Understanding Customers' Satisfaction of the SERVQUAL Dimensions in Pyin Oo Lwin Co-operative Microfinance, Myanmar

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Abstract

Microfinance loans can improve farming and small-to-medium enterprises by addressing start-up financing needs in local communities. However, increasing cooperative microfinance membership in Myanmar requires better understanding of how loan processes, service quality, customer satisfaction, and gender interact areas that remain inadequately studied. This research had two objectives: first, to develop a SERVQUAL measurement framework capturing service quality dimensions and indicators; second, to analyze direct and indirect relationships between gender, service quality factors, and customer satisfaction. A questionnaire survey of customers and member agents in the Pyi Oo Lwin area of Mandalay region yielded 385 responses. Data were analyzed using Partial Least Squares-Structural Equation Modeling (PLS-SEM) multigroup analysis in SmartPLS version 4. The study developed a five-dimensional service quality instrument encompassing reliability, assurance, tangibles, empathy, and responsiveness. Results confirm that service quality impacts customer satisfaction difference among male customers than female customers. These findings can help cooperative microfinance authorities improve loan service quality and enhance customer satisfaction levels.

Keywords

Microfinance Loans, Service Quality, SERVQUAL, SmartPLS, Pyi Oo Lwin, Mandalay