of fostering stronger connections between consumers and the bank. Loyal patrons are extended invitations to events such as New Year celebrations and bank anniversaries. At the conclusion of the year, the bank typically bestows presents upon its corporate clients, such as umbrellas, books, calendars, mugs, power banks, water bottles, and other items. Periodic dinner gatherings are organized for corporate clients. Due to its nature as a tourist bank, it has established enduring connections with travel and tour associations, partner organizations with installed MOUs, and other collaborative collaborations.

Social media sites including Facebook, Instagram, TikTok, LinkedIn, Viber, YouTube, and Telegram are used to disseminate product information. MTB bank previously informed consumers about bank products through offline sharing events, promotional events, and events organized in collaboration with the bank. Promotional events and lucky draw events are conducted with openness to enhance confidence and establish a positive image for the bank.

#### **3.3.2 Commitment**

A 24/7 customer support call center is designated to handle all inquiries regarding product information, complaints, or any other issues. MTB bank ensures that if the customer care call center is unable to provide an answer, they will reach out to the appropriate product representative or supervisor. The staff is also delivering efficient

service to the bank's customers. MTB bank offers a service where they receive money from the homes of frequent deposit customers who are unable to get to the bank to make their deposits. In the event of any inconveniences, the bank will make arrangements to ensure that delays are avoided, such as arranging for home visits to sign contracts. In the event of transaction concerns, the bank's pertinent personnel address the issues by collaborating with the corresponding banks. Bank Products should regularly do monthly or quarterly follow-ups with customers, including corporate customers (for loans/deposits) or accountants.

### **3.3.3 Conflict Handling**

The bank's top management and department heads efficiently address complaints to ensure that customers experience minimal delays in their transactions or business activities. MTB bank efficiently addresses customer needs in compliance with the bank's regulations. When the frontline staff encounter a problem they can't solve, they escalate it to a supervisor or a dedicated customer service manager with greater decision-making power and the ability to provide solutions.

Staff promptly submit urgent or major issues to the appropriate Branch Manager, Section Head, or Department Head for advice and resolution. When faced with a complex issue or one that requires more investigation, the bank's top management and department heads conduct comprehensive reviews of the complaint. This includes examining transaction records, account statements, and any relevant documentation to gain a complete understanding of the issue. MTB Bank ensures compliance with regulatory requirements regarding conflict handling, including laws and guidelines established by financial regulatory authorities. The bank also strives to resolve customer complaints in a fair and equitable manner. MTB Bank provides comprehensive training to its employees, equipping them with the necessary skills to handle conflicts and provide excellent customer service. The training focuses on fostering empathy, active listening, problem-solving, and negotiation skills, enabling employees to manage conflicts in a professional and courteous manner.

### **3.3.4 Competence**

MTB bank offers comprehensive training programs for its staff, focusing on customer service, product knowledge, and personal presentation. We also offer risk

management, international banking services, trade services, sales and marketing, and insurance courses, which can be accessed either in person or through Zoom. Occasionally, the bank brings in outside instructors to deliver training sessions for its employees. Product knowledge sharing is conducted on a monthly basis by the relevant department. Bank products, digital products, and new products are often utilized for user acceptance testing by staff prior to their official launch. This process allows for valuable feedback, helps familiarize staff with the products, and enhances customer service by ensuring a clear understanding of the offerings. Bank staff used to provide guidance on their compatible products and services, tailoring their recommendations to meet the specific needs and desires of the customers.

### **3.3.5 Customization**

MTB bank actively promotes its services on its social media channels. As a small bank, MTB bank is placing a strong emphasis on developing its brand and cultivating a positive image. MTB bank provides tailored services that are adaptable to the specific guidelines set by the central bank on a case-by-case basis. MTB Bank places a strong emphasis on providing personalized services, setting itself apart from other banks. Our team is dedicated to providing tailored services to our valued customers, including regular and VIP clients. We achieve this by making adjustments to interest rates within the framework set by the central bank. In addition to its regular services, the bank offers special service charges and waives commission fees. MTB bank provides tailored payroll banking solutions for businesses' employees. MTB bank offers a specialized loan product tailored to meet the needs of agro-based and agro processing industries, as well as travel and tour associations.

MTB bank utilizes various relationship marketing practices to ensure customer satisfaction and foster customer loyalty. These practices include building strong bonds with customers, demonstrating commitment to their needs, effectively managing conflicts, showcasing competence, and providing customized solutions. In the upcoming chapter, chapter 4, we will delve into the impact of relationship marketing practices on customer satisfaction and customer loyalty at MTB bank.



## CHAPTER 4

# ANALYSIS ON RELATIONSHIP MARKETING PRACTICES, CUSTOMER SATISFACTION AND CUSTOMER LOYALTY AT MTB BANK

An extensive analysis of customer satisfaction and loyalty to MTB Bank is presented in this chapter. There are three parts in this chapter. The study design is presented in the first part, and a summary of the respondent profiles is given in the second. The examination of client loyalty and satisfaction with MTB Bank is covered in the third part.

### 4.1 Research Design

The main focus of this research is on customer loyalty and satisfaction with MTB Bank's services. There is discussion of primary and secondary data. A systematic questionnaire with a 5-point Likert scale might be used to collect the main data.

According to the Yamane Formula (1973), MTB has 431 corporate clients in total. Using a basic random sampling technique, 207 customers are selected as a sample out of the total. Below is the Yamane sample size formula:

$$n = \frac{N}{1 + N * (e)^2}$$
$$n = \frac{431}{1 + 431 * (0.05)^2} = 207$$

where n = the sample size  
N = the population of the study  
e = the margin error in the calculation

There are three separate parts to the questionnaire. Respondents' demographic information is gathered in Section A. The evaluation of MTB Bank's service quality is covered in Section B. A 5-point Likert scale is used to poll 207 corporate customers in order to gauge their degree of satisfaction. The poll was carried out using a Google form between May 11 and May 18, 2024. Both descriptive and quantitative research methods are used in this study. A thorough literature review of MTB Bank documents, previously released books, prior research articles, pertinent textbooks, and international studies

accessible via online portals is used to gather secondary data. To look at the relationship between independent variables and a dependent variable, regression analysis is used.

## 4.2 Reliability Test

Research dependability is the degree to which a research methodology produces consistent and dependable results. Dependability is the degree to which the results of a specific study can be replicated or duplicated under identical conditions in the field of research. The Cronbach's Alpha values in this investigation range from 0 to 1. Higher numerical values or values that approach 1 suggest a higher level of trustworthiness for the questionnaire or survey (Zach, 2019). The Cronbach's Alpha value is interpreted as follows: In 2019, Wahyudi classified the reliability of values as follows: 0.0~0.20 is considered to be of low reliability, >0.20~0.40 is considered to be of moderate reliability, >0.40~0.60 is considered to be of reasonably high reliability, >0.60~0.80 is considered to be of high reliability, and >0.80~1.00 is considered to be of very high reliability. Table (4.1) illustrates the Cronbach's Alpha reliability test outcome.

**Table (4.1) Reliability Test**

<b>Sr. No.</b>	<b>Variable</b>	<b>No. of Items</b>	<b>Cronbach's Alpha</b>	<b>Reliability Level</b>
1	Bonding	6	.849	Reliable
2	Commitment	6	.913	Reliable
3	Conflict Handling	6	.866	Reliable
4	Competence	6	.916	Reliable
5	Customization	5	.885	Reliable
6	Customer Satisfaction	7	.897	Reliable
7	Customer Loyalty	7	.917	Reliable

Source: Survey Data, 2024

The Cronbach's Alpha values for all variables are greater than 0.7, as indicated in Table (4.1). Consequently, the assertion is made that the findings are valid for this study and that it has a high level of reliability.

### 4.3 Demographic Data of the Respondents

A total of 207 corporate clients are polled using standardized questionnaires in order to collect primary data. The respondents' profile is valuable for recognizing the characteristics of MTB bank's clients. Table (4.2) displays the demographic information of the participants.

**Table (4.2) Demographic Data of the Respondents**

Sr. No	Item	Category	No. of Respondents	Percent
		Total	<b>207</b>	<b>100</b>
1	Gender	Male	186	69.66
		Female	81	30.34
2	Age (Years)	21-30	46	17.23
		31-40	112	41.95
		41-50	75	28.09
		51-60	30	11.24
		61 and above	4	1.50
3	Marital Status	Single	102	38.20
		Married	165	61.80
4	Education Background	Undergraduate	18	6.74
		Graduate	193	72.28
		Post Graduate	42	15.73
		Master	14	5.24
5	Which services are you using from MTB Bank?	Loan	12	4.49
		Current	132	49.44
		Deposit	32	11.99
		Mobile Banking	82	30.71
		Saving	9	3.37

Source: Survey Data, 2024

Males make up the bulk of responders, as Table (4.2) shows. Age-wise, the bulk of responders fall between the 31 and 40 age range, with a smaller subset of respondents falling between the 41 and 50 age range. 207 responders are married, making up the majority. It has been shown that graduates make up the majority of replies. The respondents utilize MTB's current service the most, with 30.71%, followed by mobile banking.

#### **4.4 Descriptive Analysis of Relationship Marketing, Customer Satisfaction and Customer Loyalty**

This section presents a descriptive examination of relationship marketing strategies and client satisfaction. Utilizing a structured questionnaire and a five-point Likert scale (1 being strongly disagree, 2 disagree, 3 being neutral, 4 being agree, and 5 being strongly agree) it was possible to determine the significance of the variables affecting loyalty and satisfaction. The table (4.3) displays the mean rating scale.

**Table (4.3) Mean Rating Scale**

<b>No.</b>	<b>Score Range</b>	<b>Mean Rating</b>
1	1.00 -1.80	Very Low
2	1.80 -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

A 5-point Likert scale structured questionnaire was used to collect primary data, and Best (1977) developed a strategy for evaluating the results. By using this procedure, the mean rating scale—which consists of the average rating and the score range—is determined.

##### **4.4.1 Respondents Perception on Relationship Marketing Practices**

MTB bank prioritizes relationship marketing to attain high levels of client satisfaction and foster customer loyalty. The bank's current areas of concentration are bonding, commitment, dispute managing, competence, and customisation.

##### **(a) Respondents Perception on Bonding**

The objective of customer bonding is to foster a sense of community and establish a relationship with customers. Customer bonding is the process by which an organization or company establishes relationships with its consumers. The respondents' perceptions of MTB bank's customer bonding practice are summarized in Table (4.4).

**Table (4.4) Respondents Perception on Bonding**

<b>Sr. No.</b>	<b>Bonding</b>	<b>Mean Score</b>	<b>Std. Dev</b>
1.	Sending emails to me on specific occasions	3.36	0.85
2.	Fostering a strong emotional connection with its customers	3.74	0.68
3.	Prioritizing my individual needs and interests as a valued customer	3.91	0.68
4.	Having a long-term relationship with MTB Bank.	3.87	0.80
5.	Always used to share new products and services.	4.00	0.73
6.	Valuing and actively welcomes customer feedback and concerns.	3.94	0.71
<b>Overall Mean</b>		<b>3.80</b>	

Source: Survey Data, 2024

Table (4.4) indicates that the respondents strongly agree (mean score of 4.00) that MTB bank consistently provides consumers with new goods and services to keep them informed. The mean score of 3.94, which is the second highest, suggests that the respondents hold a favorable impression of MTB bank values and are proactive in soliciting and addressing customer feedback. Furthermore, MTB Bank places a high importance on addressing my specific requirements and preferences as a highly regarded customer. The majority of respondents have established a long-term association with MTB Bank. Based on the high overall mean score of 3.80, respondents strongly agree that MTB bank effectively cultivates customer loyalty.

**(b) Respondents Perception on Commitment**

Customer commitment is the ultimate phase in the process of retaining customers, and it occurs when a customer has developed loyalty and consistently makes purchases from a particular brand. Table (4.5) displays the respondents' perceptions regarding the customer commitment of MTB bank.

**Table (4.5) Respondents Perception on Commitment**

<b>Sr. No.</b>	<b>Commitment</b>	<b>Mean Score</b>	<b>Std. Dev</b>
1.	Devoting to respond the questions of customer	3.79	0.76
2.	Always willing to help customers	4.08	0.73
3.	Giving commitment towards understanding and filling customers' needs	4.10	0.70
4.	Giving service to customers with empathy	4.14	0.69
5.	Providing banking services on time in response to needs of customers	4.05	0.68
6.	Following up with customers to enhance banking experience	4.08	0.72
<b>Overall Mean</b>		<b>4.04</b>	

Source: Survey Data, 2024

Table (4.5) indicates that the respondents have a high view of obtaining customer service with empathy from workers of MTB bank, as evidenced by the highest mean score of 4.14. The respondents' second highest mean score of 4.10 reflects their agreement that workers of MTB bank demonstrate commitment to understanding and fulfilling customers' needs. Furthermore, the respondents' view of employees' readiness to assist at MTB bank is expressed. Respondents concur that workers of MTB bank consistently engage in follow-up with consumers to ascertain their satisfaction with the service. Based on the high overall mean score of 4.04, it can be concluded that the respondents strongly agree that the staff of MTB bank give service with dedication and loyalty.

**(c) Respondents Perception on Conflict Handling**

Conflicting handling is to reconcile disagreements or conflicts by achieving positive outcomes that satisfy all individuals involved or benefit the group. Table (4.6) displays the respondents' perspectives on MTB bank's conflict resolution methods.

**Table (4.6) Respondents Perception on Conflict Handling**

<b>Sr. No.</b>	<b>Conflict Handling</b>	<b>Mean Score</b>	<b>Std. Dev</b>
1.	Handling every complaint wholeheartedly in a positive and active manner.	3.51	0.78
2.	Offering customers sense of safe and encouraging them to raise complaints.	3.69	0.73
3.	Very courteous and fast at responding complaints.	3.57	0.69
4.	Being good at listening and solving problems in customers best interests at heart by employees of MTB bank	3.95	0.68
5.	Showing sincere interest in solving customer service problems.	3.89	0.77
6.	Openly discussing solutions when a problem arises.	3.91	0.74
<b>Overall Mean</b>		<b>3.75</b>	

Source: Survey Data, 2024

Table (4.6) indicates that the respondents strongly agree that workers at MTB Bank excel in listening to and solving problems, as seen by the highest mean score of 3.95. This score suggests that consumers believe MTB Bank delivers the best interest in these areas. The respondents' second biggest mean score of 3.91 reflects their strong satisfaction with MTB Bank workers openly discussing solutions when an issue arises. In addition, clients can expect the personnel to genuinely prioritize problem-solving. Respondents concur that personnel consistently demonstrate genuine interest in resolving customer service issues. Based on the high overall mean score of 3.75, the respondents strongly agree that MTB bank is capable of resolving issues and are willing to fulfill and support client needs.

**(d) Respondents Perception on Competence**

Competency has been identified by customers as the primary factor that significantly impacts a positive customer experience. Table (4.7) displays the respondent's perception of the competency of MTB bank.

**Table (4.7) Respondents Perception on Competence**

<b>Sr. No.</b>	<b>Competence</b>	<b>Mean Score</b>	<b>Std. Dev</b>
1.	Knowledgeable employees about all the products/Services features provided.	4.14	0.71
2.	Clarification provided by the bank about different product/service is explicit	4.13	0.73
3.	Giving the service caringly upon customer request.	4.16	0.71
4.	The efficiency (speed) of MTB Bank employees in dealing with customers' requests is quite admirable and fast.	4.15	0.80
5.	Able to suggest which bank products are suitable for me.	4.13	0.72
6.	Being customer-focused and know their customers well.	4.16	0.73
	<b>Overall Mean</b>	<b>4.14</b>	

Source: Survey Data, 2024

Table (4.7) indicates that the respondents strongly agree that MTB bank workers offer considerate and attentive care to each customer. They also demonstrate a good understanding of their customers and give customized service to meet their specific demands. The highest mean score of 4.16 supports this conclusion.

The respondents' second highest mean score of 4.15 suggests a significant agreement that MTB bank workers are efficient and prompt in attending to their demands. In addition, the respondents expressed satisfaction with the workers of MTB Bank, noting their extensive understanding of all the characteristics of the products and services offered. Respondents concur that the efficiency and promptness with which MTB Bank workers handle clients' demands is commendable. Based on the average score of 4.14, the respondents strongly agree that the workers of MTB bank possess knowledge, friendliness, skill, and competence.

**(e) Respondents Perception on Customization**

Customization refers to the act of modifying a product or service in order to satisfy the particular requirements or preferences of an individual or a group. Table (4.8) displays the respondent's perception on the customization of MTB bank.



**Table (4.8) Respondents Perception on Customization**

<b>Sr. No.</b>	<b>Customization</b>	<b>Mean Score</b>	<b>Std. Dev</b>
1.	Offering time-saving benefits through personalized services.	3.86	0.66
2.	Easily access personalized banking information with MTB Bank.	3.84	0.70
3.	Suggestions from employees of MTB Bank are useful.	3.96	0.69
4.	Offering personalized services to meet my needs as a customer.	4.03	0.63
5.	Treating customers politely and respectfully.	3.99	0.72
<b>Overall Mean</b>		<b>3.94</b>	

Source: Survey Data, 2024

Table (4.8) indicates that the respondents have a high view of receiving individualized services from MTB bank, as seen by the highest mean score of 4.03. The respondents' second highest mean score of 3.99 shows that they were highly satisfied with the courteous and respectful treatment they received from MTB Bank workers. In addition, consumers have the opportunity to receive appropriate and valuable guidance from the professionals of MTB bank. The respondents concur that the recommendations provided by workers of MTB Bank are valuable. Based on the high overall mean score of 3.94, the respondents strongly agree that MTB bank provides valuable and time-saving personalized services. Table (4.9) presents the average summary table of independent and dependent variables. The mean scores are derived from the overall mean score of each practice.

**Table (4.9) Overall Mean of Relationship Marketing Practices on Customer Satisfaction**

<b>No.</b>	<b>Description</b>	<b>Mean Values</b>
1.	Bonding	3.80
2.	Commitment	4.04
3.	Conflict Handling	3.75
4.	Competence	4.14
5.	Customization	3.94

Source: SPSS Output, 2024

The table (4.9) displays the average scores of relationship marketing practices at MTB Bank. The average scores of marketing practices of MTB Bank are all higher than the neutral value of 3.0. Hence, the majority of the participants hold a favorable opinion of the relationship marketing strategies of MTB Bank.

#### 4.4.2 Respondents Perception on Customer Satisfaction

The measurement of customer satisfaction at MTB bank is based on factors such as timely information updates, efficient service, user-friendly interface, and strong security and privacy measures. Table (4.10) displays the level of customer satisfaction among the respondents in relation to MTB bank.

**Table (4.10) Respondents Perception on Customer Satisfaction**

<b>Sr. No.</b>	<b>Customer Satisfaction</b>	<b>Mean Score</b>	<b>Std. Dev</b>
1.	Being satisfied with the competency of MTB bank employee.	4.01	0.72
2.	Being satisfied with the conflict handling practices of MTB bank.	3.74	0.70
3.	Being satisfied with the prompt services of MTB bank.	4.04	0.67
4.	Being satisfied with courteous behavior of MTB bank employee.	4.02	0.73
5.	Being satisfied with empathetic behavior of MTB bank employee.	4.05	0.76
6.	Being satisfied with accurate and personalized services of MTB bank.	4.03	0.68
7.	Being satisfied with the emails I received from MTB Bank on specific occasions.	3.74	0.76
<b>Overall Mean</b>		<b>3.95</b>	

Source: Survey Data, 2024

Table (4.10) indicates that the respondents have a strong feeling of pleasure with the empathic behavior of MTB bank employees when providing service, as seen by the highest mean score of 4.05. The respondents' second highest mean score of 4.04 suggests that they were highly satisfied with MTB bank's prompt services in terms of timing and quick access. In addition, clients express high levels of satisfaction with the courteous demeanor of the bank's workers when it comes to communication at MTB bank. Furthermore, the respondents express contentment with the precise and tailored services

provided by MTB bank. The customers are also satisfied with the polite demeanor of the MTB bank employee. Based on the high overall mean score of 3.95, it can be concluded that the respondents are extremely satisfied with the overall services provided by MTB bank.

#### 4.4.3 Respondents Perception on Customer Loyalty

The customer loyalty of MTB bank is assessed based on factors such as customer engagement, efficient service, user-friendliness, and security and confidentiality. Table (4.11) displays the level of customer satisfaction among the respondents in relation to MTB bank.

**Table (4.11) Respondents Perception on Customer Loyalty**

<b>Sr. No.</b>	<b>Customer Loyalty</b>	<b>Mean Score</b>	<b>Std. Dev</b>
1.	Considering MTB bank as the first choice among other banks	3.81	0.66
2.	Remaining a client of MTB bank to enjoy the banking relationship	3.93	0.62
3.	Having a strong sense of loyalty towards MTB bank	3.94	0.66
4.	First option when making purchase decisions on banking services	3.82	0.62
5.	Intending to use MTB bank services for long time.	3.86	0.62
6.	Continue using MTB bank even lower costs offers at other banks	3.64	0.71
7.	Encouraging other people to use MTB bank services	3.84	0.64
<b>Overall Mean</b>		<b>3.84</b>	

Source: Survey Data, 2024

The greatest mean score of 3.94, which indicates the respondents' contentment with the bank's services and customer care, indicates the respondents' strong feeling of loyalty towards MTB bank, according to the data in Table (4.11). The second-highest mean score of 3.93 indicates that respondents are very happy and want to stay with MTB bank as long-term customers in order to keep enjoying the benefits of the banking relationship. Moreover, clients choose to utilize the services of MTB bank for an extended duration due to the provision of excellent service, highly competent workers, and superior products. Based on the high overall mean score of 3.84, the respondents strongly agree that they intend to continue using MTB bank's services as loyal customers. This is due to the bank's

excellent customer care, personalized service, polite and willing employees, timely updates on services, and the various useful offerings provided by MTB bank.

#### 4.5 Analysis on the Effect of Relationship Marketing on Customer Satisfaction

A standardized questionnaire was given to 207 respondents in order to collect information on the link between relationship marketing strategies and customer satisfaction. To find the correlation between independent and dependent variables, multiple regression is used. Table (4.12) presents the result.

**Table (4.12) Effect of Relationship Marketing on Customer Satisfaction**

Variable	Unstandardized Coefficients		Standardized Coefficients (Beta)	t	Sig.
	B	Std Error			
(Constant)	0.631	0.164		3.839	0.000
Bonding	-0.018	0.074	-0.019	-0.244	0.808
Commitment	0.184**	0.084	0.195	2.195	0.029
Conflict Handling	0.167**	0.076	0.176	2.203	0.029
Competence	0.191**	0.076	0.215	2.524	0.012
Customization	0.325***	0.066	0.352	4.951	0.000
R Square	.711				
Adjusted R Square	.703				
F Value	87.524***				

Source: Survey Data, 2024

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

Table (4.12) shows that the given model can explain 70.3% of the variance in customer satisfaction predicted by the five relationship marketing activities (bundling, commitment, managing conflicts, competence, and customisation). The modified R square value of 0.703 supports this claim. The very significant F value at the 1 percent level, which indicates the model's general applicability, supports the validity of the model. The study reveals that out of the five relationship marketing techniques examined, commitment, conflict managing, competence, and customisation have a strong positive correlation with customer satisfaction. Customer satisfaction is not much influenced by bonding.

Commitment has a crucial role in achieving customer satisfaction at a level of 5 percent. Providing a higher level of service commitment will result in increased customer

satisfaction. MTB bank personnel provided customers with empathetic customer service. Furthermore, they obtained dedication from their personnel. Consequently, they are content with the dedication of MTB bank staff. The level of client satisfaction increases proportionally with the level of commitment supplied.

Effective conflict resolution is crucial for achieving a high level of customer satisfaction. Improved conflict resolution will result in increased customer satisfaction. MTB Bank workers freely engage in discussions to find answers when an issue arises. Consequently, clients express contentment with the manner in which bank workers handle conflicts. Providing improved conflict resolution leads to higher customer satisfaction.

Competence has a crucial role in achieving customer satisfaction at a level of 5 percent. The workers of MTB bank demonstrate exceptional efficiency and promptness in addressing the demands and desires of consumers. Furthermore, the efficiency and promptness with which MTB Bank workers handle customer inquiries is commendable. Increasing employee competency will directly enhance customer satisfaction. The greater the competence of an employee, the higher the level of client satisfaction.

Customization plays a highly important role in achieving customer satisfaction at a statistically meaningful level of 1 percent. Providing a more tailored service would also enhance client satisfaction. MTB bank provides customized services to customers based on their individual requirements. Customers often receive valuable recommendations from MTB Bank workers. The provision of additional customized services directly correlates with increased customer satisfaction.

Among the two significant explanatory factors, customization has the greatest value according to the standardized coefficient (Beta) score. MTB Bank offers customized services to meet the needs and preferences of its clients while abiding by the standards and guidelines established by the Central Bank. As a result, customers are satisfied with MTB bank and get the service they want.

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

207 customers are surveyed using structured questionnaires to ascertain the correlation between continuance use intention and customer satisfaction. The link between the independent and dependent variables is found via the analysis of the data using linear regression. Table (4.13) provides an illustration of this result.

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

Variable	Unstandardized Coefficients		$\beta$	t	Sig.
	B	Std Error			
(Constant)	1.115	0.140		7.960	0.000
Customer Satisfaction	0.715***	0.035	0.832	20.220	0.000
R Square	.692				
F Value	408.839***				

Source: Survey Data, 2024

\*\*\* Significant at 1% level

Given that the adjusted R square value is 0.692, as illustrated in Table (4.13), it is possible to infer that this particular model can account for 69.2% of the variation in customer loyalty that is predicted by customer satisfaction. The F value is highly significant at the 1% level, which indicates that the model is valid.

In accordance with the regression results, customer loyalty is significantly positively correlated with customer satisfaction. Customers are content with the empathetic demeanor of MTB bank employees. MTB bank's services are also regarded as accurate and personalized by them. Given that the majority of respondents are content with MTB Bank's relationship marketing strategies, they anticipate utilizing the bank's services in the future. Furthermore, they consistently express favorable sentiments regarding MTB bank service to others.

## **CHAPTER 5**

### **CONCLUSION**

The findings and discussions are presented in this chapter. Suggestions and recommendations are proposed in accordance with the results. Ultimately, it is advised that additional research be conducted, as this investigation has certain constraints.

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

This investigation's goals are to identify the relationship marketing techniques used by MTB Bank, look at how these techniques affect customer satisfaction, and assess how customer happiness affects customer loyalty. The quantitative method and descriptive research were implemented in this investigation. Secondary data and primary data were both employed. Descriptive statistics are used to identify relationship marketing practices, including bonding, commitment, conflict management, competence, and customization, in terms of mean values and standard deviation. 207 of the 431 corporate customers of MTB were randomly selected as a sample using the simple random sampling procedure.

MTB Bank consistently provides its consumers with the most recent information regarding its products and services in relation to bonding. Secondly, MTB bank actively encourages and values customer feedback and concerns. Furthermore, MTB Bank places a high value on the individual demands and interests of its valued customers. Consequently, the respondents have a favorable opinion of MTB bank's customer affinity.

The MTB bank staff provides the service with empathy, as indicated by the mean values of client perceptions towards commitment, for the first objective. Additionally, employees comprehend and satisfy customers' requirements. Additionally, employees are prepared to accommodate the requirements and desires of their clients. The respondents are content with the commitment of MTB bank for these reasons.

The employees at MTB Bank prioritize the interests of their customers by actively listening and resolving issues, as indicated by the mean values of customer perceptions regarding conflict resolution. Furthermore, employees of MTB Bank engage in candid discussions regarding potential resolutions to issues that arise. Additionally, consumers may perceive employees' genuine enthusiasm for resolving issues. MTB Bank is capable

of resolving issues and is eager to accommodate and motivate its clients. Customers are content with the manner in which MTB Bank manages conflicts.

MTB bank employees are observed to provide each customer with a thoughtful and caring service, and they are well-versed in their customers' requirements, enabling them to provide service that is customized to accommodate them. They are also efficient and prompt in attending to the needs of their customers. Furthermore, respondents expressed satisfaction with the employees of MTB Bank's extensive knowledge of all the features of the products and services offered. Consequently, the personnel of MTB Bank are proficient, courteous, skilled, and competent.

With regard to customization, MTB Bank provided consumers with personalized services that were tailored to their specific requirements. Furthermore, MTB Bank employees demonstrate a high level of respect and courtesy toward them. Additionally, the employees of MTB bank are capable of providing consumers with pertinent and advantageous guidance. That being said, MTB Bank is capable of providing customized services that are both time-saving and beneficial.

The regression results suggest that customer satisfaction is positively correlated with commitment, conflict management, competence, and customization practices, which are among the five relationship marketing practices. Bonding does not have a substantial impact on customer satisfaction. According to the study, customisation has a big impact on customer happiness.

In relation to the third objective, the regression result indicates that customer satisfaction significantly impacts customer loyalty to the services of MTB Bank. Customers are content with the services provided by MTB Bank; they plan to continue using the service in the future and to recommend it to others.

## **5.2 Suggestions and Recommendations**

MTB bank has the potential to enhance client satisfaction and loyalty, as indicated by the results. In order to enhance client loyalty, MTB bank must prioritize customer satisfaction. Customization is the most effective factor in enhancing consumer satisfaction, and MTB bank should prioritize it in order to facilitate this. MTB Bank should provide personalized services by utilizing customer data to provide products, content, and services that are pertinent to the consumer. Furthermore, it is recommended that MTB Bank



implement a CRM application to document the preferences and requirements of its consumers. The staff of MTB bank can then provide personalized service by reviewing customer information in the system. Furthermore, MTB Bank should provide a greater number of digital services in order to provide a more efficient service. Subsequently, consumers will experience increased satisfaction with the services provided by MTB bank.

MTB Bank should offer product knowledge and customer service training to its employees in order to enhance their competencies. Furthermore, MTB Bank should equip its personnel with the necessary skills to accommodate the changing needs of its clients. Then, employees will possess the necessary knowledge and skills to provide exceptional customer service.

MTB Bank's customer service agents should strive to address banking inquiries in plain language and provide the corresponding banking resources for any further inquiries in order to enhance customer commitment. Furthermore, it is imperative that MTB Bank employees consistently follow up with consumers following the completion of the service. Additionally, employees should endeavor to comprehend the preferences of their customers and the manner in which they wish to engage with the firm by dedicating time and incorporating lessons from previous interactions and experiences. Subsequently, consumers will experience increased satisfaction with the services provided by MTB bank.

MTB bank employees should attentively attend to customers without interrupting in order to improve conflict resolution. The bank should provide its employees with the necessary training to demonstrate empathy for the customers' experiences and to resolve the matter with care. Furthermore, MTB bank employees should demonstrate courtesy by refraining from engaging in arguments with irate customers and by treating them with empathy. Subsequently, clients will experience increased satisfaction with MTB bank's conflict resolution procedures.

Lastly, in order to enhance customer satisfaction with the bank's services, MTB Bank should solicit consumer feedback. Additionally, in order to preserve its market leadership, the bank must consistently supervise its competitors' relationship marketing strategies.

### **5.3 Need for Further Study**

This research solely looks at the relationship between marketing tactics, client loyalty, and customer satisfaction with reference to MTB bank's banking services. It doesn't look at relationship marketing strategies, client loyalty, or customer satisfaction with regard to banking services offered by banks other than the one under investigation. Therefore, in order to cover the whole banking industry, further study must be done on the link between relationship marketing strategies, customer satisfaction, and customer loyalty in relation to business loan services provided by other banks. This study specifically examines five contributing elements, acknowledging the possibility that there may be additional factors that can impact customer satisfaction among business loan clients. Hence, subsequent research should aim to identify other characteristics that can influence the happiness of business loan consumers, taking into account their individual perspectives.

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**APPENDIX A**  
**QUESTIONNAIRE SURVEY**

**Dear Sir/Madam,**

The purpose of this questionnaire is to collect data on “Relationship Marketing Practices, Customer Satisfaction and Customer Loyalty at MTB Bank” as part of my academic research study for the Master of Banking and Finance (MBF) at Yangon University of Economics. I appreciate your value and time in responding to the questions and assure you of confidentiality and privacy.

**Section A: General Information**

**1. Gender**

- Male  Female

**2. Marital Status**

- Single  Married

**3. Age (Completed Years) :.....**

**4. Education Background : .....**

**5. What is your Job?**

- Company Employees  Business Owner  CEO  
 Other (Please specify): .....

**6. Which services are you using from MTB Bank?**

- Loan  Current  Deposit  Mobile Banking  Saving

## Section B: Relationship Marketing

Please tick (✓) in the box and 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

### Bonding

No	Items	1	2	3	4	5
1.	MTB Bank sends emails to me on specific occasions					
2.	MTB Bank fosters a strong emotional connection with its customers					
3.	MTB Bank prioritizes my individual needs and interests as a valued customer					
4.	I have a long-term relationship with MTB Bank.					
5.	MTB bank always used to share new products and services.					
6.	MTB bank values and actively welcomes customer feedback and concerns.					

### Commitment

No	Items	1	2	3	4	5
1.	MTB Bank devotes to respond the questions of customer.					
2.	MTB Bank employees are always willing to help customers.					
3.	MTB Bank employees from MTB Bank give commitment towards understanding and filling customers' needs.					
4.	MTB Bank employees from MTB Bank give service to customers with empathy.					
5.	MTB Bank is committed to provide banking services on time in response to needs of customers.					
6.	Employees of MTB Bank follow up with customers to enhance banking experience					

### Conflict Handling

No	Items	1	2	3	4	5
1.	MTB Bank handles every complaint wholeheartedly in a positive and active manner.					
2.	MTB Bank makes customers feel safe and encourages them to raise complaints.					
3.	MTB Bank is very courteous and fast at responding complaints.					
4.	MTB Bank employees at MTB Bank are good at listening and solving problems in customers' best interests at heart.					

5.	MTB Bank shows sincere interest in solving customer service problems.					
6.	MTB Bank employees openly discuss solutions when a problem arises.					

### Competence

No	Items	1	2	3	4	5
1.	The employees of MTB Bank is quite knowledgeable about all the products/Services features provided.					
2.	The clarification provided by the bank about different product/service is explicit					
3.	Employees of MTB Bank give the service caringly upon customer request.					
4.	The efficiency (speed) of MTB Bank employees in dealing with customers' requests is quite admirable and fast.					
5.	The bank employees can suggest which bank products are suitable for me.					
6.	MTB Bank employees are customer-focused and know their customers well.					

### Customization

No	Items	1	2	3	4	5
1.	MTB Bank offers time-saving benefits through personalized services.					
2.	Easily access personalized banking information with MTB Bank.					
3.	Suggestions from employees of MTB Bank are useful.					
4.	The bank offers personalized services to meet my needs as a customer.					
5.	MTB Bank employees of MTB Bank treat customers politely and respectfully.					

### Customer Satisfaction

No	Items	1	2	3	4	5
1.	I am satisfied with the competency of MTB bank employee.					
2.	I am satisfied with the conflict handling practices of MTB bank.					
3.	I am satisfied with the prompt services of MTB bank.					
4.	I am satisfied with courteous behavior of MTB bank employee.					
5.	I am satisfied with empathetic behavior of MTB bank employee.					

6.	I am satisfied with accurate and personalized services of MTB bank.					
7.	I am satisfied with the emails I received from MTB Bank on specific occasions.					

**Customer Loyalty**

No	Items	1	2	3	4	5
1.	I consider MTB bank as the first choice among other banks.					
2.	I will remain to be a client of MTB bank to enjoy the banking relationship.					
3.	I have a strong sense of loyalty towards MTB bank.					
4.	MTB bank is my first option when making purchase decisions on banking services.					
5.	I intent to use MTB bank services for long time.					
6.	Even if another bank provide services at lower cost I will stay with MTB bank.					
7.	I will encourage other people to use MTB bank services.					

## APPENDIX B

### Effect of Relationship Marketing Practices on Customer Satisfaction

#### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.843 <sup>a</sup>	.711	.703	.0324

a. Predictors: (Constant), Conflict Handling Mean, Bonding Mean, Trust Mean, Communication Mean, Commitment Mean

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

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	45.849	5	9.170	87.524	<.001 <sup>b</sup>
	Residual	18.649	178	0.105		
	Total	64.499	183			

a. Dependent Variable: Customer Satisfaction Mean

b. Predictors: (Constant), Conflict Handling Mean, Bonding Mean, Trust Mean, Communication Mean, Commitment Mean

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

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.631	0.164		3.839	0.000
	Bonding	-0.018	0.074	-0.019	-0.244	0.808
	Commitment	0.184	0.084	0.195	2.195	0.029
	Conflict Handling	0.167	0.076	0.176	2.203	0.029
	Competence	0.191	0.076	0.215	2.524	0.012
	Customization	0.325	0.066	0.352	4.951	0.000

a. Dependent Variable: Customer Satisfaction Mean

## Effect of Customer Satisfaction on Customer Loyalty

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.832a	0.692	0.690	0.284

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

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	32.994	1	32.994	408.839	<.001b
	Residual	14.688	182	0.081		
	Total	47.682	183			

a. Dependent Variable: Customer Loyalty Mean

b. Predictors: (Constant), Customer Satisfaction Mean

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

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.115	0.140		7.960	0.000
	Customer Satisfaction Mean	0.715	0.035	0.832	20.220	0.000

a. Dependent Variable: Customer Loyalty Mean