CUSTOMER EXPERIENCE TOWARDS DIGITAL BANKING

A dissertation submitted to the Office of the Dean, Faculty of Management In partial fulfillment of the requirements for Master's Degree

By
Amir Shrestha
Campus Roll No: 32/075
Exam Roll No: 13067/19
TU Registration no: 7-2-360-26-2013
Shankar Dev Campus
Specialization-Marketing

Kathmandu, Nepal
December, 2024

CERTIFICATE OF AUTHORSHIP

I, hereby corroborate that I have researched and submitted the final draft of dissertation entitled" **Customer Experience Towards Digital Banking."** The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor it has been proposed and presented as a part of requirement for any other academic purposes.

The assistance and cooperation that has been received during this research work has been acknowledged. In addition, I declare that all the information sources and literature used are cited in reference of the dissertation.

…….

Amir Shrestha

Date

REPORT OF RESEARCH COMMITTEE

Mr. Amir Shrestha has defended research proposal entitled "**Customer Experience Towards Digital Banking"** successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestion and guidance of supervisor Dr. Binita Manandhar submit the thesis for the evaluation and viva voce examination.

.....
Dr. Binita Manandhar
Dissertation Supervisor

Dissertation Proposal Defended Date:
.....

Dissertation Submitted Date:
.....

.....
Asso. Prof. Dr. Sajeeb Kumar Shrestha
Head, Research Department

Dissertation Viva-voce Date:
.....

APPROVAL SHEET

We, the undersigned, have examined the dissertation entitled "**Customer Experience Towards Digital Banking"** presented by Mr. Amir Shrestha a candidate for the degree of Master of Business Studies (MBS Semester) and conducted the via voce examination of the candidate. We hereby certify that the dissertation is acceptable for the award of degree.

.....
Dr. Binita Manandhar
Dissertation Supervisor

.....
Internal Examiner

.....
Internal Expert

.....
External Expert

.....
Asso. Prof. Dr. Sajeeb Kumar Shrestha
Chairperson, Research Committee

.....
Joginder Goet
Acting Campus Chief

ACKNOWLEDGEMENTS

I would like to extend my deepest gratitude to my supervisor, Dr. Binita Manandhar**,** whose guidance, expertise, and unwavering support were instrumental in the completion of this study. Your insightful feedback and encouragement throughout the research process were invaluable, and I am profoundly grateful for your commitment to helping me achieve my academic goals.

I am also sincerely thankful to all the participants who generously shared their time and perspectives for this study. Your contributions were crucial to the success of this research, and without your cooperation, the analysis and findings would not have been possible. Your willingness to engage with the survey provided essential data that enriched the study.

Additionally, I wish to express my heartfelt appreciation to my family, especially my parents, for their unwavering support and encouragement. Their belief in my abilities and their constant motivation provided me with the strength and determination to complete this research. Thank you all for your significant contributions to this endeavor.

Amir Shrestha

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF ABBREVIATIONS

CE	Customer Experience
EU	Ease of Use
TS	Transaction Speed
AS	Availability of Support
SP	Security and Privacy
PD	Platform Design
ATM	Automated Teller Machine
AI	Artificial Intelligence
TAM	Technology Acceptance Model
UTAUT	Unified Theory of Acceptance and Use of Technology
PEoU	Perceived Ease Of Use
UX	User Experience
PU	Perceived Usefulness
UK	United Kingdom
SPSS	Statistical Package for the Social
SEM	Structural Equation Modeling

ABSTRACT

This study examines the factors influencing customer experience with digital banking in Nepal, focusing on customer trust, security perceptions, ease of use, platform design, transaction speed, and satisfaction. The primary aim was to identify the key elements that affect customer experience and trust in digital banking services. A quantitative research approach was adopted, and data was collected from 384 respondents through a Google Forms questionnaire. The study's findings suggest that ease of use, platform design, and availability of support significantly enhance customer satisfaction, while transaction speed had a negative effect. Security and privacy, although important, had less of an impact on the overall customer experience than expected.

The research also explored the impact of digital banking on customer satisfaction compared to traditional banking. It was found that customers generally preferred the convenience and accessibility of digital banking, particularly in terms of transaction speed and accessibility. However, there were still areas of dissatisfaction, especially related to the security and reliability of services. These findings indicate that while digital banking has gained significant popularity, there is still a need for continuous improvements, particularly in mobile banking services.

In conclusion, this study provides valuable insights into the customer experience with digital banking in Nepal. It highlights the importance of user-friendly platforms, fast transaction speeds, and efficient customer support in enhancing overall satisfaction. The research also suggests areas for improvement in security and mobile banking features. These findings contribute to a deeper understanding of digital banking in Nepal and offer practical recommendations for banks to enhance their services and build long-term customer trust.

***Keywords*:** digital banking, customer experience, trust, security, satisfaction, ease of use, platform design, transaction speed, Nepal.

CHAPTER I

INTRODUCTION

1.1.Background of the study

The COVID-19 epidemic has hastened the transition of digital banking in Nepal by increasing client confidence and access to digital banking services. Conventional banking transactions in Nepalese commercial banks have changed significantly as a result of the implementation of e-banking products including ATMs, internet banking, and mobile banking (Adhikari, 2024). Notwithstanding the initial reluctance, the pandemic sparked a move toward digital platforms, which improved service delivery and decreased transaction costs (Joshi & Joshi, 2023). This shift has been made easier by the widespread use of smartphones and internet connectivity, which has increased the public's convenience and security of digital payments (Pathak, 2024). However, there are still conflicting results about the effect of e-banking on banks' profitability, with certain services, such as credit cards, having a detrimental effect on returns on assets (Wagle, 2023). E-banking has had a favorable impact on financial inclusion, with technologies like mobile banking and ATMs greatly expanding access to financial services (Pradhan & Dahal, 2022). Nepal's establishment of a Digital Banking and Fintech Sandbox seeks to promote innovation and financial inclusion by offering a regulated setting for testing innovative financial products (Subedi & Tamang, 2023). The full potential of e-banking is hampered by issues including infrastructure, legal, and security restrictions that still exist despite these developments (Shah, 2016).

Developments in technology and the COVID-19 epidemic have had a major impact on Nepal's digital banking boom, since they hastened the adoption of digital financial services. According to Joshi and Joshi (2023), the epidemic significantly expanded consumer access to digital banking, boosting consumer trust and lowering transaction costs. A wider population now has easier access to necessary financial services because to e-banking systems including ATMs, online banking, and mobile banking, which have improved financial inclusion in Nepal (Pradhan & Dahal, 2022). Even with these

developments, problems like poor digital infrastructure and low customer trust still exist, especially in rural regions (Dhungana et. al, 2023). However, security issues and the requirement for improved service quality continue to impede the uptake of online banking (Ghimire et al., 2022). E-banking is still a vital capability for banks, even if it hasn't substantially increased commercial banks' profitability in terms of returns on equity and assets (Wagle, 2023). Although the adoption rate varies by age and educational attainment, the desire to retain clients and save operating expenses is another factor driving the move from traditional to digital banking. In general, Nepal's digital banking environment is changing, with rising internet and mobile phone usage providing encouraging opportunities for future expansion and economic advancement (Dhungana et. al, 2023).

Digital banking has had a major impact on Nepalese consumer behavior, especially when it comes to perceived utility, usability, and the current COVID-19 epidemic. According to research, 68% of consumers are satisfied with online banking services, and 93% of users believe it to be more effective than traditional banking (Sah, 2023). Factors including effort anticipation, habit, and enabling conditions all influence the adoption of digital banking, with habit being the best indicator of acceptance (Gautam & Sah, 2023). Furthermore, the epidemic hastened the transition to digital banking, improving client confidence and accessibility while lowering transaction costs (Joshi & Joshi, 2023). According to this research, banks should prioritize on customer trust and service quality in order to promote the use of digital banking in Nepal (Subedi & Tamang, 2023).

Customers' banking experiences are greatly impacted by the many advantages and difficulties that digital banking presents. Improved convenience, since services are available anywhere and at any time, results in time savings and more financial management autonomy (Mahajan, 2023). Furthermore, customers gain financially from digital banking as it frequently leads to cheaper service costs and greater interest rates on deposits. Nonetheless, consumers encounter issues including the absence of face-to-face communication, security worries, and possible difficulties while utilizing digital platforms (Trani & Tran, 2024). The user experience may also be hampered by problems

like sluggish internet access and a lack of services. Although digital banking promotes customer satisfaction through innovation and convenience, it also requires addressing security and usability issues to increase user engagement and trust.

Digital banking technological advancements are radically changing consumer experiences by improving security, customization, and accessibility. Innovations like blockchain technology, artificial intelligence (AI), and mobile applications have accelerated the shift from traditional banking to digital platforms by facilitating smooth financial transactions and increasing operational efficiency (Varalakshmi & Katta, 2024). New developments like digital wallets and open banking have made it possible for consumers to handle their money from a distance and encouraged competition between banks and fintech firms (Kasturi, 2023).

Additionally, as banks implement policies that stress client-centric technological integration, the focus on individualized services and user-friendly design is essential for satisfying a variety of consumer demands (Shukhratovna & Narmuradovich, 2023). To guarantee secure and efficient digital banking experiences, however, issues like cybersecurity risks and the digital divide call for strong regulatory frameworks and strategic alliances. All things considered, these technology developments are essential to changing the banking environment, raising consumer happiness, and influencing industry competition.

Nepal's digital banking and customer experience are about to undergo a major transition, especially in the wake of the COVID-19 epidemic, which hastened the use of digital banking services. A change in consumer behavior towards digital platforms is suggested by the increased customer access and confidence in these services (Joshi & Joshi, 2023). Through hyper-personalization and better service delivery, the incorporation of cutting-edge technology like artificial intelligence, machine learning, and mobile apps is anticipated to improve customer experiences. Furthermore, the rise of FinTech businesses and regulatory frameworks such as Open Banking are encouraging cooperation and competition, allowing banks to satisfy changing customer demands for quick and easy services (Kasturi, 2023). Additionally, using gamification techniques can improve consumer happiness and engagement even more, resulting in a more dynamic.

Additionally, using gamification techniques can improve customer happiness and engagement even more, making banking more participatory (Raza et al., 2024). All things considered, Nepal's digital banking environment is probably going to change quickly due to both shifting customer needs and technology breakthroughs.

Customer happiness and feedback are vital elements that have a big impact on customer loyalty and retention. According to research, customer satisfaction in the banking industry is significantly shaped by aspects of service quality including tangibility, responsiveness, and empathy. In particular, it has been demonstrated that online banking practices, such as website effectiveness and user-friendliness, increase e-customer satisfaction, which in turn promotes e-customer loyalty (Gautam & Sah, 2023). Additionally, the importance of efficient communication and security measures is shown by the positive correlation between customer satisfaction and features like time-saving and ease in mobile banking services. The summarization of these research shows that banks need to give priority to customer input in order to improve their service offerings, satisfy changing consumer expectations, and keep a competitive edge in a market that is digitizing quickly.

1.2.Statement of the problem

Digital banking in Nepal presents a variety of customer experience issues, chiefly driven by security, convenience, and service flexibility. According to research, security is crucial and has a big influence on how customers see and use digital financial services, especially in urban and rural areas (Dhungana et al., 2023). Additionally, there are gaps in customer satisfaction since the shift from traditional banking to digital platforms has frequently ignored the holistic customer experience, which includes behavioral, emotional, and sensory aspects (Bridges et al., 2022). Additionally, many financial institutions find it difficult to successfully incorporate features like digital banking innovation, service quality, and brand credibility, despite the fact that these characteristics are crucial for improving the customer experience (Trani & Tran, 2024). In order to promote loyalty and satisfaction, banks must give equal weight to emotional engagement and functional features, which makes a more humanized approach to digital banking necessary (Chauhan et al., 2022; Bridges et al., 2022).

Digital banking has a major influence on Nepal's customer loyalty and retention, especially when considering changing consumer expectations and the current acceleration brought on by the COVID-19 epidemic. According to research, improving e-customer satisfaction, which in turn promotes e-customer loyalty, is largely dependent on the quality of online banking services, which are defined by factors like e-customer service, website efficiency, and security (Gautam & Sah, 2023). Furthermore, the use of Nudge Theory demonstrates how banks may improve client retention rates by influencing their behavior toward saving and financial knowledge (Akther & Tariq, 2022). Factors like security, simplicity, and flexibility also influence how customers see digital financial services, with security being of utmost importance (Dhungana et al., 2023). Additionally, responsiveness and convenience have a big impact on client satisfaction and retention in mobile banking, which has become an essential component (Dhakal et al., 2023). The use of digital banking has been further accelerated by the epidemic, increasing consumer access and trust in these services (Joshi & Joshi, 2023). All things considered, the way these elements interact highlights how crucial digital banking is to building client retention and loyalty in Nepal's financial environment.

The need for digital banking in Nepal has changed dramatically, especially as a result of the COVID-19 epidemic and technology breakthroughs. According to research, 68% of users are satisfied with online banking services, and a significant majority of customers (93%) believe it to be more effective than traditional banking (Sah, 2023). According to Joshi and Joshi (2023), the pandemic hastened the adoption of digital banking, improving client access and confidence and lowering transaction costs. Consumer adoption is heavily influenced by elements like perceived utility and usability, although security and trust are still top priorities (Subedi & Tamang, 2023; Ghimire et al., 2022). Furthermore, despite ongoing issues including poor telecommunications and limited technology literacy, mobile banking exhibits encouraging potential, particularly among younger populations (Byanjankar & Sharma, 2012).

The COVID-19 epidemic has had a major impact on Nepal's changing customer requirements in digital banking, as it hastened the adoption of digital banking services

and boosted consumer trust in these platforms (Joshi & Joshi, 2023). Traditional banks are under pressure to innovate and adjust to these shifting needs as customers increasingly want instantaneous, easily accessible, and secure digital solutions. This is frequently accomplished through collaborations with FinTech businesses that can provide cutting-edge services (Kasturi, 2023). All things considered, the digital banking scene in Nepal is changing quickly due to both changing customer demands and technology breakthroughs.

Many consumers still report discontent with traditional banking techniques, despite the COVID-19 epidemic speeding up the adoption of digital banking. This highlights a service delivery gap (Upadhyay, 2021). The adoption of digital banking is greatly influenced by factors like enabling conditions and effort expectancy; yet, because of operational and security issues, the real user experience frequently falls short of these expectations (Nepal, 2023). Furthermore, insufficient availability and quality of Nepal's current internet infrastructure make it difficult to provide efficient digital banking services (Regmi, 2017). As a result, even if interest in digital banking is rising, service delivery reality does not match customer expectations, which calls for advancements in both technology and user experience.

Despite the rapid growth of digital banking services, many financial institutions are struggling to meet the evolving expectations of their customers. Customers now demand more than just basic digital access; they expect seamless, secure, and personalized experiences across all platforms. However, research indicates that many banks fail to provide intuitive, user-friendly interfaces, effective customer support, or adequate personalization in their digital offerings. Additionally, concerns about data security and privacy continue to undermine trust in digital banking services. These challenges contribute to lower customer satisfaction, increased churn, and a heightened risk of customers turning to fintech competitors. As digital banking becomes the primary mode of financial interaction for a growing number of consumers, it is critical to address these gaps in customer experience to ensure long-term success and customer retention in the digital era.

The following questions are set to address this research problem:

i. What are the factors influencing customer trust and security perceptions towards digital marketing?
ii. How do digital banking impact the customer experiences?
iii. Are the customers satisfied with the usage and connivence of digital banking compared to traditional banking?

1.3.Objectives of the study

The major objective of this study is to examine the customer experiences towards digital marketing. However, following are the specific objectives:

i. To assess the factors influencing customer trust and security perceptions towards digital marketing.
ii. To examine the impact of digital banking on customer experiences.
iii. To analyze the level of satisfaction of customers with the usage and convenience of digital banking compared to traditional banking.

1.4.Hypothesis of the study

Many studies in Nepal focuses on the experiences of customers with the digital banking so, this study aims to make a difference when it is about studying how the digital banking affect the trust and satisfaction if the customer with respect to Nepal. The current study proposes various hypotheses in order to confirm the main experiences of the customers which are as follows:

H1: A significant and positive relation exists between security and privacy and experience with digital banking.

H2: A significant and positive relation exists between availability of support and experience with digital banking.

H3: A significant and positive relation exists between ease of use and experience with digital banking.
H4: A significant and positive relation exists between platform design and experience with digital banking.
H5: A significant and positive relation exists between transaction speed and experience with digital banking.

1.5.Significance of the study

This study holds significant value for academics as it contributes to the expanding body of research on digital banking and customer behavior in the context of rapidly evolving financial technologies. It offers insights into the key factors that shape customer satisfaction, trust, and loyalty in the digital banking sector, enriching theoretical frameworks related to service quality, user experience, and technology adoption. By identifying the most influential independent variables, the study helps bridge gaps in existing literature and provides a foundation for future research on the impact of digital banking on consumer behavior, particularly in the era of digital transformation in financial services.

From a literature perspective, this study adds depth to the understanding of digital banking experiences, specifically focusing on how elements like usability, security, and customer support influence customer perceptions and engagement. It can help refine existing models of customer experience in online and mobile banking contexts, providing empirical data that enhances theoretical models of service design, technology acceptance, and consumer trust. The research could guide future studies to explore the intersection of digital platforms and customer loyalty, offering a more comprehensive view of the evolving relationship between consumers and digital financial services.

For practitioners in the banking and financial services industry, this study provides practical insights that can help improve digital banking services. Understanding key factors that affect customer experience, such as ease of use, security, and customer support the banks to meet better customer needs and increase satisfaction. The findings

can guide banks in designing user-friendly digital platforms, focusing on strong security features, and improving customer support to resolve issues quickly. Ultimately, this study can help banks build customer trust, improve loyalty, and stay competitive in the growing digital banking world.

1.6.Limitations of the study

The limitations of the study are as follows:-

i. The study is concentrated on Customer experience towards digital banking.
ii. KTM valley is considered for the study.
iii. This study is based on primary data.

CHAPTER II

LITERATURE REVIEW

The literature review is essential in any research study as it provides an overview of existing knowledge on the topic. It helps identify gaps, build on established theories, and clarify key concepts such as technology adoption and user experience (UX). The review also shapes the research questions and methodology, ensuring that the study is grounded in existing academic work and offers a foundation for interpreting results.

In this study, the literature review is positioned as Chapter II and plays a central role in guiding the research framework and methodology. This chapter reviews relevant studies, theories, and models that inform the understanding of digital banking and customer experience. Customer satisfaction, security perceptions, and technology adoption, the literature review establishes the conceptual basis for the study by synthesizing key research on topics such as user interface design. It helps to clarify the independent variables (e.g., ease of use, security, customer support) and their expected influence on the overall customer experience. Moreover, this chapter positions the current study within the broader academic context, demonstrating how it contributes to filling existing research gaps and advancing the understanding of how digital banking platforms impact customer perceptions. In doing so, Chapter II not only provides a thorough review of past research but also sets the stage for the study's hypotheses, methodology, and analysis. This chapter is further divided as:

i. Conceptual review
ii. Theoretical review
iii. Empirical review

2.1. Conceptual Review

A conceptual review is an important part of any research study as it helps to establish the theoretical foundations and key concepts related to the research topic. In this study, the conceptual review focuses on defining and exploring the core concepts that influence

customer perceptions and interactions with digital banking platforms. This includes understanding key elements such as user experience (UX), technology adoption, customer satisfaction, and trust in digital platforms. It helps to clarify how these factors interrelate and guide the formulation of research hypotheses by reviewing and synthesizing the theoretical frameworks and models related to these concepts, Ultimately, the goal is to provide a clear understanding of the key constructs and their significance in shaping the overall customer experience in the digital banking sector.

2.1.1. Customer Experience (CE)

Customers' experience and emotions from their encounters with a business at several touchpoints across the customer lifecycle are all included in the idea of customer experience, or CE. Effective CE necessitates a coordinated strategy across several organizational areas, including marketing and customer care, since it is becoming more widely acknowledged as a crucial component impacting consumer happiness, loyalty, and engagement (Silva, 2021). Enhancing CE requires personalization since, depending on variables such consumer characteristics and privacy concerns, customized touchpoints might have a favorable impact on customer reactions (Weidig et al., 2024). The pandemic has forced sectors like telecommunications and hospitality to modify their customer experience (CE) strategies in order to meet the new demands of customers for efficiency and safety. This has highlighted the significance of digital infrastructure and customer feedback in service delivery (Susilowati, 2022; Apostol et al., 2023). In general, enhanced customer satisfaction and a competitive edge in the market might result from a well-designed CE framework (Silva, 2021).

In digital banking, the term "customer experience" refers to a number of factors that have a big impact on both financial success and customer pleasure. In a competitive environment, convenience, security, and personalization are important components that are vital for raising consumer satisfaction and cultivating loyalty (Chu & Zhan, 2024). Furthermore, the particular difficulties that rural clients encounter underscore the necessity of customized digital banking systems that cater to their particular requirements. By increasing operational effectiveness and providing individualized services through sophisticated data analytics, the incorporation of artificial intelligence

(AI) significantly alters customer experience (Agustiawan, 2024). Furthermore, enhancing client experiences and promoting the use of digital banking need an awareness of the interactions among perceived utility, perceived risk, and service quality. All things considered, these observations highlight the significance of a comprehensive strategy for customer experience in digital banking, which may result in better financial consequences for organizations (Bakri et al., 2024).

2.1.2. Digital Banking in Nepal

The COVID-19 epidemic, which boosted consumer access and trust in digital banking services, has significantly hastened the development of digital banking in Nepal (Joshi & Joshi, 2023). Conventional banking transactions in Nepalese commercial banks have changed significantly as a result of the implementation of e-banking products including ATM, Internet, and mobile banking (Adhikari, 2024). Notwithstanding these developments, e-banking services continue to have a mixed effect on Nepalese banks' profitability; some, like credit cards, have a negative effect on profitability, while others have negligible effects on returns on equity and assets (Wagle, 2023). In order to meet the requirements of the unbanked population, which made up 55% of adults in 2017, a Digital Banking and Fintech Sandbox has been established in Nepal with the goal of promoting innovation and financial inclusion (Zhang, 2023).

Consumer perceptions of online banking are usually favorable, and many users believe it to be more efficient than traditional banking, especially when it comes to home banking and financial transfers (Sah, 2023). Though perceived utility and convenience of use are important drivers, trust and government backing have not had a substantial impact on the adoption of online banking (Subedi & Tamang, 2023). The adoption of online banking is also found to be significantly influenced by security and trust, indicating that banks should prioritize improving security and service quality (Ghimire et al., 2022). Nepal has not yet completely benefited from digital payment systems, despite their promise to reduce problems like lengthy lines and inefficient transactions (Giri & Ghimire, 2020). Overall, even though digital banking is growing in Nepal, there are still a lot of obstacles to overcome, including operational and security risks and the requirement for stronger regulatory frameworks.

2.1.3. Challenges and Barriers to Digital Banking Adoption in Nepal

Numerous research has shown that Nepal confronts a number of obstacles and difficulties in implementing digital banking. Inadequate digital infrastructure and differences in digital access between urban and rural regions are two major challenges posed by the infrastructure barrier (Shah, 2016; Pokharel, 2023). This is made worse by a lack of customer understanding and trust, which prevents digital banking services from being widely adopted (Pokharel, 2023). Furthermore, even if the COVID-19 epidemic hastened the implementation of digital banking, consumers are still hesitant, and banks have not taken proactive steps to completely integrate digital solutions (Joshi & Joshi, 2023).

According to the Bidush Nepal research, banks should concentrate on improving the convenience and dependability of their services as enabling factors, effort expectation, and habit have a big impact on the adoption of digital banking. The lack of significance for social impact and performance expectancy, however, suggests a possible discrepancy between how consumers view digital banking and how society supports it (Nepal, 2023). Concerns about security are also very important since consumer adoption of online banking is greatly influenced by trust and security (Ghimire et al., 2022). Furthermore, the regulatory environment presents difficulties as stronger frameworks are required to promote digital banking while maintaining data privacy and consumer protection (Zhang, 2023).

Despite these obstacles, there are opportunities for expansion, propelled by rising internet usage, a young population that is tech-savvy, and government programs that support digital literacy (Pokharel, 2023). More customer confidence, and encouraging regulatory frameworks, digital banking adoption in Nepal might be greatly increased by addressing these obstacles with better infrastructure.

2.1.4. Difference Between Digital Banking and Traditional Banking

Due to the COVID-19 epidemic, digital banking has significantly increased client access and confidence in Nepal. It provides more efficient and cost-effective transaction ways than traditional banking (Joshi & Joshi, 2023). Because they are convenient and eliminate

the need for in-person branch visits, digital banking services like ATM, internet, and mobile banking have revolutionized traditional banking transactions (Adhikari, 2024). Innovative technological applications that improve client happiness and provide less expensive services than traditional banking techniques are driving the digital revolution in banking.

The perceived user-friendliness and consumer satisfaction of digital banking apps, which have upended traditional banking by satisfying customers' changing requirements, further promote this change (Siek & Rukma, 2022). Conversely, traditional banking is defined by face-to-face contacts and tangible transactions, which are becoming perceived as less practical and more expensive (Vyas, 2012). The requirement for banks to be competitive in a business climate that is changing quickly while utilizing the advantages of globalization and technical advancements has also contributed to Nepal's shift from traditional to digital banking. Traditional banks must make strategic adjustments to improve their digital capabilities and satisfy client expectations as digital banking continues to develop, posing both possibilities and difficulties for the banking industry.

2.1.5. Impact of Digital Banking on Traditional Banking Models

Traditional banking models have been profoundly influenced by digital banking, which has forced these organizations to change the way they function and engage with their clientele. Customer expectations have changed due to the quick development of digital technology, which forces conventional banks to provide smooth, effective, and customized services through a variety of channels, such as online portals and mobile applications. The emergence of fintech technologies, which have brought alternative financial solutions like digital wallets and peer-to-peer lending, has caused this transition. Traditional banks are being challenged to adapt or risk becoming obsolete (Varalakshmi & Katta, 2024).

Traditional banks have further changed from being middlemen to platforms through the integration of technology like blockchain, artificial intelligence, and big data, which has improved client engagement and operational efficiency (Zuo et. al., 2021). Furthermore, traditional banks have been forced to improve their digital offerings and alter their business models as a result of the rise of neo-banks, which take advantage of

sophisticated digital capabilities, increasing competition. Notwithstanding these developments, conventional banks still have to deal with issues like cybersecurity risks and regulatory compliance, which calls for strategic planning and cooperation with fintech companies in order to stay competitive (Shi &Wang, 2023). As a strategic solution to these issues, centralized digital banking has been put forth, providing a model that coexists with decentralized financial technology while improving operational effectiveness and customer satisfaction (Hu, 2024).

Overall, to maintain sustained development and relevance in the digital age, the digital transformation of banking calls for a comprehensive strategy that involves making investments in technological infrastructure, encouraging innovation, and establishing strategic alliances (Nkatekho, 2024).

2.2. Theoretical Review

The theoretical review serves as the foundation for understanding the key concepts and frameworks that guide the research study. In the context this study, this section explores the theoretical models and concepts that explain customer behavior, technology adoption, and satisfaction with digital banking services. The review provides insights into how factors like perceived usefulness, ease of use, social influence, and facilitating conditions impact customers' decisions to engage with digital banking platforms by reviewing established theories such as the Technology Acceptance Model (TAM) and the Unified Theory of Acceptance and Use of Technology (UTAUT). This theoretical exploration helps to position the study within the broader academic conversation and lays the groundwork for developing research hypotheses, as it identifies the key variables that are likely to influence customer experience in digital banking.

2.2.1. Technology Acceptance Model

The Technology Acceptance Model (TAM), which emphasizes the roles of perceived utility (PU) and perceived ease of use (PEoU) in influencing user intentions, provides a fundamental framework for comprehending consumer acceptance of digital banking services. According to research, users' perceptions have a big influence on their decisions

to use digital banking platforms. Important factors that shape these perceptions include data security, service quality, and financial literacy (Nihayah & Purnama, 2024; Alief & Astuti, 2024; Butarbutar et al., 2023; Wijayanti et al., 2024). The link between user attitudes and behavioral intentions toward digital banking services is further mediated by factors like perceived risk and perceived trust, which have been added to the model (Alief & Astuti, 2024) (Butarbutar et al., 2023). The results indicate that increasing the user experience through enhanced security protocols and innovative services may significantly boost the rates at which digital banking technologies are adopted.

This theory is applied in this study to understand how Perceived Usefulness (PU) and Perceived Ease of Use (PEOU) influence customer adoption of digital banking. TAM suggests that customers are more likely to use digital banking services if they perceive them as useful for managing finances and easy to navigate. This model helps identify key factors that shape customer satisfaction and adoption, guiding improvements in the design and functionality of digital banking platforms to enhance the overall user experience.

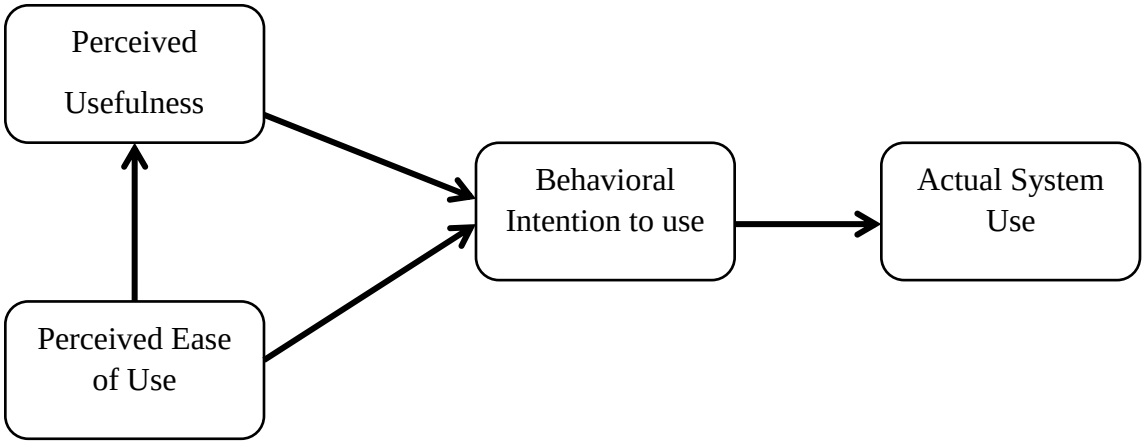

Figure 1: Technology acceptance model

2.2.2. Unified Theory of Acceptance and Use of Technology (UTAUT)

Unified Theory of Acceptance and Use of Technology (UTAUT) is a key tool for comprehending the uptake of digital banking technologies, such as virtual and mobile

banking. According to UTAUT, users' behavioral intentions and actual usage behaviors in digital banking settings are greatly influenced by important elements including performance expectation, effort expectancy, social influence, and enabling conditions Yusof & Anthonysamy, 2024). For example, research has demonstrated that user experience and perceived security have a significant role in increasing the adoption of mobile banking apps, with particular attention paid to interface design and system complexity (Octavia & Tanaamah, 2024; Wijaya & Noviaristanti, 2024).

Additionally, it has been suggested that technology readiness and UTAUT be integrated to better understand customer intentions toward virtual banking. This highlights the significance of individual characteristics like optimism and innovativeness as well as bank reputation in influencing user perceptions (Yusof & Anthonysamy, 2024). All things considered, UTAUT offers a thorough framework for examining the various aspects affecting the uptake of digital banking technology.

This theory is applied in this study to explore how factors such as Social Influence, Facilitating Conditions, Performance Expectancy, and Effort Expectancy impact customer adoption and usage of digital banking services. UTAUT extends the Technology Acceptance Model by considering external influences, such as peer recommendations or the availability of support resources, in addition to individual perceptions of ease of use and usefulness. This theory helps assess how social factors and access to necessary technology or support impact customers' decisions to engage with digital banking platforms, providing a broader understanding of the drivers of customer experience in this context.

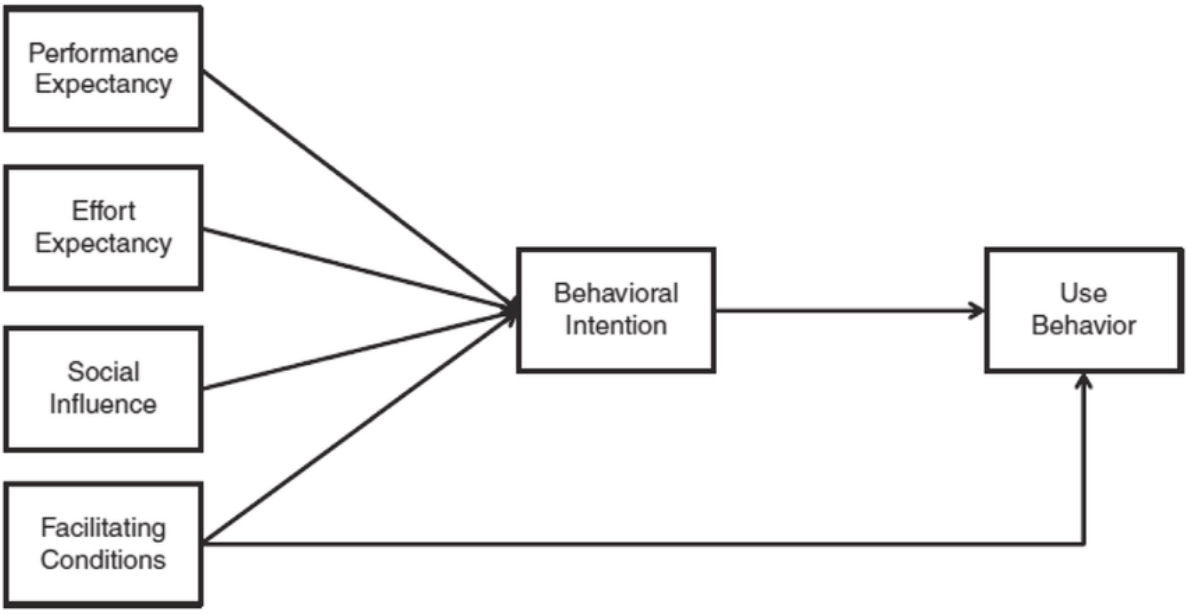

Figure 2: Unified Theory of Acceptance and Use of Technology (UTAUT)

2.3. Empirical Review

The empirical review examines existing research and studies that have explored customer experience in digital banking, focusing on how various factors such as technology adoption, service quality, and customer satisfaction impact user perceptions and behaviors. This section provides a comprehensive analysis of real-world findings from surveys, case studies, and experimental research that offer insights into customer attitudes towards digital banking platforms. The research aims to understand patterns, trends, and gaps in the literature, helping to contextualize the study's objectives and hypotheses. The empirical review serves as a critical link between theoretical frameworks and practical insights, offering evidence to support the study's investigation of the factors influencing customer experience in the rapidly evolving field of digital banking.

Chauhan et. al. (2022) conducted a study on customer experience in digital banking, providing a comprehensive review of existing literature and suggesting future research directions. The objective of the study was to explore the key factors influencing customer experience (CX) in the context of digital banking and identify gaps in current research. Descriptive statistics and inferential statistics were used for the analysis of the data. The

study revealed that digital banking tools, such as mobile banking apps and AI-driven services, significantly enhance customer experience by improving accessibility, convenience, and personalization. The study concluded by suggesting that future research should focus on developing a more holistic and integrated model for digital banking customer experience, considering both technological and human factors.

Gautam and Sah (2023) conducted a study related to service of online banking practices and the impact satisfaction of e-customer and e-customer loyalty in Nepal. The objective of the study was to examine how online banking service practices influence e-customer satisfaction and loyalty, with e-satisfaction acting as a mediator. The study used structural equation modelling and exploratory factor analysis to analyze the data. The findings indicated that website efficiency and e-customer service were the strongest drivers of e-customer satisfaction. The study drew the conclusion that enhancing these service quality dimensions increases customer satisfaction and builds long-term loyalty in online banking.

Shrestha et al. (2020) conducted a study on consumers' attitudes towards internet banking services in Pokhara, Nepal. The objective of the study was to explore customer perceptions of internet banking services, focusing on eight top commercial banks in the region. The study employed inferential statistics to analyze the data. The results highlighted the benefits of internet banking for banks, including cost savings and enhanced marketing capabilities. The study concluded that it serves a gap in the literature on banking technology in Nepal, offering useful information for future policy and strategy development.

Thakuri et al. (2023) conducted a study on the factors affecting customer satisfaction with mobile banking services in Kathmandu Valley. The objective of the study was to identify key factors influencing satisfaction and retention of customers in mobile banking. The study used Structural Equation Modeling (SEM) to analyze the relationship from the data. The study found that responsiveness, security and convenience were the most important factors impacting customer satisfaction, while relative advantage and the cost

had minimal effect. The study concluded that although customer satisfaction was strongly related to customer loyalty, it was not found to directly lead to loyalty.

Ghimire et al. (2022) conducted a study on the understanding and adoption of internet banking from the Nepalese perspective. The objective of the study was to identify the factors that influenced the adoption of internet banking based on customer perspectives. Descriptive statistics was used to analyze the data collected from the study. The findings highlighted that advancements in information technology are driving significant changes in the banking sector, improving service delivery, reducing costs, and expanding market reach. The study found that security and trust were the most significant factors influencing the adoption of internet banking. The study concluded that banks must focus on enhancing quality of service, improving security measures, and offering customized, efficient internet banking products to attract and retain customers.

Sthapit and Bajracharya (2019) studied customer perception toward the adoption of e-banking services in Kathmandu, targeting students studying at business schools. The objective of the study was to investigate the relationship between perceptions of students and their actual adoption of e-banking services, based on an integrated TAM and perceived risk. The study used descriptive statistics, t-test, correlation and regression to analyze the data. The findings revealed that perceived usefulness had the strongest influence on adoption of e-banking, where ease of use and perceived risks also played significant roles. The study concluded the valuable ideas into the factors driving the adoption of e-banking among young consumers, suggesting that enhancing perceived usefulness and minimizing perceived risks could encourage greater e-banking adoption.

Dangol and Kautish (2019) conducted a study on IT security-related issues and challenges in the electronic payment system in Nepal from a customer's perspective. The objective of the study was to identify the key IT security challenges that are faced by customers when using electronic systems of payment in Nepal. The study used descriptive statistics to analyze the data. The study found that security concerns, such as fraud, data breaches, and lack of trust in online payment systems, were significant barriers to the adoption of electronic payments. The study concluded that to enhance the

adoption of electronic payment systems in Nepal, financial institutions and service providers must focus on improving security measures, educating customers about the safety of electronic transactions, and building greater trust in these systems.

Limbu (2024) conducted a study on the levels of satisfaction of customers with online banking services in Nepal. The objective of the study was to assess the factors that influenced satisfaction of customer in the online banking sector and to understand how it contribute to overall satisfaction levels. The study collected data through surveys from a sample of online banking users in Nepal. The study used MS-Excel providing both qualitative and quantitative research methods for detailed analysis of the data. The findings revealed that convenience, the quality of customer service and ease of use were the most significant factors impacting customer satisfaction with online banking services. The study also highlighted that security and trust were critical in ensuring customer confidence in using online banking platforms. The study concluded that improving these key factors, particularly enhancing security and providing better customer support, would increase customer satisfaction and encourage more widespread acceptance of online banking services in Nepal.

Subedi and Bhandari (2024) conducted a study on online banking services and customer satisfaction in Nepalese commercial banks. The objective of the study was to evaluate the impact of online banking services on satisfaction of customers in commercial banking sector of Nepal. The study used correlation coefficient analysis and multiple regression analysis to analyze the data. The findings revealed that ease of use, service reliability, and security were the most significant factors influencing customer satisfaction. Customers reported higher satisfaction levels when online banking services were convenient, accessible, and secure. The study concluded that Nepalese commercial banks should work on refining the reliability of their online banking platforms, enhancing user experience, and addressing security concerns to boost customer satisfaction and foster greater adoption of online banking services.

Singh (2023) conducted a study on the adoption of digital technologies by customers for digital banking. The objective of the study was to explore the factors influencing

customers' implementation of digital banking technologies and to understand their perceptions regarding the use of digital banking services. The study used descriptive statistics to analyze the data. The findings revealed that factors such as perceived usefulness, ease of use and trust in digital banking technologies significantly influenced customers' adoption decisions. The study highlighted that customers were more likely to adopt digital banking services if they accepted them to be convenient, secure, and beneficial in managing their finances. The study concluded that banks should focus on improving the user experience, ensuring robust security measures, and educating customers to enhance trust and drive further adoption of digital banking technologies.

Dhungana et al. (2023) conducted a study on customer perception toward digital financial services in Pokhara, Nepal. The objective of this study was to explore how customers perceive digital financial services and identify the factors influencing their adoption in Pokhara. The study used descriptive statistics and inferential statistics to analyze the data. The findings revealed that convenience, accessibility, and security were the most important factors influencing customer perception and adoption of digital financial services. The study also indicated that while customers recognized the benefits of digital financial services, concerns regarding privacy and security still played an important role in shaping their perceptions. The study concluded that to increase the adoption of digital financial services in Pokhara, service providers need to address security concerns, enhance user awareness, and improve the overall user experience.

Sah (2023) conducted a study on consumers' attitudes and behavioral intentions regarding internet banking in Nepal. The objective of the study was to inspect the factors that influence attitudes of customers toward internet banking and how these attitudes affect their intentions to adopt and use internet banking services. The study used descriptive statistics to analyze the data. The findings indicated that the perceived ease of use, perceived usefulness, and trust of the consumers were the factors that most significantly influenced consumer attitudes toward internet banking. Also, positive attitude towards using internet banking services has a high impact on the intention to use internet banking services. The study concluded that for improved internet banking adoption in Nepal,

banks should focus more on increasing the ease of use, building trust in internet banking, and illustrating its usefulness to the customers.

Mbama and Ezepue (2018) conducted a study on digital banking, customer experience, and bank financial performance, focusing on UK customers' perceptions. The objective of the study was to explore how digital banking services influence customer experience and, in turn, impact the financial ability of banks. The study used Multivariate factor analysis, Structural Equation Modelling and ANOVA testes to analyze the data. The findings revealed that a positive customer experience with digital banking services significantly enhanced customer satisfaction and loyalty, which in turn positively affected the financial performance of banks. The study concluded that banks should prioritize improving digital banking services, ensuring user-friendly interfaces, and strengthening security measures to foster positive customer experiences, which would ultimately contribute to better financial outcomes for banks.

Sayed and Sayed (2020) conducted a study on customer experience with digital banking, comparing private and public sector banks. The aim of the study was to inspect and compare the customer experience with digital banking services in private and public sector banks. The study used different statistical tools and t-test to analyze the data. The findings revealed that customers of private sector banks generally reported a better experience with digital banking services compared to those using public sector banks and also found that public sector banks lagged behind private sector banks in terms of technological innovation and service quality. The study concluded that to enhance customer experience, public sector banks should invest in improving their digital banking infrastructure, user experience, and customer support systems, while private sector banks should continue innovating to maintain their competitive edge.

Susanto et al. (2023) conducted a study on customer experience in digital banking, focusing on convenience, security, and usefulness with regard to customer satisfaction and loyalty in Indonesia. The objective of the research was to examine how these key factors affect customer satisfaction and loyalty in the digital banking sector. Structural equation modelling was used for data analysis considering validity and reliability

measures. The findings revealed that convenience, security, and usefulness were significant factors that positively influenced customer satisfaction. Furthermore, customer satisfaction was found to have a strong impact on customer loyalty. The study concluded that digital banking providers in Indonesia should focus on improving convenience, ensuring robust security measures, and enhancing the usefulness of their digital platforms to foster customer satisfaction and long-term loyalty.

Kaur et al. (2021) conducted a study on digital banking in Northern India, focusing on the risks associated with customer satisfaction. The objective of the study was to examine the risks that digital banking services pose to customer satisfaction in Northern India, particularly in relation to security, service quality, and technological issues. The study used Structural equation modelling for data analysis. The study found out that the people using digital banking in Northern India are satisfied with the quality of services provided by digital banking. The study concluded that banks should consistently strive to earn customers trust by delivering the promises made to the customers and also raise awareness regarding their funds security.

Sisay (2021) conducted a doctoral study on the effect of digital banking on customer experience, focusing on selected commercial banks in Addis Ababa, Ethiopia. The objective of the study was to examine how digital banking services impact customer experience, particularly in terms of satisfaction, convenience, and trust. The study used Peason correlation and multiple linear regression analysis for the data analysis. The findings revealed that digital banking had a significant positive effect on customer experience, with convenience, ease of access, and time-saving being the primary benefits identified by customers. The study concluded that while digital banking improved the overall customer experience, commercial banks in Addis Ababa needed to address security concerns and enhance the user-friendliness of their digital platforms to further improve customer satisfaction and loyalty.

2.4. Research Gap

The research gap in studying customer experience with digital banking in Nepal lies in the need for a more comprehensive understanding of customer perceptions, behaviors,

and the influence of external factors, such as the COVID-19 pandemic. While existing studies have identified key factors driving customer adoption such as security, convenience, and perceived usefulness; there is evidence of a significant increase in digital banking usage post-pandemic, suggesting a shift in customer attitudes and behaviors (Dhungana et al., 2023; Joshi & Joshi, 2023; Subedi & Tamang, 2023). However, aspects like trust and government support remain underexplored, yet they may play a crucial role in boosting customer confidence in digital banking services (Subedi & Tamang, 2023).

Moreover, varying levels of satisfaction across different services of digital banking, especially in mobile banking, highlight the need for improvements in service delivery and user experience (Sah, 2023; Poudyal, 2023). Therefore, this study tries to address these gaps to help shape strategies aimed at enhancing customer experience in Nepal's evolving digital banking sector.

2.5. Conceptual Framework of the Study

The conceptual framework of this study is designed to explore the key factors influencing customer experience in digital banking in Nepal. It integrates elements from customer experience theory, technology acceptance models, and service quality frameworks to examine factors such as security, trust, convenience, perceived usefulness, and customer support. Additionally, the framework considers the impact of external factors like the COVID-19 pandemic, which has accelerated the adoption of digital banking services and shifted customer behaviors. The framework aims to identify the drivers of customer satisfaction and loyalty, providing insights for banks to improve their digital services and enhance overall customer experience in Nepal's evolving banking landscape by linking these variables.

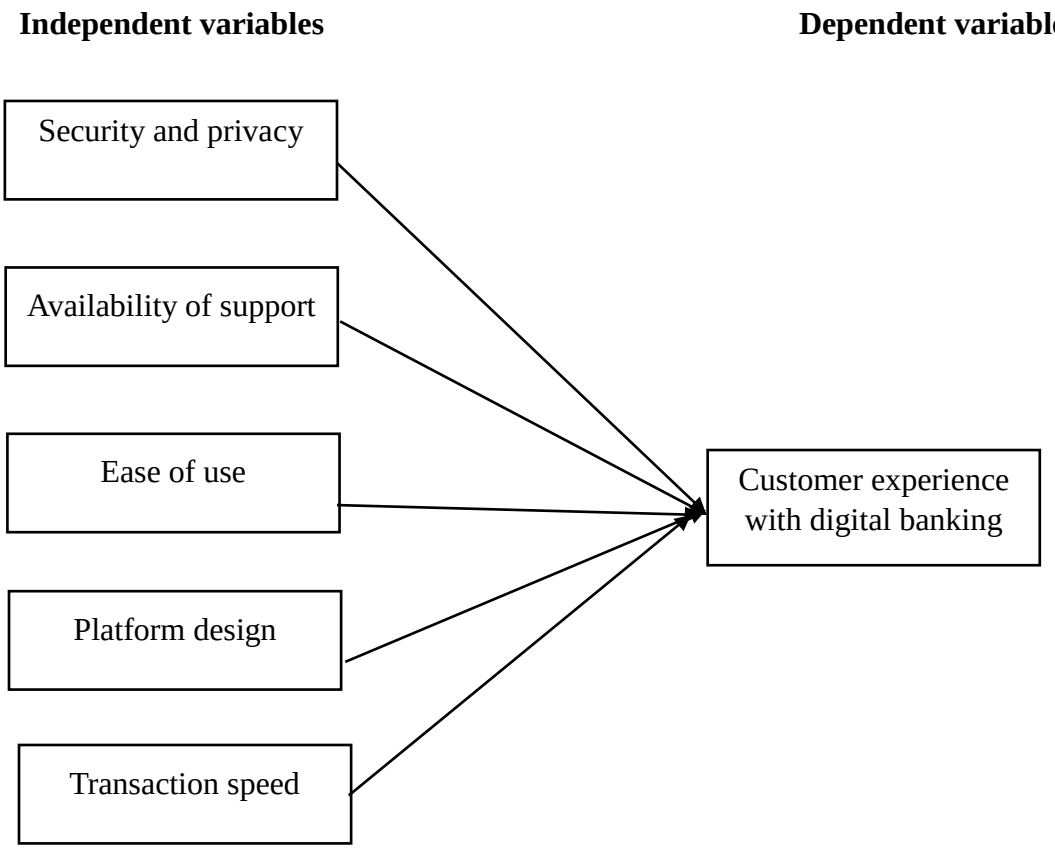

Figure 3: Conceptual framework of the study

Source: Chauhan et. al. (2022)

2.5.1. Definition of the Independent Variables

Security and privacy

In digital banking, security and privacy refer to the procedures and policies that banks use to safeguard private client data and ensure transaction confidentiality. With their increased reliance on technology, banks are more vulnerable to cyberthreats including phishing and data breaches, which calls for strong security procedures to protect assets and client confidence (Zahoor et al., 2016; Omariba et al., 2012). Similar to confidentiality in other professional areas, the idea of "banking secrecy" emphasizes banks' duty to shield customer information from unlawful exposure (Koslowski, 2011).

Availability of support

The availability of support serves as an independent variable in this study, encompassing various dimensions such as technological advancements, system reliability, and user accessibility. Recent studies emphasize the rapid growth of electronic banking services, which has driven banks to invest in new technologies to improve customer understanding and service delivery. This is particularly important in multi-banking environments, where users access multiple accounts through a single interface (Rekha & Agrawal, 2013).

Ease of use

Ease of use is an independent variable in this study, referring to how user-friendly and straightforward digital banking technologies are perceived by users, which influences their adoption and usage. Research shows that perceived ease of use (PEOU) is a key factor in e-banking adoption, as it enhances perceived usefulness and positively affects users' intentions to use these services. Users with prior experience or higher education are more likely to find e-banking tools accessible, fostering a positive attitude toward them (Okeke, 2013). Moreover, ease of use is especially crucial for transaction-oriented services and plays a significant role in mobile banking decisions among millennials (Jin & Kim, 2013; Salqaura et al., 2022).

Platform design

Platform design is an independent variable in this study, referring to flexible, modular systems that allow users to customize their banking experience. This design separates core banking functions from optional features, adapting to changing customer needs. It also uses APIs to improve data accessibility and foster competition among financial institutions (Arayesh et al., 2021). The integration of technologies like AI, blockchain, and cloud computing enhances user experience and reduces reliance on human interaction (Indriasari et al., 2022). Effective platform design combines innovation, user-centric features, and strong infrastructure to meet market demands.

Transaction speed

Transaction speed is an independent variable in this study, referring to the efficiency with which transactions are processed in digital banking systems. It includes factors like low latency, high transaction volume, and the ability to handle increased loads without performance issues. Modern systems process thousands of transactions per second, influencing customer adoption as users prioritize speed and convenience. Technological advancements, such as mobile devices, enhance transaction speed, improving both user experience and operational efficiency. Overall, transaction speed is crucial for both system performance and customer satisfaction.

CHAPTER III

RESEARCH METHODOLOGY

Research on customer experience in digital banking aims to understand how users perceive, interact with, and evaluate digital banking services. This involves examining factors such as usability, security, trust, and satisfaction. The research methodology typically combines both quantitative methods (surveys and statistical analysis) to gather measurable data on customer behaviors and preferences. The goal is to identify key drivers that influence customer satisfaction, uncover barriers to adoption, and provide actionable recommendations for enhancing the digital banking experience.

3.1. Research Design

The quantitative research design for this study focuses on collecting numerical data to assess customer experiences with digital banking platforms. It uses a descriptive survey design, employing convenience sampling to ensure a diverse and representative sample of respondents. The survey includes structured questions that measure aspects such as usability, satisfaction, trust, and security, as well as barriers to adoption. Data collected is analyzed using descriptive statistics to recap trends and inferential statistics like correlation and regression analysis to identify relationships between demographics and customer experiences. Ethical considerations ensure that participants are fully informed, consent is obtained, and data confidentiality is maintained throughout the study.

3.2. Nature and Source of Data

The nature of the data for this study is quantitative, as it involves numerical measurements of customer experiences, satisfaction, usability, trust, and security in digital banking. The data is collected through structured surveys with Likert scale questions, ensuring consistency and comparability across responses. Secondary qualitative data may also be used from existing reports, articles, or case studies on digital banking to provide context or support for the survey findings. The source of the data is a sample of digital banking users, selected through convenience sampling to ensure a representative range of customer experiences. The primary source is the responses

gathered from survey participants, who provide insights based on their personal experiences with digital banking services.

3.3. Universe and Sample

The universe for this study consists of all individuals who currently use or have used digital banking, like mobile banking apps, platforms of online banking, and other digital financial services, across various demographic groups such as age, income, education level, and geographic location. This includes both active users and potential users who have not yet adopted digital banking.

For this study, sample size is calculated using the following formula:

$$n = \frac{z^2.\ p\ .(1-p)}{\mathrm{E}^2}$$

Here; n= required sample size

Z= Z value (95% level of confidence i.e. 1.95)

P= estimated proportion (0.5 as it is unknown)

E= margin of error (5% i.e. 0.05)

Now;

$$n = \frac{(1.96)2 \cdot (0.5) \cdot (1 - 0.5)}{(0.05)^2}$$

$$n = \frac{3.8416 \cdot 0.25}{0.0025}$$

$$n = \frac{0.9604}{0.0025}$$

= 384 approx.

Hence; the sample size for this study is 384 customers.

3.4. Instrumentation

In this study, the Likert scale questionnaire is used to measure participants' perceptions of key variables that influence their experience with digital banking. The variables include ease of use, transaction speed, availability of support, safety and privacy, and platform design. For each variable, participants rate their level of agreement with specific statements related to each aspect of their digital banking experience, using a 5-point scale ranging from 1 = Strongly Disagree to 5 = Strongly Agree. This approach allows for a standardized measurement of customer attitudes across these variables, providing valuable data on how each factor influences overall user satisfaction and experience with digital banking services.

3.5. Data Analysis Tools

At first, all the data collected through the questionnaire is reviewed and then the quantitative data was complied, analyzed and interpreted using mean, standard deviation and frequencies with the help of SPSS software. In addition, the researcher used Cronbach alpha for reliability testing of the data. Likewise, for the inferential analysis, correlation, regression and Anova were used for examining the impact of independent variables over the dependent variable.

3.5.1. Descriptive Analysis

Descriptive analysis is used to summarize and interpret the collected data by providing a clear overview of the key characteristics of the customer experience with digital banking. It involves the calculation of frequencies, percentages, mean scores, and standard deviations that describe variables such as ease of use, security and privacy, platform design, etc., as mentioned. This analysis enables the detection of patterns, trends, and central tendencies within the data, hence giving a detailed understanding of how customers engage in using digital banking services and what factors may influence their perceptions and behaviors. This will provide an overall view of the data to help with further analysis and decision-making.

Mean

The mean is calculated by adding all the values in a dataset and then dividing by the number of values. The formula is:

$$\text{Mean}=\frac{\sum x}{n}$$

where

X= total number of the series

N= number of observations as sample

Standard deviation

Standard deviation is a measure of dispersion that quantifies the amount of variation of a set of values. A low standard deviation means that the data points are close to the mean, while a high standard deviation indicates that the data points are spread out over a greater range. It helps in understanding the consistency and reliability of the data. It is formulated as:

$$\sigma = \sqrt{\Sigma(x-\bar{x})/ n}$$

here;

σ= Standard deviation

$\bar{x}$= mean

X= number in x series

N= number of observations as sample

The percentage

It is a special kind of rate that is used in making a comparison of two or more data series. It is used to determine the relation between the series and the formula to calculate the percentage is;

Percentage = Frequency/ total number of respondent's x 100

3.5.2. Inferential Analysis

Inferential analysis involves the making of predictions or drawing of conclusions about a population from a sample of data. In the context of customer experience in digital banking, it is a statistical analysis used to test hypotheses and find relationships among variables. In the case of the relationship between customer satisfaction and trust in digital banking platforms, the correlation analysis will be used; for the rest, such as how usability or security features may predict overall satisfaction or the rate of adoption, regression analysis could be applied. These methods allow researchers to make generalizations about the larger population of digital banking users, assess the significance of observed patterns, and provide evidence to support or refute the research hypotheses.

Correlation Coefficient

Correlation is the statistical tool which measures the linear relationship degree between two variables and it can be wither negative or positive. A correlation is said to be positive when both the variables change in same direction while the correlation is negative when the two variables change in opposite direction. However, a strong correlation does not always mean that one variable is influenced by the other. Correlation only measures the direction of relationship between the variables. It generally ranges from -1 to 1 where:

1= perfect linear relationship

-1= perfect negative relationship

0= no linear relationship

The formula for the calculation of correlation is;

$$r = \frac{\mathrm{n}\,(\Sigma \mathrm{xy}) - (\Sigma \mathrm{X})(\Sigma \mathrm{Y})}{\sqrt{[\mathrm{n}\Sigma \mathrm{x}^2 - (\Sigma \mathrm{x})^2]}\,[\mathrm{n}\Sigma \mathrm{y}2 - (\Sigma \mathrm{y})^2}$$

Here,

R= Correlation coefficient

∑XY= sum of the product of corresponding value

∑X= sum of values of X

∑Y= Sum of values of Y

∑X^2 = Sum of squared value of X

∑Y^2= Sum of squared value of Y

Regression Analysis

It is one of the statistical tools used for estimating the relation between dependent variable and independent variable. It is useful for achieving the strength of relationship and can contribute in shaping their activities in the near future, the formula is; Regression = β0 + β1 + β2 + β3

β0 = Intercept

β1= Safety and privacy

β2= Availability of support

β3= Ease of use

β4= Platform design

β5= Transaction speed

e= error term

The coefficients (β1, β2, β3, β4, β5) represents this relationship, where β0 is the intercept (the baseline value of the dependent variable when all independent variables are zero), and β1 to β5 are the coefficients that quantify the impact of each independent variable on the dependent variable. This analysis helps in determining the direction and strength of the relationship between each factor and customer experience, providing insights that can guide future improvements in digital banking services.

3.5. Reliability and Validity

In this study, several actions are taken to ensure data reliability and validity. Reliability refers to the consistency of the instrument; therefore, this study uses Cronbach's alpha to assess the internal consistency of the Likert scale items for each variable: ease of use, transaction speed, support availability, safety and privacy, and design of the platform. A Cronbach's alpha score of 0.7 or greater signifies acceptable reliability. Validity refers to the instrument measuring what it is supposed to measure. Content validity is established by expert review to confirm that the questionnaire covers all relevant aspects of the digital banking experience. Construct validity is assessed through factor analysis, ensuring that the survey items align with the underlying constructs.

Table 1: Reliability and validity of data

Variables	Cronbach Alpha
Security and Privacy	.781
Availability of Support	.683
Ease of Use	.934
Platform Design	.930
Transaction Speed	.942
Customer Experience	.845

Source: Field Study, 2024

With a Cronbach's alpha of 0.781, the reliability of the "Security and Privacy" scale is considered good, indicating that the items used to measure Security and Privacy are consistently capturing the intended concepts.

The Cronbach's alpha value of 0.683 suggests moderate reliability for the "Availability of Support" scale. While it is acceptable, there may be room for improvement in ensuring greater consistency among the items.

The high Cronbach's alpha of 0.934 indicates excellent internal consistency for the "Ease of Use" scale, suggesting that the items are highly reliable in measuring users' perceptions of usability on digital banking platforms.

With a Cronbach's alpha of 0.930, the "Platform Design" scale demonstrates strong reliability, reflecting a high degree of consistency in respondents' perceptions of the digital banking interface and layout.

The very high Cronbach's alpha of 0.942 indicates exceptional internal consistency for the "Transaction Speed" scale, suggesting that respondents' perceptions of transaction speed are reliably captured by the survey items.

A Cronbach's alpha of 0.845 shows good reliability for the "Customer Experience" scale, meaning that the items measuring overall customer satisfaction and experience with digital banking are consistently aligned.

3.6. Ethical Considerations

Informed consent is taken from all participants, both verbal and written, to make sure that they understand the objectives of the study, their role in the research, the voluntary nature of participation, and their right to withdraw at any time without any consequences. Participants are assured of privacy, and all personal information is kept confidential. The researcher ensures that the data is kept in a secure place, accessible only to them, and utilized only for the purpose of the research. Besides, the participants are treated with respect and dignity throughout the process. The study does not bring about any harm or discomfort, and sensitive topics are approached with care. The researcher maintains transparency in all aspects, and the participants are informed of whatever is necessary for them to make an informed decision about their involvement. Any potential conflict of interest is disclosed, and the study is done in a manner to follow ethical guidelines and institutional approval. The researcher shall, at all times, prioritize the well-being and rights of the participants.

3.7. Study Period

The study period for this research is one month, during which all phases of data collection and analysis occur. The first week focuses on finalizing the survey design and distributing it to the target sample of digital banking users. Data collection takes place during the next two weeks, with participants completing the survey online. The final week is dedicated to data cleaning, statistical analysis, and preparing the research findings for reporting. This one-month timeline ensures the study is completed efficiently while maintaining accuracy and rigor in both data collection and analysis.

CHAPTER IV

RESULTS AND DISCUSSION

This chapter presents the findings and analysis of the data collected in relation to customer experience towards digital banking. Through a combination of quantitative and qualitative methods, we explore how customers perceive and interact with digital banking services, identifying key trends, challenges, and satisfaction levels. The results will be discussed in the context of factors such as usability, security, customer service, and overall convenience, aiming to provide a comprehensive understanding of the evolving customer journey in the digital banking landscape.

4.1. Demographic Characteristics of the Respondents

The demographic data on the respondents add essential information about the subjects using the digital banking services. The respondents were divided into different groups in terms of age, gender, education, occupation and income. They assist in explaining the clients' heterogeneity and the manner in which customer segments view and engage with digital banking. From these characteristics customer needs, customer behaviors and other aspects impacting customer satisfaction with the digital banking platform can be understood.

4.1.1. Age of the Respondents

Age analysis in this study enables the establishment of the effects of age on the usage of and attitude towards digital banking services. This research postulates that age is an important demographic factor that determines technology acceptance and utilization. Analyzing the distribution of the respondents' age, the study reveals tendencies in digital banking preferences and compare the level of customer trust in the service among different generations to determine suitable strategies and make recommendations on adapting the concept of digital banking to the older and younger generations. It assists in identifying the extended customer demographics and developing ways of improving the user satisfaction across one's age groups.

Table 2: Age of the Respondents

Age Group	Frequency	Percent
18-25	61	15.9
26-40	145	37.8
41-65	108	28.1
Above 65	70	18.2
Total	384	100.0

Source: Field Study, 2024

The data on the age distribution of respondents shows that the largest group using digital banking falls within the 26-40 age range, accounting for 37.8% of the total sample. The second-largest group is those aged 41-65 years, comprising 28.1% of respondents, while 18-25-year-olds represent 15.9%. Respondents aged above 65 years make up 18.2% of the sample. This suggests that digital banking is widely used across various age groups, with a particularly strong presence among middle-aged adults.

4.1.2. Gender of the Respondents

The gender distribution of the respondents is another consideration in this study because grasping how both male and female customers use the digital banking services will be useful. With regard to the gender factor, the study has an objective of identifying differences in usage patterns, preferences and satisfaction level between male and female users. This understanding makes it easier to discover whether male or female customers, or any gender in between, might have specific requirements or issues concerning digital banking among them.

Table 3: Gender of the Respondents

Gender	Frequency	Percent
Female	199	51.8
Male	185	48.2
Total	384	100.0

Source: Field Study, 2024

The data on the gender distribution of respondents shows that 51.8% of the sample are female, while 48.2% are male. This indicates a fairly balanced gender representation in the study, with a slight majority of female respondents using digital banking.

4.1.3. Education Level of the Respondents

The education level of the respondents helps to understand how varying levels of education influence the use of digital banking services. The study aims to determine if more educated individuals are more comfortable and frequent in using digital banking platforms, while also highlighting potential challenges faced by those with lower education levels in accessing these services. by analyzing categories such as high school, undergraduate, and postgraduate education.

Table 4: Education Level of the Respondents

Education Level	Frequency	Percent
Up to +2	161	41.9
Bachelor Level	164	42.7
Masters Level and Above	59	15.4
Total	384	100.0

Source: Field Study, 2024

The data on the education level of respondents reveals that 42.7% of the sample have a Bachelor's level education, while 41.9% have completed up to +2 (high school) education. A smaller portion, 15.4%, holds a Master's level or higher degree. This

suggests that digital banking is primarily used by individuals with at least a basic level of higher education, with the majority having either a high school or bachelor's degree.

4.1.4. Religion of the Respondents

The religion of the respondents is an important demographic factor that may influence the adoption and use of digital banking services. The study aims to explore any cultural or belief-based factors that could affect how different religious groups interact with digital banking platforms by analyzing the religious backgrounds of the respondents. Understanding these differences can help tailor banking services to be more inclusive and sensitive to the needs and preferences of diverse religious communities.

Table 5: Religion of the Respondents

Religion	Frequency	Percent
Buddhism	125	32.6
Christian	8	2.1
Hindu	247	64.3
Islam	4	1.0
Total	384	100.0

Source: Field Study, 2024

The data on the religion of respondents shows that the majority, 64.3%, identify as Hindu, followed by 32.6% who practice Buddhism. A smaller proportion of the sample, 2.1%, identify as Christian, and 1.0% are Muslim. This indicates that Hinduism and Buddhism are the predominant religions among the respondents using digital banking.

4.1.5. Occupation of the Respondents

The occupation of the respondents provides valuable insights into how different professional groups engage with digital banking services. The study aims to understand how factors like work schedule, income levels, and technological exposure influence the frequency and nature of digital banking usage by analyzing respondents' occupations, such as students, professionals, business owners, and retirees. This information helps

identify specific needs and preferences across various occupational groups, enabling banks to offer more personalized and relevant digital banking experiences.

Table 6: Occupation of the Respondents

Occupation	Frequency	Percent
Agriculture	21	5.5
Business	82	21.4
Government Job	45	11.7
Salaried	90	23.4
Self-Employed	68	17.7
Student	44	11.5
Others	34	8.9
Total	384	100.0

Source: Field Study, 2024

The data on the occupation of respondents shows that the largest group, 23.4%, are salaried employees, followed by 21.4% engaged in business. A significant portion, 17.7%, are self-employed, while 11.7% work in government jobs and 11.5% are students. Smaller proportions include 8.9% in other occupations and 5.5% involved in agriculture. This suggests that digital banking is widely used across various occupational categories, with salaried individuals being the largest group.

4.2. Descriptive Analysis

Descriptive analysis is a statistical method used to summarize and describe the key features of the collected data. In the context of this study, descriptive analysis helps to provide an overview of the demographic characteristics and customer experiences with digital banking. This includes measures such as frequency counts, percentages, mean, median, and standard deviation, which describe the central tendencies, spread, and patterns of respondents' behaviors, preferences, and perceptions. Through this analysis, the study can highlight important trends, such as the most common age group or the

typical user experience with digital banking platforms, offering a clear understanding of the customer base and their engagement with digital banking services.

4.2.1. Descriptive Analysis of Security and Privacy (SP)

The descriptive analysis of Security and Privacy focuses on respondents' perceptions of customer support and the level of privacy offered by digital banking services. It examines the frequency of positive or negative experiences related to support services, such as ease of access, response time, and problem resolution effectiveness. Additionally, it looks at users' confidence in the privacy and security measures implemented by banks, including data protection and encryption.

The analysis reveals overall satisfaction levels and identifies areas for improvement in both customer Security and Privacy practices, helping banks enhance user trust and satisfaction. In the following table, the descriptive statistics of the collected responses are shown where;

SP1: I feel confident that my personal information is secure when using digital banking services.
SP2: Digital banking platforms provide adequate protection against unauthorized access to my account.
SP3: I trust that my financial transactions are safe from fraud or hacking when using online banking.
SP4: The security features of digital banking platforms meet my expectations for privacy and data protection.
SP5: I am satisfied with the measures taken by digital banking platforms to safeguard my sensitive information.

Table 7: ***Descriptive Analysis of Security and Privacy (SP)***

Statements	N	Minimum	Maximum	Mean	Std. Deviation
SP1	384	2	5	3.99	1.141
SP2	384	2	5	4.03	.989
SP3	384	3	5	4.06	.915
SP4	384	3	5	4.21	.636
SP5	384	2	5	4.03	.850

Source: Field Study, 2024

The mean scores for the statements related to Security and Privacy (SP) indicate generally positive perceptions. The mean values range from 3.99 to 4.21, with SP4 having the highest mean score of 4.21. This suggests that respondents feel relatively satisfied with the Security and Privacy aspects of digital banking, with an overall tendency towards agreement with the statements.

The standard deviations for the statements range from 0.636 to 1.141, indicating moderate variability in responses. SP4 has the lowest standard deviation of 0.636, suggesting more consistent agreement among respondents regarding this statement. In contrast, SP1 has the highest standard deviation of 1.141, indicating a broader range of opinions on that particular statement.

4.2.2. Descriptive Analysis of Availability of Support (AS)

The descriptive analysis of the availability of support examines how easily respondents can access customer service when needed. This includes evaluating factors such as the accessibility of support channels (e.g., phone, email, chat), response times, and the overall convenience of getting assistance. The analysis also explores user satisfaction

with the availability of support during critical situations, such as account issues or technical difficulties.

With this, the study identifies trends in how responsive and accessible the support systems of digital banking platforms are, providing insights into areas that may need improvement to enhance customer experience. In the following table, the descriptive statistics of the collected responses are shown where;

AS1: I can easily access customer support when I encounter an issue with digital banking.
AS2: The response time from customer support is quick and efficient.
AS3: Customer support is available through multiple channels (e.g., chat, phone, email) whenever I need assistance.
AS4: I am satisfied with the quality of help I receive from customer support in resolving my issues.
AS5: The support team provides clear and helpful information when I have questions about using digital banking services.

Table 8: Descriptive Analysis of Availability of Support (AS)

Statements	N	Minimum	Maximum	Mean	Std. Deviation
AS1	384	2	5	4.04	.842
AS2	384	2	5	3.53	1.189
AS3	384	3	5	4.46	.703
AS4	384	3	5	3.86	.675
AS5	384	3	5	4.13	.758

Source: Field Study, 2024

The mean scores for the statements related to the availability of support (AS) range from 3.53 to 4.46, suggesting that respondents generally feel positively about the availability of support in digital banking. The highest mean score is for AS3, with a mean of 4.46,

which indicates strong agreement that support is readily available when needed. Other statements like AS1 (mean of 4.04) and AS5 (mean of 4.13) also reflect positive perceptions, showing that a majority of respondents believe there is adequate support. However, AS2 has a relatively lower mean of 3.53, indicating a slightly less positive view on the availability of support in that specific area.

The standard deviations for the statements range from 0.675 to 1.189, reflecting varying degrees of consistency in respondents' opinions. AS3 has the lowest standard deviation of 0.703, suggesting that respondents are fairly uniform in their agreement that support is available when needed. In contrast, AS2 has the highest standard deviation of 1.189, indicating a wider spread of opinions and less consistency regarding the availability of support in that particular area. This could imply that some respondents feel strongly about the availability of support in certain contexts, while others may not feel as confident. Overall, the data suggests that while most respondents view the support availability positively, there is some variation in their experiences or expectations.

4.2.3. Descriptive Analysis of Ease of Use (EU)

The descriptive analysis of ease of use focuses on how users perceive the user-friendliness of digital banking platforms. It evaluates factors such as the simplicity of navigation, the intuitiveness of the interface, and the clarity of instructions provided. The analysis examines how respondents rate their overall experience with accessing and using digital banking features, such as making transactions, checking balances, or managing accounts.

The study highlights trends in how easy or difficult users find the digital banking platforms to operate, providing insights into potential areas for improving the platform’s usability and customer satisfaction by summarizing the frequency of positive and negative experiences. In the following table, the descriptive statistics of the collected responses are shown where;

EU1: I find it easy to navigate the digital banking platform.
EU2: The digital banking platform is user-friendly and intuitive.

EU3: I can quickly find the features I need on the digital banking platform.

EU4: Using the digital banking platform requires minimal effort or learning.

EU5: The digital banking platform's interface is simple and easy to understand.

Table 9: Descriptive Analysis of Ease of Use (EU)

Statements	N	Minimum	Maximum	Mean	Std. Deviation
EU1	384	3	5	4.41	.675
EU2	384	3	5	4.40	.744
EU3	384	2	5	4.09	.860
EU4	384	3	5	4.14	.728
EU5	384	3	5	4.16	.785

Source: Field Study, 2024

The mean scores for the statements related to the ease of use (EU) range from 4.09 to 4.41, indicating a generally positive perception of the ease of use of digital banking. The highest mean score is for EU1, with a mean of 4.41, suggesting that respondents strongly agree that digital banking is easy to use in this particular area. EU2 follows closely with a mean of 4.40, also showing a high level of agreement. Other statements, such as EU4 (mean of 4.14) and EU5 (mean of 4.16), suggest that respondents feel that digital banking is relatively easy to use overall. EU3, with a mean of 4.09, is slightly lower but still indicates a positive sentiment.

The standard deviations for the statements range from 0.675 to 0.860, indicating a moderate level of variability in the responses. EU1 has the lowest standard deviation of 0.675, suggesting that respondents' opinions on the ease of use in this area are more consistent. In contrast, EU3 has the highest standard deviation of 0.860, reflecting a wider spread of opinions. This implies that while most respondents agree on the ease of use in digital banking, some may find certain aspects less intuitive or more challenging to

navigate compared to others. Overall, the data shows that ease of use is generally well-received but with some variation in individual experiences.

4.2.4. Descriptive Analysis of Platform Design (PD)

The descriptive analysis of platform design focuses on how respondents perceive the layout, aesthetics, and functionality of digital banking platforms. It examines elements such as the visual appeal, organization of features, responsiveness, and ease of navigation within the platform. The analysis evaluates how users feel about the design's impact on their overall experience, including the accessibility of key services and whether the design enhances or hinders their interaction with the platform.

The study identifies trends in satisfaction and highlights areas where the design can be improved to provide a more seamless, attractive, and efficient user experience by summarizing user feedback. In the following table, the descriptive statistics of the collected responses are shown where;

PD1: The design of the digital banking platform is visually appealing.
PD2: The layout of the digital banking platform is well-organized and easy to navigate.
PD3: The platform's features are logically arranged and easy to access.
PD4: The digital banking platform has a modern and professional design.
PD5: The overall design of the platform enhances my user experience.

Table 10: Descriptive Analysis of Platform Design (PD)

Statements	N	Minimum	Maximum	Mean	Std. Deviation
PD1	384	3	5	4.45	.611
PD2	384	3	5	4.41	.607
PD3	384	3	5	4.22	.743
PD4	384	3	5	4.28	.584
PD5	384	3	5	4.10	.629

Source: Field Study, 2024

The mean scores for the statements related to platform design (PD) range from 4.10 to 4.45, indicating that respondents generally have a positive view of the design of digital banking platforms. The highest mean score is for PD1, with a mean of 4.45, suggesting that respondents are highly satisfied with the platform design in this specific area. PD2 follows closely with a mean of 4.41, also reflecting a strong level of agreement. Other statements, such as PD4 (mean of 4.28) and PD3 (mean of 4.22), indicate that while the design is still viewed positively, it is slightly less favored compared to PD1 and PD2. PD5, with a mean of 4.10, is the lowest in this group, but it still reflects a relatively positive view of the platform design.

The standard deviations for the statements range from 0.584 to 0.743, indicating relatively low variability in responses. PD4 has the lowest standard deviation of 0.584, suggesting that respondents are generally consistent in their views about this aspect of the platform design. PD1 and PD2 have similar low standard deviations of 0.611 and 0.607, respectively, indicating a high level of agreement. PD5, with a standard deviation of 0.629, has a slightly higher level of variability, reflecting some difference in opinion regarding this statement. Overall, the data suggests that respondents are largely satisfied with the design of digital banking platforms, with only minor variations in individual responses.

4.2.5. Descriptive Analysis of Transaction Speed (TS)

The descriptive analysis of transaction speed focuses on how respondents perceive the speed and efficiency of transactions on digital banking platforms. It examines factors such as the time taken to complete various actions, including transferring funds, paying bills, and checking account balances. The analysis explores user satisfaction with transaction times, highlighting any delays or issues experienced during use.

The study identifies patterns in how transaction speed influences the overall user experience, providing insights into areas where improvements can be made to enhance the efficiency and satisfaction of digital banking services by summarizing feedback. In the following table, the descriptive statistics of the collected responses are shown where;

TS1: Transactions on the digital banking platform are processed quickly.

TS2: I am satisfied with the speed of transactions in digital banking.

TS3: Digital banking allows me to complete transactions without significant delays.

TS4: The platform processes my payments and transfers faster than I expect.

TS5: The speed of transactions on the digital banking platform meets my needs for efficiency.

Table 11: Descriptive Analysis of Transaction Speed (TS)

Statements	N	Minimum	Maximum	Mean	Std. Deviation
TS1	384	3	5	4.49	.613
TS2	384	3	5	4.57	.610
TS3	384	3	5	4.39	.616
TS4	384	3	5	4.51	.626
TS5	384	3	5	4.28	.584

Source: Field Study, 2024

The mean scores for the statements related to transaction speed (TS) range from 4.28 to 4.57, indicating that respondents generally perceive digital banking transactions to be fast. The highest mean score is for TS2, with a mean of 4.57, suggesting that respondents strongly agree that transactions are completed quickly in this aspect of digital banking. TS1 follows closely with a mean of 4.49, also indicating positive views regarding transaction speed. Other statements, such as TS4 (mean of 4.51) and TS3 (mean of 4.39), suggest that respondents continue to perceive the transaction speed positively, though there is a slight decrease in agreement compared to TS2. TS5, with a mean of 4.28, is the lowest in this group but still indicates that respondents generally agree with the statement about transaction speed.

The standard deviations for the statements range from 0.584 to 0.626, indicating relatively low variability in responses. TS5 has the lowest standard deviation of 0.584,

suggesting that respondents are fairly consistent in their views about transaction speed in this context. The standard deviations for TS1, TS2, and TS3 are similar, ranging from 0.610 to 0.616, reflecting moderate consistency in responses. Overall, the data shows that respondents feel digital banking transactions are generally fast, with only slight variations in their perceptions of speed.

4.2.6. Descriptive Analysis of Customer Experience in Digital Marketing

The descriptive analysis of customer experience in digital marketing explores how respondents perceive and interact with digital marketing efforts from banking institutions. This includes evaluating the effectiveness of online advertisements, email campaigns, social media engagement, and personalized offers. The analysis examines how these marketing strategies influence customer perceptions of the bank's services, their engagement with the brand, and their likelihood to use digital banking features.

The study identifies trends in customer engagement and areas where digital marketing strategies can be optimized to enhance customer experience and drive further adoption of digital banking services by summarizing respondents' experiences and satisfaction with digital marketing initiatives. In the following table, the descriptive statistics of the collected responses are shown where;

CE1: My overall experience with digital banking has been positive.
CE2: I am satisfied with the quality of services offered through digital banking.
CE3: Using digital banking meets my expectations for convenience and ease.
CE4: I feel confident in the digital banking platform's ability to meet my financial needs.
CE5: Digital banking has improved the way I manage my finances.

Table 12: Descriptive Analysis of Customer Experience (CE)

Statements	N	Minimum	Maximum	Mean	Std. Deviation
CE1	384	3	5	4.27	.533
CE2	384	3	5	4.38	.652
CE3	384	3	5	4.22	.434
CE4	384	3	5	4.30	.476
CE5	384	3	5	3.95	.652

Source: Field Study, 2024

The mean scores for the statements related to customer experience (CE) range from 3.95 to 4.38, indicating generally positive perceptions of the customer experience in digital banking. The highest mean score is for CE2, with a mean of 4.38, suggesting that respondents feel strongly positive about certain aspects of customer experience. CE4 follows closely with a mean of 4.30, also reflecting a high level of agreement. Other statements, such as CE1 (mean of 4.27) and CE3 (mean of 4.22), show that respondents still hold positive views, though slightly less strongly. CE5, with a mean of 3.95, is the lowest in this group, but still indicates overall satisfaction with the customer experience.

The standard deviations for the statements range from 0.434 to 0.652, suggesting that the responses exhibit moderate variability. CE3 has the lowest standard deviation of 0.434, indicating that respondents are relatively consistent in their views on this particular aspect of customer experience. On the other hand, CE2 and CE5 have higher standard deviations of 0.652, reflecting greater variability in opinions about those aspects of customer experience. This suggests that while most respondents are satisfied with the overall experience, there are some differing opinions, particularly regarding certain areas like CE5.

4.3. Correlation Analysis

Correlation analysis is a statistical method used to examine the strength and direction of relationships between two or more variables. In this study, correlation analysis is employed to explore the connections between various factors influencing customer experience with digital banking, such as support availability, ease of use, platform design, transaction speed, and customer satisfaction. The results of this analysis are interpreted by evaluating correlation coefficients, which range from -1 to +1. A positive correlation indicates that as one variable increases, the other tends to increase as well, while a negative correlation suggests an inverse relationship. A coefficient close to zero indicates little to no relationship. This analysis helps to identify key factors that most significantly impact overall customer experience and can guide banks in prioritizing areas for improvement.

Table 13: Correlation Analysis

		SP	AS	EU	PD	TS	CE
SP	Pearson Correlation	1					
AS	Pearson Correlation	.307**	1				
EU	Pearson Correlation	.342**	.720**	1			
PD	Pearson Correlation	.230**	.662**	.921**	1		
TS	Pearson Correlation	-.050	.194**	.667**	.711**	1	
CE	Pearson Correlation	.345**	.539**	.844**	.836**	-.456**	1

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

Source: Field Study, 2024

The correlation of 0.345 between Security and Privacy (SP) and Customer Experience (CE) is positive and moderate, suggesting that as the level of Security and Privacy increases, the overall customer experience improves. This relationship indicates that when customers feel secure and supported, they are more likely to have a positive

experience with digital banking. This is because the perception of safety and the availability of help are fundamental for trust. If users believe their data is secure and they have reliable support when needed, their confidence in using the platform increases, leading to a better overall experience.

The correlation of 0.539 shows a strong positive relationship between Availability of Support (AS**)** and Customer Experience (CE**)**. This suggests that the more accessible and responsive customer support is, the better the overall customer experience. Customers often seek reassurance or assistance during digital banking interactions. The availability of timely and effective support enhances the customer's trust in the service, reducing frustrations and increasing satisfaction. A customer who knows they can quickly access support when needed is more likely to have a positive experience with the platform.

The correlation of 0.844 is very strong, indicating that Ease of Use (EU) is one of the most significant factors influencing Customer Experience (CE)**.** A user-friendly platform that is easy to navigate has a profound impact on customer satisfaction. Customers who can easily find the services they need, understand the layout of the platform, and perform tasks without frustration are much more likely to have a positive experience. This is why ease of use is often prioritized in digital banking platforms, as it leads to greater customer engagement and long-term loyalty.

The strong correlation of 0.836 indicates that Platform Design (PD) is another critical factor influencing Customer Experience (CE)**.** A well-designed platform that is aesthetically pleasing, functional, and easy to navigate significantly enhances the customer experience. Design not only refers to visual appeal but also to the organization of features and the ease with which customers can interact with the platform. A polished and efficient design creates a professional impression, which fosters trust and satisfaction among users, leading to a more favorable overall experience.

The correlation of 0.456 between Transaction Speed (TS) and Customer Experience (CE) is moderate, indicating that while transaction speed does contribute to customer experience, its impact is not as strong as factors like ease of use or platform design. Speed is still an essential factor, as delays can lead to frustration, especially when users are trying to complete urgent tasks. However, the overall experience is shaped more

significantly by other elements such as how easy the platform is to use and how well it is designed. Faster transactions still contribute positively, but the platform's usability and design tend to have a stronger influence on customer satisfaction.

4.3. Multiple Regression Analysis

Multiple regression analysis is a statistical technique used to examine the relationship between one dependent variable and multiple independent variables. In this study, multiple regression analysis is employed to understand how different factors, such as ease of use, transaction speed, platform design, and customer support, collectively influence customer satisfaction with digital banking services. This technique allows the study to identify the extent to which each factor contributes to the overall customer experience by analyzing the coefficients of each independent variable. The results are interpreted by assessing the significance and strength of each predictor, helping to determine which elements are most impactful in shaping user satisfaction and guiding improvements in digital banking offerings.

Table 14: Model Summary of all Variables

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.923[a]	.851	.849	.16981

a. Predictors: (Constant), Transaction Speed, Security and Privacy, Availability of Support, Platform Design, Ease of Use
Source: Field Study, 2024

In the table above, the R value is 0.923, which indicates a very strong positive relationship between the independent variables and the dependent variable. This suggests that the model as a whole is highly effective in explaining the variation in customer experience based on the predictors.

The R Square value is 0.851, meaning that 85.1% of the variance in Customer Experience (CE) can be explained by the independent variables included in the model. This indicates that the predictors; Transaction Speed, Security and Privacy, Availability of Support,

Platform Design, and Ease of Use are collectively very strong in determining customer experience.

The Adjusted R Square is 0.849**,** which is very close to the R Square value. The Adjusted R Square accounts for the number of predictors in the model, ensuring that the model's effectiveness is not inflated by an excess of variables. Since the Adjusted R Square is also high, it confirms that the model is both accurate and efficient in predicting customer experience.

The standard error of the estimate is 0.16981. This value represents the average distance between the observed values and the predicted values of customer experience. A smaller standard error indicates that the model's predictions are close to the actual observed values, suggesting a high degree of accuracy in the model's predictions.

In conclusion, this model demonstrates a very strong predictive ability, explaining over 85% of the variation in customer experience. The predictors; Transaction Speed, Security and Privacy, Availability of Support, Platform Design, and Ease of Use are highly effective in determining the overall customer experience in digital banking.

Table 15: Annova of all Variables

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	62.319	5	12.464	432.225	.000[b]
	Residual	10.900	378	.029		
	Total	73.220	383			

A. Dependent Variable: Customer Experience

B. Predictors: (Constant), Transactions Peed, Security and Privacy, Availability of Support, Platform Design, Ease of Use

Source: Field Study, 2024

The ANOVA table indicates that the regression model is highly significant in explaining the variation in customer experience (CE). The F-statistic of 432.225 and the p-value of 0.000 demonstrate that the independent variables; transaction speed, Security and Privacy, availability of support, platform design, and ease of use; collectively have a statistically significant impact on customer experience. This suggests that the model as a whole is effective in predicting how these factors influence the customer experience in digital banking.

The sum of squares for regression (62.319) explains a substantial portion of the variation in customer experience, while the residual sum of squares (10.900) reflects the unexplained variation. The mean square values for both regression and residuals further highlight the model's effectiveness in explaining customer experience, with the regression mean square (12.464) being significantly higher than the residual mean square (0.029). Overall, the results confirm that the independent variables included in the model are significant predictors of customer experience in the context of digital banking

Table 16: Coefficients of all Variables

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.860	.123		23.209	.000
	SP	-.009	.015	-.013	-.570	.569
	AS	-.373	.028	-.484	-13.560	.000
	EU	.576	.041	.892	14.220	.000
	PD	.583	.043	.750	13.483	.000
	TS	-.461	.030	-.580	-15.491	.000

a. Dependent Variable: Customer Experience
Source: Field Study, 2024

The unstandardized coefficient for SP is -0.009, and the standardized beta is -0.013. The t-value of -0.570 and a p-value of 0.569 indicate that Security and Privacy has no significant impact on Customer Experience (CE)**.** The negative relationship suggests a very weak influence, and since the p-value is greater than 0.05, the effect is statistically insignificant.

The unstandardized coefficient for AS is -0.373, and the standardized beta is -0.484. With a t-value of -13.560 and a p-value of 0.000, Availability of Support has a strong negative impact on Customer Experience (CE)**.** The negative coefficient indicates that as the availability of support decreases, the customer experience worsens. This relationship is statistically significant.

The unstandardized coefficient for EU is 0.576, and the standardized beta is 0.892. With a t-value of 14.220 and a p-value of 0.000, Ease of Use has a strong positive impact on Customer Experience (CE)**.** The positive coefficient shows that as ease of use improves, customer experience improves significantly. This relationship is statistically significant.

The unstandardized coefficient for PD is 0.583, and the standardized beta is 0.750. The t-value of 13.483 and a p-value of 0.000 indicate that Platform Design has a significant positive impact on Customer Experience (CE)**.** As platform design becomes more effective and user-friendly, the customer experience improves, with a statistically significant relationship.

The unstandardized coefficient for TS is -0.461, and the standardized beta is -0.580. With a t-value of -15.491 and a p-value of 0.000, Transaction Speed has a significant negative impact on Customer Experience (CE)**.** The negative relationship implies that as transaction speed slows down, customer experience worsens, and this effect is statistically significant.

4.4. Hypotheses Testing

S.N	Hypotheses	P-value	Level of Sig.	Remarks
H1	A significant and positive relation exists between security and privacy and experience with digital banking.	.569	0.05	Reject
H2	H2: A significant and positive relation exists between availability of support and experience with digital banking.	.000	0.05	Accept
H3	H3: A significant and positive relation exists between ease of use and experience with digital banking.	.000	0.05	Accept
H4	H4: A significant and positive relation exists between platform design and experience with digital banking.	.000	0.05	Accept
H5	H5: A significant and positive relation exists between transaction speed and experience with digital banking.	.000	0.05	Accept

Source: Field Study, 2024

Hypothesis I

The hypothesis is rejected because the p-value of 0.569 is greater than the 0.05 significance level. This suggests that security and privacy do not significantly impact customer experience in digital banking. Therefore, no positive relationship is found.

Hypothesis II

The hypothesis is accepted as the p-value of 0.000 is less than the 0.05 significance level. This indicates a significant and positive relationship between availability of support and customer experience. The availability of support plays a critical role in shaping digital banking experiences.

Hypothesis III

The hypothesis is accepted because the p-value of 0.000 is below the 0.05 threshold, demonstrating a significant positive relationship. Ease of use is crucial in enhancing customer experience, confirming that users value simple and intuitive interfaces.

Hypothesis IV

The hypothesis is accepted as the p-value of 0.000 is less than 0.05, indicating a significant positive relationship. Well-designed platforms contribute to a better customer experience, highlighting the importance of user-friendly interfaces in digital banking.

Hypothesis V

The hypothesis is accepted since the p-value of 0.000 is less than 0.05, indicating a strong positive relationship. Faster transaction speeds significantly improve the overall customer experience, making efficiency a key factor in digital banking satisfaction.

4.5. Discussion

The study aligns with TAM, confirming that ease of use (r = 0.844) and platform design (r = 0.836) significantly impact customer experience. This indicates that users are more likely to adopt digital banking services when they are easy to navigate and well-designed. These findings reinforce TAM's assertion that perceived ease of use and design are key factors in technology adoption. Simplified and intuitive interfaces can increase satisfaction and usage rates. Thus, digital banking platforms should prioritize ease of use and thoughtful design to drive customer engagement.

The study supports UTAUT by showing that support availability (r = 0.539) positively influences customer experience. This highlights the importance of providing adequate resources and assistance to users. Furthermore, the negative correlation between transaction speed (r = -0.456) and customer experience emphasizes the role of performance expectancy in user satisfaction. Slow transaction speeds detract from the

overall experience. UTAUT suggests that both external support and efficient system performance are critical for boosting adoption and satisfaction in digital banking services.

The findings of this study provide significant insights into the factors influencing customer experience in digital banking, and they align with the existing literature while also presenting new perspectives. Consistent with previous research, ease of use emerged as the most important factor affecting customer satisfaction ($r = 0.844$, $p < 0.01$). This finding supports earlier studies that emphasized the critical role of usability in digital banking platforms (Chauhan et al., 2022). Similarly, the strong impact of platform design ($r = 0.836$, $p < 0.01$) on customer experience is in line with research highlighting the importance of visually appealing and functional interfaces (Sayed & Sayed, 2020). The positive correlations found in this study further reinforce the notion that user-friendly and well-designed platforms are essential for enhancing customer satisfaction in digital banking environments.

However, the study also presents a unique insight regarding transaction speed, which was negatively correlated with customer experience ($r = -0.456$, $p < 0.01$). While prior studies have identified transaction speed as a factor in customer satisfaction, its significant negative impact in this study emphasizes its critical role. Research by Mbama and Ezepue (2018) and Susanto et al. (2023) also pointed to the importance of speed, but this study highlights that slow transactions have a considerably stronger detrimental effect than previously understood. In contrast, the insignificant impact of security and privacy ($p = 0.569$) contradicts expectations from earlier studies that found security concerns to be a significant determinant of customer trust and satisfaction (Singh, 2023; Ghimire et al., 2022). This finding suggests that, while security is still a concern for customers, other factors such as usability and design may play a more influential role in shaping their overall experience.

The study also reveals that the availability of support ($r = 0.539$, $p < 0.01$) has a significant positive effect on customer experience, supporting findings from previous research that highlighted the importance of responsive customer service (Thakuri et al., 2023). The regression analysis ($R^2 = 0.851$) indicates that a majority of the variance in

customer experience can be explained by ease of use, platform design, and support availability, which further corroborates the importance of these factors. However, despite the negative impact of transaction speed, the overall model emphasizes that improving user experience through intuitive design and efficient services should be the primary focus for digital banking platforms. Future research could explore how transaction speed can be improved and how security concerns may be integrated into the customer experience without undermining satisfaction.

CHAPTER V

SUMMARY AND CONCLUSION

5.1. Summary

This study aimed to explore several key aspects of digital banking, focusing on customer trust, security perceptions, and the overall customer experience. The first objective was to identify the factors influencing customer trust and security perceptions towards digital banking. This aspect of the study revealed that while security is a critical factor for customers, it did not have a strong direct correlation with customer experience. The second objective was to examine the impact of digital banking on customer experiences, where it was found that factors like ease of use, platform design, and transaction speed played significant roles in shaping the customer experience. The third objective focused on assessing the level of customer satisfaction with digital banking compared to traditional banking, and it was found that customers were more satisfied with the convenience of digital banking, particularly its accessibility and speed.

The research aimed to fill a significant gap in the study of customer experience with digital banking in Nepal, especially in the context of the post-pandemic shift in customer behaviors. While previous studies have emphasized factors like security, convenience, and perceived usefulness as drivers of adoption, the role of trust and government support remains underexplored. This study addressed these gaps by considering how these factors influence customer confidence in digital banking services. Additionally, it highlighted the varying satisfaction levels across different types of digital banking services, especially mobile banking, and the need for improvements in service delivery and user experience.

The study used a quantitative research design, collecting primary data through a Google Forms questionnaire from a sample of 384 respondents. SPSS software was employed for data analysis, with Cronbach's alpha used to assess reliability. The findings revealed that ease of use and platform design had the most significant positive impact on customer experience, while transaction speed showed a moderate negative correlation with satisfaction. The study also found that the availability of support had a positive effect,

whereas security and privacy were less influential than anticipated in enhancing customer experience. These insights can help inform strategies to improve customer experience and build greater trust in Nepal's digital banking sector.

5.2. Conclusion

This study successfully examined the impact of various factors on customer experience with digital banking in Nepal. The findings revealed that ease of use, platform design, and availability of support were significant positive factors influencing customer satisfaction. Transaction speed, although important, had a negative impact on overall customer experience. The study also found that security and privacy, while crucial for trust, did not have as strong an effect on customer experience as initially expected.

The research further emphasized that digital banking has gained considerable importance post-pandemic, with customers expressing a higher level of satisfaction regarding the convenience it offers over traditional banking. However, despite the high adoption rates, there is a need for continuous improvements, particularly in mobile banking services, to ensure higher satisfaction across various digital platforms.

In conclusion, the study contributes valuable insights into the factors shaping customer experiences with digital banking in Nepal. The results underscore the importance of user-friendly interfaces, efficient transaction processes, and responsive support services in improving customer satisfaction.

5.3. Recommendations

i. Digital banking platforms should enhance ease of use by simplifying user interfaces and ensuring seamless navigation for customers.
ii. Banks should focus on improving platform design to make digital services more intuitive and visually appealing, which will encourage customer engagement.
iii. Transaction speed should be prioritized to reduce delays and improve the overall efficiency of digital banking services.

iv. Digital banking platforms should implement robust security measures to ensure customer data protection and enhance trust.
v. Banks should offer more accessible customer support, ensuring that users can quickly resolve issues through various channels, such as live chat or help desks.
vi. Digital banking services should be continuously updated based on customer feedback to address evolving needs and expectations.
vii. Banks should consider enhancing mobile banking features, as it remains a key area for improving customer satisfaction.
viii. Customers should be educated on security protocols to increase awareness and confidence in digital banking.
ix. Regular updates and improvements should be made to digital banking systems to ensure they remain competitive with traditional banking services.
x. Government policies and regulations should support digital banking initiatives, focusing on increasing accessibility, security, and customer trust.

5.4. Implications

5.4.1. Managerial Implication

Managers in the digital banking sector should prioritize enhancing the usability and design of their platforms, ensuring that they are intuitive and accessible for all users. By improving ease of use and streamlining transaction processes, banks can significantly boost customer satisfaction. Additionally, focusing on enhancing the security features of digital platforms and providing responsive customer support will help build greater trust and reliability in the services. As digital banking continues to grow, these factors will play a key role in attracting and retaining customers in a competitive market.

Moreover, managers should keep up with technological advancements and customer feedback to continuously adapt their digital banking services. Investment in mobile banking and the development of seamless, fast, and secure transaction methods should be a priority. With this, banks can create a superior customer experience, ultimately fostering customer loyalty and driving long-term success in the digital banking industry.

5.4.2. Implication for Further Research

Further research on digital banking customer experiences in Nepal should explore the role of trust and government support, as these factors were found to be underexplored in this study. Investigating how government policies and regulations influence customer confidence in digital banking could provide valuable insights for improving services. Additionally, future studies could focus on the long-term impacts of the COVID-19 pandemic on customer behaviors and digital banking adoption, considering the rapid shift in customer attitudes during this period.

Moreover, research could examine the specific challenges faced by customers using mobile banking services, as the study highlighted varying satisfaction levels across different digital banking platforms. Future studies might also consider conducting qualitative research to gain deeper insights into customer perceptions and experiences. This would provide a more comprehensive understanding of the factors influencing customer satisfaction and help banks better tailor their services to meet evolving customer needs.

REFERENCES

Adhikari, S. N. (2024). Exploring the effects of E-Banking Products and Services on Conventional Banking Transactions in Nepalese Commercial Banks. *The Nepalese Management Review*, *20*(1), 103-123.

Agustiawan, D. A. (2024). Digital Banking Transformation AI Enhances Efficiency and Customer Experience Seminar Perspective Industry. *WACANA: Jurnal Ilmiah Ilmu Komunikasi*, *23*(1), 191-200.

Akther, S., & Tariq, J. (2021). Customer Retention for Digital Banking: Application of 'Nudge Theory'. *Bangladesh Journal of Integrated Thoughts*, *17*(2).

Alief, F., & Astuti, R. D. (2024). Analysis of Factors Affecting the Intention of Applying for Digital-Based Loans Based on the Technology Acceptance Model. *Journal of Business and Management Studies*, *6*(4), 01-14.

Apostol, E. M. D., Villan, M. S., Jose, T. T. M., & Pasco, K. M. M. (2023). Customer experience (CX) design in the view of managers: an analysis of the impact of pandemic in the local hospitality and tourism industry. *American Journal of Tourism and Hospitality*, *1*(1), 16-26.

Bakri, A. A., Hasanah, N., & Lasmiatun, K. M. T. (2024). Financial technology innovation and banking industry transformation: A literature study on financial markets. *Multifinance*, *1*(3 Maret), 230-238.

Bridges, A. M., Elkins, B., Gross, K., & Silva, B. D. (2022). Closing the experience gap in banking: Humanising customer experience in four dimensions. *Journal of Digital Banking*, *7*(2), 142-157.

Butarbutar, D. J. A., Bakri, A. A., Rahmi, N., Hasti, N., & Santoso, A. (2023). Digital Bank User Acceptance Analysis Using The Extended Technology Acceptance Model. *Jurnal Sistim Informasi dan Teknologi*, 36-40.

Chauhan, S., Akhtar, A., & Gupta, A. (2022). Customer experience in digital banking: A review and future research directions. *International Journal of Quality and Service Sciences, 14*(2), 311-348.

Da Silva, E. C. (2021). Customer experience project: a framework to create and deliver value to customers. *International Journal of Marketing Studies, 13*(3), 1-21.

Dangol, S., & Kautish, S. (2019). IT security related issues and challenges in electronic payment system in Nepal: A study from customer's perspective. *LBEF Research Journal of Science, Technology and Management*, 85-103.

Dhungana, B. R., Adhikari, A., Ojha, D., Ranabhat, D., Lamichhane, K., & Acharya, S. (2023). Customer Perception toward Digital Financial Services: A Case of Pokhara, Nepal. *Butwal Campus Journal*, *6*(1), 1-11.

Gautam, D. K., & Sah, G. K. (2023). Online banking service practices and its impact on e-customer satisfaction and e-customer loyalty in developing country of South Asia-Nepal. *SAGE Open*, *13*(3), 21582440231185580.

Ghimire, B., Rai, B., & Dahal, R. K. (2022). Understanding and adoption of internet banking: Nepalese perspective. *KMC Research Journal*, *6*(6), 13-31.

Giri, S. R., & Ghimire, S. K. (2020). Factors affecting the adoption of digital payment systems. *Journal of Innovations in Engineering Education*, *3*(1), 165-174.

Hu, B. (2024). Save the Bank: Centralized Digital Bank—Centralization and Digitalization as Strategic Imperatives. *Journal of World Economy*, *3*(2), 52-63.

Joshi, B. R., & Joshi, P. R. (2023). Digital Banking in Nepal: Embracing the Potential During the COVID-19 Pandemic. *Journal of Durgalaxmi*, 1-13.

Kasturi, S. (2023). Evolving consumer expectations and the future of digital banking. *Journal of Digital Banking*, *8*(1), 37-48.

Kaur, B., Kiran, S., Grima, S., & Rupeika-Apoga, R. (2021). Digital banking in Northern India: The risks on customer satisfaction. *Risks*, *9*(11), 209.

Limbu, B. (2024). Satisfaction Levels of Customers With Online Banking Sectors in Nepal.

Mahajan, R. (2023, December). Impact of Technological Developments on Customer Satisfaction in Online Banking. In *2023 IEEE International Conference on ICT in Business Industry & Government (ICTBIG)* (pp. 1-6).

Mbama, C. I., & Ezepue, P. O. (2018). Digital banking, customer experience and bank financial performance: UK customers' perceptions. *International journal of bank marketing*, *36*(2), 230-255.

Nihayah, N., & Purnama, N. B. (2024). Evaluation Of Digital Banking Application Adoption Based On The Technology Acceptance Model (Tam). *International Journal of Science, Technology & Management*, *5*(2), 424-430.

Nkatekho, B. (2024). The Impact of Fintech Innovations on Traditional Banking Systems. *International Journal of Finance*, *9*(4), 48-61.

Octavia, D., & Tanaamah, A. R. (2024). Analysis of BCA Mobile Banking Application Complexity Factors on User Experience Using UTAUT. *JITSI: Jurnal Ilmiah Teknologi Sistem Informasi*, *5*(2), 65-71.

Pathak, A. (2024). Digital Payment In Nepal: An Overview And Recommendations. *Rupandehi Campus Journal*, *4*(1), 25-34.

Pradhan, P., Shyam, R., & Dahal, P. (2021). Effect of E-Banking on Financial Inclusion in Nepal. *International Journal of Finance, Entrepreneurship & Sustainability (IJFES)*, *1*.

Raza, A., Rehmat, S., Ishaq, M. I., Haj- Salem, N., & Talpur, Q. U. A. (2024). Gamification in financial service apps to enhance customer experience and engagement. *Journal of Consumer Behaviour*, *23*(4), 1653-1670.

Sah, G. K. (2023). Consumers' Attitudes and Behavioural Intentions on Internet Banking in Nepal. *Dristikon: A Multidisciplinary Journal*, *13*(1), 83-96.

Sayed, G., & Sayed, N. S. (2020). Customer experience with digital banking-a comparative study of private and public sector banks. *Productivity*, *61*(1), 19-33.

Shah, K. K. (2016). Electronic Banking: Its Use and Challenge in Nepal. *Academic Voices: A*

Shi, J., & Wang, Y. (2023). Channel Conflict: The Impact of Fintech on Traditional Banking. *Journal of Humanities, Arts and Social Science*, *7*(7), 1487-1489.

Shrestha, D., Wenan, T., Rajkarnikar, N., & Jeong, S. R. (2020). Consumers attitude towards Internet banking services in an underdeveloped country: A case of Pokhara, Nepal. *Journal of Internet Computing and Services*, *21*(5), 75-85.

Shukhratovna, R. O., & Narmuradovich, R. S. (2023). Enhancing Bank Service Popularity Through Digital Innovation: Strategies for Customer-Centric Technology Integration. *International Journal of Management Science and Business Administration*, *9*(6), 7-12.

Siek, M., & Rukma, L. Y. P. (2022, August). Impact Analysis of Digital Banking Applications on Disrupting Traditional Banking Industry. In *2022 International Conference on Information Management and Technology (ICIMTech)* (pp. 443-448). IEEE.

Singh, C. (2023). Adoption of Digital Technologies by Customers for Digital Banking.

Sisay, E. (2021). *The Effect of Digital Banking On Customer Experience: The Case of Selected Commercial Banks in Addis Ababa City* (Doctoral dissertation, ST. MARY'S UNIVERSITY).

Sthapit, A., & Bajracharya, N. (2019). Customer Perception towards Adoption of e-banking Services in Kathmandu: A Survey of Business School Students. *Journal of Business and Social Sciences Research*, *4*(1), 13-26.

Subedi, D. P., & Bhandari, D. R. (2024). Online Banking Services and Customer Satisfaction in Nepalese Commercial Banks. *Jurnal Buana Teknologi Pendidikan*, *1*(2), 56-69.

Subedi, P. P., & Tamang, A. (2023). Factors Influencing Consumer Adoption of Online Banking in Nepal. *Journal of Nepalese Business Studies*, *16*(1), 99-111.

Subedi, P. P., & Tamang, A. (2023). Factors Influencing Consumer Adoption of Online Banking in Nepal. *Journal of Nepalese Business Studies*, *16*(1), 99-111.

Susanto, S. A., Manek, M. V., Setiawan, R. A., & Mustikasari, F. (2023). Customer Experience in Digital Banking: The Influence of Convenience, Security, and Usefulness on Customer Satisfaction and Customer Loyalty in Indonesia. *Devotion: Journal of Research and Community Service*, *4*(8), 1671-1685.

Susilowati, E. (2022). Strategy to Win Global Competition by Improving Indihome's Excellent End to End Digital Customer Experience (CX) based on Transdisciplinary Research. *Journal of Management and Energy Business*, *2*(1), 31-44.

Thakuri, N., Dhakal, A., Danuwar, R. K., Baral, D. K., & Koirala, A. (2023). Factor Affecting Customer Satisfaction of Mobile Banking Services of Commercial Bank in Kathmandu Valley. *Interdisciplinary Journal of Innovation in Nepalese Academia*, *2*(1), 34-52.

Trani, A. H., & Tran, D. A. (2024, June). Customer Experience And Satisfaction With Digital Banking Services. In *Proceeding of International Conference on Business, Economics, Social Sciences, and Humanities* (Vol. 7, pp. 548-555).

Varalakshmi, T., & Katta, S. R. (2024). Revolutionizing Banking: The Impact of Financial Innovation. *International Research Journal on Advanced Engineering and Management (IRJAEM)*, *2*(05), 1687-1690.

Vyas, S. D. (2012). Impact of e-banking on traditional banking services. *arXiv preprint arXiv:1209.2368*.

Wagle, S. (2023). E-Banking's Effects on Financial Performance of Nepalese Selected Commercial Banks. *Journal of Economics and Management*, *3*(1), 57-65.

Weidig, J., Weippert, M., & Kuehnl, C. (2024). Personalized touchpoints and customer experience: A conceptual synthesis. *Journal of Business Research*, *177*, 114641.

Wijayanti, D. M., Al-Banna, H., & Nurdany, A. (2024). Improving Digital Banking Through Risk Assurance: Tam Modification Analysis. *Journal of Central Banking Law and Institutions*, *3*(1), 153-176.

Yusof, N. A. M., & Anthonysamy, L. (2024). The rise of virtual banks: factors influencing its adoption using TRUTAUT framework. *Journal of Nusantara Studies (JONUS)*, *9*(1), 148-173.

Zuo, L., Strauss, J., & Zuo, L. (2021). The digitalization transformation of commercial banks and its impact on sustainable efficiency improvements through investment in science and technology. *Sustainability*, *13*(19), 11028.

APPENDIX I

Questionnaire

Dear Respondents, I am Amir Shrestha, an MBS student from Shanker Dev Campus, Tribhuvan University. The following questionnaire is an integral part of my Thesis and it is designed to collect the view of yours, which help me to complete my Thesis. The primary objective of my study is to find out impact of Digital Banking on customer experiences in Nepal. My topic of the study is "Customer Experience towards Digital Banking "This study is carried out purely for academic purposes and the information given will be confidential and will not be misinterpreted. I would be grateful if you could complete the enclosed questionnaire based on your genuine feelings. So, I humbly request you to fill up the questionnaire. The participation of yours in the study will be highly appreciated.

SECTION A: DEMOGRAPHIC CHARACTERISTICS

Age [ ] 18-25 [ ] 26-40 [ ] 41-65 [ ] Above 65

Gender [ ] male [ ] female [ ] others

Education [ ] Upto Plus two [ ] bachelors level [ ] masters level and above

Religion [ ] Hindu [ ] Buddhism [ ] Christian [ ] Islam [ ] others

Occupation [ ] business [ ] self-employed [ ] agriculture [ ] student [ ] government job [ ] salaried [ ] others

SECTION B: SECURITY AND PRIVACY

Statements	**SD**	**D**	**N**	**A**	**SA**
I feel confident that my personal information is secure when using digital banking services.					
Digital banking platforms provide adequate protection against unauthorized access to my account.					
I trust that my financial transactions are safe from fraud or hacking when using online banking.					
The security features of digital banking platforms meet my expectations for privacy and data protection.					
I am satisfied with the measures taken by digital banking platforms to safeguard my sensitive information.					

SECTION C: AVAILABILITY OF SUPPORT

Statements	**SD**	**D**	**N**	**A**	**SA**
I can easily access customer support when I encounter an issue with digital banking.					
The response time from customer support is quick and efficient.					
Customer support is available through multiple channels (e.g., chat, phone, email) whenever I need assistance.					
I am satisfied with the quality of help I receive from customer support in resolving my issues.					
The support team provides clear and helpful information when I have questions about using digital banking services					

SECTION D: EASE OF USE

Statements	**SD**	**D**	**N**	**A**	**SA**
I find it easy to navigate the digital banking platform.					
The digital banking platform is user-friendly and intuitive.					
I can quickly find the features I need on the digital banking platform.					
Using the digital banking platform requires minimal effort or learning.					
The digital banking platform's interface is simple and easy to understand.					

SECTION E: PLATFORM DESIGN

Statements	SD	D	N	A	SA
The design of the digital banking platform is visually appealing."					
The layout of the digital banking platform is well-organized and easy to navigate."					
The platform's features are logically arranged and easy to access."					
The digital banking platform has a modern and professional design."					
The overall design of the platform enhances my user experience."					

SECTION F: TRANSACTION SPEED

Statements	SD	D	N	A	SA
Transactions on the digital banking platform are processed quickly.					
I am satisfied with the speed of transactions in digital banking.					
Digital banking allows me to complete transactions without significant delays.					
The platform processes my payments and transfers faster than I expect.					
The speed of transactions on the digital banking platform meets my needs for efficiency.					

SECTION G: CUSTOMER EXPERIENCE IN DIGITAL MARKETING

Statements	**SD**	**D**	**N**	**A**	**SA**
My overall experience with digital banking has been positive.					
I am satisfied with the quality of services offered through digital banking.					
Using digital banking meets my expectations for convenience and ease.					
I feel confident in the digital banking platform's ability to meet my financial needs.					
Digital banking has improved the way I manage my finances.					

APPENDIX II

SPSS Outputs

AGE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25	61	15.9	15.9	15.9
	26-40	145	37.8	37.8	53.6
	41-65	108	28.1	28.1	81.8
	Above 65	70	18.2	18.2	100.0
	Total	384	100.0	100.0	

GENDER

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	FEMALE	199	51.8	51.8	51.8
	MALE	185	48.2	48.2	100.0
	Total	384	100.0	100.0	

EDUCATION LEVEL

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	BACHELOR LEVEL	164	42.7	42.7	42.7
	MASTERS LEVEL AND ABOVE	59	15.4	15.4	58.1
	UPTO PLUS TWO	161	41.9	41.9	100.0
	Total	384	100.0	100.0	

RELIGION

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	BUDDHISM	125	32.6	32.6	32.6
	CHRISTIAN	8	2.1	2.1	34.6
	HINDU	247	64.3	64.3	99.0
	ISLAM	4	1.0	1.0	100.0
	Total	384	100.0	100.0	

OCCUPATION

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	AGRICULTURE	21	5.5	5.5	5.5
	BUSINESS	82	21.4	21.4	26.8
	GOVERNMENT JOB	45	11.7	11.7	38.5
	OTHERS	34	8.9	8.9	47.4
	SALARIED	90	23.4	23.4	70.8
	SELF-EMPLOYED	68	17.7	17.7	88.5
	STUDENT	44	11.5	11.5	100.0
	Total	384	100.0	100.0	

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
I feel confident that my personal information is secure when using digital banking services.	384	2	5	3.99	1.141
Digital banking platforms provide adequate protection against unauthorized access to my account.	384	2	5	4.03	.989
I trust that my financial transactions are safe from fraud or hacking when using online banking.	384	3	5	4.06	.915
The security features of digital banking platforms meet my expectations for privacy and data protection.	384	3	5	4.21	.636
I am satisfied with the measures taken by digital banking platforms to safeguard my sensitive information.	384	2	5	4.03	.850
Valid N (list wise)	384				

Reliability Statistics

Cronbach's Alpha	N of Items
.781	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
I feel confident that my personal information is secure when using digital banking services.	16.33	6.518	.600	.732
Digital banking platforms provide adequate protection against unauthorized access to my account.	16.28	7.071	.621	.717
I trust that my financial transactions are safe from fraud or hacking when using online banking.	16.26	6.697	.799	.655
The security features of digital banking platforms meet my expectations for privacy and data protection.	16.11	9.788	.283	.810
I am satisfied with the measures taken by digital banking platforms to safeguard my sensitive information.	16.28	8.123	.510	.755

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
I can easily access customer support when I encounter an issue with digital banking.	384	2	5	4.04	.842
The response time from customer support is quick and efficient	384	2	5	3.53	1.189
Customer support is available through multiple channels (e.g., chat, phone, email) whenever I need assistance.	384	3	5	4.46	.703
I am satisfied with the quality of help I receive from customer support in resolving my issues.	384	3	5	3.86	.675
The support team provides clear and helpful information when I have questions about using digital banking services	384	3	5	4.13	.758
Valid N (list wise)	384				

Reliability Statistics

Cronbach's Alpha	N of Items
.683	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
I can easily access customer support when I encounter an issue with digital banking.	15.98	5.195	.556	.579
The response time from customer support is quick and efficient.	16.48	4.297	.472	.640
Customer support is available through multiple channels (e.g., chat, phone, email) whenever I need assistance.	15.56	6.962	.156	.729
I am satisfied with the quality of help I receive from customer support in resolving my issues.	16.16	5.871	.523	.608
The support team provides clear and helpful information when I have questions about using digital banking services	15.88	5.430	.575	.579

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
I find it easy to navigate the digital banking platform.	384	3	5	4.41	.675
The digital banking platform is user-friendly and intuitive.	384	3	5	4.40	.744
I can quickly find the features I need on the digital banking platform.	384	2	5	4.09	.860
Using the digital banking platform requires minimal effort or learning.	384	3	5	4.14	.728
The digital banking platform's interface is simple and easy to understand.	384	3	5	4.16	.785
Valid N (list wise)	384				

Reliability Statistics

Cronbach's Alpha	N of Items
.934	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
I find it easy to navigate the digital banking platform.	16.79	8.015	.781	.928
The digital banking platform is user-friendly and intuitive.	16.80	7.534	.826	.919
I can quickly find the features I need on the digital banking platform.	17.11	6.827	.867	.912
Using the digital banking platform requires minimal effort or learning	17.05	7.600	.829	.919
Using the digital banking platform’s interface is simple and easy to understand.	17.03	7.291	.838	.917

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
The design of the digital banking platform is visually appealing.	384	3	5	4.45	.611
The layout of the digital banking platform is well-organized and easy to navigate.	384	3	5	4.41	.607
The platform's features are logically arranged and easy to access.	384	3	5	4.22	.743
The digital banking platform has a modern and professional design.	384	3	5	4.28	.584
The overall design of the platform enhances my user experience.	384	3	5	4.10	.629
Valid N (list wise)	384				

Reliability Statistics

Cronbach's Alpha	N of Items
.930	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
The design of the digital banking platform is visually appealing.	17.01	5.060	.907	.896
The layout of the digital banking platform is well-organized and easy to navigate.	17.04	5.153	.872	.903
The platform's features are logically arranged and easy to access.	17.23	4.716	.822	.915
The digital banking platform has a modern and professional design.	17.17	5.335	.833	.911
The overall design of the platform enhances my user experience.	17.35	5.540	.672	.940

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Transactions on the digital banking platform are processed quickly.	384	3	5	4.49	.613
I am satisfied with the speed of transactions in digital banking.	384	3	5	4.57	.610
Digital banking allows me to complete transactions without significant delays.	384	3	5	4.39	.616

The platform processes my payments and transfers faster than I expect.	384	3	5	4.51	.626
The speed of transactions on the digital banking platform meets my needs for efficiency.	384	3	5	4.28	.584
Valid N (list wise)	384				

Reliability Statistics

Cronbach's Alpha	N of Items
.942	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Transactions on the digital banking platform are processed quickly.	17.74	4.886	.843	.928
I am satisfied with the speed of transactions in digital banking.	17.67	4.677	.947	.909
Digital banking allows me to complete transactions without significant delays.	17.84	4.870	.845	.928
The platform processes my payments and transfers faster than I expect.	17.72	4.718	.896	.918

The speed of transactions on the digital banking platform meets my needs for efficiency.	17.96	5.348	.687	.955

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
My overall experience with digital banking has been positive.	384	3	5	4.27	.533
I am satisfied with the quality of services offered through digital banking.	384	3	5	4.38	.652
Using digital banking meets my expectations for convenience and ease.	384	3	5	4.22	.434
I feel confident in the digital banking platform's ability to meet my financial needs.	384	3	5	4.30	.476
Digital banking has improved the way I manage my finances.	384	3	5	3.95	.652
Valid N (list wise)	384				

Reliability Statistics

Cronbach's Alpha	N of Items
.845	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
My overall experience with digital banking has been positive.	16.85	3.577	.455	.861
I am satisfied with the quality of services offered through digital banking.	16.74	2.570	.854	.750
Using digital banking meets my expectations for convenience and ease.	16.90	3.601	.601	.829
I feel confident in the digital banking platform's ability to meet my financial needs.	16.82	3.418	.644	.817
Digital banking has improved the way I manage my finances.	17.17	2.722	.758	.782

Correlations

		Security and Privacy	Availability of support	Ease of use	Platform design	Transaction speed	Customer experience
Security and Privacy	Pearson Correlation	1	.307**	.342**	.230**	-.050	.345**
	Sig. (2-tailed)		.000	.000	.000	.329	.000
	N	384	384	384	384	384	384
Availability of support	Pearson Correlation	.307**	1	.720**	.662**	.194**	.539**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	384	384	384	384	384	384
Ease of use	Pearson Correlation	.342**	.720**	1	.921**	.667**	.844**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	384	384	384	384	384	384
Platform design	Pearson Correlation	.230**	.662**	.921**	1	.711**	.836**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	384	384	384	384	384	384
Transaction speed	Pearson Correlation	-.050	.194**	.667**	.711**	1	.456**
	Sig. (2-tailed)	.329	.000	.000	.000		.000
	N	384	384	384	384	384	384
Customer experience	Pearson Correlation	.345**	.539**	.844**	.836**	.456**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	

N	384	384	384	384	384	384

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

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.923[a]	.851	.849	.16981

a. Predictors: (Constant), Transaction speed, Security and Privacy, Availability of support, Platform design, Ease of use

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	62.319	5	12.464	432.225	.000[b]
	Residual	10.900	378	.029		
	Total	73.220	383			

a. Dependent Variable: customer experience

b. Predictors: (Constant), Transaction speed, Security and Privacy, Availability of support, Platform design, Ease of use

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.860	.123		23.209	.000
	Security and Privacy	-.009	.015	-.013	-.570	.569
	Availability of support	-.373	.028	-.484	-13.560	.000
	Ease of use	.576	.041	.892	14.220	.000
	Platform design	.583	.043	.750	13.483	.000
	Transaction speed	-.461	.030	-.580	-15.491	.000

a. Dependent Variable: customer experience

CUSTOMER EXPERIENCE TOWARDS DIGITAL BANKING

By: Amir Shrestha

As of: Dec 13, 2024 12:53:51 PM
17,403 words - 9 matches - 1 source

Similarity Index

1%

Mode: Summary Report

sources:

108 words / 1% - from 09-Jul-2024 12:00AM
elibrary.tucl.edu.np

paper text:

ABSTRACT This study examines the factors influencing customer experience with digital banking in Nepal, focusing on customer trust, security perceptions, ease of use, platform design, transaction speed, and satisfaction. The primary aim was to identify the key elements that affect customer experience and trust in digital banking services. A quantitative research approach was adopted, and data was collected from 384 respondents through a Google Forms questionnaire. The study's findings suggest that ease of use, platform design, and availability of support significantly enhance customer satisfaction, while transaction speed had a negative effect. Security and privacy, although important, had less of an impact on the overall customer experience than expected. The research also explored the impact of digital banking on customer satisfaction compared to traditional banking. It was found that customers generally preferred the convenience and accessibility of digital banking, particularly in terms of transaction speed and accessibility. However, there were still areas of dissatisfaction, especially related to the security and reliability of services. These findings indicate that while digital banking has gained significant popularity, there is still a need for continuous improvements, particularly in mobile banking services. In conclusion, this study provides valuable insights into the customer experience with digital banking in Nepal. It highlights the importance of user-friendly platforms, fast transaction speeds, and efficient customer support in enhancing overall satisfaction. The research also suggests areas for improvement in security and mobile banking features. These findings contribute to a deeper understanding of digital banking in Nepal and offer practical recommendations for banks to enhance their services and build long-term customer trust. Keywords: digital banking, customer experience, trust, security, satisfaction, ease of use, platform design, transaction speed, Nepal.

CHAPTER I INTRODUCTION 1.1.Background of the study The

COVID-19 epidemic has hastened the transition of digital banking in Nepal by increasing client confidence and access to digital banking services. Conventional banking transactions in Nepalese commercial banks have changed significantly as a result of the implementation of e-banking products including ATMs, internet banking, and mobile banking (Adhikari, 2024). Notwithstanding the initial reluctance, the pandemic sparked a move toward digital platforms, which improved service delivery and decreased transaction costs (Joshi & Joshi, 2023). This shift has been made easier by the widespread use of smartphones and internet connectivity, which has increased the public's convenience and security of digital payments (Pathak, 2024). However, there are still conflicting results about the effect of e-banking on banks' profitability, with certain