



The Impact Of Mobile Banking On Business Development In Myanmar

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SUBMITTED IN THE PARTIAL FULFILLMENT OF THE REQUIREMENT

FOR

THE DEGREE OF MASTERS IN BUSINESS ADMINISTRATION

INTERNATIONAL PROGRAM, GRADUATE SCHOOL OF BUSINESS,

SIAM UNIVERSITY, BANGKOK, THAILAND

2020



Title of Research: The Impact Of Mobile Banking On Business
Development In Myanmar

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Major: International Business Management

Degree: Master in Business Administration
(International Program)

Academic: 2021

This is Independent study has been approved to be partial fulfillment in the
Master Of Business Administration (MBA) Program.


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Abstract

Research Title : The Impact Of Mobile Banking on Business Development in Myanmar

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..... *3* / *July* / *2021*

This research focused on the banking system as one of the cornerstones of business or economic development as well as being very beneficial for consumers. Banking services began via mobile to appear on a large scale and has become one of the latest services offered by banks in Myanmar. This paper was documentary research and the materials were collected based on past studies of various scholars in books, magazines, journals, articles and online sources of what they analyzed about how mobile banking and electronic banking affected business development in a country. This study was conducted to show how mobile banking affects business development in Myanmar, from which The Electronic Banking System to the mobile banking system. This work also expressed the difference between mobile banking and electronic banking and how the banks in Myanmar are renovating the banking system for rapid change. The researcher recommends that the banks in Myanmar should spend more time and effort to activate and develop mobile banking services with new technologies to do many different banking transactions, in order to reach customers, maintain customers, and provide privacy for customers.

Keywords: Mobile Banking, Electronic Banking, Business Development, Myanmar



The Impact Of Mobile Banking On Business Development In Myanmar



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Abstract

The banking system is one of the cornerstones of business or economic development as well as very beneficial for consumers. Recently, banking services begin via mobile appear on a large scale as has become one of the latest services offered by banks in Myanmar. As the paper was documentary research, its materials were collected based on past studies of various scholars such as books, magazines, journals, articles and online sources of what they analyzed about how the mobile banking and electronic banking is affected on business development in a country. So, this study was conducted how mobile banking affects business development in Myanmar, from which The Electronic Banking System to the mobile banking system. In order, this work also expresses the difference between the mobile banking and electronic banking and how the banks in Myanmar are renovating the banking system to trend change rapidly. The researcher recommended that the bank in Myanmar should spend more time and effort to activate and develop mobile banking services with new technologies to do many different banking transactions, in order to reach a customer and maintain customer and give privacy for customer.

Keywords: Mobile Banking, Electronic Banking, Business Development, Myanmar

Introduction

Research Background

Mobile Banking is one of the business development in every countries. Banks produce financial products using by mobile and internet technology to facilitate the transctions of their customer. Mobile banking is one of the major services in banks. Several banks are entering into the local market on mobile financial services to the customers for checking balances, fund transfer, beneficiary payment and viewing currency exchange rates (Tun, 2019). As there are developing Mobile banking in Myanmar, there are many benefits in developing In Business model. Nowadays, Internet has become an undivided part of daily life. Many people use mobile banking instead of purchasing or paying bills in a traditionally commerce. These day's businesses are transcated over the internet. (Swe, 2019). Since Myanmar is a second largest country of the Mainland Southeast Asian States by areas with a population of about 54 million, there is an extremely completive among the banks in Myanmar. There are 4 states owned banks, 9 semi-governmental banks, 14 private banks, 13 foreign bank branches and 49 representative office of foreign banks in Myanmar. As there are a lot banks developing at a speedy rate, Myanmar banks are facing with a lot of completive in making new renovations such as online payments, mobile banking and other applications in order to make a business development. (Kyawt Shinn et al, 2020) Myanmar also ranked as in the bottom 5 percent of 189 countries surveyed by the World Bank for ease for doing business, created by the endemic corruption at the individual, institutional and political levels. The United Nations Development Programme lumps these issues under the umbrella of (business rights) including financial fairness and freedom from corruption and extortion, together considered as the building blocks for successful business development. (Miklian, 2019) It is predicted that by 2025, an additional of 710 million people will have subscribed to mobile services, where half of the new subscribers are expected to come from Asia. From the same report, it was found that the countries which had the highest increase in mobile penetration during the time period of 2014-2017 were Myanmar, Iran, India, Bhutan and Turkey.

Research Problems

The problems of the research is the mobile banking in Myanmar has just developed and still growing and innovation in order to satisfy the customers for business development. Mobile banking has facilitated the use of banking errands , both for the banks and for their customers. With the increase in mobile internet, mostly in developing countries, mobile banking has the opportunity to breakthrough. Myanmar is one example of a developing country where the usage of mobile interest has increased significantly over the last years. (Sitt, 2019). The Situation in Myanmar is special as the country has been closed off to the rest of the world during its five decades of military rule. (GIZ, 2018). By using mobile banking, the opportunity to reach out to more people, including people in rural areas, is higher. (United Nations, 2018). Although the use of smartphone has increased in Myanmar, access to banking services

is still low. Traditionally, banking errands can only be performed where the banks are, but with the mobile banking some of the geographic constraints can be eliminated. Thereby, digital financial services have a huge potential to bring more people into the financial system. Therefore, when people are using financial services, they have a greater opportunity to start and expand businesses. Financial inclusion goes beyond the possession of a bank account. For instance, it enables saving accounts, credits, loans and payment cards, which facilitate starting and running businesses. Consequently, with more small and medium enterprises in the economies, additional jobs can be created. Hence, financial inclusion could contribute to the eighth sustainability goals about providing decent work and economic growth, and the ninth goal regarding industries, innovation and infrastructure. (United Nations, 2018)

Objective of the study

The Objectives of the research are to analyze the impact of mobile banking and electronic banking which affects on the business of the study. This research is to define what the mobile banking and electronic banking are and to figure out how mobile banking and electronic banking are helping the society and the customers to business development in the country.

Scope of the study

The Study was focused on how the mobile banking works on the customers for the business development. The scope of the research is not limited to mobile payment solutions, but expands into other mobile banking processes such as credit, savings and insurance. Desktop Internet banking and other non-mobile digital financial services are out of scope. The scope of the study is within the Myanmar country.

Research Significance

The purpose of this paper is how the mobile banking makes the business development in Myanmar among the customers using the mobile banking in a development way. (International Development Research Center, 2019). There are two main reasons for conducting this research in Myanmar. First, since research in Myanmar is comparatively limited, more research is needed. Not Too Long Ago, Myanmar was ranked among the most repressive and self-isolated nations in the world. Consequently, the country has not exposed to as much technology as other countries have. but now things are changing for Myanmar's People. Second, the banking sector (Mobile Banking) is considered as one of the least developed in Myanmar. In 2011, a reformation of the banking system was initiated, which was followed by several banking regulations and laws. (Singh, 2018) Today, several banks in Myanmar are focusing on Mobile Banking as a channel for offering their services, but the customer usage is still low. However, because of the high usage of smart phones in Myanmar, mobile banking has a great potential to enhance the financial sector.

Literatures Review

Mobile Banking

Mobile banking is a service provided by a bank or other financial institution that allows its customers to conduct financial transactions remotely using a mobile device such as smartphones or tablet. Myanmar Post and Telecommunication had a monopoly in the country previously regarding mobile telecommunication market. The government began finding a way to open up the telecommunication, issuing licenses to new service providers. Ongoing changes in the political conditions in Myanmar support the improvement of the nation's economy in many ways. (Lwin, 2019) To Become a modernized nation, Myanmar Government has allowed to open Four Telecommunication Providers. The extreme competition among them supports the quick-growth of mobile phone users. Advanced mobile phones applications are developed and they are used in different areas. (Aung, 2016) As one of the most convenient and serviceable technologies, Mobile Banking has the potential to offer both banking and transaction services to clients in the development of market. (P. Hanafizadeh, 2016). Due to cost-effectiveness and greater reachability, banks prefer the mobile banking channel and encourage customers to adopt mobile banking services. In the context of Mobile Banking, consumers should have accession to the required resources. Most consumers visit a bank branch because they do not have access to Mobile Banking or they were not aware of it. (Datta, 2018) Consequently, mobile services have an effect on consumers by letting universal access to information and services, as well as possibility for a unique and personalized exchange of information. Bank Sectors also improve their services through the use of mobile banking. Since mobile banking was introduced, without going to the traditional bank branch for bank personal transaction, the consumers can use banking services to obtain special services 24 hours a day. There are pointedly increments in a number of mobile phones users ; it is a still minority of individuals utilizing mobile banking. (Lwin, 2019). Demographic factors, namely, gender and experience, are dominant dimension of the traditional service in mobile banking, such as study by Rio which examined the gender in the adoption of mobile banking effect and the influence of mobile banking in Myanmar. Several researchers have investigated the mobile banking adoption behavior using both qualitative and quantitative methods. (Xiaoning Zhu, Rui Yan, Tian Xing Xu, 2020)Aung. (2016). MB is a huge advantage over of its alternatives as a way to access all the faster payments. First, Mobile banking allows all the customers or consumers access faster payments anywhere, anytime. When a consumer makes a faster payment at a bank branch or an ATM inside a retail store, for example, the consumer needs to be present during its operating hours. Among other than that Online banking does not have a time limit , it can do all the access through all the time , all the every places which makes the consumers portable and reduce time limitation. Consumers can access the mobile banking through the mobile device with the need of the internet. As a result, ATM, Bank Branch, And Online Banking may not allow the consumers to a fully time convenient figure or a key feature of faster payments – 24/7/365 Availability. (Fumiko Hayashi and Ying Lei Toh, 2020)

Electronic Banking

Electronic Banking is a form of banking in which funds or money are transferred through an electronic signals using with the internet or wifis which is exchanged to the cash , checks, or other types of paper documents or going to the banks for transferring money or pay checks. Transfers of fund occurs between financial institutions such as banks and credit unions. They also occur between financial institutions and commercial institutions such as stores. There are many products in Electronic Banking which are E-Wallets, E-Transfer, E-Purchase, ATM cash deposits and Withdrawals, E-Banking Services and E-Accounting Services. However, all these products are business strategies to meet competitive markets demand. Indeed, there must be an understanding between the bank products and the usage of the e-banking system by the bank customers.

E-wallets are an electronic system which is used for online payments or online transactions through the computers or smart phones. It has the same as a credit card or debit card. Those E-wallets are linked with the individual of the bank account. E-Wallets are always protected by the password or the request code sent to the mobile phone registered by the E-Wallets Operators. E-Wallets can be used also for any future transaction online. They can pay for groceries, online purchases, and flight tickets and even pay the bills. E-Wallets mainly consist of two components, such as software and information (Pachpande, B.R. & Kamble, 2018) . There are currently four E-Wallets in Myanmar which are Onepay by The AGD Bank, Wave Money by Telenor Telecommunication, KBZpay by the KBZ and AYApay By the AYA Bank. They are trying to innovate the system in order to do the consumer satisfaction. The component of the software stores personal information and provides data security and encryption. The Information component is a user database of details that include their name, method of payment, the account payable, and credit or debit card details.

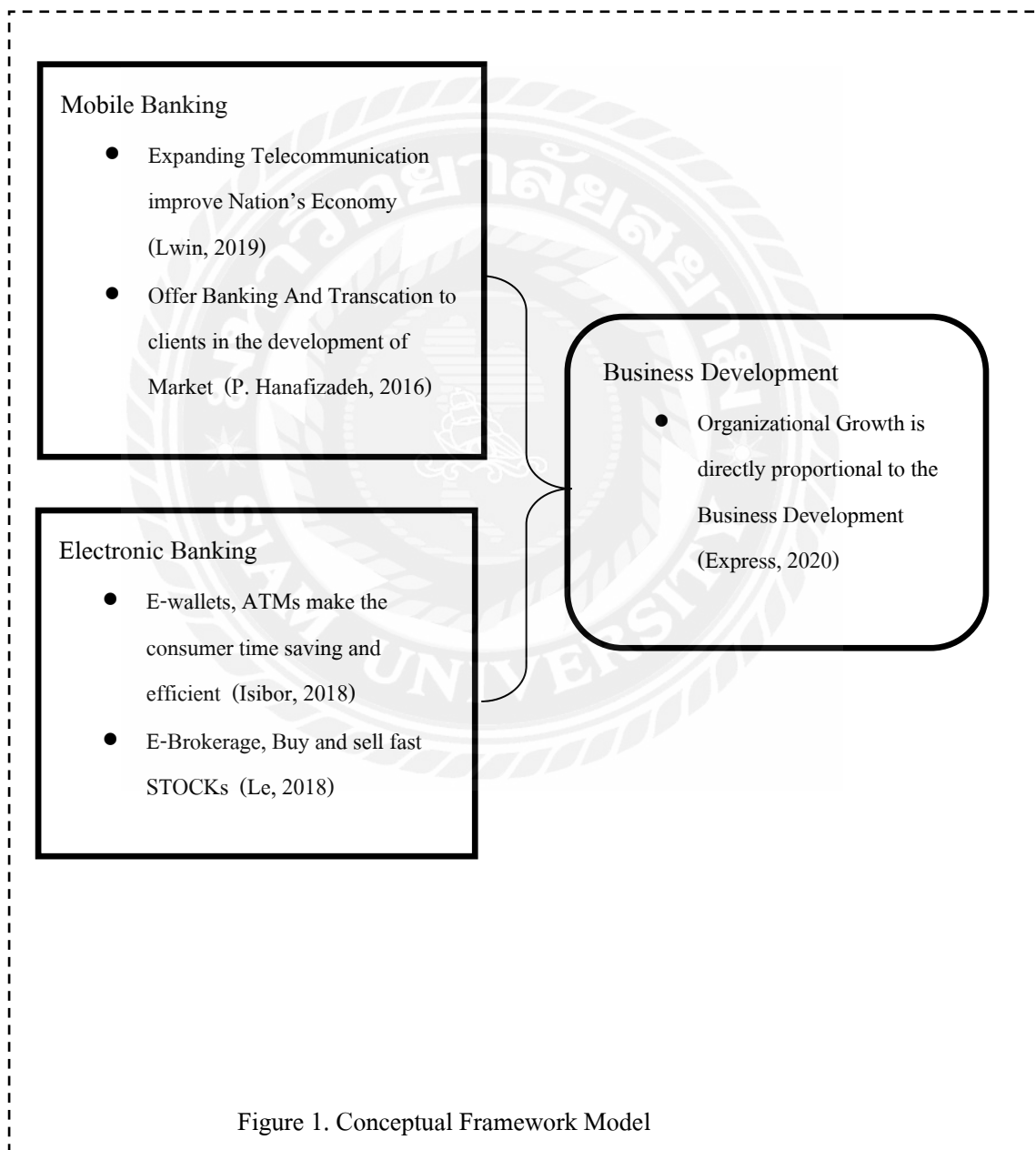
E-Purchase is one of the important sectors in Electronic banking. It is in a similar way as other e-banking products. It is an electronic purchase through the host bank applications. In essence, the e-purchase is initiated and authorized by customers who owns an account with a bank. The electronic purchase transaction is only performed without the interference of the bank staff. E-purchases asset in carrying out in many transactions which are not limited to bills, tickets, airtime, clothing and stationery. (Pachpande, B.R. & Kamble, 2018) . ATM cash deposits or cash withdrawals are also part of the electronic banking which is a method where cash are withdrawn through the ATM machines. This is also the modern banking operations which improve the Electronic products and also the services for easy cash deposits and withdrawals without going to a bank. ATM transactions are being alerted immdiately by the time the consumer cash out the money which make the transcation protective, efficient and convenient. (Isibor, 2018)

E-brokerage includes in the sector of Electronic banking which enables users to electronically purchase and sell stocks and obtain information through the aid of mobile devices. Bascially, E-Brokerage provides a simple sign-up page where brokers can be their own financial managers by transacting online by themselves. With the benefit of widespread internet connectivity and Smart Devices, E-brokering is growing day by day. E-Brokerage provides brokers with alternatives for controlling their portfolios as well as

buying or selling stocks more flexible. Even the trading hours are over, the consumers can access the other brokerage account at any time. (Le, 2018)

Business Development

Business Development can be defined as the ideas, initiatives, and activities that developed to make a business better. This includes financial growth in terms of revenues, growth in terms of business expansion, increasing profit with strategic partnerships, and making strategic business decisions. Every department and function of the organization such as Sales & Marketing Departments, Strategic Initiatives or Partnerships, Project Management/Business Planning, Product Management, Vendor Management, Financial Management, Networking, Negotiation, works with the only goal towards business development. The Business Developer is important in implementing the business development plan (Seth, 2020). Business Development is important because the organizational growth is directly proportional to the business development and it is all tied together with a company's functions or departments. It makes the business growth in terms of sales and revenues, product offerings, talent, customers service and brand awareness. There are the main four reasons which shows the importance of business development which effect change and promote growth across departments. Firstly, the relationships between customers and the organizations become stronger since networking prospective partners or courting potential customers, Connecting with clients, colleagues and other members. Secondly, it can enhance revenue of the organization and lower the production costs. And it is used to measure the growth of the business. Thirdly, the company's overall image can be improved in terms of building better brand for the organization. And lastly, it is so helpful for new market development (Express, 2020).



Past Research

Zin et al. (2020) studied that the rapid growing market of banking industries in Myanmar to investigate the important determinants to enhance customer satisfaction to Ayeyarwaddy Bank (AYA) in Mandalay, Myanmar. Their main objective was to find out the relationship between service quality dimensions and the customer satisfaction in Myanmar banking industries. The service quality variables can be found in this study in term of reliability, responsiveness, assurance, empathy and tangibility. The research was questionnaire type and found the strongest dimensions of service quality is responsiveness which has the strongest influences among all variables. The Researchers recommended for the further researchers to apply different independent variables to measure the customer satisfaction. (Tam & Oliveira, 2016) focused the impact of mobile banking on performance by using the approach called task-technology fit (TTF). The main objective was to investigate the determinants of mobile banking for performance of individual. This study applied TTF not only to measure individual performance in technology usage but to measure the performance in mobile banking usage. The findings of this study showed that the mobile-banking has a strong impact on an individual performance. As the limitation of the study, the researchers mentioned three facts such as to enhance the generalization of the future research, include non-student mobile banking users, and to get greater insights from longitudinal data.

Finding and Conclusion

In this research, It was found that To become a Modernized Nation, Myanmar Government has opened up many telecommunications which leads to the Quick-Growth Of Mobile Phone users. This leads to a huge improvement to the Nation's Economy. (Lwin, 2019). Mobile Bankign has the potential to offer both banking and transctions services to the clients and the customers in the devevelopment of the Market. (P. Hanafizadeh, 2016). E-Wallets and ATM Cash Deposits are the services that makes the Customers Time Consuming and As there is an alert when taking out money or purchasing, the mobile operators immediately send a text message which makes the customers more protective with an Efficiency. (Isibor, 2018). The Organizational growth is directly proportional to the business development and it is all tied together with a company's functions or departments. It makes the business growth in terms of sales and revenues, product offerings, talent, customers service and brand awareness. The Relationship between the Clients And the Organization becomes more stronger and the transferring system became more easier than before. Without going to the Banks for doing business, It makes the customers and clients can do more business which makes the time consuming. (Express, 2020)

The Difference Between Mobile Banking Electronic Banking

Internet Banking is the most modern and the most advanced services presented by the banks. Banking system is very important to boost up the economy on all over the world. Electronic banking is also known as the internet banking. Electronic Banking includes several transctions like Telephone banking, credit cards, debit cards, and

ATMs while Mobile Banking can be used with the smart phone devices using with the mobile applications which is authorized or controlled by the bank operators. Electronic Banking is also known as Electronic Fund Transfers (EFT) which is simply the use of the electronic means funds directly transfer from one account to another. Electronic banking is a popular one and the most convenience of having one online banking account. The consumer are no longer worry about going to the bank for taking out cash or transferring to the another bank account which makes the Time Saving. In the other hand, Mobile Banking is a little more advance than that Electronic banking which can do the shopping , pay the bills, or even transfer to the another bank account by not going to the Banks. Mobile banking needs its own bank account, the internet and the smart phone in order to use. It can be used anytime, anywhere if there is a smart phone and the internet. Which is why the mobile banking and electronic banking are in the important role of the banking system. (UKEssays, 2018).

Impact of Mobile Banking On Business Development in Myanmar

There are 28 banks offering the service in Myanmar. Among them, a few of them is offering a mobile banking. Since technology and internet is growing fast day by day, Mobile banking is helping the country's economy. There are 8 mobile banking operators in Myanmar which are KBZ (KanBawZa), AYA (AYA Bank), CB (Central Bank), MAB,Wave,AGD, OK and OnePay. Among these, KBZ ,AYA, CB and MAB are the most commonly used in Myanmar. Some of the banks can get a loan or credit card for starting a new business or buying a house which makes a huge benefit for doing a business development.

Recommendation

In this research, the banking employees are naturally more familiar with the updated in mobile banking on business development. This study aimed for the great insights about the usage and the development of mobile banking and how it affect the business development in Myanmar. However, the implementations of mobile banking services allow banks to remain the existing ones and attract new customers. The mobile operators are becoming in the important roles for the mobile banking in the financial services to their clients. In order to develop the mobile banking business in Myanmar, the fact that Myanmar is still a cash-based society and it is growing in a right way for mobile banking and electronic banking on business development. In the last decades, there are many e-banking and mobile banking developers which are improving day by day. The bank should give more time and effort to activate and develop mobile banking services to do many different banking transactions in order to reach a customer. Especially, the commercial banks should more time in order to activate, develop and innovate new techniques to encourage their customers being more flexible in using mobile banking service. The different models of mobile banking allow customers who have accounts in banks an easier and more efficient management of these accounts, while other users who do not have bank accounts can possess and manage mobile virtual money. Good regulation in the telecommunications and banking has a positive

impact on the business development using with the mobile banking and electronic banking. And Nowadays in Myanmar, Bank Operators are developing the mobile applications in order to use easily which is positively affect for the growing acceptances of mobile banking services.

The results of this research can be used by researchers in a deeper study of mobile banking and electronic banking which affect the business development in Myanmar. This research is to explain the perspective of banks and mobile network and how it can be done for the financial processes. To explain the features, advantages and disadvantages of different models of mobile banking as well as the most important regulatory and security issues of mobile banking depends and analyze to solve them.

Furthermore, the bank should give more time and effort to activate and develop mobile banking services to do many different banking transactions in order to reach a customer. Especially, the commercial banks should more time in order to activate, develop and innovate new techniques to encourage their customers being more flexible in using mobile banking service.

And also, the banks should focus on the value that the customer generates, rather than the value that banks can offer to their customers to have more privacy.

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