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**INNOVATION PRACTICES, CUSTOMER
SATISFACTION AND CONSUMER LOYALTY
TOWARDS MAB BANK**

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SATISFACTION AND CONSUMER LOYALTY
TOWARDS MAB BANK**

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ABSTRACT

This research aims to identify the creative strategies used by MAB bank, evaluate the effect these strategies have on customer satisfaction, and examine how customer satisfaction affects customer loyalty to MAB bank. Primary and secondary data were also used in this investigation. The research focuses on independent variables that include a wide range of innovative techniques, such as product, process, service, and marketing communication innovation. The total number of customers at MAB bank is 126,251. The Yamane (1973) formula yields a sample size of 399. A total of 399 clients of MAB bank were selected using the simple random sample method to collect structured questionnaires. To determine the correlation between independent and dependent variables, regression analysis is used. According to the survey, customer satisfaction is positively and significantly impacted by service, process, product, and marketing communication innovation. The MAB bank's innovative service methods have the greatest impact on customer satisfaction of all the practices. Regression research shows that customer loyalty is positively and statistically significantly impacted by customer satisfaction. Based on research findings, MAB bank could provide a digital replacement option by sending new codes to clients who seek card replacements through internet banking. MAB bank should produce original music tracks and film series including renowned singers and actors. Furthermore, it is imperative for MAB bank to retain the customer's past transaction records on their mobile banking or internet application. MAB bank should provide a rapid online lending service that displays the progress of the loan procedure and provides an estimated timeframe for loan approval on their website. Ultimately, it is imperative for MAB bank to consistently oversee the offerings and provisions of its competitors.

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CHAPTER 1

INTRODUCTION

One of the areas of the global economy that is growing the fastest is the service industry. Furthermore, the creation of businesses that were previously inconceivable has been made feasible by globalization. In the contemporary globalized and competitive marketplace, organizations have been assiduously seeking out innovative ways to enhance their current offerings and expand their service offerings. In the interim, the businesses have been able to compete with the accelerated tempo of the changing environment as a result of the innovativeness. Businesses can offer distinctive value to their consumers and distinguish themselves from their competitors through innovation. This can assist businesses in maintaining a competitive edge in a highly competitive industry. Consequently, in order to achieve superior business performance and compete in their respective markets, organizations must be innovative (Yokomizo, 2014).

According to Michel et al. (2008), innovation is the introduction of a new or altered solution to a problem that increases the value of the product or service for the customer. Innovation is the process of bringing new goods and services to market and using fresh knowledge to create new goods and services that will please current clients and draw in new ones. Companies will be able to distinguish themselves from their competitors by demonstrating creativity and innovation. Schumpeter (2002) defines innovation as the integration of novel products, processes, markets, organizational structures, and sources of supply within an entrepreneur.

Innovation, according to Szirmai et al. (2011), include using developing markets and creating new goods, services, and procedures. Innovation is a revolutionary process that involves the expedited invention of ideas and the quick development of new goods, services, and industrial processes (Nwachukwu et al., 2018). Companies can enhance their efficiency and adjust to evolving market demands by implementing innovations in marketing, process, and service. According to Hall et al. (2005), service innovation boosts a service provider's competitive edge and benefits both the customer and the service provider. Process innovation is concentrated on the production, distribution, and use of goods (Bessant & Tidd, 2007). Nemati et al. (2010) define

product innovation as a brand's ability to design, develop, and launch new lines of distinctive and alluring goods and services.

Consumers, like other sectors, are essential to the profitability of a bank. If consumers are dissatisfied, they may migrate to alternative financial institutions that may offer superior and more satisfactory services. In order to satisfy the diverse and evolving requirements of their clients, banks are compelled to allocate resources to innovation within the banking sector. Many innovations are being introduced by banks in order to improve the consumer experience (Iberahim et al., 2016).

The advancements in telecommunications and information technology have significantly transformed the banking sector. Iberahim et al. (2016) assert that banks strive to enhance customer contentment and loyalty by providing innovative products and services in response to market changes. In an effort to remain competitive in this environment, banking institutions have implemented the most recent strategies, utilizing technology to enhance customer service, reduce operational costs, and maintain their market presence (Sohail & Shanmugham, 2003).

Located in Myanmar, Myanma Apex Bank (MAB) is a private commercial bank. It opened for business on July 2, 2010. MAB keeps up with the changing banking needs of the people of Myanmar by putting new ideas into effect. This study's main emphasis is on MAB Bank's innovative methods, customer happiness, and customer loyalty.

1.1 Rationale of the Study

The banking business is undergoing fast change, with the biggest paradigm shift being the migration to digital-only institutions thanks to technological advancements. The banking industry is under a lot of pressure to meet the increasingly varied and demanding needs of their customers, most of which are outside of their control. Customer happiness is a key factor in banks' performance. Thus, in order for banks to thrive in a cutthroat market, they must control the shifting needs of their clientele.

Consumer behavior is evolving, which is another aspect of the banking industry nowadays. In the contemporary digital age, obtaining consumer pleasure has grown more challenging. Consumer behavior is changing quite quickly in the retail banking industry. Retail banks need to adapt to the shifting tastes and habits of their customers.

For example, modern bank clients demand services that are tailored to their individual needs and are both flexible and personalized.

Banks need to make greater investments in digital banking in order to keep up with the expectations of their customers, who now want smooth and intuitive digital experiences. With more and more customers depending on their phones, there will be a significant change in mobile banking. In order to avoid having to visit a branch, customers also anticipate that banks would expedite the online account opening process. Additionally, customers' preferred channels are evolving and become more sophisticated. Modern bank customers want easy access to banking services that is both flexible and convenient. Banking organizations must thus innovate by creating or implementing technology that meet the shifting demands and habits of their customers.

Innovation is critical to banks' ability to survive. When a business introduces new goods or services to the market and changes the way consumers view its capacity to meet their requirements, innovation leads to increased customer satisfaction. Customers who were satisfied would tell other prospective customers about the bank's ability to meet their demands. Consequently, innovative initiatives are essential to the long-term viability and expansion of banks. Innovation plays a critical role in facilitating banks' sustainable development. Innovation is a top priority for banks because it helps them maintain their competitive edge, satisfy customer needs, and promote economic growth. Banks can increase their efficiency and adjust to shifting market demands by using new processes, products, services, and marketing communications. Consequently, banks might generate wealth through creative endeavors in order to stay competitive. By optimizing important assets, resources, or opportunities, innovation helps banks create value (Galloway et al., 2017).

Product innovation enables banks to maintain their competitive edge and to keep expanding and become better over time. By creating new business prospects and reaching completely untapped consumer segments, it promotes expansion. To better delight consumers and expand into new markets, product innovation entails developing new items or improving ones that already exist. Conversely, customer contentment, customer loyalty, and customers' perception of value all rise with service innovation. Banks are highly regulated, naturally risk adverse businesses. Employees that use process innovation techniques achieve more results in less time, increase a company's efficacy and efficiency, and increase customer satisfaction. Furthermore, creative

marketing techniques address the specific needs of each client. Finding present and future target markets, launching distinctive goods and services, and raising customer happiness all depend on marketing innovation.

Many services that consumers would expect to find anywhere in the world, such as credit cards, debit cards, traveler's checks, money transfers, personal loans, and auto loans, are offered by commercial banks in Myanmar. Additionally, they provide specialized services including business accounts, accounts for women, accounts for kids and students, and automated teller machines (ATMs). Additionally, they provide 24/7 access to e-banking services like bill payment online, branch networking, mobile banking, and internet banking. Customer happiness has a major role in Myanmar banks' success.

Superior company outcomes are significantly influenced by customer satisfaction. Customers will stick with the bank for a very long time if they are satisfied. As a result, banks must use creative strategies to increase consumer satisfaction and client retention. Monitoring customer satisfaction levels helps determine how well a bank is doing at offering its clients goods and/or services.

Myanma Apex Bank (MAB), a privately owned commercial bank, was founded on July 2, 2010, and it now has 105 branches and 90 agency branches across Myanmar. MAB offers a wide range of financial services, including consumer deposit offerings, ATMs, POS acceptance networks using Myanmar Payment Union (MPU), VISA and MasterCard cards, and commercial financing for small and medium-sized businesses with loans, overdraft, and hire purchase options. In addition, MAB provides businesses with foreign trade finance, gift checks, payment orders, remittance, and other ancillary services. In order to support Myanmar's growing high-net-worth clientele, MAB has launched a wealth banking and rewards program called MAB Wealth Banking.

Banking institutions must prioritize innovation in order to promptly and effectively address client demands and adapt to competitive shifts. Presently, MAB bank provides cutting-edge financial services to enhance customer happiness. However, customers do not respond to the innovative products and services of MAB bank as anticipated. This study aims to determine the impact of innovative service aspects on customer satisfaction and loyalty towards MAB Bank. The study's findings may provide businesses insightful direction for well-informed strategic decision-making. If innovations have a favorable impact on customer happiness and loyalty,

corporations may opt to allocate additional resources towards research and development, technology, or other domains that promote innovation.

1.2 Objectives of the Study

The main objectives of this study are as follow

- 1) To identify the innovation practices of MAB bank.
- 2) To examine the effect of innovation practices on customer satisfaction of MAB bank.
- 3) To analyze the effect of customer satisfaction on customer loyalty of MAB bank.

1.3 Scope and Method of the Study

The main focus of this research is how innovations affect MAB Bank's customers' loyalty and level of pleasure.

A mix of descriptive and quantitative methodologies make up the research design that was used. There is use of both primary and secondary data. Customers who have used MAB Bank's financial services make up the population. MAB bank now has a total of 126,251 active customers as of 2024. The survey was conducted in the head office of MAB bank, as well as at the U Chit Maung Road Branch, Ahole branch, and Bayint Naung branch. According to Yamane's study in 1973, the sample size consisted of 399 clients. The primary data is collected using a 5-point Likert scale structured questionnaire. Data is gathered online. Secondary data comprises of scholarly articles, pertinent textbooks, MAB bank reports, and online sources. Regression analysis is utilized to assess the correlations between variables in order to accomplish specific objectives.

1.4 Organization of the Study

There are five distinct chapters that make up this research research. The first chapter provides an introduction to the study, which contains the reasoning for the research, the goals of the investigation, the scope and technique of the study, as well as the arrangement of the paper. The purpose of the second chapter is to discuss the conceptual framework of the investigation, as well as the theoretical foundation and past studies. In the third chapter, the profile of MAB Bank and its innovations are presented. The fourth chapter provides an examination of the impact that innovative

service techniques have had on the level of customer satisfaction and loyalty towards MAB Bank. In conclusion, the results and debates, as well as ideas, recommendations, and the need of more research, are all included inside the fifth chapter.

CHAPTER 2

THEORETICAL BACKGROUND

An explanation of the concept of innovation and its theoretical underpinnings is given in this chapter. Additionally, this chapter offers a summary of the factors that influence, earlier studies carried out, and the conceptual framework used in this investigation.

2.1 Concept of Innovation

Innovation refers to the systematic process of generating, cultivating, and executing novel ideas, approaches, procedures, products, or other original concepts that result in substantial beneficial transformation. In literature, the phrase "innovation" refers to the process of utilizing new knowledge, technology, and methods to create new products, as well as the resulting new or enhanced products themselves. Innovation is the practical application of ideas that results in the development of new goods or services or the improvement of already-existing ones. The development, adoption, and use of new ideas for products, services, and processes is referred to as innovation. Innovation is the process of coming up with new or altered solutions to satisfy the needs of consumers or solve their issues in a way that adds value that they decide and use (Corrocher & Zirulia, 2010).

Innovation holds significance across several levels and is crucial for a multitude of reasons. Innovation is a strategic choice made by various firms to gain a competitive edge over their counterparts. Companies may pursue innovation in response to client expectations for modifications that enhance convenience and meet their needs. An innovation can vary in scale, ranging from significant breakthroughs to minor advancements. Companies may present new products to the market, which could include both minor modifications to existing products and completely new offerings. The objective of these adjustments in the product is to enhance the pleasure of current consumers and potentially entice new customers. Innovation is the ongoing process of discovering, acquiring knowledge, and implementing new technologies and processes from many origins (Rao et al., 2008).

Innovation refers to the creation and implementation of novel items, objects, activities, and ideas. In accordance with the American Heritage Dictionary of the

English Language (2000), innovation refers to the action of presenting or bringing forth something novel. Creativity stimulates original and valuable concepts, while innovation translates these concepts into the creation of novel products and processes (Sarooghi et al., 2015). Innovation is widely regarded as the key method for fostering competition. In order to effectively compete with rivals, a company must prioritize innovation. In order to remain competitive, a company must either develop new products or services, or make modifications to its existing offerings. Various forms of innovation exist. The classification might be either product-based or process-based.

Companies with advanced technology prioritize product innovation. They endeavor to create innovative products in order to allure a larger customer base. Lower technology firms tend to be more engaged in process innovation and cost reduction. They endeavor to discover novel methods to enhance their procedures in order to lower their costs (Hassink, 1996). An essential factor driving innovation is its correlation with economic expansion and advancements. Due to its association with economic development and growth, it brings about the creation of new jobs, as well as alterations to existing jobs and the modification of older job roles. This form of alteration results in enhancements across the entire organization (Mobbs, 2010).

Laursen and Salter (2006) state that firms allocate significant financial and non-financial resources towards the discovery of novel ideas for the introduction of new products or services. These novel concepts can also be employed to alter the current products. Considerable time is being dedicated to fostering innovations. An abundance of investments and extensive knowledge empower a company to generate novel, distinct, and unparalleled creations. Companies that allocate significant financial resources towards the exploration of novel concepts and potential possibilities tend to exhibit higher levels of innovation. He contended that the majority of organizations are currently using the open innovation paradigm. Based on this concept, they provide a minimal budget to internal research and development (R&D). They effectively innovate by leveraging knowledge and expertise from a diverse array of external sources. The provision of new products or services to customers will provide a solution to their problems, and if their problems are resolved with the help of these innovative products, they will be satisfied. Innovation is recognized as a significant factor in the creation of value, which provides firms with a competitive advantage by enhancing customer satisfaction (Leelakulthanit & Hongcharu, 2011).

2.1.1 Types of Innovation

In today's competitive environment, innovation is a critical pillar for numerous organizations. Innovation is currently the primary component of global competitiveness management (Aas & Pedersen 2011). The term "innovation" is also associated with problem-solving, as it is frequently employed as a solution to new or existing issues (Stenberg, 2017).

Numerous types of innovation, including incremental and radical products, processes and procedures, administrative innovation, and process innovation, are examined in the literature (Kim et al. 2012). The four types of organizational innovation that are most often mentioned in literature are process innovation, product innovation, service innovation, and marketing communication innovation. These are the focus of this research. Product innovation refers to modifications or new elements added to the finished product or service, while process innovation refers to originality added to the process or technique of creating goods or services (Kim et al., 2012). Process innovations are launched to obtain efficiency advantages and have an internal emphasis, while product innovations are usually focused on the market and the consumer (Sarooghi et al. 2015).

According to Sidin and Sham (2015), product innovation improves a company's mix of external products, while process innovation improves its mix of internal activities. When it comes to bringing innovation into the company, management may either copy existing inventions or come up with their own. The initial method may prove advantageous for organizations that possess competitive advantages in the short term. Nevertheless, the second approach is more effective in achieving a sustainable competitive advantage (McGrath et al., 1996).

Service innovation is a form of innovation that entails the development and introduction of new services for consumers. Service-related innovation is initiated by service-related innovations and is centered on client experiences. A wide range of duties are included in marketing innovation, with a focus on actions that help a new product or service be successfully marketed and are targeted at the consumer and market (Prahalad & Hamel, 1990). Process innovation, on the other hand, pertains to the production or delivery of a product or service to the client.

2.1.2 Dimensions of Innovation

Elizabeth (2022) identifies four dimensions of innovation: incremental innovation, radical innovation, process and business model innovations, and product and service innovations. The matrix below illustrates a straightforward approach to contemplating sustainable innovation. In order to develop sustainable products and services, organizations must adopt novel concepts and methodologies. Sustainable innovation is the development of a new product or service that enhances the performance of the four dimensions of sustainable development. Four dimensions of sustainable innovation are illustrated in Figure (2.1).

Figure (2.1) Four Dimensions of Innovation

		The Customer & Market Products & Services			
Incremental Innovation	Innovation Products & Services Make existing services More sustainable	Create new products and services Create sustainable Products & services			
	Increase the capacity for sustainable innovation Promote the capacity to operate more sustainably	Changing the business model and organization Rethink how the organization creates and delivers value			
		The Organization Process and Business Model			
				Radical Innovation	

Source: Elisabeth, 2022

A starting point for sustainable innovation is provided by the above-mentioned matrix. The effectiveness of one approach is not superior to that of the other, and it is recommended that companies engage in all four areas. The reality is that the most effective approach to adopting sustainable innovation is to commence at a starting point.

2.2 Related Theories

The background hypotheses that are the primary focus of this investigation are two. Innovation Theory and Resource-Based Theory are the two theories in question.

(i) Innovation Theory

The roots of innovation theory are not found in a single field of study or ideological system. Rather, conceptual linkages come from a wide variety of study subjects and academic disciplines. The innovation process was initially conceptualized in the 1930s as a simple, linear process that progressed from fundamental research to applied research, technological development, and ultimately distribution. This so-called "linear model" holds that scientific discoveries determine the pace and direction of innovation, and that increasing the input of new inventions through increased funding for research and development is the most efficient way to boost the output of new technologies. This is the supply-push method, or technology-push. A different viewpoint known as "demand-pull" became popular in the 1950s. It argued that consumers' need for goods and services had a greater influence on creative thinking than did new discoveries. Since then, it has been noted that the technology-push and demand-pull viewpoints are both too simple, and more modern theoretical frameworks recognize the importance of both. According to Chuck (2010), innovation theory is not based on any one field of study or school of thought.

The idea that knowledge is reciprocal has gained widespread acceptance as innovation theory has developed. For example, data from early market applications feeds back into later studies. This suggests that feedback between stages and the influence of framework conditions, such as government policy and the availability of risk capital, can either reinforce or inhibit the conventional drivers of technology—push from R&D and market pull from customer demand (Ruttan, 2001).

The advances in innovation theory have been gradually approaching a fully systemic, dynamic, non-linear process with several interacting agents in recent years. This point of view emphasizes how crucial institutional frameworks are in determining political and regulatory risk, incentives and obstacles, future technological, market, and policy changes, and the exchange of information amongst participants. Therefore, even if conceptual and methodological details may differ, these more modern innovation systems methods tend to emphasize the significance of distributed learning processes and multiple agency in technological evolution. (2008) Winskel and Moran.

(ii) Resource-Based Theory

According to Resource-Based Theory (RBT), companies are seen as an aggregate of their resources and skills. According to Barney et al. (2011), corporate resources are any assets, competencies, organizational procedures, firm characteristics, information, knowledge, and other resources that are under a company's control and that allow it to create and carry out strategies that increase its efficacy and efficiency. According to the RBT, companies may use resources, internal processes, corporate characteristics, information, networks, and expertise that are under their control to carry out and integrate their plans (Vrande et al., 2009). This argument suggests that social capital satisfies the prerequisites for being regarded as an important and distinctive resource that may provide a competitive advantage and eventually result in better performance.

According to the resource-based theory of competitive advantage, a sustained competitive advantage may be attained by gathering and using resources to satisfy consumer needs in ways that are challenging to copy or replace. According to Amit and Shoemaker (1993), the success of innovations is not solely determined by the innovation itself. Resource-Based Theory is depicted in Figure 2.1. Competitive advantage and sustained competitive advantage were separated by Barney and Hesterly (2004). A company has a competitive edge if it is using a strategy that neither its present nor future rivals can adopt at the same time.

Resource-based theory states that a company is most likely to succeed in the long run when it has resources that are valuable, rare, hard to duplicate, and difficult to replace. Strategic resources serve as the basis for developing corporate skills, which can ultimately result in long-term improved performance. Capabilities are essential for combining, organizing, and effectively utilizing resources in a way that offers additional value to customers and establishes a competitive edge over rivals.

Kostopoulos et al. (2002) looked at important Resource-Based View (RBV) components that have a big impact on a company's capacity for innovation. According to RBV, resources are assets that are inextricably linked to the company (Maijor & Witteloostuijn, 1996). According to Barney (1991), these resources include the financial, human, physical, commercial, technical, and organizational resources that businesses use to design, produce, and deliver goods and services to their customers. Resources may be categorized as intangible or tangible, such as an employee's

knowledge, skills, and experiences, a company's reputation, brand name, or organizational processes. Tangible resources include financial and physical assets.

2.3 Innovation Practices

Innovative business practices refer to the strategies, processes, and procedures that firms adopt in order to enhance operational efficiency, stimulate growth, and enhance the customer experience. Four categories of innovative activities are investigated in this investigation: process innovation, product innovation, service innovation, and marketing communication innovation.

(i) Product Innovation

Product innovation was described by Nemati et al. (2010) as a brand's capacity to conceptualize, produce, and implement innovative, standout, and enticing offers of goods or services. Product innovation is the process of developing a new or significantly enhanced products or service. This might include adding software, improving user interface, improving technical specs, improving materials and components, or improving other functional aspects of the product (OECD, 2005). Product innovation is crucial for businesses to be relevant and sustainable.

In order to maintain profitability and growth, organizations must adopt a continual and intentional strategic approach towards product innovations (Demetris, 2011). This idea has demonstrated that products have a limited lifespan. To extend the lifespan of a product at every stage of its life cycle, it is necessary to implement assertive marketing methods. These methods may encompass differentiation strategies, revisions, and product positioning techniques, including novel inventions as a whole (Schilling & Hill, 1998).

(ii) Service Innovation

Any good improvements in the services sector that modify the way services are given or create new services are referred to as service innovation (Berry, 2013). A service innovation is a newly developed or enhanced intangible offering that involves the company carrying out a job or activity with the goal of helping clients. Service innovation is the process and methodology of improving customer-oriented services and increasing utility to improve customer satisfaction (Lo & Chiu, 2014).

The service industry is a crucial component of the global economy, playing a significant role in both industrialized and developing nations. Service Innovation (SI) plays a significant role in the economy by bringing about transformation in several ways. It enhances productivity in the service sector, boosts productivity in other sectors that rely on services, and facilitates improved social and economic performance, particularly in developing nations (Djellal & Gallouj, 2010).

Josiam and Henry (2014) defined service innovation as the process by which enterprises enhance the value of their products or services to meet the diverse needs of customers and the market. They emphasized that market needs play a crucial role in driving service innovation, particularly in response to the evolving trends in international industries that Taiwan faces. Carlborg et al. (2014) suggested that meeting diverse time, backdrop, and competition requirements might enhance business competition, adapt to changing times, and foster development in firms. Service innovation was successfully accomplished by attentive customer listening and comprehensive understanding of their demands.

According to Berry et al. (2006), it is harder to define innovation in service companies than it is in the manufacturing of tangible goods. Most definitions in the manufacturing and service industries distinguish between "process" and "product" (Tether, 2003). According to Flikkema et al. (2019), service innovation (SI) is a multidisciplinary process that includes the development, application, and marketing of new and/or current service and product combinations. Creating valuable client experiences is the process's ultimate objective (Flikkema et al., 2019).

According to Sundbo and Gallouj (2000), innovations in services consist of a combination of replicated advances and smaller, unique improvements aimed at addressing specific difficulties faced by individual clients. Toivonen and Tuominen (2009) defined service innovation (SI) as the introduction of a new service or the improvement of an existing service that is implemented and brings advantages to the company. In order for a renewal to be considered an innovation, it must be fresh not only to the person developing it, but also in a wider context. Additionally, it must incorporate an aspect that may be replicated in different settings.

Tseng and Lee (2014) stated that service innovation is a common experience for everyone, and it may be facilitated by technology to expand the range of services and lower service expenses. In essence, any deviation from the original forms can be considered as a new service. Cox (2013) defined service innovation as the process by

which organizations improve the value of their products or services in order to meet the different needs of customers.

In his study, Solomon (2014) posited that the purpose of innovation is to bolster market competitiveness by comprehending client wants, enhancing the present service model, and ultimately attaining the desired revenue and profits. Gremyr et al. (2014) defined service innovation as the introduction of new services by organizations for customers, with a focus on customers being an integral element of the innovation process.

Service providers are increasingly recognizing innovation as a key driver of strategic success, mostly due to the financial advantages it brings (Ettlie & Rosenthal, 2012). Competitive advantage mostly relies on the customer's perception of the value or benefits gained from innovation (Chapman et al., 2002). Schumpeter (2002) argued that service innovation will result in the creation of new and modified industrial and market operations, which will then stimulate imitation, further innovation, and the emergence of new markets.

According to Cabral and Marques (2020), innovation helps a business to improve the quality of the services it provides and meet the needs of its clients. Wikhamn (2019) highlighted the role that service innovation has in increasing customer satisfaction. Yeh et al. (2019) assert that by guaranteeing the provision of high-quality goods and services, service innovation enables businesses to gain a competitive advantage and establish enduring bonds with clients. Bellingkrodt and Wallenburg (2015) discovered in their research that when customer relationships are marked by innovation, customer happiness increases.

(iii) Process Innovation

According to O'Sullivan and Dooley (2009), a process is the joining of many actions with the goal of converting input into output that is given to the customer. Process innovation is driven by a firm's internal production goals, according to Bergfors and Larsson (2009). One may claim that process innovation tends to increase a company's operational effectiveness and efficiency. According to Omachonu and Einspruch (2010), process innovation comprises the adoption of new equipment, procedures, and software to improve production or deploy new delivery methods.

According to Polder et al. (2010), the objective of process innovation is to enhance the efficiency of supporting activities, including purchasing, accounting,

computation, and maintenance. One may argue that process innovation includes a wide range of routine corporate processes, such as manufacturing, technical design, commercial activity, human resources, and commercial management. According to certain scholars, process innovation and technology advancements in service companies are related (Atandi & Bwisa, 2013).

Noorani (2014) observed that process innovation enables organizations to provide products that are reliable, high-quality, and cost-effective, while also satisfying the requirements of their customers. In turn, sustained consumer loyalty and patronage will result in sales growth, increased market share, improved business performance, and an improvement in image. Process innovations enable businesses to compete in the mature market by producing and delivering goods to consumers at a greater value, faster, more flexible, and cheaper. Prajogo (2016). Additionally, businesses may protect their competitive edge by using process innovations to create obstacles for rivals to overcome in order to gain access into the market (Porter, 1985). By using process innovation, businesses may lower unit delivery costs, enhance product quality, and save money overall.

Habidin et al. (2015) distinguished three types of process innovation: radical, incremental, and service. Service process innovation, according to O'Sullivan and Dooley (2009), is an improvement strategy that helps businesses accomplish their goals. Incremental process innovation, according to Reichstein and Salter (2006), is the process of improving or changing a company's internal processes without having an impact on the industry. Radical process innovation entails significant enhancements or novel modifications to the internal processes of firms that have an impact on the industry. Process innovation is a critical factor in the attainment of competitive advantage, organizational growth, and performance (Olughor, 2015).

(iv) Marketing Communication Innovation

Market innovation, according to Naidoo (2010), is the strategic management of market mix and market selection to correspond with consumer preferences. Significant improvements in a number of marketing elements, including distribution, pricing, promotion, and product, are the result of marketing innovation. (Ganzer and others, 2017). The adoption of fresh ways is an example of marketing innovation. These unique approaches include significant adjustments in product design, packaging, promotion, market positioning, and even price. The objective of marketing innovation is to satisfy

the needs and desires of customers by taking advantage of emerging market possibilities and strategically repositioning a company's product within the market in order to propel further sales expansion. According to the hypothesis put out by Polder et al. (2010), marketing innovation is a term that describes non-technological advances that businesses adopt in order to improve their operational efficiency.

Marketing innovations can be implemented by organizations to enhance their competitive advantage by positioning their products in the market, developing new markets, or meeting customer requirements. It has been said by Zuñiga Collazos and Castillo-Palacio (2016) that the use of creative marketing techniques has the potential to improve the image of the company's goods and services, as well as to increase the level of satisfaction experienced by consumers. Marketing innovation initiatives can assist organizations in entering and satisfying new markets (Schubert, 2010). It is possible that companies can utilize marketing innovation activities to improve the image of their products and services and to gratify both new and existing customers. Additionally, organizations that implement innovative marketing strategies may possess a more comprehensive comprehension of consumer requirements and are capable of establishing a favorable image for their products and services.

The operations of the company and the industry in which it operates both have a role in determining the amount of participation in marketing innovation that happens inside the company. On the other hand, businesses operating in the service sector are far more likely to employ marketing innovation than those operating in the manufacturing sector. Observations made by Wang et al. (2016) indicate that research on marketing innovation focuses on three primary streams: the characteristics of businesses that implement marketing innovations, the relationships between marketing innovations and other innovation dimensions, and marketing innovation as a source of competitive advantages.

2.4 Customer Satisfaction

The concept of customer satisfaction has been prevalent in the markets for an extended period. Several scholars and academics have highlighted the significance of this feature in ensuring a company's success and survival in the market. It is also known to have a favorable impact on a company's profitability (Angelova & Zekiri, 2011). Customer satisfaction is an essential factor in establishing enduring and robust relationships between customers and firms in a fiercely competitive market. Measuring

customer satisfaction has become a crucial priority for numerous firms and service providers in order to achieve success (Daragahi, 2017).

The emotional reaction of a customer, which may be either positive or negative, after assessing the actual performance of a product in contrast to their expectations is referred to as consumer satisfaction. An emotional response can be either positive or negative. In order to determine whether or not the performance meets, surpasses, or falls short of the expectations of consumers, it is possible to assess the level of customer satisfaction. When the performance falls short of what the consumer had anticipated, they get unhappy. Customers will be happy with the performance if it lives up to their expectations. Customers report high levels of satisfaction or happiness when the performance surpasses their expectations. (2015) Erjavec's work.

Terpstra et al. (2013) define Customer Satisfaction (CS) as an individual's contentment with a certain product, service, or supplier. Customer Satisfaction (CS) can be described as a favorable emotional response experienced following the acquisition of a product or service (Bellingkrodt and Wallenburg, 2015). According to Nemati et al. (2010), marketers put a significant amount of weight on customer satisfaction since it enables them to evaluate the degree to which a company's product or service has attained the desired level of satisfaction or satisfaction for the client. According to Hague and Hague (2016), consumers who are satisfied with their experience are more likely to make more purchases from businesses. These customers also serve as a network by sharing their great experiences with others, which may result in the acquisition of new customers. The level of satisfaction a customer feels is a subjective appraisal that is based on the experience they have gained. The word "satisfaction" refers to the assessment of the features or advantages of a product or service, or the product itself, that results in a specific degree of customer satisfaction in terms of satisfying consumer consumption criteria (Grigoroudis and Spyridaki, 2003). Satisfaction may also be defined as the outcome of the evaluation.

Customer satisfaction is a contemporary method for ensuring quality in enterprises, which promotes the establishment of a management and culture that prioritizes the needs and preferences of customers. By providing clients with prompt, substantial, and impartial feedback regarding their preferences and expectations, it is feasible to quantify consumer satisfaction. Before making a purchase, consumers evaluate customer satisfaction by comparing the expected performance to the perceived

actual performance (Churchill & Surprenant, 1982).

2.5 Customer Loyalty

Selnes (1993) asserts that three factors define a customer's loyalty: the possibility of making another purchase, the likelihood of swapping, and the likelihood of recommending the service to others. Increased consumer loyalty is correlated with higher switching barriers. The intention of a customer to repurchase a service or good from the same business is known as consumer loyalty.

According to Oliver (1999), loyalty is defined as a deeply held commitment to rebuild and re-patronize a favored product or service in the future, notwithstanding the possibility that switching behaviors might be triggered by environment-related factors and marketing activities. The term "customer loyalty" refers to the degree to which an individual's relative attitude toward a business is correlated with their likelihood to return to that business. Although the happiness of customers is a crucial component of every company, customer satisfaction alone is not enough to propel an organization to the greatest echelons of success.

Particularly in the context of consistent purchases, customer satisfaction generates advantageous financial outcomes. Creating and maintaining consumer loyalty in the current market is more intricate than it was in previous years due to its unforgiving nature. The technological advancements and the prevalent use of the internet are the reasons for this. The company must emphasize the value of its products and services and demonstrate its commitment to fulfilling consumer desires or establishing a relationship with them in order to foster loyalty (Griffin, 2002).

Numerous banks have focused on the introduction of innovative products and services in order to cultivate consumer loyalty and retention (Meidan, 1996). Nevertheless, it has been contended that banks should prioritize less tangible and less imitable determinants of customer loyalty, such as service quality and satisfaction, due to the frequent occurrence of associated charges that are often accompanied by such innovations (Worcester, 1997).

According to Krumay and Brandtweiner (2010), customer loyalty (CL) is often regarded as one of the most important characteristics that contribute to the success of a business. Fraering and Minor (2013) asserted that the sole significance of customers is loyalty, as even those who are exceedingly content may frequently defect to its competitors. Loyal consumers will demonstrate their attachment and dedication to the

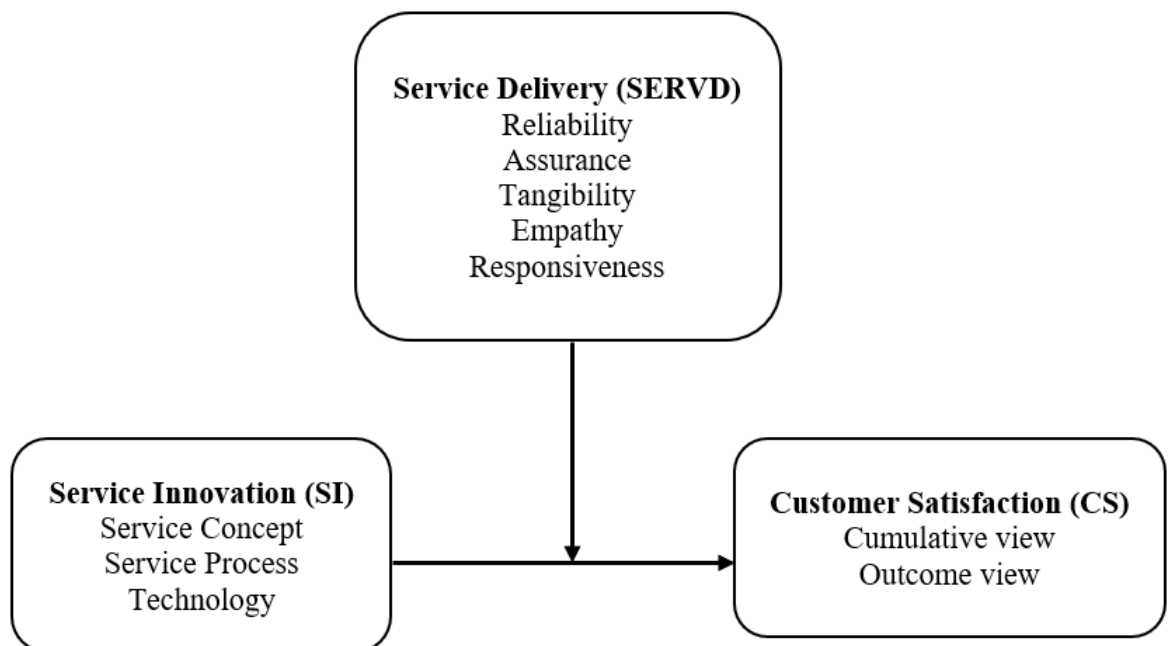
organization, as they will not be interested in competing offers. Loyal customers will be inclined to exhibit higher purchase intentions and pay a higher price.

2.6 Previous Studies

This study draws upon three prior investigations to establish the underlying knowledge and develop the conceptual framework.

The primary objective of the research that Shrestha (2022) conducted was to investigate the influence that service innovation and service delivery have on the level of customer satisfaction in commercial banks located in the Kathmandu Valley in Nepal. Service Concept, Service Process, and Technology were the three components of Service Innovation that were used in this research on Service Innovation. Furthermore, we investigated the manner in which Service Delivery acts as a mediator on the relationship between Service Innovation and Customer Satisfaction. This is the Conceptual Framework that Shrestha designed in 2022, and it is shown in Figure (2.2).

Figure (2.2) Conceptual Framework of the Service Innovation, Service Delivery and Customer Satisfaction in Nepalese Commercial Banks



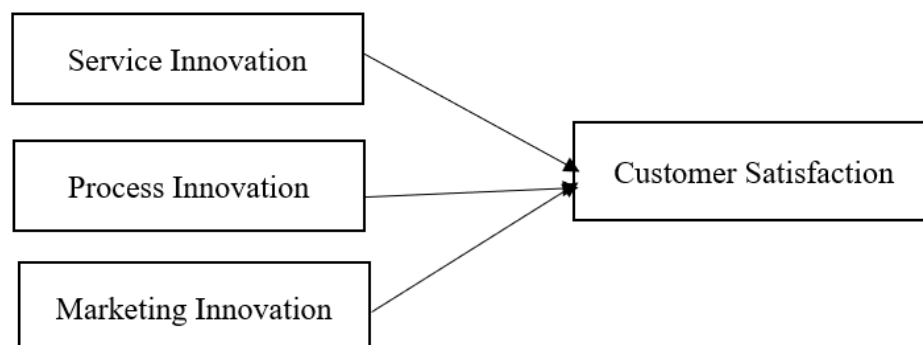
Source: Shrestha, S. S. (2022).

The data collection process consisted of using a descriptive study approach to collect information from a sample size of 355 respondents who are clients of a number of commercial banks located in the Kathmandu Valley. According to the findings of

the research, there is a significant impact that Service Innovation factors have on the level of customer satisfaction experienced by commercial banks in the Kathmandu Valley. After the addition of the variable that acts as a mediator, Service Delivery, to the model, it was discovered that Service Innovation had a large direct influence on Customer Satisfaction. Furthermore, full mediation is present since both factors have a strong indirect influence on customer satisfaction when the mediating variable is present. This indicates that the mediation process is complete.

The researcher Nwachukwu (2018) explored the effect of different types of innovation on customer happiness within the setting of the ABCD Microfinance Bank Ltd. in Nigeria. More specifically, the researcher focused on the relationship between customer satisfaction and innovation. The major objective of the research was to provide recommendations to the management of ABCD Microfinance Bank Ltd. about the enhancement of customer satisfaction via the assessment of a variety of different types of innovations. The research investigated the relationship between customer happiness and three types of innovation: marketing innovation, process innovation, and service innovation. The theoretical concepts applied in the study were from management literature. The research focused on a single microfinance bank and used quantitative research methods in addition to a survey in order to collect information from the customers of the particular Microfinance Bank (MFB) that was being investigated. This is the Conceptual Framework that Nwachukwu designed in 2018, and it is shown in Figure (2.3).

Figure (2.3) Conceptual Framework of the Impact of Different Types of Innovations on Customer Satisfaction in Microfinance Bank in Nigeria

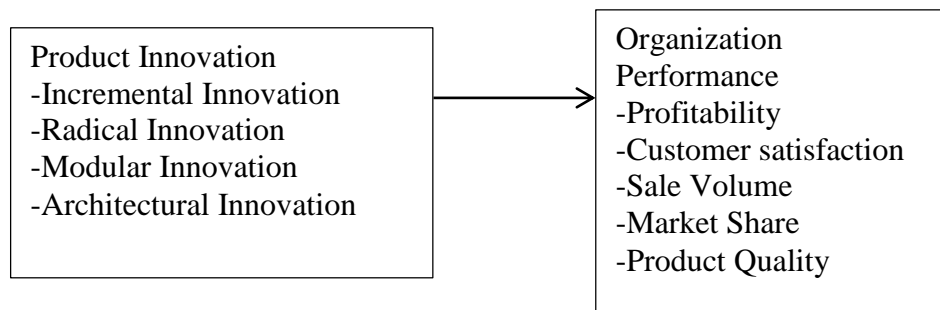


Source: Nwachukwu (2018)

The results indicated that customer satisfaction with ABCD Microfinance Bank Ltd. was significantly and positively influenced by service innovation. In the same vein, the findings indicated that customer satisfaction is significantly influenced by process innovation. In addition, there was a significant and positive association between the level of pleasure experienced by customers and the level of creativity in marketing.

In Kenya, Kamakia (2014) conducted an investigation of the impact that product innovation has on the efficiency of commercial banks throughout the country. The methodology of the research was a survey with a cross-sectional design. Forty-three commercial banks that had been granted licenses by the Central Bank of Kenya as of the 31st of July, 2014 made up the population of the research study participants. The study surveyed the chief executives of all commercial banks. In order to maintain a larger market share, commercial banks must employ creative ideas, as a competitive bank is one that swiftly incorporates innovations. Figure 2.4 depicts the Conceptual Framework proposed by Kamakia in 2014.

Figure (2.4) Conceptual Framework of Product Innovation on Performance of Commercial Banks in Kenya



Source: Kamakia (2014)

The results showed that there was a significant level of communication regarding product innovation among the workers, with the majority agreeing that product innovation had an impact on the organization's performance. It was discovered that in order to obtain a larger portion of the market, a commercial bank required unique ideas. The vast majority of respondents strongly agreed that an organization's strategy and objectives had a big influence on innovation. Furthermore, in order to maintain performance, banks must prioritize innovation. The study's conclusions show that a

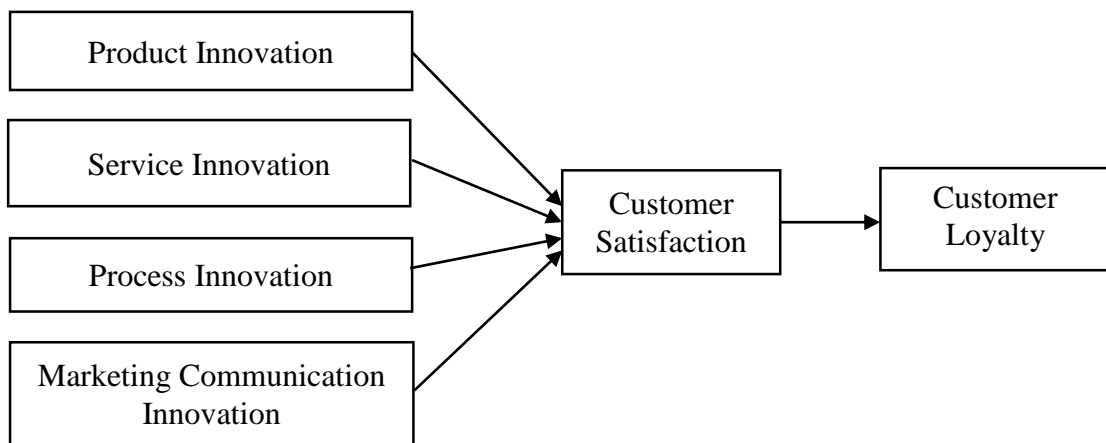
bank's excellent market reputation sets it apart from its rivals and that product innovation significantly affects customer satisfaction.

2.7 Conceptual Framework of the Study

The resource-based perspective theory and earlier models served as the basis for the study's conceptual framework. Figure (2.5) depicts the investigation's conceptual structure.

According to Kamakia (2014), the independent factors for innovation include product innovation; Nwachukwu (2018) adapted, service, process, and marketing communication innovation comprise the remaining variables.

Figure (2.5) Conceptual Framework of the Study



Source: Own Compilation (2024)

Four innovative techniques are examined in Figure (2.5): process innovation, product innovation, service innovation, and marketing communication innovation. This research looks at how cutting-edge methods affect client satisfaction. This research then looks at how customer pleasure affects customer loyalty.

Working Definitions

1. **Product Innovation:** This study focuses on the enhancement of internet banking and mobile banking, the introduction of online loan service, the development of new salary loan and advanced salary loan options, the improvement of saving accounts, the introduction of the master card lady credit card, and the implementation of a new online deposit service by MAB Bank.

2. **Service Innovation:** This study refers to innovative and efficient self-service digital banking solutions, distinct mobile banking services, the MAB Agency Bank, and the new I-Banking platform of MAB Bank.
3. **Process Innovation:** In this study, "reduction" refers to the elimination of needless processes, while "flexible" denotes the ability to adapt and provide products or services as needed. Additionally, the study focuses on the secure storage of client data in MAB Bank's I-banking and mobile banking systems.
4. **Marketing Communication Innovation:** In this study, the term "creative and innovative marketing" refers to the use of distinctive soundtracks, movie series, social media influencers, and real-time information.
5. **Customer Satisfaction** In this study, satisfaction is defined as the ability to exceed expectations and receive quick and reliable service.
6. **Customer Loyalty:** In this study, it is implied that the individual is committed to the MAB bank service, consistently uses it, and expresses positive sentiments.

CHAPTER 3

PROFILE AND INNOVATIVE PRACTICES OF MYANMA APEX BANK (MAB)

This chapter focuses on the profile, mission, and vision statements of Myanmar Apex Bank (MAB). Additionally, it showcases the organizational structure of MAB bank. Lastly, it showcases the pioneering service strategies employed by MAB Bank.

3.1 Profile of Myanmar Apex Bank (MAB)

Privately held Myanmar Apex Bank is a commercial bank that does business in Myanmar. Four private banks received banking licenses from the government in May 2010. August 17th, 2010 was the founding date, and Eden Group of Company Limited was the founder. The bank was established with a paid-up capital of one billion kyat, and it is still in operation today.

Block (10), Asint Myint Zay, Yaza Thingaha Road, Oattara Thiri Township, Nay Pyi Taw is the location of the bank's headquarters. In order to carry out banking services with efficiency and effectiveness, MAB has established numerous branches. Currently, MAB operates a total of 105 branches and 90 agency branches throughout Myanmar. Additionally, it has installed 278 ATMs and 47 currency exchange counters. In January 2019, a new high-end banking service dubbed MAB Gold wealth banking was introduced.

MAB bank strategically cultivates and supports a diverse pool of skilled individuals, encompassing both local and foreign talents, who possess a wide range of professional expertise in both domestic and global banking. From a technological standpoint, the bank actively stays informed about disruptive trends and changes in order to strategically plan, upgrade, and remain competitive. This allows them to be adaptable in meeting future growth and problems.

3.1.1 Mission of Myanmar Apex Bank (MAB)

The bank's mission is to serve as a versatile financial institution, catering to the diverse needs of both individual and business clients, while always delivering exceptional customer service.

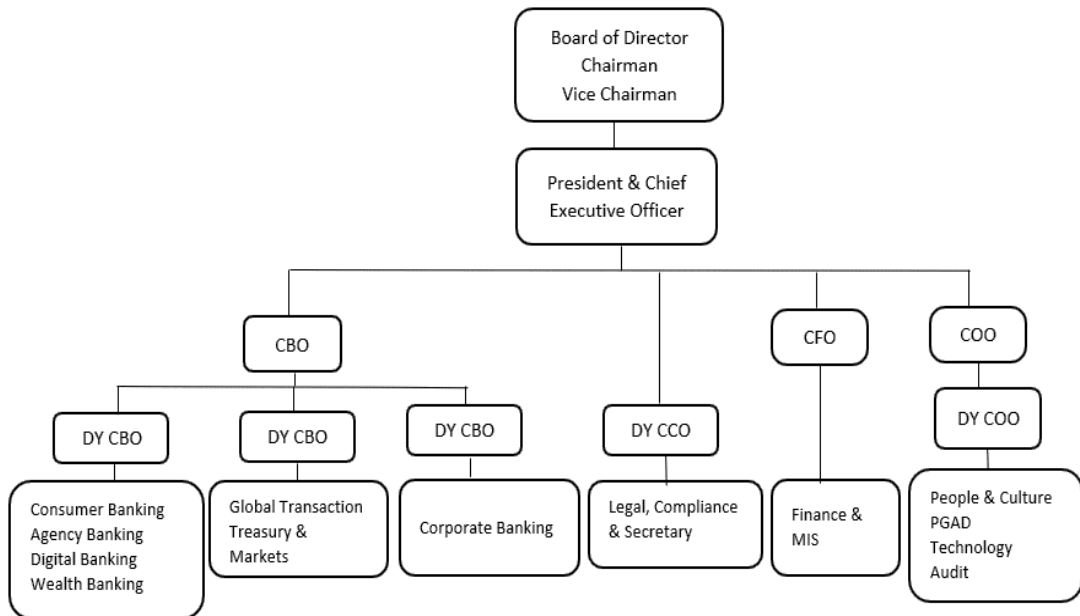
3.2 Organizational Structure of Myanmar Apex Bank (MAB)

The Board of Directors (BOD) of MAB Bank is composed of a Chairman and a Vice Chairman at the board level. In compliance with corporate governance standards, the Chief Executive Officer is subject to oversight by the Audit, Nomination & Remuneration, and Risk Management & Compliance committees, and gives particular direction to the Board of Directors. Four other officials report to the Chief Executive Officer (CEO), each of whom has a distinct duty to play within the corporation.

The bank's entire business development operations are supported by the chief business officer. It is the duty of the Deputy Chief Compliance Officer to make sure that laws, rules, policies, and procedures are followed. In addition to advising the CEO and board on strategic direction, the chief financial officer forecasts the organization's financial status by analyzing financial and operational data. The daily operations and administrative tasks are managed by the chief operating officer. Deputy Chief Operating Officer, Deputy Chief Business Officer 2, Deputy Chief Business Officer 3, and Deputy Chief Business Officer 1 are the four executives at the division level.

Consumer Banking, Agency Banking, Digital Banking, Wealth Banking, Global Transaction Banking, Treasury & Markets, Corporate Banking, Legal Compliance & Secretary, Finance & MIS, People & Culture, Property and General Administration Department (PGAD), Technology, and Audit are just a few of the divisions comprising the department level. The organizational structure of MAB Bank is shown in Figure (3.1).

Figure (3.1) Organizational Structure of Myanmar Apex Bank (MAB)



Source: MAB Bank, 2024

3.3 Innovative Service Practices of Myanmar Apex Bank (MAB)

MAB offers consumers innovative services that are both fast and dependable. The bank encourages innovation in the areas of product, service, process, and marketing communication.

3.3.1 Innovative Products of MAB Bank

MAB Bank provides upgraded mobile banking and iBanking services as a product innovation. With no limitations, MAB Mobile Bank is a safe mobile-based financial solution that offers Cash Services, Banking Services, and Payment Services. The MAB iBanking service is intended to provide a diverse selection of products and services to our valued customers. MAB iBanking is a service that provides customers with comprehensive control over their bank. Customers can enjoy modern financial delight, manage their finances simply, and reduce inconvenience, all while saving time. It is a convenient method of conducting banking from the convenience of one's home or office. Customers can circumvent queues and delays by employing iBanking.

In addition, MAB eToken is a secure mobile application that generates One Time Passwords (OTPs) for the purpose of securely authenticating MAB Digital Banking transactions through the internet and mobile applications. Get the eToken app

from the Apple Store or Google Play Store for Android smartphones. Apply using a one-time mobile number validation that is linked to your bank account. eToken can be employed to generate OTP for transaction authentication in the future.

MAB Bank exclusively manufactures Mastercard Lay's Credit Card, which includes promotional programs for women. The MAB Lady's Platinum Card is a MasterCard that is internationally recognized and can be utilized for online payments, cash withdrawals (ATM), and the purchase of products and services (POS). Customers may utilize these cards to make payments at any location that displays the Mastercard insignia, regardless of whether it is domestic or international.

The "Better Salary Loan" product was developed by MAB Bank for its employees. It is intended for employees from a variety of regions of the country who receive their salaries through MAB and are eligible to qualify for a salary that is twice their current salary. The utmost loan term is six months. The annual interest rate is 14.5%, and the processing fee is 10,000 MMK. In addition, MAB Bank provides an online loan service for the convenience of its customers.

Furthermore, MAB bank offers superior savings accounts that permit customers to accumulate or withdraw funds at their discretion. Customers may receive an annual interest rate of 7.5% through improved savings accounts. Through collaborations with significant card companies including Western Union, VISA, Master Card, and China Union Pay, it provides international payment services and foreign trade financing. Local remittance, payment orders, gift transfers, and other ancillary services are also available. MAB bank offers an online deposit service that meets the high standards of service and technological advancements that businesses and consumers anticipate when administering their deposits.

3.3.2 Services Innovative of MAB Bank

MAB bank provides innovative digital banking solutions, allowing customers to access fast and convenient self-service options. Banking can be conveniently done from the convenience of one's home or office. Through the utilization of online banking services, customers can circumvent the need to wait in queues or experience delays. MAB mobile banking is exclusively connected to True Money, which is solely associated with MAB Bank. MAB bank accounts can be created using True money on the MAB mobile Banking platform. MAB Bank is providing Agency Banking services at 90 different locations. Customers can do various financial activities such as making

payments, withdrawing funds, conducting transactions, and creating accounts by visiting agency banks. Customers can conveniently perform their financial tasks without the need to physically visit the bank, thanks to our innovative solution. Online platforms facilitate various financial activities such as account opening and loan applications. MAB bank also offers the option to make credit card repayments and request card replacements through the MAB mobile application.

3.3.3 Process Innovative of MAB Bank

MAB Bank streamlines workflow procedures to enhance the efficiency and effectiveness of banking operations. MAB bank reduces the amount of superfluous or outdated procedures that add to unneeded complexity and time. After identifying and removing unnecessary stages and optimizing operations, MAB bank now runs with greater efficiency and provides exceptional customer service. Implementing standardized procedures is a crucial method for enhancing the workflow processes of MAB bank. This involves the creation of standardized procedures and regulations for carrying out various banking operations. This reduces the probability of errors and makes it easier for personnel to understand their duties and responsibilities. MAB bank offers a self-registration feature for those aged 18 and above who wish to avail of their new i-banking/mobile banking services. Self-registered clients can become counter-registered customers by accessing their own mobile banking accounts using remote video services.

MAB Bank provides consumers with adaptable services that are tailored to their preferences and requirements. In order to optimize banking operations, MAB bank has broadened its digital footprint by implementing digital and self-service solutions. MAB Bank features a redesigned one-stop service counter. Customers' prior information is archived by MAB bank's digital banking system. Consequently, clients are not required to input or provide the same data each time they utilize the MAB banking service.

3.3.4 Marketing Communication Innovation of MAB Bank

MAB Bank Utilizes proprietary soundtracks for marketing purposes. MAB Bank airs and showcases its own music on FM radio stations. MAB Bank additionally sponsors radio shows and promotes its products. Additionally, it allows for the creation and promotion of its own series (such as "Better Ways, Better Lives") to sell its products and services within the context of the series. Furthermore, it offers lottery programs

and notifications, including seasonal drawings and cash savings raffles. MAB Bank establishes the MAB Love Award event. MAB Bank sets up photo booths outside the bank during events, allowing customers to capture beautiful and unforgettable photographs. In addition, it creates distinct themes for each pertinent occasion in order to allure customers.

MAB Bank clients can use the points they earn from credit card usage at Denko fueling stations and towards their phone bills. Furthermore, customers can utilize their points at specified establishments. In celebration of its 10th anniversary, MAB Bank sponsored a vibrant race in Mandalay.

CHAPTER 4

ANALYSIS ON INNOVATIVE PRACTICES, CUSTOMER SATISFACTION AND CUSTOMER LOYALTY TOWARDS MAB BANK

The research design is presented in this chapter, and a reliability test comes next. Moreover, it offers the consumer survey information about significant components. Additionally, it encompasses the use of regression analysis to examine the correlation between various influencing aspects and client happiness. In the end, it clarifies how customer loyalty to MAB Bank is impacted by customer pleasure.

4.1 Research Design

The average values of each variable are described in this study using the descriptive research approach. The objectives of the research are achieved by using both primary and secondary data.

From a total of 126,251 customers, a sample size of 399 customers was chosen in accordance with the Yamane Formula (1973). Using a straightforward random sampling technique, representatives from the main office and three branches made up the sample. The sample size formula proposed by Yamane (1973) is presented below:

$$n = \frac{N}{1 + N * (e)^2} \quad , \text{ where } n = \text{the sample size}$$

N = the population of the study
e = the margin error in the calculation

$$n = \frac{126,251}{1 + 126,251 * (0.05)^2} = 399$$

A well designed survey with three separate components. Respondents' demographic information is gathered in Section A. Customer perceptions of MAB Bank's distinctive service methods are gathered in Section B. A 5-point Likert scale is used in Section C to rate client loyalty and consumer satisfaction. The survey was carried out between May 10 and May 30, 2024. Both descriptive and quantitative research methods are used in this study. A thorough literature review of MAB Bank documents, previously published articles, prior research papers, pertinent textbooks, and international studies accessible via online portals is how secondary data is gathered. To look at the relationship between independent variables and a dependent variable, regression analysis is used.

4.2 Reliability Test

The degree to which a research strategy regularly and reliably produces stable results is referred to as research dependability. Reliability in research is the degree to which the results of a given study can be replicated or recreated under the same conditions. Table (4.1) shows the results of the reliability test using Cronbach's Alpha.

Table (4.1) Reliability Test

Sr. No.	Variable	No. of Items	Cronbach's Alpha
1	Product Innovation	6	0.886
2	Service Innovation	6	0.915
3	Process Innovation	6	0.899
4	Marketing Communication Innovation	6	0.894
5	Customer Satisfaction	7	0.889
6	Customer Loyalty	7	0.892

Source: Survey Data, 2024

All of the variables' Cronbach's Alpha values are more than 0.7, as shown in Table (4.1). As a result, the study's dependability is regarded as high and its conclusions as valid.

4.3 Demographic Data of the Respondents

The respondents' demographic information is included in this research. Gender, age, marital status, educational background, and the present use of MAB Bank's services are all included in the demographic data.

To collect primary data from 399 consumers, a standardized questionnaire with a 5-point Likert scale was used. An summary of the respondents' attributes is given in this section. The participants' demographic data is shown in Table (4.2).

Table (4.2) Demographic Data of the Respondents

Sr. No	Item	Category	No. of Respondents	Percent
	Total		399	100
1	Gender	Male	178	44.6
		Female	221	55.4
2	Marital Status	Single	191	7.9
		Married	208	52.1
3	Age (Years)	18-20	12	3.0
		21-30	92	23.1
		31-40	145	36.3
		41-50	113	28.3
		51-60	20	5.0
		Above 60	17	4.3
4	Education Background	High School	17	4.3
		Undergraduate	31	7.8
		Graduate	272	68.2
		Post Graduate	29	7.3
		Master	50	12.5
5	Using services from MAB Bank	Loan	28	7.02
		Current	72	18.05
		Deposit	38	9.52
		Mobile Banking	88	22.06
		Saving	166	41.60
		Others	7	1.75

Source: Survey Data, 2024

Table (4.2) indicates that women make up the majority of the responses. This suggests that more women are taking use of the cutting-edge services provided by MAB Bank. The age group between 31 and 40 years old has the biggest proportion of the responses, followed by those between 41 and 50 years old. Most of them are married and have finished their schooling. Additionally, it has been discovered that a large proportion of the participants primarily utilize savings services, followed by mobile banking, current accounts, deposits, loans, and other financial services. Additional services offered include credit card facilities and money transfer options.

4.4 Descriptive Analysis of Innovation Service Practices, Customer Satisfaction and Customer Loyalty

This section provides a detailed examination of innovative service techniques and their impact on customer satisfaction. A survey was conducted using structured questions using a Five-point Likert scale (ranging from 1=Strongly Disagree to 5=Strongly Agree) to determine the significance of variables that affect satisfaction and loyalty. The average rating scale is shown in table (4.3).

Table (4.3) Mean Rating Scale

No.	Score Range	Mean Rating
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

The primary data for this research were gathered by Best (1977) using a standardized questionnaire with a 5-point Likert scale. He decided to assess the obtained data using the mean rating scale, which included the score range and mean rating.

4.4.1 Innovation Service Practices of MAB Bank

This section outlines the customer's perspectives on the unique service techniques of MAB Bank. MAB Bank's innovative service methods encompass service innovation, process innovation, marketing innovation, and product innovation.

(a) Product Innovation

MAB bank's product innovation is assessed based on enhancements to its internet banking and mobile banking platforms, expedited online lending services, the introduction of new salary loan options, improved savings accounts, the launch of the master card lady's credit card, and the addition of a new online deposit service. Table (4.4) displays the respondents' perceptions regarding the product innovation of MAB bank.

Table (4.4) Product Innovation

Sr. No.	Product Innovation	Mean Score	Std. Dev
1.	Offering upgrade internet banking and mobile banking	4.14	0.60
2.	Offering Fast online loan service	3.70	0.72
3.	Offering new salary loan and advanced salary Loan under loan category	3.89	0.71
4.	Offering better savings accounts	4.13	0.66
5.	Offering Master card Lady's Credit Card	4.01	0.68
6.	Offering new online deposit service	3.86	0.75
	Overall Mean	3.96	

Source: Survey Data, 2024

The respondents strongly agree that MAB bank offers first-rate online and mobile banking services, as shown in Table (4.4), as evidenced by the highest mean score of 4.14. The respondents strongly feel that MAB bank provides exceptional savings accounts that enable depositors to gain money via bank interest, as shown by the second-highest average score of 4.13. Additionally, it has been discovered that MAB bank provides a specialized Mastercard called the Lady's Credit Card, specifically designed for ladies. Based on the respondents' total mean score of 3.96, they are favorable about MAB bank's innovative product offerings.

(b) Service Innovation of MAB Bank

The service innovation of MAB bank is evaluated based on the introduction of new self-service digital banking solutions, the ability to withdraw money from agents, internet banking services, the repayment service offered by the new I-Banking platform, and the option to request a replacement card through the bank's website. Table (4.5) displays the respondents' perceptions of MAB bank's service innovation.

Table (4.5) Service Innovation

Sr. No.	Service Innovation	Mean Score	Std. Dev
1.	Providing new and fast self-service digital banking solutions	3.90	0.63
2.	Offering differentiated mobile banking to withdrawal money from True money agents fast	3.87	0.67
3.	Able to open fixed deposit account via internet banking by themselves	3.91	0.70
4.	Offering repayment service for Credit Card from new I-Banking	3.92	0.78
5.	Being able to apply the replacement card from MAB website.	3.88	0.72
6.	Being able to get some banking services through MAB Agency Bank.	4.07	0.64
	Overall Mean	3.92	

Source: Survey Data, 2024

As shown in Table (4.5), the respondents highly believe that they may utilize various financial services at MAB's agency bank, as indicated by the highest mean score of 4.07. Based on the second highest average score of 3.92, the respondents highly agree that MAB bank provides a payback service for Credit Card through new I-Banking. Furthermore, it has been discovered that respondents possess the capability to independently initiate the process of opening a fixed deposit account through internet banking. Based on the overall mean score of 3.92, the respondents have a strong perception of MAB bank's service innovation.

(c) Process Innovation

The process innovation of MAB bank is assessed based on its ability to decrease needless steps, provide flexible services, offer one-stop service, and enable speedy self-registration. The table (4.6) displays the respondents' perceptions regarding the process innovation of MAB bank.

Table (4.6) Process Innovation

Sr. No.	Process Innovation	Mean Score	Std. Dev
1.	Reducing unnecessary processes to deliver fast service	3.89	0.63
2.	Flexible in providing products/service according to customers' convenience.	4.06	0.61
3.	Arranging new one stop service counter.	4.07	0.74
4.	Being able to do bank transaction easily from the any MAB branches	4.27	0.65
5.	Having no need to enter or provide same data each time as MAB bank records previous entries	3.88	0.66
6.	Being able to apply quickly self-registration process for new i-banking/ mobile banking	4.03	0.76
	Overall Mean	4.03	

Source: Survey Data, 2024

The respondents very strongly agree that they may perform bank transactions from any MAB branch, as seen in Table (4.6), as evidenced by the highest mean score of 4.27. MAB bank has introduced a new one-stop service counter, and respondents strongly agree with this statement based on the second highest average score of 4.07. Moreover, it has been found that MAB bank exhibits flexibility in providing goods and services that accommodate the needs of its customers. With a mean score of 4.03 overall, the respondents strongly perceive process innovation at MAB bank.

(d) Marketing Communication Innovation

The marketing communication innovation of MAB bank is assessed based on its distinctive soundtracks, production of movie series, enticing fortunate draws, point system, and provision of real-time information. Table (4.7) displays the opinions of the participants on the innovative marketing communication strategies of MAB bank.

Table (4.7) Marketing Communication Innovation

Sr. No.	Marketing Communication Innovation	Mean Score	Std. Dev
1.	Advertising with own unique soundtracks	3.88	0.71
2.	Advertising its products and services by making creative movie series	4.09	0.64
3.	Having attractive lucky draw for customers on cash savings	4.15	0.63
4.	Offering point system obtained for credit card usage	3.97	0.63
5.	Getting bank's information in real time from interactive Viber and Facebook Channels	3.99	0.61
6.	Advertising its new products and services with influencers at the social media	3.88	0.71
Overall Mean		3.98	

Source: Survey Data, 2024

The respondents strongly believe that MAB bank gives customers an alluring lucky pull for cash savings, as shown by the highest mean score of 4.15 in Table (4.7). The respondents strongly believe that MAB bank employs creative movie series like "Better ways, better lives" to sell its products and services, as seen by the second-highest mean score of 4.09. Furthermore, it has been discovered that MAB financial offers real-time financial information through interactive Facebook and Viber channels. As indicated by the overall mean score of 3.98, the respondents' opinions of MAB Bank's innovative marketing communication are highly favorable.

The following section presents the overall mean score of innovation practices of MAB bank shown in Table (4.8).

Table (4.8) Overall Mean of Key Variables

No.	Overall Mean	Mean Score
1	Product Innovation	3.96
2	Service Innovation	3.92
3	Process Innovation	4.03
4	Marketing Communication Innovation	3.98

Source: Survey Data, 2024

The total mean scores of the major elements of MAB Bank's innovation processes are shown in Table (4.8). Every major variable's mean score is higher than

the 3.0 neutral value. Consequently, the majority of respondents had a positive opinion of MAB Bank's innovative methods.

4.4.2 Customer Satisfaction

One of the major determinants of any product or service's ability to manage and grow a business is customer satisfaction. Table (4.9) displays the degree of customer satisfaction with MAB Bank's innovative service techniques.

Table (4.9) Customer Satisfaction

Sr. No.	Customer Satisfaction	Mean Score	Std. Dev
1.	Satisfied with the fast and reliable service of MAB bank	4.05	0.59
2.	Satisfied using MAB Bank's account products	4.07	0.67
3.	Satisfied with MAB bank's innovative process	4.20	0.68
4.	Offering service more than expectation	4.12	0.69
5.	Always using MAB bank rather than other Banks	4.01	0.61
6.	Deciding any bank transaction through MAB Bank	4.05	0.59
7.	First choice bank	4.00	0.70
	Overall Mean	4.08	

Source: Survey Data, 2024

According to the highest mean score (4.20), the majority of the respondents are highly satisfied with MAB bank's creative approach, since it eliminates outdated or redundant procedures and provides self-service options through digital banking. Compared to the second highest average score of 4.12, respondents express a high level of satisfaction with the innovative service methods of MAB bank because they receive faster service than they anticipated. Through internet banking, users can conveniently perform various financial transactions without the need to physically visit a bank. Furthermore, clients express contentment with MAB Bank's account offerings due to the inclusion of Lady's master card and frequent introduction of new items. The majority of participants show high levels of satisfaction with MAB bank's innovative service approaches, as indicated by the overall mean score of 4.08.

4.4.3 Customer Loyalty

The ultimate objective of any organization is to cultivate customer loyalty. This section illustrates the extent of client loyalty to MAB Bank's innovative service practices. Table (4.10) illustrates the extent of consumer loyalty to MAB Bank's innovative service practices.

Table (4.10) Customer Loyalty

Sr. No.	Customer Loyalty	Mean Score	Std. Dev
1.	Having commitment to use MAB bank service	4.14	0.71
2.	Depositing at MAB Bank	4.04	0.62
3.	Saying positive things about MAB bank to other people	4.11	0.67
4.	Recommending MAB bank to someone	4.11	0.60
5.	Being loyal to MAB bank	4.04	0.54
6.	Searching the new products and services at MAB website	3.92	0.75
7.	Going to always use MAB bank for bank services	4.05	0.62
Overall Mean		4.06	

Source: Survey Data, 2024

According to the highest mean score (4.14), the majority of respondents are highly agree with MAB bank's innovative service practices and are therefore highly committed to their services. In comparison to the second highest mean score (4.11), respondents are also highly agree that they consistently express positive sentiments about MAB bank to others due to their satisfaction with the bank's services. Additionally, respondents would suggest MAB Bank to individuals who requested their advice. The majority of respondents are exceedingly loyal to MAB bank, as indicated by the overall mean score of 4.06.

4.5 Analysis on the Effect of Innovation Practices on Customer Satisfaction

This research looks at how innovative practices affect customer satisfaction using multiple regression analysis. Product, service, process, and marketing communication innovation are among the independent factors under investigation. Table (4.11) provides data that demonstrates how innovative service methods affect customer satisfaction.

Table (4.11) Effect of Innovation Practices on Customer Satisfaction

Variable	Unstandardized Coefficients		Standardized Coefficients (Beta)	t	Sig
	B	Std Error			
(Constant)	.706	.163		4.339	.000
Product Innovation	.102**	.044	.101	2.315	.021
Service Innovation	.350***	.056	.357	6.231	.000
Process Innovation	.185***	.055	.177	3.362	.001
Marketing Communication Innovation	.210***	.050	.212	4.212	.000
R Square	.746				
Adjusted R Square	.741				
F Value	118.489***				

Source: Survey Data, 2024

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

The modified R² value is 0.741 based on the data shown in Table (4.11). This shows that, when assessed by variables including product, service, process, and marketing communication innovation, the model can account for 74.1% of the variance in customer satisfaction. The validity of the model is confirmed by the highly substantial F value at the 1 percent level, which indicates the overall relevance of the model. Based on the research results, it has been determined that all innovative strategies have a favorable and substantial impact on consumer satisfaction.

Product innovation is highly correlated with customer happiness at a 5 percent significance level. MAB bank provides enhanced internet banking and mobile banking services. The company offers a Mastercard specifically designed for ladies, called the Lady's Credit Card. Additionally, they provide superior savings accounts that allow depositors to generate income through interest earned on their savings. Therefore, customers are intrigued and drawn to the product innovation offered by MAB bank. According to the regression analysis, consumer happiness and product innovation are positively correlated. More specifically, better customer satisfaction levels are linked to higher levels of product innovation.

With a statistical significance of 1%, service innovation is very significant in connection to customer happiness. Customers have the ability to utilize various financial services at MAB's agency bank. MAB bank provides a payback option for Credit Card using their new I-Banking platform. Furthermore, consumers have the capability to independently initiate the opening of a fixed deposit account through internet banking. Consequently, clients are content with the service innovation provided by MAB bank. The findings of the regression show that customer happiness and service innovation are positively correlated. More specifically, better customer satisfaction levels are linked to higher levels of service innovation.

Process innovation has a highly substantial impact on customer satisfaction at a 1 percent level of significance. Customers can conveniently do banking transactions from any MAB branch. The MAB bank has opened a new service counter that can be customized to match the unique needs and preferences of clients while providing an extensive array of services. Customers so convey satisfaction with the process innovation that MAB bank has put in place. The findings of the regression show that process innovation and customer satisfaction are positively correlated, implying that higher levels of process innovation result in higher levels of customer satisfaction.

Marketing communication innovation has a highly substantial impact on consumer satisfaction, at a level of 1 percent. MAB bank offers an enticing fortunate draw promotion for customers who have cash savings. In addition, the bank promotes its products and services through the production of innovative video series and original music tracks. Therefore, clients are intrigued and drawn to the innovative marketing communication of MAB bank. Regression research shows that consumer happiness and innovative marketing communications are positively correlated. Specifically, an increase in marketing communication innovation leads to a corresponding increase in customer happiness. Among MAB bank's service creative activities, service innovation has the greatest value according to the standardized coefficient (Beta) score. The pleasure of customers is mostly influenced by the service innovation of MAB bank. The clients find MAB bank's service innovation to be highly satisfied, since the bank offers fresh and efficient self-service digital banking options that cater to the demands and desires of customers.

4.6 Analysis on the Effect of Customer Satisfaction on Customer Loyalty

In order to investigate the relationship between customer pleasure and customer loyalty, this research uses linear regression analysis. Table (4.12) displays the regression result of customer satisfaction on customer loyalty.

Table (4.12) Effect of Customer Satisfaction on Customer Loyalty

Variable	Unstandardized Coefficients		β	t	Sig
	B	Std Error			
(Constant)	.302	.121		2.487	.013
Customer Satisfaction	.922***	.030	.842	31.156	.000
R Square	.710				
Adjusted R Square	.709				
F Value	970.688***				

Source: Survey Data (2022)

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

The updated R² value is 0.709 based on the information shown in Table (4.11). This suggests that 70.9% of the variance in customer loyalty as measured by customer loyalty can be explained by the model. The validity of the model is confirmed by the highly substantial F value at the 1 percent level, which indicates the overall relevance of the model. The results show that client loyalty is positively and significantly impacted by customer satisfaction.

Customer happiness is highly important, since it directly correlates with customer loyalty at a level of 1 percent. Customers express high levels of satisfaction with MAB bank's innovative procedures and account offerings. Customers see the services of MAB bank to exceed their expectations. They plan to persist in utilizing the services of MAB bank. Furthermore, clients have expressed favorable opinions of MAB bank's creative practices and have actively recommended the bank's new products and services to others. The regression analysis reveals a positive correlation between customer happiness and customer loyalty.

CHAPTER 5

CONCLUSION

This chapter comprises three sections. Firstly, it provides an overview of the findings and the subsequent conversations. Furthermore, the document includes comments and recommendations. Ultimately, it highlights the necessity for additional investigation.

5.1 Findings and Discussions

This research set out to examine how innovations affected customer happiness at MAB Bank and examine the connection between customer loyalty and satisfaction. There is use of both primary and secondary data. A five-point Likert scale is used in a systematic questionnaire that is deployed.

According to the statistics, women make up the majority of responders. They are between the ages of 31 and 40, and those between the ages of 41 and 50 come next, respectively. Furthermore, the majority of surveyed individuals are married and have completed their education. Additionally, the majority of respondents are utilizing savings, followed by mobile banking, current accounts, deposits, loans, and other services. Credit cards and money transfers are additional services.

This study identifies the product innovation of MAB bank practices in relation to the first objective. Based on the average product innovation values of MAB bank, it has been determined that the bank provides upgraded internet banking and mobile banking. Additionally, it has been determined that MAB Bank develops superior savings products that allow depositors to generate income through the accumulation of bank interest. MAB Bank has introduced a new product line, the Master Card Lady's Credit Card, which is exclusively designed for women. Consequently, MAB bank's innovative products are highly regarded by customers.

It has been determined that respondents are capable of performing certain banking services at the agency bank of MAB. It has also been discovered that MAB bank provides a credit card repayment service through its new I-Banking platform. Respondents are capable of opening a fixed deposit account independently through internet banking. Consequently, MAB bank's innovative services are highly regarded by customers.

In terms of process innovation at MAB Bank, respondents are able to conduct bank transactions effortlessly at any of the bank's branches. Additionally, it has been discovered that MAB Bank has implemented a new one-stop service counter. Furthermore, it is discovered that MAB bank offers a flexible service that is tailored to the preferences and requirements of its consumers. Consequently, MAB bank's innovative process is highly regarded by customers.

In terms of marketing communication innovation, MAB Bank typically conducts an appealing fortunate draw for its customers. It has been determined that MAB bank utilizes its own sound tracks and creative movie series to promote its products and services. Furthermore, it has been found that MAB financial provides real-time financial information via its Viber and Facebook channels. Consequently, MAB bank's marketing communication innovation is highly regarded by customers.

Regarding the second goal, it has been shown that innovation in marketing communications, services, products, and processes all have a substantial and beneficial influence on customer satisfaction. MAB bank's service innovation is the most effective factor in influencing customer contentment among innovative practices. Customers are satisfied with MAB bank's service innovations due to the fact that the bank offers new and rapid self-service digital banking solutions that align with their needs and desires.

Regarding the third goal, it has been shown that consumer loyalty is significantly and favorably impacted by customer satisfaction. Customers intend to continue utilizing the services of MAB bank. It was discovered that they used to recommend the innovative services of MAB bank to others.

5.2 Suggestions and Recommendations

The results of the study indicate that MAB bank has the capacity to improve customer satisfaction and cultivate customer loyalty. The study findings suggest that MAB bank give priority to service innovation since it has the most effect on customer satisfaction. MAB bank should provide a digital replacement option by sending new codes to customers who seek card replacements through internet banking. Furthermore, the bank establishes dedicated hotline channels to address urgent matters, such as lost or stolen cards. MAB bank shall promptly and automatically provide consumers with a replacement card at their preferred branch within a timeframe of two to three days. Furthermore, MAB bank should establish partnerships with many money agents to enhance accessibility for agents and clients. Presently, MAB bank's partnership is

limited to True money. By establishing partnerships with numerous agents, MAB bank enables consumers to conveniently access cash withdrawals using their mobile banking services. Furthermore, it should provide distinct mobile banking services for withdrawing funds either at agents or ATMs. Customers will experience satisfaction when MAB bank provides new services that are tailored to their specific demands.

In order to innovate their marketing message, MAB bank may consider producing original music songs using renowned vocalists. Furthermore, the bank could provide incentives to consumers who choose to set MAB bank music tracks as their ringtone. This would enhance the level of awareness of MAB bank among individuals. Furthermore, MAB bank could promote its latest products and services by collaborating with influential individuals on popular social media platforms such as Facebook and TikTok. Subsequently, clients will be increasingly drawn to and engaged by the services offered by MAB bank.

In order to enhance process innovation at MAB bank, it is recommended that the bank retains client transaction history on their mobile banking or internet application. This would eliminate the need for consumers to repeatedly enter or submit the same data. Furthermore, in order to enhance efficiency, MAB bank should streamline its operations by identifying and eliminating superfluous processes, hence ensuring prompt service delivery. By applying the aforementioned suggestions, it will result in significant time savings for both the bank and its clients.

In order to enhance product innovation, MAB bank should provide a rapid online lending service that displays the loan process status and provides an estimated timeframe for loan approval on their website. Subsequently, consumers have the ability to verify and monitor the progress of their loan application through an online platform. Furthermore, MAB bank should provide sophisticated online deposit products to efficiently manage customer funds in mobile banking, whether in current accounts or fixed deposits. These products should accurately compute and disburse interest on deposits in accordance with the agreed-upon criteria. Furthermore, buyers are not required to manually transfer the funds. By incorporating the aforementioned recommendations, clients will experience satisfaction with MAB bank's product innovation.

Ultimately, it is imperative for MAB bank to consistently oversee the offerings and provisions of its competitors. Furthermore, the bank should consistently ascertain the desires of its consumers. As a result, MAB bank has to come up with creative ideas

for offering goods and services that successfully satisfy the needs and preferences of customers. By putting the suggested tactics into practice, MAB bank may greatly improve customer satisfaction and strengthen customer loyalty.

5.3 Need for Further Research

This investigation's main goal is to find out how innovations affect MAB Bank customers' pleasure and loyalty. It does not encompass Myanmar's entire banking sector. Consequently, additional research should focus on the innovative practices of other institutions in order to encompass the entire banking industry. Additionally, this investigation exclusively examines four innovative practices and neglects to investigate additional variables that may influence customer satisfaction. It is advised that additional research be conducted to identify additional factors that may impact consumer satisfaction and loyalty. Finally, it is suggested that more study be done to look at how innovations affect workers' job happiness and performance at MAB bank.

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APPENDIX A

QUESTIONNAIRE SURVEY

Dear Sir/Madam,

The purpose of this questionnaire is to collect data for the research titled **“Innovation Practices, Customer Satisfaction And Consumer Loyalty Towards MAB Bank”** as part of my academic research study for the MBF at YUE. I appreciate your value and time in responding to the questions and assure you of confidentiality and privacy.

Yours Sincerely,

Thae Lwin Oo

Section A: Demographic Information

1. Gender

Male Female

2. Marital Status

Single Married

3. Age (Years)

18 - 20 21-30 31-40
 41-50 51-60 above 60

4. Education Background

High School Undergraduate Graduate
 Post Graduate Master

5. Which services are you using from MAB Bank? (Can select more than 1 option)

Loan Deposit Saving
 Current Mobile Banking Others.....

Section B: Innovation Practices

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

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

5 = Strongly Agree

Product Innovation

No.	Items	Scale				
		1	2	3	4	5
1	MAB bank offers upgrade internet banking and mobile banking.					
2	MAB bank has fast online loan service.					
3	MAB bank has new salary loan and advanced salary Loan under loan category.					
4	MAB bank offers better savings accounts.					
5	MAB bank has Mastercard Lady Credit Card.					
6	MAB bank has new online deposit service.					

Service Innovation

No.	Items	Scale				
		1	2	3	4	5
1	MAB bank offers new and fast self-service digital banking solutions.					
2	Customer can use differentiated mobile banking to withdrawal money from True money agents fast.					
3	Customers can open fixed deposit account via internet banking by themselves.					
4	MAB bank offers repayment service for Credit Card from new I-Banking.					
5	Customer can apply the replacement card from MAB website.					
6	Customer can get some banking services through MAB Agency Bank.					

Process Innovation

No.	Items	Scale				
		1	2	3	4	5
1	MAB bank reduces unnecessary processes to deliver fast service.					
2	MAB bank is flexible in providing products/service according to customers' convenience.					
3	MAB bank arranges new one stop service counter.					
4	I can do bank transaction easily from the any MAB branches.					
5	I do not need to enter or provide same data each time as MAB bank records previous entries.					
6	Customer can apply quickly self-registration process for new i-banking/ mobile banking.					

Marketing Communication Innovation

No.	Items	Scale				
		1	2	3	4	5
1	MAB bank advertises with own unique soundtracks.					
2	MAB bank advertises its products and services by making creative movie series.					
3	MAB bank does attractive lucky draw for customers on cash savings.					
4	MAB bank offers point system obtained for credit card usage.					
5	I get bank's information in real time from interactive Viber and Facebook Channels.					
6	MAB bank advertises its new products and services with influencers at the social media.					

Customer Satisfaction

No.	Items	Scale				
		1	2	3	4	5
1	I am satisfied with the fast and reliable service of					
2	I am satisfied using MAB Bank A/C.					
3	I am satisfied with MAB bank.					
4	MAB Bank offer service exceed my expectation.					
5	I always use MAB bank rather than other Banks.					
6	I decide any bank transaction through MAB Bank.					
7	MAB Bank is my first choice.					

Customer Loyalty

No.	Items	Scale				
		1	2	3	4	5
1	I am committed to use MAB bank service					
2	I always deposit MAB Bank.					
3	I say positive things about MAB bank to other people.					
4	I recommend MAB bank to someone who seeks my					
5	I consider myself to be loyal to MAB bank.					
6	I always look at the new products and services at MAB website.					
7	Whenever I need to do banking, I will always use MAB.					

APPENDIX B
SPSS OUTPUT

Effect of Innovation Practices on Customer Satisfaction

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.739 ^a	.746	.741	.335864196561259	1.943

a. Predictors: (Constant), SI, PSI, MCI, PRI

b. Dependent Variable: CSM

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	53.464	4	13.366	118.489	.000 ^b
	Residual	44.445	394	.113		
	Total	97.910	398			

a. Dependent Variable: CSM

b. Predictors: (Constant), SI, PSI, MCI, PRI

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.706	.163		4.339	.000	.386	1.026
	SI	.350	.056	.357	6.231	.000	.015	.188
	PSI	.185	.055	.177	3.362	.001	.112	.309
	MCI	.210	.050	.212	4.212	.000	.077	.293
	PRI	.102	.044	.101	2.315	.021	.240	.461

a. Dependent Variable: CSM

Effect of Customer Satisfaction on Customer Loyalty

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.842 ^a	.710	.709	.292768431671582	1.627

a. Predictors: (Constant), CSM

b. Dependent Variable: CLM

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	83.201	1	83.201	970.688	.000 ^b
	Residual	34.028	397	.086		
	Total	117.229	398			

a. Dependent Variable: CLM

b. Predictors: (Constant), CSM

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
1 (Constant)	.302	.121		2.487	.013	.063	.541
CSM	.922	.030	.842	31.156	.000	.864	.980

a. Dependent Variable: CLM