

THE IMPACT OF ATM SERVICE QUALITY ON CUSTOMER SATISFACTION IN THE PRIVATE COMMERCIAL BANKING INDUSTRY IN YANGON, MYANMAR

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ABSTRACT

The financial system has an important role to play in the development of the economy of a country. Since the 2011 political reforms, Myanmar's Banks and Financial Institutions Law was passed in 2016 by the parliament. In the past, Myanmar's Financial Institutions Law, which was enacted in 1990, provided only very general rules for local financial institutions. Myanmar is largely a cash-based economy. The people of Myanmar have less confidence in the banking system than in other countries in the region, having experienced a banking and currency crisis in the past. That is why most people prefer to keep cash in their hands or buy property to secure their financial situation.

However, in the past couple of years, the financial sector took important steps to reduce cash transactions: 21 out of 28 banks joined the SWIFT system, whereby local banks can make financial transactions to foreign correspondent banks. In 2011, the Myanmar Payment Union (MPU) was established by Myanmar banks to serve as a national payment switch for Myanmar. MPU provides electronic channels such as the Automated Teller Machines (ATM), Point of Sale (POS) terminal, and mobile banking to support non-cash payments. MPU membership consists of three state-owned banks and 14 non state-owned banks. In 2015, MPU became a public company, and 23 out of 28 Myanmar Banks joined as members. MPU cardholders can access almost 1,700 ATMs nationwide and use almost 3,500 POS terminals in Myanmar. In addition, the cardholder can also purchase products on 32 e-commerce websites. It is the first time in 50 years that foreign banks can support the country's economy with their extensive international experience and worldwide networks. In 2016, the Central Bank of Myanmar granted licenses to 13 foreign banks to open a branch in Yangon.

Keywords: *Customer Satisfaction, ATM, Customer Service, Bank, Service Quality, MPU, POS*

INTRODUCTION

Basically, Myanmar's economy was cash-based because of the prolonged decline of the managing an account framework after nationalization starting in the mid 1960s. After the declaration of the Central Bank of Myanmar Law in 1990, the specialists had endeavored to reestablish general society's certainty and to improve information of the managing an account part. The 1990 managing an account controls permitted the foundation of exclusive banks, trailed by a progression of monetary area changes. Notwithstanding, after the 1997 East Asian budgetary emergency, the energy towards change had stagnated and the remote trade licenses issued to private claimed banks were repudiated. Further strain to pull back the 1990 changes emerged when a bank run hit private banks in mid 2003, which extremely influenced open certainty of the saving money area. The circumstance declined after conclusion of some private banks because of hostile to illegal tax avoidance encroachment. Myanmar experts fixed the keeping

money controls and confinements, dropped mechanized installment card frameworks Automated Teller Machine (ATMs), charge and Visas), leaving the managing an account framework with simply essential administrations (Maw, 2015; Anh & Tuan, 2015).

LITERATURE REVIEW

Research problem and objective

ATM technology has nowadays proliferated. Each bank has own network of ATMs in bank branches, shopping malls, universities, hospitals, service stations and other strategic locations to offer customers easy and timely access to banking products and services. ATMs have therefore become the second most used channel for accessing banking products behind branch banking. In the prevailing circumstances, continued enjoyment of competitive advantage through ATM banking comes from not only installing ATM technology but having ATMs with features that enhance the satisfaction of users.

There are limited numbers of banks which provide ATM services for the people in Myanmar and they still require giving the full satisfactory level to their customers due to the technology requirement, internet infrastructure, server error, and other different kinds of problems. Some people are familiar with the using of ATM services however most of the people go the banks for their normal transaction (Asante-Gyabaah, Danquah & Tetteh-Watoe, 2015). There are still some requirements in the ATM services by Private Commercial Banks in Myanmar.

Objectives of the Study

The objective of this study was to assess customer satisfaction on Automated Teller Machines (ATM) in Private Commercial Banks of Yangon branch through descriptive research method. The specific objectives of the study are as follows:

1. To explore the ATM Cards services provided by Private Commercial Banks in Yangon.
2. To examine the impact of ATM service quality dimensions on customer satisfaction.
3. To analyze the factors influencing customer satisfaction on overall services of ATM Cards Service of Private Commercial Banks
4. To identify the various dimensions of ATM service quality of Banks.

This study mainly focuses on service quality which has literature review of five dimensions and customer satisfaction. In this study, the target groups are Private Commercial Banks from Yangon. The quality of bank services is evaluated by using structured questionnaires.

Research Questions of the Study

1. What are the services being offered by Private Commercial Banks through ATM card services?
2. What is the relationship between quality of service and customer satisfaction?
3. Which factors influence or affect mobile banking adoption among bank customers in Myanmar?
4. What should be done to improve customer satisfaction in ATM Card Service of Private Commercial Banks?

ATM service quality attributes

At the focal point of estimating SQ are the item or

administration properties. There has been developing writing on the measurement of consumer loyalty with banks and ATMs where the emphasis has been on creating estimation models, deciding ATM SQ characteristics and estimating consumer loyalty itself. The usually utilized models were SERVQUAL (Parasuraman, Zeithaml & Berry, 1988), SERVPERF (Cronin & Taylor, 1992) and BANKSERV, a model created by Avkiran (1994) considering SERVQUAL. Every one of these models depend on the comparative elements of SQ that incorporate physical assets, dependability, responsiveness, sympathy and affirmation. Be that as it may, contingent upon the item or administration under investigation the characteristics in every one of the measurements have been extraordinary.

Research Model

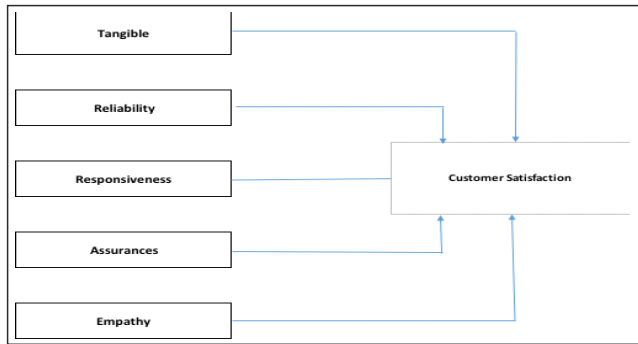
From the survey of literature, the following understanding goes to the fore. SQ is an antecedent of customer loyalty. A firm need to give quality items, administrations and exhibitions to accomplish customer loyalty. Customers will quantify nature of items or administrations dependent on saw execution of properties of the items or administrations inside the five measurements; physical assets, unwavering quality, responsiveness, confirmation and compassion (Parasuraman, Zeithaml & Berry, 1988).

The model helped the scientist survey customers' fulfillment with ATM saving money in Myanmar by giving a structure to evaluate clients' apparent SQ of ATM saving money in Malawi through the estimation of their impression of the significance and execution of ATM SQ qualities in every one of the five measurements (physical assets, responsiveness, unwavering quality, confirmation and sympathy) and after that breaking down the connections among significance and execution of ATM SQ traits and measurements; and customers' general fulfillment with ATM managing an account administrations offered by individual banks in Myanmar.

Conceptual Framework

Parasuraman, Zeithaml & Berry (1988) stated that there is a distinction between service quality and customer satisfaction: perceived service quality is a global judgment or attitude relating to the superiority of the service, whereas customer satisfaction is related to a specific transaction (refer to figure 1).

Figure 1: Distinction between Service Quality and Customer Satisfaction



RESEARCH METHODOLOGY

Research Design- Cross-sectional study design and quantitative data was collected from Bank customers.

Target population and sampling techniques- All customers of Myanmar Commercial Banks who used ATM service in Yangon were target groups of this study.

Research Design-Cross-sectional study and quantitative information was gathered from Bank clients. Therefore, 250 ATM users were selected using the above formula.

Source of Data-Primary data was obtained from customers of Myanmar Private Commercial Banks who were ATM users in Yangon, but secondary data was obtained from literatures from books, journals, magazines and the internet as accredited in the literature review.

Tools of Data Collection-In this study structured questionnaire were used which is prepared by Myanmar and English language to collect from ATM users.

Data Analysis-The statistical package for social science (SPSS, version 22.0) was used and the data was summarized in frequency tables and figures. The descriptive statistical results were presented by tables, frequency distributions and percentages to give a condensed picture of the data.

LIMITATIONS

This study will focus on factors influencing customer satisfaction of ATM Service in the banking industry, by looking primarily at Private Commercial Banks (Belay & Kindie, 2017). The study will utilize primary data that will be gathered from Private Commercial Banks customers. However, to mitigate this limitation, the questionnaire will be as comprehensive as possible in terms of nature and type of questions that will be asked.

This study will be carried out in the month of March 2018. The study will be limited in terms of closed ended nature of the questionnaire tool.

RESULTS AND DISCUSSION

Two hundred and seventy-five questionnaires were distributed to customers of Private Commercial banks, Myanmar who were ATM users in Yangon City. However, a total of 250 useable copies of the questionnaires were returned.

This chapter, describes the findings from analysis of data are presented and explores the influencing factors of customer satisfaction of ATM users from private commercial banks in Myanmar, based on data collected from the surveys. For these two main objectives, this study uses both primary data and secondary data. For the empirical data analysis, the required primary data is obtained from the customer survey to answer the questionnaire. Secondary data is obtained from relevant text books, internet website of banks.

Table 1: Demographic Characteristics of Respondents

Gender	Frequency	Percentage (%)
Male	126	50.4
Female	124	49.6
Total	250	100
Marital Status	Frequency	Percentage (%)
Single	132	52.8
Married	118	47.2
Total	250	100
Education	Frequency	Percentage (%)
Graduate	38	15.2
Post-Graduate	128	51.2
Master Degree	43	17.2
Ph.D.	41	16.4
Total	250	100
Age	Frequency	Percentage (%)
< 20 years	9	3.6
21 – 25 years	56	22.4
26 – 30 years	49	19.6
31 – 35 years	89	35.6
36 – 40 years	24	9.6
>41 years	23	9.2
Total	250	100
Occupation	Frequency	Percentage (%)
Student	20	8
Self-Employed	35	14
Government Employed	45	18
Company Employed	138	55.2
Service	12	4.8

This demographic characteristic of the respondents includes gender, age, marital status, occupation, educational background which respondents are using ATM Cards service of private commercial banks in Myanmar.

Gender status of the respondents is shown in table 1. It shows that the male respondents are 50.4% and female respondents are 49.6%. It is also found out that during distribution of the questionnaires male respondents tends to be interested than female respondents.

The table 1 also shows the frequency percentage of the marital status of the respondents, respectively. Marital status is divided into only two categories. To collect data 250 respondents were selected among these 132 were single (52.8%) and 118 were married (47.2%). In terms of percentage, single respondents are higher than married respondents.

From table 1, the frequency distribution and the histogram of educational background of the respondents can also be found. There are categories of education of respondents: Under Graduate, Graduate, Post-Graduate and Master Degree. It is found that 15.2 percent respondents are Under Graduate, 51.2 percentages respondents are Graduate, 17.2 percentages are Post-Graduate, and 16.4 percent are master degree respectively.

Table 1 respectively shows the frequency distribution and the histogram of age of the respondents. They include four age groups. 9 participants fall in the age group under 20 years, followed by 56 participants fall between 20 and 25 years. 49 participants fall between 26 to 30 years, 89 participants fall between 31 to 35 years, 24 participants fall between 36 to 40 years, and 23 participants fall over 40 years.

Analysis on quality of the Private Commercial Banks services using five Dimensions

The main objective of this study is to identify the factors affecting customers' satisfaction level on ATM services on Private Commercial Banks in Myanmar. Moreover, it has found that the customers are highly satisfied with the availability of cash in the ATMs and the quality of currency notes in the ATMs' being ranked 1st and 2nd (Kumaran, 2011). According to the survey, the results indicates that security, safety and privacy have the most significant impact on the customer's satisfaction level. Szymanski and Hise (2000) empirically found that customers' perception of security and privacy played an essential role in their satisfaction.

The study on measuring service quality focused on how to meet or exceed the customer's satisfaction and viewed service quality as a measure of how the delivered service level matches customer's satisfactions. Five dimensions to measure and evaluate the service quality of the Private Commercial Banks were used. Based on five dimensions: Tangibility, Reliability, Responsiveness, Assurance and Empathy.

Tangibility

The table 2 below indicates the respondents overall mean score for all variables in this dimension.

Table 2: Average Mean Score in Tangibility Dimension

No.	Tangibility	N	Mean	Std. Deviation
1.	Private Commercial Banks has up-to-date equipment & technology for ATM service	250	3.65	0.605
2.	ATM machines' Locations are convenient to find	250	3.57	0.753
3.	Enough numbers of ATM machines are provided.	250	3.16	0.888
4.	ATM machine are installed in secure position for ATM users	250	3.04	0.935
5.	ATM machines partitions in bank is enough	250	2.97	0.933
6.	Materials associated with ATM service (Pamphlets, brochures) are visually appealing at the bank's office	250	3.67	0.613
7.	Proper Maintenance are supported by Private Commercial Banks for ATM Service	250	3.72	0.547
Average Mean Score		250	3.39	0.753

According to the survey, average customers are satisfied with Proper Maintenance are supported by Private Commercial Banks for ATM Service. It was reported to have the highest mean score which is (3.72) in overall dimensions. Customers are not satisfied with finding location on ATM machine services of Private Commercial Banks, they should have up-to-date equipment, technology facilities should virtually be appealing, bank should support the enough numbers of ATM machines, ATM machines should have enough partitions in bank and ATM machine should install in secure position for ATM users.

Reliability

For reliability dimension, as shown in table 3, the mean score of the satisfaction level upon the service quality dimension of Private Commercial Banks.

Table 3: Average Mean Score in Reliability Dimension

No.	Reliability	N	Mean	Std. Deviation
1.	The Private Commercial Banks' website do not freeze after customer put in all the information.	250	3.41	0.707
2.	Updated Information provided on Private Commercial Bank websites	250	3.36	0.727
3.	Transaction records are kept accurately	250	3.70	0.602
4.	Process of transactions is provided by the correct transaction statement	250	3.87	0.460
5.	Instructions for ATM Service are easy to understand.	250	3.69	0.670
6.	Promptness of ATM card delivery service	250	2.89	0.970
7.	ATM systems work efficiently whenever we need to use it.	250	3.34	0.705
Average Mean Score		250	3.47	0.692

Due to the survey result, reliability obtained mean score of (3.87) which means that Private Commercial Banks is expected to be more reliable to satisfy the customers in; when process of transactions is provided by the correct transaction statement, they should show sincere interest in solving the problem, Private Commercial Banks should perform the instructions for ATM Service are easy to understand and should provide their services for ATM systems work efficiently whenever customers need to use it.

Responsiveness

For responsiveness, as shown in table 4, the overall mean scores for the respondents' satisfactions of service quality are generally positive.

Table 4: Average Mean Score in Responsiveness Dimension

No	Responsiveness	N	Mean	Std. Deviation
1.	Customer service is good from Private Commercial Banks representative.	250	3.92	0.532
2.	Quick response rate for customer complaints	250	3.67	0.784
3.	Private Commercial Banks can solve Network Service Problem adequately	250	3.80	0.732
4.	Service Information can be provided every time.	250	3.84	0.665
5.	Frequently Asked Questions (FAQ) for ATM Services are clear and can help the user common problems.	250	3.88	0.613
Average Mean Score		250	3.82	0.665

According to table 4, five service dimensions on customer satisfaction of Private Commercial Banks are obtained which is Customer service is good from Private Commercial Banks representative, 3.92 score is the highest among the average mean scores of Private Commercial Banking, Quick response rate for customer complaints, Private Commercial Banks can solve Network Service Problem adequately, Service Information can be provided every time and Frequently Asked Questions (FAQ) for ATM Services are clear and can help the user which score 3.67, 3.80, 3.84 and 3.88, respectively. Therefore, Private Commercial Banks must emphasize the strong relation upon customer complaints and service quality.

Assurance

The table 5 below also shows that overall mean score for all variables in this dimension are generally positive. This positive outcome shows that respondents are satisfied with Private Commercial Banks service with concerned to assurance.

Table 5: Average Mean Score in Assurance Dimension

No.	Assurance	N	Mean	Std. Deviation
1.	Staffs of Private Commercial Banks have the knowledge to answer customer questions	250	3.82	0.651
2.	Customers can trust the services from Private Commercial Banks	250	3.89	0.570
3.	Staffs from Private Commercial Banks are politeness and friendly on their customers	250	3.98	0.624
4.	Staffs in Private Commercial Banks are always willing to help you.	250	4.01	0.643
5.	Experienced management team is supporting the service efficiently.	250	3.87	0.621
Average Mean Score		250	3.91	0.622

When calculate the Assurance dimension, the result obtained the highest mean score (4.01) which indicates Staffs in Private Commercial Banks are always willing to help you. The findings reveal that customers are satisfied the trust for the services from Private Commercial Banks, customers feel staffs from Private Commercial Banks are polite and friendly and the experienced management team is supporting the service efficiently. Only one question, there is an indication that the lowest mean score at (3.82), which is not having the knowledge to answer customer questions. Therefore, staffs of Private Commercial Banks should have knowledge to answer customers' questions promptly.

Empathy

The table 6 below also shows that overall empathy score for all variables in this dimension are generally

positive. This positive outcome shows that respondents are satisfied with Private Commercial Bank's service with regard of empathy.

Table 6: Average Mean Score in Empathy Dimension

No.	Empathy	N	Mean	Std. Deviation
1.	Staffs from Private Commercial Banks provide services with high competence	250	3.94	0.869
2.	Helping and Taking Care of the customer needs	250	3.99	0.474
3.	Employees remember regular customers and their needs	250	4.12	0.521
4.	Provisions of financial advices	250	4.18	0.637
Average Mean Score		250	4.06	0.625

For empathy, one question is showing the highest mean score i.e., 4.18 for Provisions of financial advices. However, the score concerning the factors that “Helping and Taking Care of the customer needs, providing services with high competence and Remembering regular customers and their needs”, indicating by 3.99, 3.94 and 4.12, respectively. To this extent Private Commercial Banks should give customers individual attention, remember regular customers' needs and understand the specific needs of their customers to be high service competency.

Analysis of Reliability of constant variables

Statistical package for social science (S.P.S.S) was used for analysis of data. For data analysis purpose reliability statistics and descriptive statistics were calculated. Personal data of A.T.M card users collected through questionnaire. Cronbach's Alpha test was used for checking reliability of questionnaire. Descriptive statistics was used to calculate the level of the service quality of ATM (refer to table 7).

Table 7: Cronbach's Alpha Values for all Dimensions of the Questionnaire

Sr. No.	Dimensions	No. of Items	Cronbach's Alpha
1.	Tangibility	7	0.748
2.	Reliability	7	0.707
3.	Responsiveness	5	0.703
4.	Assurance	5	0.710
5.	Empathy	4	0.640
For all Dimension		28	0.854

In this study five variables reliability, responsiveness, tangibility, assurance and empathy are studied. Reliability of all variables is measured by Cronbach's alpha. In that study the Cronbach's alpha is 0.854 with 28 items shows that highly reliable results.

Analysis of Satisfaction levels on overall mean scores by Five Dimensions

As can be viewed from the results, all questionnaires response the highest average mean score is showed in table 8. The average mean score which results in Assurance is the highest mean score 3.92 and Responsiveness is the lowest mean score 3.52. That means they would improve their current customer care for complaints so that it meets customers' satisfaction. This Assimilation Theory of Frestinger (1957) might explain for why the average mean score of customer care should exceed its high average of performance score. However, it is undeniable that Private Commercial Banks has offered a good service quality which necessarily leads to the satisfaction of its customers on this dimension.

Table 8: Overall Mean score of five Dimensions

	No. of Respondents	Min	Max	Mean	Std. Dev.
Empathy	250	2	5	4.06	0.625
Assurance	250	2	5	3.91	0.622
Responsiveness	250	2	5	3.82	0.665
Reliability	250	2	5	3.47	0.692
Tangibility	250	1	5	3.39	0.753

Table 8 demonstrates the overall mean score difference between service quality and customer satisfaction. The study shows that Empathy, Assurance and Responsiveness dimensions are overall high mean scores, the overall level of performance score is higher than the overall level of customers' satisfaction scores. About Tangibility and Responsiveness dimensions are average low mean scores, the overall level of performance scores is lower than the level of satisfaction score across the service areas and dimensions.

Private Commercial Banks will utilize the findings of this study on factors that influence customer satisfaction as a basis for formulating customer engagement and satisfaction strategies. The study found that the customers are satisfied with the withdrawal of cash easily from ATM service and not satisfied with network out of order at ATM centers. On the other hand, customers are not satisfied with network capacity of ATM and enough ATM booth in the Yangon Area in Myanmar. Several studies specially related to ATM services are reviewed in this section (Sharon & Claude, 2017; Mwatsika, 2014).

CONCLUSION

The findings from analysis revealed that the service quality determinant is not a better instrument to measure

service quality for Private Commercial Banks. Customers have higher satisfactions than what they experience from Private Commercial Banks even though the difference is not significant. To answer the main research question which is, how customers receive service quality, the descriptive analysis carried out provided answers to these questions.

SUGGESTIONS AND RECOMMENDATIONS

The e-banking sector has been growing to reach a competitive level and has become a serious competitor to traditional banks. This is mainly because of the advantage of quick and easy application processes, low minimum deposit requirements etc.

Moreover, the researcher should give the following suggestions to improve their customers' satisfaction:

- The banks improve their performance for the ATM facilities.
- The bankers are provided the safety measures for ATM centers.
- The bankers are given the new card for quickly if the card is missing.
- Maximum customers are using the state bank card only. So, the other banks are tried to improve their number of customers.
- The bankers are increasing awareness to their customers about ATM, Debit Cards and Credit cards.

Banks should be more involved with being responsive and reliable while further study should be carried out to identify the relationships in second case.

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