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FACTORS INFLUENCING CUSTOMER SATISFACTION ON DIGITAL BANKING IN MYANMAR

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Abstract

This study aims to explore factors influencing consumer satisfaction on digital banking in Myanmar. The objective of this study is to examine the effect of factors influencing consumer satisfaction on digital banking in Myanmar. Descriptive method was used in this study. The primary data are collected from 150 active and potential digital banking users in Myanmar by using convenience sampling method. According to the Pearson's Correlation Analysis, there is a positive and significant relation between perceived usefulness, perceived ease of use, attitude towards use, and consumer satisfaction. The findings revealed that perceived usefulness and attitude toward use have a significant positive impact on customers' satisfaction. The result of this study finds that attitude towards use is the most influencing factor for consumer satisfaction of digital banking followed by perceived usefulness. Banks should prioritize improving customer attitudes towards use of digital banking services, followed by enhancing perceived usefulness and perceived ease of use. The results of this study can be useful for banks in Myanmar in improving their digital banking services to enhance customers' satisfaction. Banks should also consider promoting the perceived ease of use of their digital banking services to further increase customer satisfaction. Therefore, it is concluded that mobile financial service providers should focus on creating awareness and usefulness of digital banking services more and pay attention to better performance to exceed customers' satisfaction.

Keywords: Factors influencing**,** customer satisfaction, digital banking

Introduction

Nowadays, technology has been a powerful force in the development of civilization. New innovative mobile devices and functions are making our lives easier in every aspect. Digital banking is one of the smartphone applications which provides access to the bank and payment gateways. It helps to manage an individual's money through the mobile phone with all the features which can perform at a bank. Digital banking has also improved the efficiency of banking operations and reduced the cost of service delivery (Indrasari et al., 2022).

With the emerging Fintech industry, people are transforming from using traditional banking to advancing technological activities in finance (Gao & Waechter, 2017). The major benefits of using digital banking are minimizing cash handling risks as well as fraud reduction, faster payment, saving effort and time, and so on (Kesharwani, & Shaw, 2019).

Rationale of the Study

Traditional banking services are not convenient for the users due to the time consumption and users need to present phsysically at the bank to deposit, withdraw or transfer the money (Kyaw, 2019). Affordability and development in telecommunication services have enabled Myanmar people to access digital financial service platforms. Digital banking is the solution not only for transferring money at home or wherever the customers are but also the solution to pay the utility

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bills, telephone bill top-up, TV channel subscription fees, buying gift cards for entertainment like game gift cards and google play store and purchasing for online shopping. Customer satisfaction has been used as an index to evaluate business performance and services (Mohamud et al, 2017). Nowadays, the banking industry has become more competitive and customer satisfaction is the most powerful competitive advantage for banks. It is difficult to maintain the service and provide the customer with a great experience as customers become more and more educated. The banks need to develop and maintain a variety of initiatives services and quality in order to win customer satisfaction. Therefore, this study focuses to find out which factors are influencing consumer satisfaction of digital banking in Myanmar. This study will provide a valuable contribution to the knowledge about the Fintech services in Myanmar.

Objective of the Study

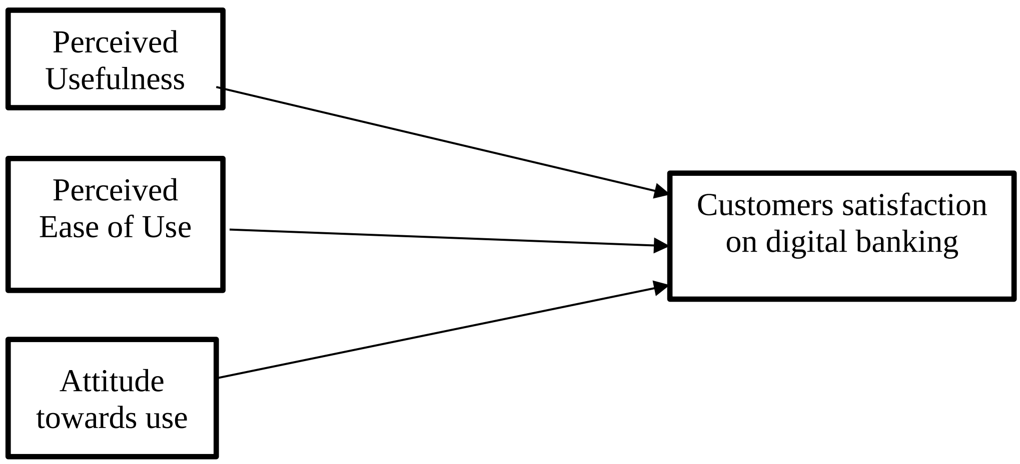
The objective of this study is to examine the effect of factors influencing consumer satisfaction on digital banking in Myanmar.

Materials & Method

This research purposes to explore the factors influencing customer satisfaction on digital banking in Myanmar. Customer satisfaction of digital banking only focuses on perceived usefulness, perceived ease of use, and attitude towards use. The study adopted descriptive and quantitative approach. Both primary and secondary data were used in this study. The primary data was collected from 150 active and potential digital banking users in Myanmar by using survey questionnaires through Google Forms. The convenience sampling method was used in this study.

Literature Review

Digital banking has become a critical element for enhancing the efficiency and competitiveness of both private and government banks, thereby improving the national economy (Khatoon et al., 2020). Technology Acceptance Model (TAM) is designed and tailored to examine how external variables are likely to influence an individual's decision and intention to use the new technology. Technology Acceptance Model (TAM) by Davis, F. D. (1989) is used for this study to develop the variables. This study uses perceived usefulness, perceived ease of use, and attitude towards use. According to Lee, S.W., et al., (2019), perceived of usefulness in which an individual has confidence in that using appropriate system would increase his or her job performance. Pooya (2020) also described that perceived ease of use is the driving force of electronic banking because it provides convenience, security, standardized, and easy access to banking business through the use of information and communication technologies. Consumers learn attitudes from direct experience with the product, word of mouth, exposure to mass media, and other information sources. (Schiffman & Wisenblit, 2019).



Source: Adapted by Davis, F. D. (1989)

Figure: Conceptual Framework

Analysis and Findings

Demographic Characteristics of the Respondents

Demographic characteristics of respondents are shown in Table (1). Table provides an overview of the profile of respondents who used digital banking services in Myanmar.

Table (1) Demographic Characteristics of the Respondents

Items	Categories	No. of Respondents	%
Gender	Male Female	59 91	39.3 60.7
Total		**150**	**100**
Educational Qualification	Undergraduate Graduate Master/ PhD	8 80 62	5.3 53.3 41.3
Total		**150**	**100**
Age (Years)	18-25 26-35 36-50	15 89 46	10 59.3 30.7
Total		150	100
Monthly Income (in Kyats)	Below 100,000MMK Between 100,000 – 300,000MMK Between 300,001 – 500,000MMK Between 500,001 – 1,000,000MMsK Above 1,000,000MMK	5 26 31 40 48	3.3 17.3 20.7 26.7 32
Total		**150**	**100**
Occupation	Students	8	5.3

Items	Categories	No. of Respondents	%
	Government Staff Company Staff Self Employed	25 91 26	16.7 60.7 17.3
	Total	150	100

Source: Survey data (2024)

Table shows that, according to the gender,59 respondents (39.3%) are male and 91 respondents (60.7%) are female. For education qualification, 8 respondents (5.3%) are undergraduate, 80 respondents (53.3%) are graduated people and 62 respondents (41.3%) are master degree and PhD holders. From all respondent, graduated people are maximum number of respondents. Concerning age, 15 respondents (10%) fall in the age group of 18 to 25 years, 89 respondents (59.3%) fall between 26 to 35 years and 46 respondents fall between 36 to 50 years. Therefore, the result is showing that people in age group of 26 and 35 has the highest percentage of using mobile wallet and have more interest in using mobile wallet services than other ages. According to monthly income, most of the mobile wallet users are people who have monthly income above 1,000,000MMK. Based on the occupation, the majority of respondents 60.7 % have company staff and the minority 5.3 % have students.

Table (2) Digital Banking Usage of Respondents

Items	Categories	Frequency	Percentage %
Total		150	100
Mostly used Digital Banking by Customers	Wave Money CB Pay One Pay KBZ Pay AYA Pay Mytel Pay M Pitesan OK $ A^+ Other	40 34 5 126 35 4 5 9 1 5	26.7 22.7 3.3 84 23.3 2.7 3.3 6 0.7 3.3
Purpose of Using digital banking	Transfer Money Top Up Contactless payments Bill Payment Agent pay Purchase for online shopping	132 119 73 107 35 64	88 79.3 48.7 71.3 23.3 42.7
Total		150	100

Items	Categories	Frequency	Percentage %
Duration of using digital banking	Several times per day About one time per day About one to three time per week About one to three time per month No Transaction	24 28 60 35 3	16 18.7 40 23.3 2

Source: Survey data (2024)

According to the Table (2), According to the survey, KBZPay and Wave Money are the most preferable digital banking by the respondents. Among 150 respondents, 126 people (84%) of the people prefer to use KBZPay most of the time and 40 people (26%) prefer to use Wave Money while the rest of the digital banking are also used randomly. Regarding purpose of using digital banking,132 respondents (88%) of total 150 respondents use mobile wallet for money transfer, 107 people (71.3%) of total 150 respondents use to make bill payments, 119 people (79.3%) of total 150 respondents use to top up phone bills, 73 people (48.7%) of total 150 respondents use to make contactless payments, 64 people (42.7%) of people use to purchase for online shopping and 35 people (23.3%) of total 150 respondents use to do cash in, cash out services at agent shops. The result is showing that most of the people use mobile wallet for money transactions, bill payments and mobile phone bill top ups. Concerning frequency of using digital banking, 60 respondents (40%) use mobile wallet one to three time per week, 35 respondents (23.3%) use one to three time per month, 28 respondents (18.7%) use about one time per day, 24 respondents (16%) use several times per day and 3 respondents (2%) do not use at all even though they have mobile wallet account in their mobile phone.

Reliability Test

The principles of reliability test are used to access the overall quality of research. The Cronbach's alpha value are used to test the reliability among variables. The following Table (3) describes the reliability test among variables.

Table (3) Data Reliability for Factors Influencing Customers Satisfaction on Digital Banking

Reliability Test	Item	Cronbach's Alpha
Perceived Usefulness	7	0.787
Perceived Ease of Use	5	0.840
Attitude toward use	6	0.883
Customer Satisfaction	5	0.768

Source: Survey data, 2024

According to Table, the Cronbach's Alpha value of perceived usefulness is 0.787, perceived ease of use of 0.840, attitude toward use is 0.883 and customer satisfaction is 0.768. Cronbach's Alpha value greater than 0.7 which indicate a high level of reliability.

Perception on Perceived Usefulness of Respondents about Digital Banking

The respondents were asked to express their degree of agreement against each question. The perception of respondents on perceived usefulness of digital banking is presented in Table (4).

Table (4) Perception on Perceived Usefulness of Respondents about Digital Banking

No	Statement	Mean	Standard Deviation
1	Using digital banking saves my time.	4.17	0.849
2	Digital banking is a practical option in making payments.	4.17	0.599
3	Using digital banking makes easier for me to carry out my day-to-day tasks.	4.14	0.695
4	Using digital banking is the trend of the modern lifestyle.	4.27	0.609
5	Digital banking can manage the financial functions more smoothly.	4.01	0.705
6	Digital banking is convenient to use because it eliminates the risks of carrying cash.	4.13	0.726
7	Using digital banking can save the transaction handling fees in performing banking transaction.	3.79	0.838
	Overall Mean	4.10	0.717

Source: Survey data, 2024

The Table (4) reflects the descriptive statistic result of perceived usefulness. The mean score of perceived usefulness is in the range of 3.79 and 4.27. Among seven usefulness, saving time, being a trend in modern lifestyle and being convenient are the influencing factors of mobile wallet. Conversely, the lowest mean score 3.79 highlights using digital banking can save the transaction handling fees in performing banking transaction. The overall mean score of 4.10 indicates that all variables in perceived usefulness are as agree level.

Table (5) Perception on Perceived Ease of Use of Respondents about Digital Banking

No	Statement	Mean	Standard Deviation
1	Learning to use digital banking is not difficult for me.	4.19	0.721
2	I can quickly become proficiency in using services of the digital banking.	4.11	0.597
3	The functions in the digital banking are user friendly, easy to learn and understand.	4.05	0.583
4	Digital banking is the modernized tool which can handle the payments easier.	4.19	0.617
5	Digital banking transaction procedures are simple and straightforward.	4.01	0.613
	Overall Mean	4.11	0.626

Source: Survey data, 2024

According to Table (5), the mean score of perceived ease of use is in the range of 4.01and 4.19. Among five perceived eases of use, learning to use digital banking is not difficult and it is the modernized tool which can handle the payments easier got the same mean 4.19. Conversely, the lowest mean score 4.01 highlights digital banking transaction procedures are simple and straightforward. The overall mean score of 4.11 indicates that all variables in perceived ease of use are as agree level.

Table (6) Perception on Attitude towards use of Respondents about Digital Banking

No	Statement	Mean	Standard Deviation
1	I believe that using digital banking is beneficial for me.	4.03	0.645
2	For me, I am very willing to use digital banking among other payment methods.	4.14	0.531
3	Using digital banking services is time-saving and comfortable for users.	4.15	0.564
4	For me, digital banking a very good way to pay when purchasing goods and services.	4.07	0.715
5	As a user, I will continue to use digital banking also in the future because of its easy and comfortable functions.	4.05	0.583
6	I feel secure about my personal data while using digital banking.	3.96	0.674
	Overall Mean	4.07	0.619

Source: Survey data, 2024

According to Table (6), the mean score of attitude towards use is in the range of 3.96 and 4.15. Among six statements on attitude towards use, using mobile wallet services is time-saving and comfortable for users got 4.15 mean. Conversely, the lowest mean score 3.96 highlights users feel secure about my personal data while using digital banking. The overall mean score of 4.07 indicates that most respondents agree that all variables in attitude towards use of digital banking are at an agreed level.

Table (7) Perception of Customers Satisfaction about Digital Banking

No	Statement	Mean	Standard Deviation
1	I am satisfied that using digital banking is smooth and seamless.	3.83	0.915
2	I am satisfied effectively use digital banking without assistance.	4.15	0.649
3	I decided to use digital banking because I want to try out new technology.	3.77	0.763

No	Statement	Mean	Standard Deviation
4	Digital banking system provides a secure and convenient process for transactions and purchases for product and services.	4.17	0.549
5	I feel that using digital banking is easy because of clearly providing instructions.	3.89	0.773
	Overall Mean	3.96	0.730

Source: Survey data, 2024

Based on Table (7), the study revealed that the mean value of customer satisfaction is in the range of 3.77 and 4.17. The highest mean score 4.17 indicates that digital banking system provides a secure and convenient process for transactions and purchases for product and services. The lowest mean score, at 3.77, users decided to use digital banking because they want to try out new technology. The overall score of 3.96 indicates that most respondents agree that all variables in customer satisfaction are agree level.

Pearson Correlation Analysis of Independent and Dependent Variable

After determining the research's reliability, correlation is examined to determine the factors influencing customer satisfaction about digital banking in Myanmar. Person correlation is categorized into five levels based on the strength of the relationship: 0.80- 1.000 (very strong), 0.60-0.799 (strong), 0.40-0.599 (moderate), 0.20-0.399 (weak), and 0.000-0.1999 (extremely weak). The results of the Pearson Correlation Test are presented in Table (8).

Table (8) Pearson Correlation Analysis of Variables

Correlations				
	Perceived Usefulness	**Perceived Ease of Use**	**Attitude towards use**	**Customer Satisfaction**
Perceived Usefulness	1	.592	.713	.623
Perceived Ease of Use	.592	1	.573	.448
Attitude towards use	.713	.573	1	.701
Customer Satisfaction	.623**	.448**	.701**	1

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

According to the Pearson's Correlation Analysis, there is a correlation between customers' satisfaction and all of the factors, namely perceived usefulness, perceived ease of use and attitude towards use. Perceived usefulness and attitude towards use have a strong correlation with customers' satisfaction but perceived ease of use has a moderate correlation with customers' satisfaction about digital banking in Myanmar.

Multiple Regression Analysis of Factors Influencing Customer Satisfaction on Digital Banking

Multiple regression analysis of factors influencing customer satisfaction of digital banking are presented in Table (9).

Table (9) Influencing factors on Customers Satisfaction on Digital Banking

Variables	Unstandardized Coefficients		Standardized Coefficients	t-value	Sig
	B	Std. Error	Beta		
Constant	0.520	0.298		1.746	0.083
Perceived usefulness	0.279***	0.096	0.250	2.910	0.004
Perceived ease of use	0.001	0.080	0.001	0.012	0.990
Attitude towards use	0.564***	0.091	0.522	6.173	0.000
R^2	0.523				
R^2 (Adj.)	0.513				
F-test	53.351***				

Source: Survey data (2024)

Notes: ***Significant at 1% Level,**Significant at 5% Level,*Significant at 10% Level

As a result of the analysis, R^2 is 0. 523 that reveals 52% of the total variance in customer satisfaction is explained by three factors: perceived usefulness, perceived ease of use and attitude towards use. The significance value of perceived usefulness and attitude towards use are 1% level. There is a positive and significant relationship between perceived ease of use, attitude towards use and customer satisfaction about digital banking. According to the results of standardized coefficient, attitude towards use is the most influencing factor for consumer satisfaction about digital banking and in the second place, there is perceived usefulness and third place is perceived ease of use. The result of F statistics indicates the overall significance of the model, with F value of 53.351at p value of 0.000.

Discussion

The primary objective of the research is to examine the effect of factors influencing consumer satisfaction on digital banking in Myanmar. The study aims to assess the impact of independent variables, including perceived usefulness, perceived ease of use and attitude towards use on the dependent variable of customer satisfaction. Based on the findings, most of the customer in the study are female, age group between 26 and 35, Graduate people who hold a bachelor degree from University, a group that are earning above 1,000,000MMK and company staff respectively. KBZPay and Wave Money are the most preferable digital banking by the respondents. Regarding purpose of using digital banking, most of the respondents use mobile wallet for money transfer. Concerning frequency of using digital banking, most of the respondents use mobile wallet one to three time per week. Therefore, customers are able to use digital banking not only to manage their daily financial activities but also for their daily personal activities and lifestyle.

According to the Pearson's Correlation Analysis, there is a positive and significant relation between perceived usefulness, perceived ease of use, attitude towards use, and consumer satisfaction. The findings revealed that perceived usefulness and attitude toward use have a significant positive impact on customers' satisfaction. The result of this study finds that attitude towards use is the most influencing factor for consumer satisfaction of digital banking. This finding is consistent with Almansour, B., & Elkrghli, S. (2023) research. This means that customers who have a positive attitude towards digital banking are more likely to be satisfied with it. This research suggests that the more positive the customer's attitude towards digital banking, the higher the level of customer satisfaction with financial services.

Conclusion

Based on the results, it can be concluded that perceived usefulness and attitude toward use have a significant positive impact on customers' satisfaction of digital banking in Myanmar. Banks should prioritize improving customer attitudes towards use of digital banking services, followed by enhancing perceived usefulness and perceived ease of use. The results of this study can be useful for banks in Myanmar in improving their digital banking services to enhance customers' satisfaction. Banks should also consider promoting the perceived ease of use of their digital banking services to further increase customer satisfaction. The results indicate that the electronic payment providers should pay more attention to two factors, which are, attitude toward use and perceived usefulness as they have the most influence on the consumers’ satisfaction about digital banking. Therefore, it is suggested that mobile financial service providers should focus on creating awareness and usefulness of digital banking services more and pay attention to better performance to exceed customers’ satisfaction.

This study provides several contributions for the improvement of digital banking in Myanmar and valuable insight into the mobile financial service providers to enhance satisfaction of potential users to use their digital banking and innovate better solutions to solves customer’s issues. The findings can be used by digital banking service providers to improve the quality of their services and enhance customer satisfaction. In addition, this research suggest that Myanmar people are not very familiar with the technology, it is very critical to educate people to adopt cashless payment services and the functions of the digital banking should be very user friendly and easy.

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