

**YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF MANAGEMENT STUDIES
MBA PROGRAMME**

**FACTORS INFLUENCING CUSTOMER SATISFACTION
AND LOYALTY ON AYA PAY DIGITAL SERVICE**

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EMBA II - 5

EMBA 17th BATCH

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ACADEMIC YEAR (2018-2022)

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A Thesis submitted to the Board of Examiners in partial fulfillment of the requirements for the degree of Master of Business Administration (MBA)

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ACCEPTANCE

This is to certify that the thesis entitled “**Factors Influencing Customer Satisfaction and Loyalty on AYA Pay Digital Service**” has been accepted by the Examination Board for awarding Master of Business Administration (MBA) degree.

Board of Examiners

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(Examiner)

APRIL, 2022

ABSTRACT

This research aims to identify influencing factors on customer satisfaction and analyze the effect of customer satisfaction on customer loyalty of AYA Bank AYA Pay digital service products. This study is conducted on 121 customers out of total 900,000 users from Myanmar. From the findings of the study, it is evident that usefulness, security and technology factor have significantly positive effect on customer satisfaction of AYA Pay service of AYA Bank. Findings also show that customer satisfaction is positively significant to customer loyalty. This study recommends that AYA Bank need to improve customer service of AYA Pay Application while need to maintain existing customer service and enhance customer service as per customer requirement. In the matter of technology that customer feel using high technology make secure, fast and safe services for transaction. Regarding security on AYA Pay is important in making financial transactions, as expectation of customer desire outcome, bank should provide secure and safe service in adopt cyber security solution. For the usefulness that AYA Pay digital service is working well on mobile phone and able to operate with operator telecommunication network. Moreover AYA Pay is designed to bring easy account opening with zero balance, convenience payments and money transfer in everyday life. Therefore, bank is not only able to retain existing customers but also to capture new customers. Bank also needs to do proper customer segment to identify satisfy customer and offer other product such as home loan to convert them as loyal customer.

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LIST OF ABBREVIATIONS

5G	Fifth Generation
ATM	Automated Teller Machine
CEO	Chief Executive Officer
Fintech	Financial Technology
ID	Identity Document
IFRS	International Financial Reporting Standards
iOS	iPhone Operating System
IoT	Internet of Things
ISA	International Standards of Auditing
IT	Information Technology
MPU	Myanmar Payment Union
NFC	Near Field Communication
OTC	Over the Counter
OTP	One Time Password
PMO	Project Management Office
QR	Quick Response
SMS	Short Message Service
TES	Technology Enabled Services
UNGC	United Nations Global Compact
WiFi	Wireless Fidelity

CHAPTER 1

INTRODUCTION

Digital payment services have been widely used in recent years. Financial technology (Fintech) service is emerged as a new technology to support banking and financial services with the support of computer programs and other technologies. It is widely used as an emerging service that provide innovative value propositions across the financial services value chain to address customer needs. Fintech transforms digital payment systems for point of sale, peer to peer and online marketing. Digital services are easy to sign up, easy to use stored value wallets using mobile phones and other digital devices. Consumers can make various types of payments with digital services conveniently. By using digital services, the payments can be automated and improved efficiency in different industries including education, retail banking, fundraising and nonprofit purposes, and investment management (Leong & Sung, 2018).

Customer service is crucial for any businesses for driving top and bottom-line performance through improving the customer experience. The trend of providing customer service is shifting dramatically, from branch-centric models to digital services interaction in which customers can move seamlessly among service channels, including mobile, phone, chat, and online. In customer journey, it needs to integrate customer interactions across digital and traditional channels (Meyer & Schwager, 2007).

Along with the significant impact of digital banking services on customers' overall experience, the banks have to fully utilize digital banking systems in order to survive and growth in technically disruptive environment. Digital payment service provides fast, simple, convenient and intuitive interactions among parties that delivers superior experiences and lead to get customer satisfaction and their loyalty and thereby, generating higher revenue of the bank (Rust & Zahorik, 1993; Sheaves & Barnes, 1996).

Customer satisfaction and customer loyalty can be enhanced through improving customer experiences across multiple interactions with the brand. Customer satisfaction is a measure of how a customer feels about a product or service. Customer loyalty is a set of behaviors and attitudes that a customer exhibits towards a product, service, or brand. It can result in repeat purchases and choosing the brand over a competitor (Kamaladevi, 2010;

Frow & Payne, 2007).

In recent years, the use of Internet is significantly growing in Myanmar, in which millions of people are using online platform in their daily-life. Though digital literacy is still low in Myanmar, people are able to adapt themselves in a new environment and eager to try new things. Nowadays, mobile payment platform is emerging as a new era of digital payment system in Myanmar. Everyone can now benefit from sending and receiving safe, secure and instantaneous payments anywhere and anytime. AYA Pay is connecting people and businesses through the touch of a smartphone, by collaborating with other digital companies to create an ecosystem of enriching payment experiences (Taneja, 2021).

1.1 Rationale of the Study

For the long-term success of any business, all business entities pursue customer satisfaction and loyalty as an outcome of their business strategy. For achieving this outcome, understanding and shaping of customer needs, creating distinctive value for customers, and building deep customer relationships are important agenda for business organizations (Hoe & Mansori, 2018).

The use of mobile devices provides anytime, anywhere access, fast and convenient delivery and social approval by peers. By proving digital services, banks can improve their services to be convenient for customers and also create emotional attachment with their customers. Bank needs to create emotional attachment while keeping the rational appeal (Rambe & Bere, 2013).

Customer journeys is challenge for banks to embed in the everyday life of their customers. End-to-end fully digitized and paperless processes accessed via all channels could reduce the costs and create ultra-efficient internal process and operations. Banks have increasingly focused on ultra-efficient operations and fully digitized, convenient, frictionless processes to respond to customer's need anytime and anywhere (Vakulenko, Shams, Hellström & Hjort, 2019).

Nowadays, clients are increasingly aware of the value provided by the banks. Accordingly, with the highly competitive nature, banks have more realized that how it is key to understand, predict, and meet the customers' needs and to deliver superior value to create customer satisfaction (Parsons, 1983).

AYA Bank is one of the leading commercial banks in Myanmar provide various types banking services. Although digital functionality of AYA Bank still limited compared to regional best practices, it is a leading banking service provider including digital payment services in the local market. Among digital pay services provided by several banks, AYA Pay digital service has been recognized as one of the best pay services in Myanmar through continuously improving it services by implementing various types of Fintech to improve customer satisfaction and to build loyalty relationship with its customers (Yee, 2019).

To sustain and grow in technically disruptive and very competitive environment, it is critically important for banks to understand that what factors contribute to customer satisfaction and how customer satisfaction affect their loyalty on the bank. Therefore, this study aims to explore the influencing factors customer satisfaction and their loyalty on the AYA Pay digital service (YuSheng & Ibrahim, 2019).

1.2 Objectives of the Study

The main objectives of this study are

1. To examine the factors influencing customer satisfaction towards AYA Pay digital service.
2. To analyze the effect of customer satisfaction on their loyalty on AYA Pay digital service.

1.3 Scope and Method of the Study

This study focuses on customer satisfaction and loyalty on AYA Pay digital service. Both descriptive and analytical studies are used to examine the influencing factors of customer satisfaction and customer loyalty on AYA Pay digital service. One hundred and twenty one respondents are selected from 900,000 subscribers who have at least one time experience on AYA Pay Service by using simple random sampling methods. The sample size is determined by using Raosoft's formula with 90% confident interval and 7.5% margin of error. The study uses both primary and secondary data. Primary data are collected from selected respondents with self-administered questionnaire designed with 5-point Likert scale. The secondary data are collected from reference books, international research papers, journal articles and Internet websites.

1.4 Organization of the Study

The paper consists of five chapters. The initial chapter gives the introduction of the paper, rationale, objectives, scope and method of the study. Chapter two presents the theoretical background with review on empirical studies to construct the conceptual framework. Chapter three presents the profile and digital services provided by AYA Bank. Chapter four includes the analysis of influencing factors on customer satisfaction and customer loyalty on AYA Pay digital services. Chapter five is conclusion chapter that presents findings and discussions, suggestions and recommendations and needs for further research.

CHAPTER 2

THEORETICAL BACKGROUND

This chapter is about the theoretical background pertaining to this study. It starts with the important of digital service, followed by discussion of customer satisfaction and customer loyalty on feature of digital service. In this chapter also includes, the reviews of theories of influencing factors on customer satisfaction, customer loyalty, and empirical study and develop the conceptual framework of the study.

Digital service industry in Myanmar are included of a financial industry and of a majority of online small companies digitally communicated effectively across the entire customer journey. Even in the global digital economy and initiative connectivity, human capital digital skills, use of internet by citizens, integration of digital technology by businesses and digital public services. Although global organizations has quite innovated technology and process, many small and medium companies are having challenges to transform digitization. However, all organizations have digitalization that embraces the ability of digital technology to capture and assess data to make better business decisions and enable new business models.

2.1 Digital Service

Information technology (IT) is used to improve data management, analysis and sharing, planning and decision support, service delivery, and more. IT helps increase access to information, make transactions faster and more convenient, and help citizens participate in the development of government regulations and other processes. The diffusion and adoption of IT is changing citizen and business expectations on ability of government to deliver public services. Public-sector organizations are adapting public service delivery, policymaking, citizen engagement, and interagency collaboration towards a new digital environment (Criado, Sandoval-Almazan & Gil-Garcia, 2013).

All activities carried out in digital service environment offered by digital companies. Digital service is a term that refers to the electronic transfer of information including data and content across numerous platforms and devices like web or mobile. A digital transaction that one party can give to another can have a number of benefits. (Williams, Chatterjee, & Rossi, 2008). The digital service is qualitatively different from

traditional e-Services in terms of its new-age design paradigm and its goal of creating new value at the frontiers. It uses a whole set of new processes to achieve this. Digital interactions and digital way of life are the new norms since people are living in a digital era. Digital interactions of the new age which result in exchange of information or delivery of services, have distinguishing attributes like personalization, task-orientation and intelligence (Kotler, Kartajaya & Setiawan, 2021).

2.1.1 Importance of Digital Service

The life of human being is much depend on technologies. Technologies makes work easier, faster, and efficient and saves money (Goel, 2007). Technology is used to obtain more production in very less time without any human error. Technology is important because it is used in all areas of life. Technology is always changing, and it becomes more important every day in our lives, whether it is for communication, transportation and for finding information. Space technology makes it possible for human beings to reach the moon with the recent progress. Technology can help in the present, making lives easier and bringing closer to the future. Therefore, technology is undoubtedly important in daily life (Brynjolfsson & McAfee, 2014).

The digital revolution is having a significant impact on almost every facet of people's lives. The way people do business is changing, and the way people work and live is also changing. The digital revolution is everywhere and can be beneficial to all businesses and all sectors of the economy (Perez, 2003). Digitalization and automation are set to have a big impact on the future of work. It offers many opportunities, but also challenges. Digital technologies have proliferated and become more widespread over the years. Ubiquitous and continuous connectivity has reached much of humanity. Digital technologies have played a key role in addressing the effects of the pandemic as well (Brynjolfsson & McAfee, 2011).

Now the movement is towards a digitalized economy whose production and consumption models are based on incorporation of digital technologies in all economic, social and environmental dimensions (Feroz, Zo & Chiravuri, 2021). The adoption and integration of advanced digital technologies (fifth-generation (5G) mobile networks, the Internet of things (IoT), artificial intelligence, cloud computing, big data analysis, robotics,

etc.) means that moving from a hyper connected world to one of digitalized economies and societies (Rao & Prasad, 2018).

Today, the digital service has become unavoidable in daily life. Appropriate use of the digital service makes life easy, fast and simple. The digital service helps with facts and figures, information and knowledge for personal, social and economic development (Martin & Grudziecki, 2006). There are many uses of the digital service, however, use of the digital service in daily life depends on individual requirements and goals (Kar, 2021).

Digital technology has become a common tool, used by many people all over the world. The benefits and promise of the digital service revolution are immense (Atkinson & Castro, 2008). As IT becomes more central to improve in daily lives, it will be important to ensure that the majority of citizens are digitally literate and have access to digital tools so that they can take full advantage of these benefits (Stanley, 2003).

2.1.2 Features of Digital Service

The biggest challenge to business success is transformation and the biggest challenge of transformation is about understanding the business and customers' expectations. Digital is about the age of people-centricity. It is focus from inside-out operation driven to outside-in customer-centric for improving its digital maturity. Technology is being leveraged every day to enhance customer experiences (von Leipzig, Gamp, Manz, Schöttle, Ohlhausen, Oosthuizen & von Leipzig, 2017).

The emergence of digital economy calls for new payment methods in the market. The online-only shift of some buyers has forced the digital ecosystem to migrate from cash payments to plastic cards, and now it is taking a leap towards contactless payments (Mehta, 2020).

In cashless, quick payments are more than a good feature as becoming inevitable. The money transfer between the payer account and the payee account happens within seconds instead of within hours or business days since this feature provides great benefits such as allowing payments anytime and anywhere making funds immediately increasing control of personal and business funds available (Bátiz-Lazo, Haigh & Stearns, 2014).

A mobile wallet makes it easy to transfer money to any bank account, including own bank accounts in the same bank, as well as to transfer money to another person's bank

account in a different bank (Ivatury & Mas, 2008). Mobile wallet owners have a variety of ways to send and receive personal or business money quickly and easily wherever they are and whenever they need (Karnouskos, 2004).

As digital cash is supported, the digital service is becoming an important part of daily life and able to provide an effortless bill payments solution as a prepaid or postpaid payment service (Karnouskos, 2004). This is one of the critical digital service features because people today prefer to pay every bill online - utilities, mortgages, loans, rent and tuition as well (Barr, 2012).

Digital services can store a user's credit and debit card data, so that can make money transactions at any time. The digital service makes it easy for users to manage finances conveniently by aggregating all of cards in one central space. Furthermore, digital service is safer than carrying all cards because it doesn't store card numbers. Instead, card data is encrypted with high-grade security. People today have a range of credit and loyalty cards. That's why digital service app needs to be ready to manage multiple card operations such as blocking/unblocking cards, changing pin, changing account limits, applying for new cards (Sumanjeet, 2009).

In digital world, more merchants have started to realize the need for deploying various technologies accept digital service. Retail clients can make payments using mobile wallets by using contactless methods such as NFC and QR codes. NFC is a contactless remote technology that can work within a close distance (up to 10 cm) and provides people with secure payment between POS devices and smartphones. A QR code is a type of barcode that is used to quickly and easily communicate information between devices. The QR code can easily be scanned with a camera on a smartphone. The phone interprets the barcode, and a related application or website opens. NFC and QR payment are becoming increasingly popular therefore it is important that digital platforms provide these features that users can remain convenient and efficient (Narayanan, 2012).

Digital services can be secured with a variety of robust technologies such as tokenization, passwords, biometrics, security questions, point-to-point encryption, authentication, and OTPs via SMS. Although digital is more secure than a credit card security issues remain the main obstacles to the account by the consumer with powerful security capabilities (Mondal, 2009).

Digital service provides self-registration process for the value of a seamless user experience. It is about saving time, efforts, and self-registration with easy and fast to accomplish registration flow as one-time procedure. The key advantage of a digital coupon solution that it is easy to create and manage coupons, discounts, tickets and loyalty points. Digital services can allow you to withdraw cash from an Automated Teller Machine (ATM) without needing to use a physical credit card. They can also choose to withdraw cash from an agent or bank branch (Mondal, 2009).

2.2 Technology Adoption Model

Digital service adoption is often impacted by ease of use of the service. Mobile payments services are easy to use therefore it is important for them to provide a positive user experience (Guriting & Oly Ndubisi, 2006). If mobile payments service is easy to use then it will remove any kind of transaction errors and it is one of the important aspects of any online financial transactions (Kar, 2021). Ease of use from technology adoption model (TAM) remains one of critical factors which drives technology usage (Wu & Wang, 2005).

Digital payment models facilitates the user to withdraw their money anywhere at any time with very minimal charges (Kar, 2021). It posits that a technology driven platform should have tangible benefits which would promote their adoption as well (Gawer & Cusumano, 2014). Further, usefulness of AYA Pay can be enhanced, not only as a payment but also towards other related services. For example, the platform could allow payments to be made not only between peers, but also for bills and utilities such as electricity, phone bills, credit card bills, gas bills, fee payment, road taxes, and ticketing needs, it can enhance the usefulness of the mobile application extensively. A market research can be undertaken for identifying such related services. In this context, social media discussions may also be mined for establishing complementary needs based on users of other similar services (Kar, 2021).

In simple terms, customer service means figuring out what each customer needs then keeping customer happy. It is not enough to simply expect because they buy product they are loyal or satisfied. Customer service can be as simple as answering questions and providing information. It can be as complex as tracking customer habits and anticipating needs. (Zeithaml, Parasuraman & Berry, 1990). Customer service (also known as Client Service) is the provision of service to customers before, during, and after a purchase.

Customer service has strategic importance and requires companies to continually enhance customer experience and satisfaction to deliver quality in a competitive marketplace (Schneider & Bowen, 1999). Customer service is a way for companies to make it easier for their customers to do business with them (Kotler, 2000).

In this digital world, security plays a very important factor to maintain the relationship between merchant, users and with payments system (Kar, 2021). Customer concern about security is one of the major concerns for companies. In mobile payments, users have their own private key or secret code for the online transaction it developed perceived security in mobile payments transactions. In digital environments, it is important to have mechanisms for authentication, authorization, and non-repudiation between users, merchants, and payment services (Shon & Swatman, 1998). Perceptions surrounding security are often identified as one of the biggest challenges facing all users of digital services and smart technology products as they capture so much digital data that identity systems are sometimes used to manage to improve security on these platforms. If the user is concerned around how other people can access and use the information shared digital services, they tend to use smaller (Kar, 2021).

Fintech is one of the most important innovations in the financial services industry, and it is spurred on by economic sharing, regulation, policy, and information technology. The business model of financial technology (Fintech) also focuses on payment and loan services. In addition, it includes personal financial consulting services, crowd funding, virtual currencies, and security (Leong & Sung, 2018).

2.3 Customer Satisfaction

Customer satisfaction is an important theoretical as well as practical because it is the way of getting feedback from the customers that can be considered as the essence of success in today's highly competitive world of business (Jamal & Naser, 2002). Actively seeking customer voices is the best practice of how the company improve in the upcoming execution by regularly discuss customer feedback. Customer satisfaction helps in perform efficient service processes that could improve company to implement streamlined standard operating procedures to increase customer satisfaction. Customer satisfaction has been considered to be an important source of long-term business success and building a customer

relationship is a good way to retain loyal customers in the long term (Rust & Zahorik, 1993; Sheaves & Barnes, 1996).

Company understand to deliver the true needs of customers in each interaction. Customer satisfaction help in getting the right alignment to use the appropriate product while making the products to sell most attractive products to customers with highest potential in the right way leveraging leads (Swift, 2001). Customer satisfaction is a primary aim of every company to perform efficient service processes to customer needs at the quality and lowest possible cost. Customer satisfaction is continuously challenge and company improve delivery of customer outcomes through structured and focused approach. Company optimize spans of control, roles and responsibilities as well as capability building to deliver on customer needs at the lowest possible cost. Individually and collectively work together to put the customer satisfaction at heart of the business (Day, 1994).

Client satisfaction has been one of the top tools for a successful business. Customer satisfaction is a rating of how well a customer felt about their total purchase and consumption experience with the good or service in the past (Fornell, Johnson, Anderson, Cha, & Bryant, 1996). With marketing, customers are usually satisfied with the way the company is providing goods and services. This means that it understands what the customer expects and tries to meet those expectations. Actionable information on how to make customers happier is therefore, an important outcome (Oliver, 1999).

However, the product and it is features, functionality and reliability of sales activity and customer support are the most important topics required to meet or exceed customer satisfaction. Satisfied customers usually rebound and buy more. Besides buying more it also acts as a network to reach out to other potential customers by sharing experiences (Hague & Hague, 2016). The value of keeping a customer is only a tenth win a new one. Therefore, if the organization is a customer continues to build up a good 6 relationship with the customer. The provision of the quality of the goods and services in the 20th century, not only to comply with the customers, but also to have a secure position. In fact, customers benefit from significantly on the use of qualitative products (Rebekah, 2004).

Customers often have to look for value in total services that requires internal cooperation between the departments is responsible for the various items they offer such as basic products (goods or services) product delivery, product and documentation. In addition, in terms of profitability and productivity, only those activities that bring value to

customers. Since firms have to know their customers better than ever before, they need to do extensive research in order to develop a relationship with them. The company builds trust with the customer, so it is easy to get feedback from the customer. Customer-centricity is a key part of developing successful products and services. By focusing on the needs and wants of customers, businesses can create products and services that are both useful and satisfying (Macdougall, Brierley & Hill, 2003).

Customer satisfaction is a relative dynamic. Unless a company focuses on its customers, it will not be able to improve satisfaction levels and may even lose customers who are satisfied with its competitors. Customer satisfaction is important, but it's also important to meet customer expectations. Customer satisfaction is greatly influenced by the quality of service, the quality of the product, and the value for money offered. Employee satisfaction is as important as customer satisfaction when it comes to achieving success. If the employee has a positive impact, then it can play a big role in increasing the level of customer satisfaction. Satisfaction is a constantly evolving emotion that can be affected by a variety of factors. Satisfaction can be highly variable depending on when in the usage or experience cycle someone is focusing (Lovelock & Wright, 2007).

Customer satisfaction is based on specific product or service features and how customers perceive the quality of those features. Customer satisfaction is also affected by customers' emotional responses, their attributions of their satisfaction, and their perception of equity (Zeithal & Bitner, 2003). Increase customer satisfaction the company can provide advantages such as customer loyalty extend the customer life cycle and extend the life of the customer's goods purchase and increases positive customer word of mouth communication. When a customer is happy with the product or service provided by a company, this can lead to that customer being more likely to purchase products or services from the company again in the future. We can't grow into an organization if we ignore the death of our customers' needs (Tao, 2014).

2.4 Customer Loyalty

Oliver (1999) studied as loyalty is a deep-seated commitment to rebuilding and re-supporting a preferred product or service in the future, even in the face of situational influences and marketing efforts that might cause people to switch. Customer loyalty is seen as a strong indicator of the relationship between an individual's attitude towards a

company and their propensity to re-visit that company. Customer satisfaction is important, but it's not enough to take a business to the top level. Customer satisfaction leads to a financial benefit, especially in regular purchases. Today's competitive market is more demanding than ever when it comes to keeping customers happy. This is because of the technological advances that have been made and the widespread use of the internet. Building loyalty in a company requires it to focus on the value of its products and services and to show that it is interested in fulfilling the desires or building relationships with customers (Griffin, 2002).

Thomas and Tobe (2013) mentioned that loyalty is more profitable. The cost of acquiring a new customer is much more than the cost of retaining an existing one. Customers who are loyal to a business will encourage others to buy from that business and think twice before changing their mind about buying from other businesses. Customer loyalty is not something that just happens by accident; it is built through the choices that are made when sourcing and designing products. It is essential to design for customer loyalty by considering the wants and interests of the service receiver. Customers build loyalty over time by engaging in multiple transactions (Landay & Hong, 2003).

A relationship with a customer is key to customer loyalty and success. A company must work to develop a broader perspective that extends beyond its own operations in order to be world class at everything (McDonlad & Keen, 2000). Gremler and Brown (1999) divided customer loyalty into three different categories - behavior loyalty, intentional loyalty, and emotional loyalty. Behavior loyalty is staying loyal to a brand by repeating your past purchasing behavior, while intentional loyalty is the intention to buy from a brand in the future. Emotional loyalty is gained when a customer feels that a brand corresponds with their values, ideas, and passions.

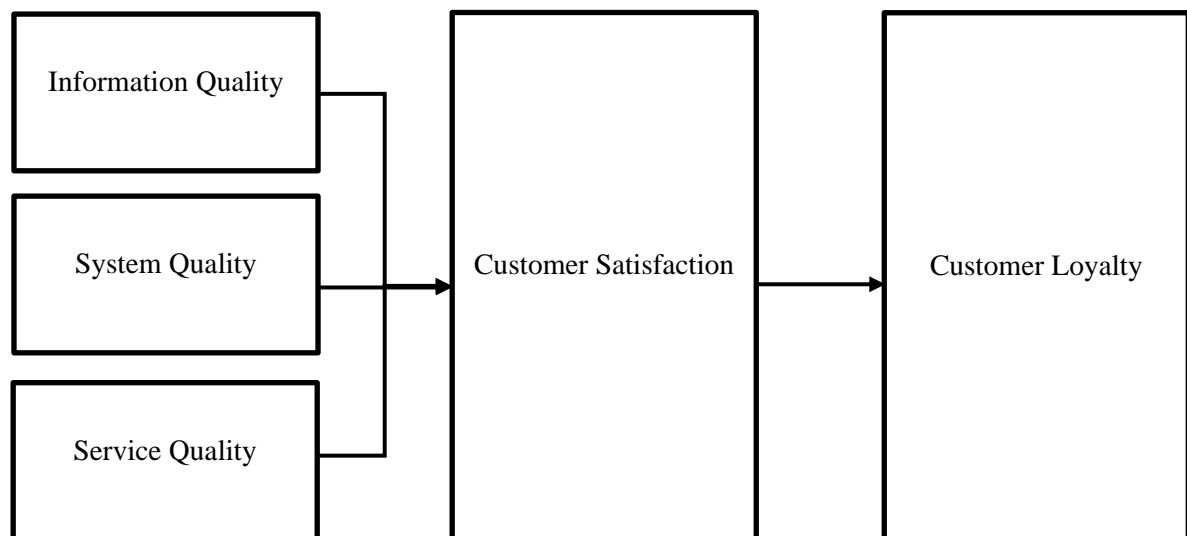
The company needs to pay attention to factors like price, promotion, service, and products in order to keep customers loyal. Creating a comfortable working environment for customers and company representatives is important in order to create a good relationship. Customer loyalty leads to increased business efficiency and profitability (Gremler & Brown, 1999). Customer loyalty and satisfaction is the vitality of modern business for two main reasons. The fact that customer are in short supply makes it easier to obtain what you want from an old customer than from a new one. Second, customer loyalty and satisfaction are important factors in the profitability of a company (Rosenberg, 1984).

Customer loyalty is an important factor in customer satisfaction. The satisfaction in trustworthiness is the most prevalent subject in the study of marketing theory. Several studies have shown that satisfaction and loyalty have a strong connection. As satisfied customers are dedicated and unhappy customers are a supplier's nightmare, it is important to keep your customers happy (Heskett, 1994).

2.5 Empirical Studies

Maharjan (2017) studied on client satisfaction might be felt by client conducting online shopping since shopping could be done practically everywhere and anytime, and it has lower cost in accessing information. Information Quality shared in FJB Kaskus website has details, positive and significant effect toward customer satisfaction in conducting online shopping. The finding of the study has supported customer services as having positive and significant effect toward satisfaction of customer that use interface web based system. This result provides support where information quality is one of the main affecting satisfaction while conducting online transaction.

Figure (2.2) Conceptual Model of Maharjan

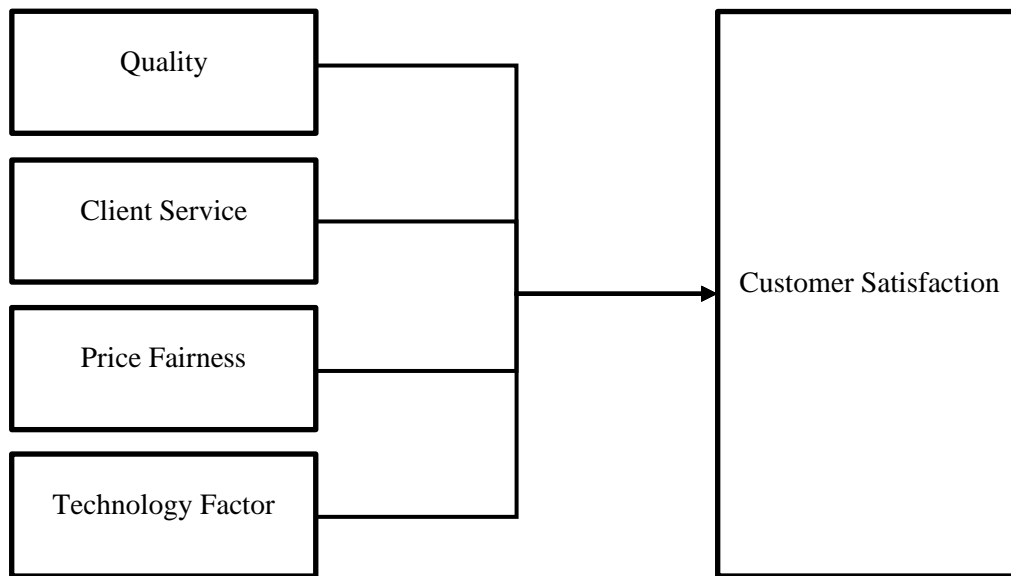


Source: Maharjan (2017)

According to Figure (2.2), Maharjan (2017) mentioned that service quality for electronic-based businesses is important when it comes to customer satisfaction. A key part of this is the customer's relationship with the system that supports online shopping. The quality of a service is typically assessed by how it feels to consumers while they're

conducting online shopping. This study found that good service quality leads to satisfaction among interface-based system users. This finding is similar to the result of where service quality had no effect on satisfaction of e-commerce website users.

Figure (2.3) Conceptual Model of Wang



Source: Wang (2014)

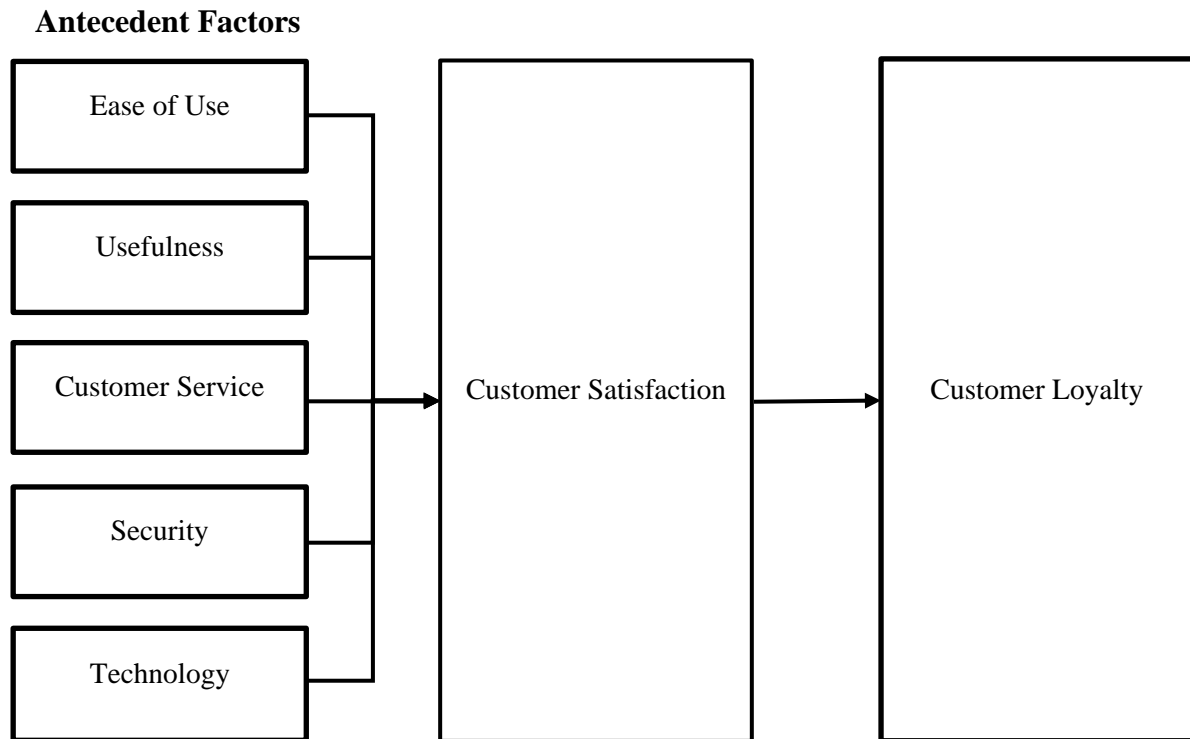
Wang (2014) investigated the role of technology factor and technology enabled services (TES) in airline industry like self-check-in facility, reservation system to client satisfaction. The study found that technology factor for electronic business such as internet banking, mobile banking for client satisfaction are important aspect in which is client relation with system supporting mobile banking. This finding proves that technology factor has positive and significant result toward satisfaction of mobile screen system users.

2.6 Conceptual Framework of the Study

Based on the theoretical concepts and result of previous studies, this study developed the conceptual framework to investigate the influencing factors on customer satisfaction and customer loyalty AYA Pay digital service. The conceptual model of the study is presented in Figure (2.4). Antecedent of customer satisfaction are proposed as ease of use, usefulness, customer service, security and technology. These factors are supposed to have the influence on customer satisfaction on AYA Pay digital service. Moreover, this

study proposed that customer satisfaction can influence on loyalty of customer towards AYA Pay digital service.

Figure (2.4) Conceptual Framework



Source: Own Compilation (2022)

Customer who received usefulness in timely manner will be satisfied. Moreover, Customer satisfaction depends on digital service usefulness factors such as reliability and responsibility. Technology factor such as type of technology and security models offering to customer can create the customer satisfaction. Moreover, this study supposes the constructive relationship in between customer satisfaction and customer loyalty.

CHAPTER 3

PROFILE AND AYA PAY DIGITAL SERVICE OF AYA BANK

This chapter provides a brief overview of AYA Bank and the various services it provides. The digital service provided by AYA Bank in terms of ease of use, usefulness, customer service, security and technology are presented in this chapter.

3.1 Profile of AYA Bank

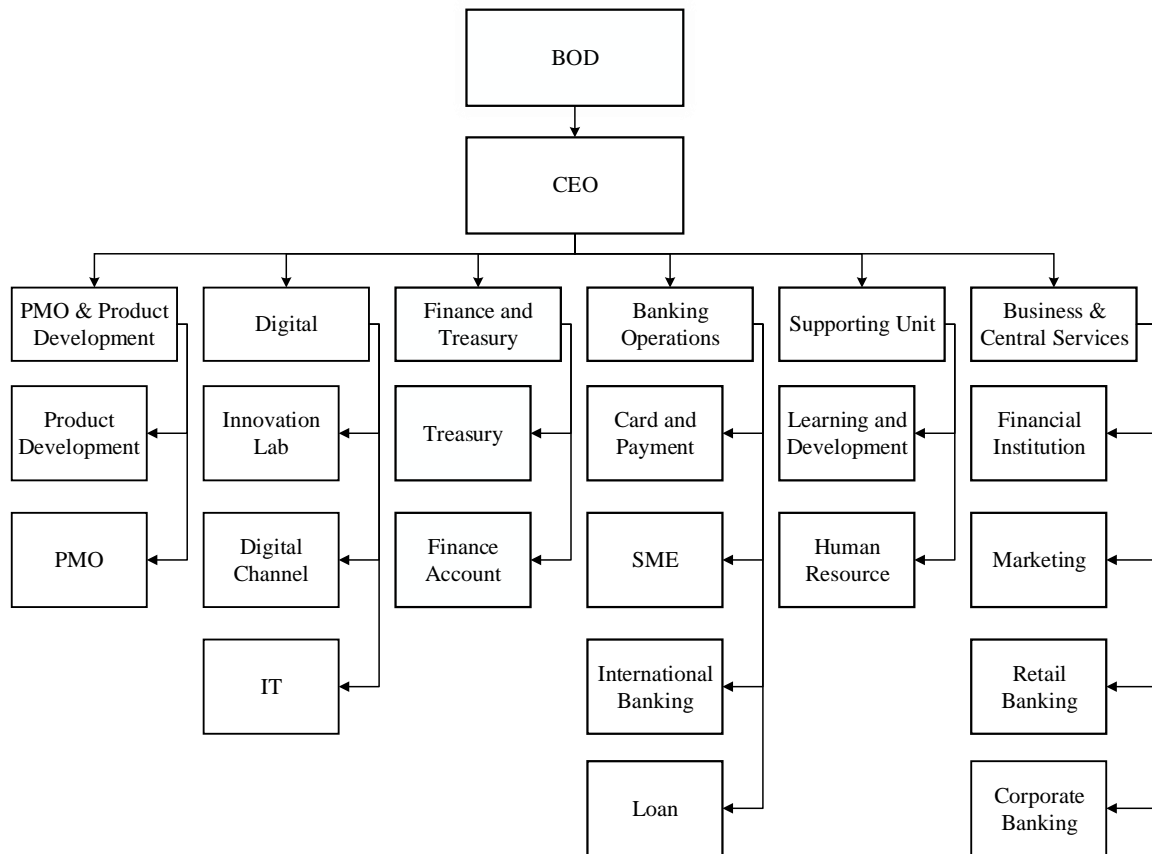
AYA Bank was licensed by the Central Bank of Myanmar in 2010 as a development bank, and was relicensed under the Financial Institutions Law in 2016 as a full-service universal bank. With regard to its assets, AYA Bank had a paid-up capital of MMK (140) billion, total assets of MMK (7) trillion and equity of MMK (309) billion. AYA Bank is the second largest bank in the country with over three million customers and 265 branches. The large and loyal customer base has been a key driver of success, helping the company to grow rapidly over the years.

As a member of the United Nations Global Compact, AYA Bank is committed to implementing globally recognized best practices in corporate governance and compliance in its management and operations. From 2014-15, AYA Bank was compliant with International Financial Reporting Standards (IFRS) and was audited under International Standards of Auditing (ISA). A big-four international firm was responsible for both audits. The bank has managed to attract and retain talented staff with both domestic and international experience, and has invested significantly in learning and development in order to ensure long-term sustainable growth for the communities it serves.

In Myanmar, AYA Bank is a leading provider of car loan products, with a market share of 34% in the new car lending market. The drive to go cashless has had a major impact on the number of customers with AYA Bank accounts. Over half of active customers have transitioned to digital banking, which makes it easier for them to do their banking and access their funds. The company's primary business strategy is to provide comprehensive banking and financial solutions that help to promote growth and enrich people's lives. The management team consistently creates value for its strategic investment partners, thanks to its dedication to digitalization, employee development, innovative products and services across all customer segments. The bank continues to focus on deepening relationships with

customers, providing top-notch customer service, and leveraging technology to rapidly expand the customer base. The bank is taking measures to strengthen its governance, risk and compliance structure in order to maintain balance and ensure continued growth, (AYA Bank, 2022). Organization structure of AYA Bank is presented by Figure (3.1).

Figure (3.1) AYA Bank Organization Structure



Source: AYA Bank (2022)

AYA Bank is structured with Board of Director, Board committees as Board level. Executive Chairman managed the whole bank as Chief Executive Officer (CEO) level supporting Executive Management Committee and Management Committee. In the division level, there are six divisions such as Business & Central Services, Supporting Unit, Banking Operations, Finance and Treasury, Digital and Project Management Office (PMO) & Product Development.

3.2 AYA Pay Digital Services of AYA Bank

AYA Bank launched AYA Pay Digital Services in 2020 which designed to meet

the growing needs of a mobile population. AYA Pay services used the latest financial technology solutions to provide reliable, secure and instant payments. According to AYA Bank, AYA Pay is a unique financial ecosystem that enables users, merchants, and agents to benefit from safe, instant, and reliable monetary transactions across Myanmar. The AYA Pay platform will help promote economic growth in the country, supporting the development of the nation.

AYA Pay offered features on the digital channels integrated with other application for cross selling in which ability to purchase insurance and provide a 360 degree customer view of all product holdings with real time status. The basic features are available across mobile channels of AYA bank. By use of AYA Pay digital services, it makes ease of use for clients to transfer money between own and other bank accounts, view the transaction history, mobile top up, bill payment and quick response (QR) scan and pay off a liability.

The user experience with AYA Pay has been simplified so that everyone can easily access a financial ecosystem that merges e-commerce with personal banking features. To make sure the safety of our customers is always our top priority, we have integrated a series of security features, instant user notifications, and a biometric scanner into our digital services solution. Customers of the AYA Pay service are able to transfer funds through AYA Pay Agent shops and purchase merchandise and services from AYA Pay merchants by using either a unique quick response (QR) code or mobile phone number.

3.2.1 Ease of Use

AYA Pay provides to help customer manage financial services on digital platform which provides ease of use and give advantages in payment to the customers. AYA Pay users can connect bank account with AYA Pay if customer have an AYA Bank account by choosing bank account at AYA Pay application with minimum requirement of account opening. The bank account name as typed in the bank book and bank account number are required to open account by linkage AYA Pay digital service and AYA bank account. In order to complete account opening, customer can quickly get a one-time password (OTP) code in transaction history of the bank account link to Mobile Banking. If customer do not use Mobile Banking, customer can view the transaction statement of bank account at AYA Bank branch. AYA Pay is designed to bring easy account opening with zero balance, convenience payments and money transfers in everyday life.

AYA Pay is integrated with third party application to purchase banking related products like insurance. AYA Pay digital service offers digital account with innovative digital features across various products. AYA Pay is used to and value intuitive design and experience to customer since customer is not necessarily to go to a bank to manage accounts. Customer can easily verify financial data, track transaction flow and pay off bill payments with a few quick steps.

3.2.2 Usefulness

Customer can top up AYA Pay account via Myanmar Payment Union (MPU) and Visa cards. The service requires an update to the AYA Pay digital service application and an e-commerce application for Myanmar Payment Union (MPU) cards. As for AYA Pay users, AYA Pay agents provide 7 days a week to make depositing, withdrawing and transferring money conveniently. There is no transfer fee in between if both the sender and receiver transfer money as long as customer have AYA Pay account. Users is able to easily purchase more than 9,000 books online with the AYA Pay using connect with the third party application which even allows students to directly consult online. With AYA PAY, customer don not have to spend time like before and no longer have to line up at the meter office. Customer can easily pay meter bill using AYA PAY digital service from home or at work. It is especially simple to top up AYA PAY account with simply top up account at the nearest AYA Branch or AYA PAY agent as a free fee.

3.2.3 Customer Service

AYA bank is managing customer experience across all branches in Myanmar. Bank is under the service industry category which includes financial sector. Therefore customers are expecting better customer service when compare with other bank as usual.

AYA bank institutions is doing business similar with retail stores in Myanmar. Customer are using bank both Over-the-counter (OTC) at branches channel and also using from online AYA Pay digital service channels. Customer can choose whichever channels since customer expect the best quality with consistent delivery method. Service method are both offers information quickly and customer on-boarding, turnaround time for home loan application and credit card fraud remediation and along with others. The customer service

requirement and turnaround time is measured by customer. Better customer service will be promote better customer satisfaction.

In the manner of provide such customer service to meet customer expectation, AYA Bank is investing human resources and information system. AYA Bank is providing the in-house training and outsource training to train own staffs to provide readiness of human resources. The training intend to provide to the front-line staffs who teller from Head Office and branches since customer facing staffs who are most stressful in the AYA bank. Customer could be frustrated before customer come to branch to meet with front-line staffs. However, bank staff need to serve to customer and listen the request or problem from customer. More importantly, bank staff is required to know the problem to resolve it for customer instantly. If teller can't resolve the problem, it will be escalating flow to promote problem to product specialists to handle the problem.

3.2.4 Security

The data stored in AYA Pay digital service is encrypted, meaning actual card account numbers are not passing through while making a payment. AYA Pay digital service facilitate random codes that as a key and cannot be exchanged again and rely on certain security features including biometrics to authorize the payment. Furthermore, the full card account number is not displayed anywhere in AYA Pay digital service meaning paying will not be able to see card number for future use. In addition, transactions are covered by the same security and privacy protections as own physical cards.

AYA Pay digital service is safer than using a physical credit, debit, or prepaid card. Face ID, Touch ID, or passcode are required for purchases on phone. User's card number and identity aren't shared with merchants, and actual card numbers aren't stored on device. When user pay online in AYA Pay, the merchant will only receive information authorize to fulfill the order. When pay with a debit or credit card, AYA Pay digital service application doesn't keep transaction information that can be tied back to customer. The information collected by AYA Pay's digital service is used for troubleshooting, compliance purposes and fraud prevention,

3.2.5 Technology

AYA Pay digital service is transformed the digital technology by AYA bank into all areas of AYA bank business units. The common goals of implementation are to improve efficiency, value and innovation.

AYA bank is providing digital service platform to the customers. AYA Pay digital service platform is includes Mobile Topup, Cash In, Cash Out, Transfer, Bill Payment, Scan and Pay and Prepaid Card Top Up. AYA Pay digital service is integrating with agent and merchant with advantage of extensive network to perform any of in-app services from retail shop and online. Customers are just need to have phone number with AYA Bank and they can securely transact any transaction by the touch of fingertips using AYA Bank AYA Pay digital service platform. AYA Bank digital service is works on smart phone like iOS and Android.

As fundamental of the digital eco-system driving by technology factor, transaction banking system, bill payment and card payment are also offer to the customers. Customer are not required to carry cash to purchase goods or services. Customer can use digital service like card, transaction banking to purchase goods, mobile top-up, make bill payment, transfer money to home, transfer money to friends, receiving money as well and so on.

Since highest population is young peoples in Myanmar, the new generation are prefer to use cashless to make transactions. Young people like to use mobile and digital gadgets like wearable devices to make online transactions. If the bank are still looking customer to come to the branch, it can make less use of digital service by young generation for bank service. Indeed technology factor such as digital is driving force to bank to transform a new technology.

The people and businesses have access to useful and affordable financial products and services that meet their needs for transactions, payments, savings, credit, and insurance. These products and services are delivered in a responsible and sustainable way with the help of technology. AYA Bank is providing digital payment platform service to have secure financial service to clients. Rather than getting in-secure financial service like hundi, people are having more benefits to associate proper financial service like banks. Therefore technology factor is contributing important points for customer satisfaction lead to customer journey.

3.3 Profile of Respondents

Firstly in this section, the needful data of respondents is collected. Demographic profile of respondents who are using AYA Bank AYA Pay digital service. The information gathered from survey included gender, age, level of education, current occupation, income and use of AYA Bank AYA Pay digital service. Each characteristic has been analyzed in terms of absolute value and percentage, and the summary of demographic characteristics of respondents is presented in Table (3.2).

Table (3.2) Profile of Respondents

No.	Particulars	No. of Respondents	Percentage (%)
	Total	121	100
1	Gender		
	Male	45	37.20
	Female	76	62.80
2	Age (Years)		
	18 - 25	12	9.91
	26 - 35	54	44.63
	36 - 45	43	35.54
	46 - 55	9	7.44
	Over 56	3	2.48
3	Highest Level of Education		
	High School	3	2.48
	Diploma	17	14.05
	Bachelors	75	61.98
	Masters	26	21.49
4	Current Occupation		
	Student	6	4.96
	Unemployed	18	14.88
	Staff & Employee	87	71.90
	Own Business	10	8.26

No.	Particulars	No. of Respondents	Percentage (%)
	Total	121	100
5	Monthly Income in Kyats		
	0 to 500,000	48	39.67
	500,001 to 1,000,000	18	14.88
	1,000,001 to 1,500,000	18	14.88
	1,500,001 to 2,000,000	17	14.05
	2,000,001 to 2,500,000	10	8.26
	More than 2,500,000	10	8.26
6	Use of AYA Bank AYA Pay Digital Service		
	Less than 1 year	44	36.36
	1 to 2 years	18	14.88
	More than 2 years	59	48.76

Source: Survey data (2022)

As presented in Table (3.2), female respondents are more than male respondents as major used of AYA Bank customer are female. It is discovered that female is responsible for administration, finance and accounting related to work with bank and male business owners are more direct on business meeting. In the section of Age that found 26 to 35 customer are more using AYA Pay digital service as user are interested in technology and familiar with mobile devices. They are enjoy using of cashless facilitate by technology for financial transaction too. Respondents have bachelors and master degree is highest which they are used to manage their financial transaction using AYA Pay digital service. For occupation, most of respondents are staff and employees obviously they can manage the finance transactions with AYA Pay digital service most of the time. Regarding income range, 80% of respondents are earn more than 1.5 million kyats per month which state that, professional employee has deposit money at bank account in AYA bank and trust to make transactions using AYA Pay digital service. Finally this study found out that around 50% of respondents are using AYA Bank AYA Pay digital service more than 2 years as part of their finance transactions.

CHAPTER 4

ANALYSIS OF FACTORS INFLUENCING CUSTOMER SATISFACTION AND CUSTOMER LOYALTY ON AYA PAY DIGITAL SERVICE

This study explores the antecedent factors of customer satisfaction and the effect of customer satisfaction on their loyalty of AYA Pay Digital Service. For this purpose, antecedent factors, customer satisfaction and customer loyalty are measured based on the responses of 121 customers in AYA Pay Digital. The regression analyses are conducted to examine the influencing factors on customer satisfaction and the effect of customer satisfaction on customer loyalty on AYA Pay Digital Service.

4.1 Analysis of Influencing Factors on Customer Satisfaction

In this part, the antecedent factors of customer satisfaction are examined with descriptive analysis, then, the influencing factors on customer satisfaction is identified by using multi-linear regression analysis.

4.1.1 Antecedent Factors of Customer Satisfaction

The antecedents of customer satisfaction include ease of use, usefulness, customer service, security and technology. The data are collected by using structured questionnaires designed with 5-point Likert scales in which score 1 to 5 represents the level of strongly disagree to strongly agree. The overall mean scores of the antecedent factors are presented in Table (4.1). The mean values and standard deviation of detailed variables in antecedent factors are presented in Appendix (B-1).

Table (4.1) Descriptive Analysis on Antecedent Factors

Sr. No.	Description	Mean
1	Ease of Use	4.04
2	Usefulness	3.62
3	Customer Service	3.46
4	Security	3.76
5	Technology	3.77

Source: Survey Data (2022)

According to Appendix (B-1), since the overall mean score of ease of use is 4.04 that most respondents can conduct banking transactions easily whenever they need. Basically, AYA Bank AYA Pay Apps is very easy to log in using register phone number in a two second away. Furthermore, respondents are able to transfer to other accounts, top-up mobile and easy scan and make payment with discount the recurring bills. Respondents also like the fact that they can make transactions anytime. In addition, respondents can be view account balance, transaction history easily from user friendly interface screen of mobile application.

In this study, since overall mean value of the usefulness is 3.62, respondents have perception on the thing that using AYA Pay service can reduce the time needed for services. It indicates that using AYA Pay digital service can effectively save customers queueing time at the bank when they go to bank and they can use anytime, anywhere. AYA Pay service enables to utilize banking services more quickly which shows that AYA Pay requires to constantly updating to provide better digital service for enable faster banking service. It can be assumed that most respondents are getting more value as AYA Pay connect with customer fast and easy on usefulness of AYA Pay digital services provided by AYA Bank.

Since overall mean of customer service is 3.46, it highlights the respondents have concerned on customer service. The result has identified that AYA Pay digital service support customer with service responds to customer request where quickly as possible as an important factor of customer satisfaction. As mentioned earlier, instantly communicating with customer is essential for a good customer experience. Studies in the customer service industry like bank prove that most consumers now seek support via mobile. Mobile customer service like AYA Pay digital service benefits both the business owner and customer in significant ways. A well-implemented mobile App is beneficial for customer service.

Since overall mean value of security is 3.76 that the respondent concerns with security in order to protect digital information against unauthorized access. Security of financial data is an important issue as the banking industry is going through digital transformation. Changes in consumer habits and technological advances are driving the transformation. The outcome shows that the most people consider to handle of the cyber security threats and risks by optimizing and automating protection throughout technology.

The respondents believe that the use of encryption to protect personal data has become increasingly important in order to prevent hackers from accessing that data.

Since overall mean value of technology is 3.77, it can be concluded that the respondents perceive that AYA Pay digital service is working on mobile phone Sim cards and working good with 3G and 4G connection. Moreover, respondents accept that AYA Pay digital service is working at many types of mobile phone handset without delayed and hanged. In addition, respondents are able to download AYA Pay App from respective apps store easily depend on their handset model. AYA Pay App is able to use not only WIFI connection but also mobile operator’s Sim card which provide convenient to respondents even accessing from abroad. It can be assumed that technology of AYA Pay digital service is highly acceptable to the respondents.

4.1.2 Customer Satisfaction

The five survey questions are used as variable to examine customer satisfaction into customer loyalty. The following Table (4.2) shows the mean values and standard deviation of the variable on customer satisfaction of AYA Pay digital service.

Table (4.2) Customer Satisfaction

Sr. No.	Particular	Mean	Stand. Dev.
1	Satisfaction on using AYA Pay service	3.72	1.253
2	Favorite digital banking service	3.76	1.225
3	Satisfactorily fulfill on banking services	3.47	1.126
4	Make more benefit compare to other pay services	3.61	1.121
5	Make satisfy to family and friends	3.66	1.137
	Overall Mean	3.64	

Source: Survey Data (2022)

According to Table (4.2), the highest mean score value is 3.76 for statements “Favorite digital banking service” since AYA Pay digital service encourages user to use quick pay function for transactions perform quickly with their favorite merchants directly from the service with an instant cash transfer. There is no need to stand in line to pay bills

ever again and offer huge discounts on all favorite shopping directly from the service. As second highest score value is 3.72 for statements "Satisfaction on using AYA Pay service" provides cardless withdrawal function enables to withdraw cash from ATMs without using any physical card. Client does not need to go any branch and can withdraw money at any nearest ATMs. The lowest mean score value is 3.47 on "Satisfactorily fulfill on banking services" as bank supports different types of services, which include corporate banking, individuals, investments, treasury, and digital services. In order to develop service standards and techniques, the bank must be willing to understand the difference between the perceptions and expectations of customers concerning services, as a result of increased awareness. AYA Pay should try to satisfy customers by increasing the perceived service quality since customer is at center of attention. Customers are becoming more demanding and their quality expectations have increased as a result, organizations must be customer-centered, deliver superior value to customers, build relationships, and work on market engineering. The customer satisfaction overall mean value is 3.64. Thus, there is positive customer satisfaction on AYA Pay digital service.

4.1.3 The Influencing Factors on Customer Satisfaction

In this part, the multiple regression analysis is performed to look the effect of influencing factors on customer satisfaction of AYA Pay digital service. In multiple regression models, customer satisfaction is used as dependent variable. The influencing factors of customer satisfaction: ease of use, usefulness, customer service, security and technology are used as independent variables. The analysis results are presented in Table (4.3).

According to Table (4.3), since adjusted R square is 0.953, this model can explain 95.3% of the variation of customer satisfaction which is predicated by the measures of influencing factors namely, ease of use, usefulness, customer service, security and technology. Since F-value, the overall significance of the model is highly significant at 1% level that means the model is valid.

As presented in Table (4.3), usefulness and security variables had the expected positive sign and coefficient of usefulness was deemed to be highly significant at 1 percent level. It means that increase in usefulness and security lead to increase the customer satisfaction. The results show that most factors have significant value and the main

determination of satisfaction components of customer to be usefulness and security. Apparently, usefulness is important for human in daily use in effective and efficient manner.

Table (4.3) Influencing Factors on Customer Satisfaction

Independent Variables	Unstandardized Coefficients		Beta	t	Sig	VIF
	B	Std. Error				
Constant	-.966	.158		-6.106	.000	
Ease of Use	-.174***	.046	-.104	-3.801	.000	1.824
Usefulness	.256***	.051	.243	5.021	.000	5.781
Customer Service	.007	.057	.005	.124	.902	4.817
Security	.414***	.060	.298	6.851	.000	4.660
Technology	.743***	.072	.551	10.284	.000	7.050
R	.976					
R Square	.953					
Adjusted R Square	.951					
F Value	469.009***					

Source: Survey Data (2022)

*** Significant at 1%, ** Significant at 5%, and * Significant at 10% Level

The technology also has the expected positive sign and highly significant coefficient value at 1 percent level. It indicates that the increase in positive technology lead to favorable customer satisfaction. The result could be explained that customer satisfaction affected by technology related factors such as people consider the financial technology impact on AYA Pay digital service in their buying decision and willing to pay higher prices for high technology products.

Today more and more transaction are done through online payments. The online offers the convenience and ease of using to pay for services through payments via mobile phone. In general, it can assume that digital access brings ease of use to the users but it also creates more requirements towards the industry with regard to secure the online services. Nowadays digital service offers many benefits and function to be eased of use but there is still some customers who refuse to accept offering ease of use more functions because of certain security concerns. Security is one of the main factors that is constantly mention as

a critical factor in the success of electronic digital services. Digital banking inadequate security may result in financial losses and negative feedback from user. When service become ease of use, customer experience different types of security deficiencies resulting from banks money losses as well as account holders. Ease of use is away from adding an additional features of security and makes weaknesses to prevent from the fraud cases in digital service.

The overall evaluation reveals that models explain the variation in independent variables because the estimation produced expected signs and significant coefficients for influencing factors. This specified model is valid. The increase usefulness and security concern have the positive results on customer satisfaction of AYA Pay digital service.

The standardize coefficient (Beta) of technology has the largest value 0.551 which highlights the greatest contribution of technology to grow the customer satisfaction when the variance explained by other variable is controlled for. The result indicates that providing effective and efficient technology is most important creating customer satisfaction because the respondents feel that using high technology make secure, fast and safe services for transaction. Security has the second largest effect on customer satisfaction. The reason can be that people expected secure banking transaction is essential part of daily life. The respondents believe that AYA Pay digital service is useful, it is supposed to use banking transaction for bill payment to reduce travelling times and cost for creating a better life for themselves and their families.

4.2 Analysis of the Effect of Customer Satisfaction on Customer Loyalty

Understanding the effect of customer satisfaction and how the customer loyalty is important to get more advantage for the AYA Pay digital service. In this section, the descriptive analysis on customer loyalty is provided and then the effect of customer satisfaction on customer loyalty is examined by using simple linear regression analysis.

4.2.1 Customer Loyalty

There are five survey questions used as variables to examine customer loyalty on AYA Pay digital service. The mean score of each variable that related to customer loyalty on AYA Pay digital service is known in following Table (4.4).

Table (4.4) Customer Loyalty

Sr. No.	Particular	Mean	Stand. Dev.
1	Recommend to use AYA Pay	3.83	1.014
2	Encourage friends and family to use AYA Pay	3.95	1.079
3	Use other AYA Bank services	3.90	1.052
4	First choice for future payment	3.74	0.890
5	Willing to be a loyal customer of AYA Pay service.	3.64	0.894
	Overall Mean	3.81	

Source: Survey Data (2022)

As stated in the Table (4.4), the highest mean score value is 3.95 for the statement of “Encourage people who are friends and family to use AYA Pay” means people are making their purchases digitally since payment option is convenient and secure. AYA Pay digital service gives the freedom to make payments at retailers without carrying a physical wallet. It can be more secure to carry cash or use a debit or credit card instead of carrying around large amounts of cash or using electronic payments methods like ATM cards or credit cards. AYA Pay is a safe, easy, and helpful way to pay and manage your money. As the second highest mean score value is 3.90 for the statement “Use other AYA Bank services” that AYA Pay allows customer deposit funds to digital account and make purchases by adding ATM card, credit card or bank account number. Customer can make purchases at participating online retailers and sending money to family and friends by using of AYA Pay is also an option. Additionally, AYA Pay provides a customer perspective on their spending so they can better keep track of their financial transactions. The lowest mean score value is 3.64 on the statement of “Willing to be loyal customer of AYA Pay service” that basically building loyalty through AYA Pay digital service involves taking care of customers. If a new customer signs up for a service bank offer, create information materials to assist them in getting comfortable with AYA Pay digital service since loyalty has become more of a challenge. Overall mean value for customer loyalty is 3.81. Thus, it can be concluded that the respondents are loyal customer on AYA Pay digital service.

4.2.2 Effect of Customer Satisfaction on Customer Loyalty

The multiple regression analysis is performed to find out the effect of customer satisfaction on customer loyalty of AYA Pay service. In multiple regression models, customer loyalty is used as dependent variable and customer satisfaction is used as independent variable. The result of analysis is shown in Table (4.5).

Table (4.5) Effect of Customer Satisfaction on Customer Loyalty

Independent Variables	Unstandardized Coefficients		Beta	t	Sig
	B	Std. Error			
Constant	1.171	.130		9.010	.000
Customer Satisfaction	0.724***	.034	.889	21.199	.000
R	.889				
R Square	.791				
Adjusted R Square	.789				
F Value	449.386***				

Source: Survey Data (2022)

*** Significant at 1%, ** Significant at 5%, and * Significant at 10% Level

According to Table (4.5) that value of R square is 0.791 percent thus the specified model could explain the 79.1% of the variation of customer loyalty of AYA Pay. Since the overall significance of the mode, F value, is highly significant at 1 percent level, the model can be said valid.

The variable customer satisfaction has the expected positive sign and is highly significant at 1 percent level means that customer satisfaction lead to enhance customer loyalty of AYA Pay digital service. The result indicates the positive effect of customer's satisfaction on their loyalty. The respondents willing to invest the cost for the AYA Pay digital service because they believe that it is very beneficial for their families that make them plan to use AYA Pay digital service in near future.

The overall evaluation reveals that model can explain variation in customer satisfaction of AYA Pay because the estimation produced the expected signs and significant coefficients for customer loyalty. The increases in customer satisfaction have the positive effects on customer loyalty of AYA Pay digital service.

CHAPTER 5

CONCLUSION

This chapter concludes the findings and discussion based on finding of Chapter 4 from 121 respondents of AYA Bank customer and purpose of contributions of this findings to identify influencing factors of customer satisfaction and loyalty on AYA Pay digital service. The suggestions, recommendations and need for further research are made based on analysis and findings from analysis and findings from the study.

5.1 Findings and Discussions

The purpose of study is to identify the influencing factors on customer satisfaction of AYA Bank AYA Pay digital service and to analyze the effect of customer satisfaction on customer loyalty of AYA Bank AYA Pay digital service. The first part of the study seeks to identify influencing factors the antecedent factors of customer satisfaction from 121 respondents and assessed how those factors influenced on customer satisfaction. Ease of Use, Usefulness, Customer Service, Security and Technology are taken as antecedent factors. The finding show that usefulness is most dominating factor to the respondents who use AYA Bank AYA Pay digital service. The study also found that usefulness factor is prominent to get customer satisfaction. Due to the fact that AYA Pay digital service is working well on mobile phone and able to operate with operator telecommunication network. Moreover, AYA Pay is running smoothly at mobile phone handset without any issue. Customers can easily download AYA Pay from Android or iOS stores.

In the matter of the security found that AYA Pay application is much secured to use for financial transaction safety. AYA Pay is need to improve cash in from own credit card and no branches service is required to get in support to complete the operation. Furthermore customer is likely to use money from own credit card if credit balance is sufficient enough to cash in to AYA Pay account.

For the objective for identifying influencing factors on customer satisfaction, usefulness factor has positive impact with client satisfaction. This result indicates the increase in usage of application as usefulness factor lead to the effect on customer satisfaction on AYA Bank AYA Pay digital service. System is well implemented to provide best client experience and mobile apps is compatible with multiple type of mobile vendors.

Thus, bank IT infrastructure and software are implemented to serve high customer demand. Moreover, bank is prepare for best using of service by implementing more functions and features to conduct financial services.

According to analysis, the significant positive effect of security indicates that the increase in security makes to the effect on customer satisfaction on AYA Pay digital service. Security on AYA Pay is an important in making financial transaction, as expectation of customer desire outcome, bank should provide secure and safe service in adopt cyber security solution to their customer among other digital application. AYA Pay record fingerprint and use it to log in with their hands by using of AYA Bank AYA Pay digital service at any place of the country. AYA Bank is constantly on the lookout for AYA Pay customer bank account financial security. Therefore, AYA Pay customer do not need to share bank account number, card numbers and one time password (OTP) one-time security number to anyone. Customers are receiving account information, transaction statements, credit card balance, hire-purchase repayment in securely and timely manner whenever make transactions. In addition, bank branches staffs are service-oriented people who served the customer daily. The main reason that AYA Bank gain client satisfaction with great in-build security in everything.

According to analysis, the significant positive effect of technology indicates that the increase in positive technology lead to favorable customer satisfaction. The result indicates that providing effective and efficient technology is the important creating customer satisfaction because the respondents feel that using high technology make secure, fast and safe services for transaction. AYA bank is providing digital service platform to the customers. Customer can use digital service like card, transaction banking to purchase goods, mobile top-up, make bill payment, transfer money to home, transfer and receive money easily. Moreover, AYA Pay App is running smoothly at mobile phone handset without any issue and every payment transaction can make with 3G and 4G connection.

Second part of study is to analyze the effects of customer satisfaction on customer loyalty. In analysis, it is found that customer satisfaction has positive results to customer loyalty on AYA Bank AYA Pay digital service. This is the result that bank is enforcing customer service level to maintain optimum level across from Board of Directors staffs to the most junior staffs in company. Bank also interacting with their customer from not only branches face to face channel but also contact centers, social media and mobile platform. In this digital age, customer are more interact with bank via social media and mobile

platform. By knowing that, AYA Bank is allocated full technology and human resources to provide better customer experience on daily basis to delight the customer.

As overall, usefulness, security and technology factors are most important for creating customer satisfaction and in turn, customer satisfaction can lead to loyalty of customers towards AYA Pay digital service. In order to achieve higher customer retention, bank need to emphasize and improve ease of use, usefulness, customer service, security and technology factor.

5.2 Suggestions and Recommendations

AYA Bank can capture a better customer to adopt AYA Pay by improving key significant factors for customer satisfaction. Bank also need to ensure that when promoting AYA Pay service to be less complex and customer feel that AYA Pay service platform is user friendly and simple to use. Possibility to demonstrate the usefulness of technology and service quality such as to check the account balance anytime anywhere and show how users can easily pursue the functions and its features without giving a negative impression. Furthermore, on the risk level, ensuring the safeguard mechanism of AYA Pay platform and explaining the contingency measures as a consequence of any exposure to fraud by using AYA Pay digital service. Being more deliberate on the secureness of AYA Pay and how it is protected. Educating the potential and existing customers on Dos and Don'ts when using the service such as not to share the login user identification and password to whom they don't trust or supposedly with anyone. The bank also should take into consideration of creating a "trial" period for customers to experience the AYA Pay digital service.

Relating usefulness factor, most of customers concern application simple and convenient to use anytime anywhere when make transactions in daily life. AYA Bank should provide sufficient details about the product information updated such as functions and features to manage their money with few simple steps. AYA Bank should focus on basic features to offer advanced features with execute transformation initiatives of people, process, and technology to create differentiate customer experiences.

Regarding security concern factor, the customer are suggested to use and improve secure technology since security in it is interactions with customers, credit & payments and encrypting shared information online. Security is the important role of AYA Pay user. If there is weak security purpose in AYA Pay will become a fraud process. AYA Pay should

be used strong security features to prevent many kinds of issue. Another one is transaction flow should be used in secure channel and encrypted data that are exchanging information over the internet. Security has been widely recognized to adoption of internet innovation in financial services. The bank should apply certified information security management with ISO standard.

Regarding technology factor, the customers are suggested to provide more details of login information according to check unauthorized access from login history. The technology on AYA Pay allows customers to easily complete online transactions since it is create a more fast and efficient service. Electronic transactions have become much easier for people due to financial technology help and change the way businesses function. Suggestion for banks are to use the latest technology play a key role in centralization for bank operations. The need to evolve and adopt open innovation, investment practices and collaboration in the right direction will cause traditional banks to move in the direction of digital banking. Bank should increase technology of AYA Pay is enhancing platform to build innovative business models with advanced security, access, promotional features and new customer profiling techniques.

Regarding customer satisfaction is one of variables investigated in this research as a significant impact on customer loyalty towards AYA Pay digital service. According to results, Bank should try to provide significant service can be generated more marketing and sales opportunities and it is value to enhance customer journey. The banks should focus on end users to provide a good experience, keep their money secure, and help them achieve their desired results. AYA bank should make available user guide on AYA Pay to get help with problems using AYA Pay App for billings, pricing information, usage, integrations and other issues.

Finally, as the study indicates, the analysis showed that customer satisfaction has influenced on customer loyalty. Bank should focus voice of customer to understand and deliver to the true needs of customers in each interaction. In order to perform efficient service processes, bank should increase improvement of customer service through implementation of streamlined standard operating procedures allows to reduce variability in processes and increase in consistency of customer experience accordingly.

5.3 Needs for Further Research

There are some limitations in this study. Firstly, this study has analyzed only the antecedent factors of customer satisfaction and effect of customer satisfaction to customer loyalty of AYA Pay digital service. Therefore, there is still much room for further investigation to identify different influencing factors to customer satisfaction. Second limitation is that research is conducted with a small sample size, which is only 121 AYA Bank customers. Therefore, future study would be worthwhile by conducting with large numbers of respondents across the nationwide where AYA Bank is located. Moreover, another suggestion is that future academic studies would be interesting to research across all banks in Myanmar and compare the results with this study.

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APPENDIX (A)

Appendix A: Questionnaires

Demographic

1. Gender	
Male	Female
<input type="checkbox"/>	<input type="checkbox"/>

2. Age Range				
18-25	26-35	36-45	46-55	Over 56
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. Highest level of Education				
High School	Diploma	Bachelors	Masters	Doctorate
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. Current Occupation			
Student	Unemployed	Staff & Employee	Own Business
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. Monthly Income in Kyats					
0 to 500,000	500,001 to 1,000,000	1,000,001 to 1,500,000	1,500,001 to 2,000,000	2,000,001 to 2,500,000	More than 2,500,000
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. Use of AYA Bank AYA Pay Digital Service		
Less than one year	1 to 2 years	More than 2 years
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please tick the relevant box to indicate your level of agreement for the following research items based on the following scales.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	2	3	4	5

Ease of Use	1	2	3	4	5
1. The AYA Pay application is easy to download.					
2. The AYA Pay application is easy and simple to use					
3. It is easy to open AYA Pay account.					
4. The AYA Pay application is easy to login.					
5. The AYA Pay application makes easy to find what the users need.					
Usefulness	1	2	3	4	5
1. Using AYA Pay service enables me to utilize banking services more quickly.					
2. Using AYA Pay service for my banking services increases my productivity.					
3. Using AYA Pay service is useful for my banking activities.					
4. Using AYA Pay service can reduce the time needed for services.					
5. Using AYA Pay service can save travelling expenses.					

Customer Service	1	2	3	4	5
1. AYA Pay responds very promptly to any customer needs.					
2. AYA Pay effectively uses customer feedback to improve service standard.					
3. AYA Pay provides frequently asked questions user guide about the service inquiry.					
4. AYA Pay Hotline is helpful to contact for additional service support.					
5. I feel confident in ability of AYA Pay service to help for the needs.					
Security	1	2	3	4	5
1. I am confident for making payments through AYA Pay service.					
2. I believe that AYA Pay service is safer than traditional payment system.					
3. I believe that AYA Pay service uses secure technology.					
4. I believe that transactions conducted through AYA Pay service are secure.					
5. I believe that the possibility of losing money stored in AYA Pay service Apps is low.					
Technology	1	2	3	4	5
1. AYA Pay applies up-to-date technology.					
2. AYA Pay is able to use with normal 3G/ 4G connection from SIM cards.					
3. AYA Pay is working smoothly on Android and IOS platform.					
4. AYA Pay allows to use figure-print to enter service on mobile.					

5. AYA Pay provide the history of login-details for checking.					
Customer Satisfaction	1	2	3	4	5
1. I am satisfied on using AYA Pay service.					
2. AYA Pay is one of favorite digital banking service.					
3. AYA Pay service satisfactorily fulfill my needs on banking services.					
4. I am satisfied with AYA Pay service that provide more benefits compared to other pay services.					
5. My friends/family-members satisfactorily respond AYA Pay service.					
Customer Loyalty	1	2	3	4	5
1. I recommend to use AYA Pay to those who ask me for advice.					
2. I encourage friends and family to use AYA Pay.					
3. AYA Pay is make me to use other AYA Bank services (E.g., Bill Payment, Mobile Top up).					
4. AYA Pay service is my first choice for future payment transaction.					
5. I can be counted as a loyal customer of AYA Pay service.					

APPENDIX (B)

Table B.1 Descriptive Analysis on Antecedent Factors

Sr. No.	Particular	Mean	Stand. Dev.
Ease of Use			
1	The AYA Pay application is easy to download.	4.26	0.772
2	The AYA Pay application is easy and simple to use.	3.93	0.993
3	It is easy to open AYA Pay account.	3.91	1.176
4	The AYA Pay application is easy to login.	4.17	0.610
5	The AYA Pay application makes easy to find what the users need.	3.95	0.705
Overall Mean		4.04	
Usefulness			
1	Using AYA Pay service enables me to utilize banking services more quickly.	3.74	1.187
2	Using AYA Pay service for my banking services increases my productivity.	3.74	1.173
3	Using AYA Pay service is useful for my banking activities.	3.71	1.114
4	Using AYA Pay service can reduce the time needed for services.	3.79	1.142
5	Using AYA Pay service can save travelling expenses.	3.14	1.380
Overall Mean		3.62	
Customer Service			
1	AYA Pay responds very promptly to any customer needs.	3.36	0.775
2	AYA Pay effectively uses customer feedback to improve service standard.	3.59	0.989
3	AYA Pay provides frequently asked questions user guide about the service inquiry.	3.48	1.034
4	AYA Pay Hotline is helpful to contact for additional service support.	3.38	1.120
5	I feel confident in ability of AYA Pay service to help for the needs.	3.51	0.976
Overall Mean		3.46	
Security			
1	I am confident for making payments through AYA Pay service.	3.83	1.003
2	I believe that AYA Pay service is safer than traditional payment system.	3.83	1.028
3	I believe that AYA Pay service uses secure technology.	3.93	0.761
4	I believe that transactions conducted through AYA Pay service are secure.	3.72	0.766
5	I believe that the possibility of losing money stored in AYA Pay service Apps is low.	3.49	0.857
Overall Mean		3.76	

Sr. No.	Particular	Mean	Stand. Dev.
Technology			
1	AYA Pay applies up-to-date technology.	3.90	1.028
2	AYA Pay is able to use with normal 3G/ 4G connection from SIM cards.	3.86	0.977
3	AYA Pay is working smoothly on Android and IOS platform.	3.53	1.057
4	AYA Pay allows to use figure-print to enter service on mobile.	3.60	0.979
5	AYA Pay provide the history of login-details for checking.	3.98	0.961
	Overall Mean	3.77	

APPENDIX (C)

Regression Analysis for Influencing Factors on Customer Satisfaction

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.976 ^a	.953	.951	.24117	.953	469.009	5	115	.000	2.250

a. Predictors: (Constant), Ease of Use, Usefulness, Customer Service, Security, Technology

b. Dependent Variable: Customer Satisfaction

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	136.390	5	27.278	469.009	.000 ^b
Residual	6.689	115	.058		
Total	143.079	120			

a. Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), Ease of Use, Usefulness, Customer Service, Security, Technology

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval of B		Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1 Constant	-.966	.158		-6.106	.000	-1.280	-.653		
Ease of Use	-.174	.046	-.104	-3.801	.000	-.265	-.083	.548	1.824
Usefulness	.256	.051	.243	5.021	.000	.155	.357	.173	5.781
Customer Service	.007	.057	.005	.124	.902	-.105	.119	.208	4.817
Security	.414	.060	.298	6.851	.000	.295	.534	.215	4.660
Technology	.743	.072	.551	10.284	.000	.600	.886	.142	7.050

a. Dependent Variable: Customer Satisfaction

Regression Analysis for the Effect of Customer Satisfaction on Customer Loyalty

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.889 ^a	.791	.789	.40879	.791	449.386	1	119	.000	1.226

c. Predictors: (Constant), Customer Satisfaction

d. Dependent Variable: Customer Loyalty

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	75.098	1	75.098	449.386	.000 ^b
Residual	19.886	119	.167		
Total	94.984	120			

c. Dependent Variable: Customer Loyalty

d. Predictors: (Constant), Customer Satisfaction

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval of B		Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1 Constant	1.171	.130		9.010	.000	.914	1.428		
Customer Satisfaction	.724	.034	.889	21.199	.000	.657	.792	1.000	1.000

b. Dependent Variable: Customer Loyalty