

**DIGITAL BANKING SERVICES ON CUSTOMER SATISFACTION
IN FINANCE**

A Dissertation to the Office of the Dean, Faculty of Management in partial fulfillment
of the requirements for the Degree of Masters of Business Studies

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CERTIFICATION OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled “**Digital Banking Services on Customer Satisfaction in Finance**”. 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 part of requirements for any other academic purposes. The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of this dissertation.

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REPORT OF RESEARCH COMMITTEE

Ms. Niraj Kumar Sah has defended research proposal entitled “**Digital Banking Services on Customer Satisfaction in Finance**” successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestions and guidance of supervisor Asso. Prof. Dr. Kapil Khanal Submit the dissertation for evaluation and viva-voce examination.

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ABBREVIATIONS

ATM	:	Automatic Teller Machine
CR	:	Credit Card
CS	:	Customer Satisfaction
DB	:	Debit Card
DBS	:	Debit Card Services
EFTPOS	:	Electronic Fund Transfer at Point of Sales
EFTS	:	Electronic Fund Transfer System
GDPR	:	General Data Protecting Regulation
IBS	:	Internet Banking Services
IT	:	Information Technologies
MB	:	Mobile Banking
MB	:	Mobile Banking
QR Code	:	Quick Response

ABSTRACT

Customer happiness is a crucial determinant of the success of any commercial activity. In the banking business, especially in the face of intense competition, client satisfaction plays a crucial role in distinguishing one financial institution from another. Therefore, the assessment of customer satisfaction is of utmost significance. In this period of intense competition, the key to maintaining growth and increasing market share relies on banks' ability to constantly meet and beyond consumer expectations. Amidst the dynamic and ever-changing world of online business, where new ideas and strategies quickly lose their effectiveness, ensuring client pleasure becomes crucial for sustained success and growth.

This study aims to examine the influence of e-banking service delivery on customer satisfaction in a private finance company in Nepal. In order to accomplish this goal, primary data was gathered using structured questionnaire procedures from a sample of 70 banking clients. The study used a descriptive, casual-comparative research design, applying quantitative methods for collecting and analyzing data. The primary method for collecting replies was a self-administered questionnaire survey. The gathered data were then analyzed using statistical analysis software called SPSS. The sample approach used was non-probabilistic convenience sampling. The dependent variable is customer satisfaction, while the independent variables are ATM, internet banking, mobile banking, credit card, debit card, and electronic fund transfer services. The study utilizes correlation and regression analyses to investigate the links between these variables and determine their influence on customer satisfaction.

Keyword: E-banking, Service delivery, Digitalization, Convenience, Online banking, Regression, Innovation

CHAPTER-I

INTRODUCTION

1.1 Background of the Study

The present era is experiencing a swift technological advancement, which is impacting all aspects of life and the worldwide economy. This innovation has brought about several new techniques, such as the incorporation of the internet, which first acted as a means of postal communication and advertising for firms in the early 20th century. The 21st century, characterized by the Technological Revolution, has been greatly influenced by globalization and the widespread use of the internet on commercial operations. E-business has transitioned from being an optional decision to becoming an essential requirement for enterprises, particularly in the banking industry (Wisdom, 2012).

Customers play an undeniably vital role in the success and longevity of any firm, and this principle is especially pertinent in the banking industry. Hence, it is crucial to not only fulfill the demands of customers but also secure their allegiance, as this can lead to enhanced profitability and enhanced bank performance. The influence of technology on contemporary existence is profound, and online banking is among the most quickly growing technologies in the financial sector. Customers are swiftly shifting from traditional banking to online banking due to various benefits, namely cost and time effectiveness. Technology is having a profound impact on the general health and lifespan of individuals in today's world. The rapid and widespread use of information technology has deeply impacted the lives of millions, leading to significant changes in the global economic and business landscape. Technological advancements in the banking sector have expedited communication and transactions for customers, hence defining internet banking as the provision of information or services by a bank to its clients through the internet. Online banking is considered an additional alternative to traditional banking techniques, offering the flexibility of conducting banking activities from home or work without the costs and time constraints associated with visiting a physical branch. Online banking eliminates physical, geographic, and temporal obstacles, hence enhancing the accessibility of banking services (Daniel, 1999).

The inception of Digital Banking services may be dated back to the early 1990s, during which notable applications including credit card, ATM, and telephone banking services. Over the past decade, banking services have incorporated database management, information systems, and a range of technologies at different points in time. Due to the introduction of internet connectivity, local banks now provide Digital Banking services via secure websites. The services provided encompass online inquiries, electronic payments, and electronic transfers. There are two primary business models for online banking: the "bricks and clicks" model, which integrates online banking with traditional banking, and the direct or virtual bank model, which utilizes internet and telecommunication networks to offer banking services without physical branch offices (Caruana, 2011).

Banks play a vital and dynamic role in the financial and economic advancement of a country, which is heavily impacted by the performance of banking in various sectors. Digital banking, sometimes referred to as electronic banking, has been utilized by banks as a cutting-edge technology that has transformed their operations, thanks to improvements in technology. Digital Banking is a widely accessible service that allows clients to remotely retrieve account-specific information and conduct transactions using computers. Customers can do financial transactions electronically on the internet using their personal computers, laptops, or mobile devices at their convenience, without being restricted by the operating hours of traditional banks. Digital Banking operates as an advanced distribution technique that reduces waiting times and spatial constraints compared to traditional branch banking. Additionally, it significantly saves operational costs for the bank. This not only enhances the bank's operational efficiency but also enhances client satisfaction and loyalty. Therefore, Digital Banking is exceedingly appealing to both banks and clients, as it corresponds with the use of innovative technologies. Electronic banking refers to the use of electronic technologies to transfer funds between accounts, hence removing traditional methods such as checks or cash. Electronic banking has the capacity to enhance bank earnings by reducing banking expenses. The procedure typically involves a residential user establishing a connection to the bank's secure website through the internet using a modem or network card, and then authenticating themselves by logging in with a password. According to the Basel Committee's definition, Digital Banking refers to the provision of banking products and services for retail and small-value transactions through electronic

methods. These tasks encompass accepting deposits, granting loans, overseeing accounts, dispensing financial guidance, facilitating electronic bill payments, and providing additional electronic payment services. Digital Banking offers users the freedom to conveniently engage in a range of banking activities, including accessing and transferring funds between accounts, making bill payments, and making purchases. These services are accessible around the clock, 24/7 (Jones & Williams, 2020).

QR codes have become very popular in marketing because of their small size in ads and their capacity to offer interactive contact with the target consumer. Given the current economic decline, there has been a rise in the utilization of temporary employees in many professional sectors. This has generated a need for innovative methods to convey job vacancies. Temporary job companies are increasingly utilizing QR codes on social networking platforms to directly contact skilled and talented people. This technique is becoming increasingly popular due to its several advantages, such as providing faster responses from potential applications. The interest in using QR codes in social networks to improve e-learning by sharing knowledge is also quite fascinating to researchers studying the use of QR codes. This study has examined the processes of job searching and employee recruitment in temporary employment firms. The objective is to ascertain whether the use of QR codes improves features such as e-learning. Online surveys are commonly used as the main research instrument for gathering data (Lamichhane, 2022).

Contemporary banks are equipped with internet technology to provide a diverse array of financial services that may be accessed from any location and at any time. Online banking, also referred to as digital banking, is gaining popularity globally as a significant development in e-commerce. For over a decade, technologically savvy banks have been employing electronic forms of currency, including credit and debit cards, as well as ATMs. The use of computer networks and SWIFT transfers to transmit financial information between branches and banks for internet banking processing is a widely adopted practice among modern banks. These banks are increasingly utilizing the internet and global networks to provide banking services, hence enabling Digital Banking as a new electronic banking channel. The process of globalization and the relaxation of financial systems have created opportunities for growth for institutions that are driven by technology. However,

certain individuals have experienced a decline in their income as a result of these improvements. The limited implementation of information technology (IT) in the financial sector of our country has impeded our participation in global endeavors. The expansion of several electronic banking channels, such as the SWIFT system, ATM, POS, PIN Pads, Internet banking, Mobile banking (SMS banking), and Telephone banking, aims to simplify financial transactions. Banks face intense competition in the creation of these channels as they strive to acquire resources (Smith, 2019).

Nepal Bank Limited, established in 1937, marked the inception of the banking sector in Nepal. However, it was not until around 2002 A.D., after a period of 65 years, that Digital Banking services were introduced in the country. However, Digital Banking has not garnered substantial adoption among clients residing in rural regions of Nepal. Therefore, this study focuses on investigating the impact of electronic banking on customer satisfaction and service performance in a Finance Company in Nepal. Additionally, it examines the prospective advancements of Digital Banking within the context of Nepalese Finance Company. Presently, nearly every bank in Nepal offers electronic banking services. Furthermore, these banks are extending their presence to rural regions, imparting knowledge to prospective customers on the most recent advancements in information technology with the aim of attracting a wider user population (Banstola, 2007).

1.2 Problem Statement

Over the past decade, the banking industry in Nepal has seen significant transformation. In the past, financial services lacked fundamental technological features such as ATMs, point of sale (POS) systems, QR Code technology, and SMS notifications. Customers were obligated to physically visit bank locations in order to do basic tasks such as checking account balances, confirming deposits, and conducting withdrawals. This encompassed both card transactions and QR code payments, which frequently resulted in lengthy queues, heightened energy use, and time expenditure, ultimately leading to elevated overall costs. However, the situation has changed because various financial companies in Nepal have introduced electronic banking services. Technological improvements such as ATMs, Electronic Funds Transfer at Point of Sale (EFTPOS), internet banking, SMS alerts, and credit and debit cards have been integrated into Nepal's financial system. The

advancements in technology have greatly diminished the necessity for manual assistance for bank patrons, leading to enhanced provision of services and heightened profitability for banks.

The rapid progress of internet technology is profoundly altering the development and delivery of personal financial services. Nepalese financial institutions are actively incorporating internet-based digital banking solutions to optimize operations and save costs. Nepalese Finance Company is leveraging Digital Banking services to obtain a competitive advantage and progress towards new offerings, despite Nepal being in the midst of its developmental path. However, there are uncertainties surrounding the implementation of Digital Banking in a developing country like Nepal. Therefore, it is crucial to comprehend how Finance Companies are employing Digital Banking and offering improved offerings. The study aims to investigate the impact of Electronic Banking products and services on customer satisfaction in Nepal's banking sector, as well as assess their influence on service delivery. Consequently, the offering of online banking services is shifting from being a desired attribute to being an essential prerequisite for banks.

The study seeks to answer the following key research questions:

- i. How does the diversity of Digital Banking services offer by Nepalese Private Finance Company influence customer satisfaction?
- ii. What is the relationship between the efficiency of Digital Banking service delivery and customer satisfaction in the Nepalese Finance Companying sector?
- iii. How do the technological infrastructure and security measures implement by Nepalese Private Finance Company impact customer trust and confidence in Digital Banking services?

1.3 Objectives of the Study

Understanding the correlation between digital banking and performance is a tangible issue when approached from an empirical standpoint. This study aims to examine the Digital

Banking services provided by Finance Company and their impact on customer satisfaction and service quality. Moreover, the precise objectives are delineated as follows

- i. Examining the range of Digital Banking services offered by the Nepalese Finance Company.
- ii. Examining the correlation between the delivery of Digital Banking services and customer satisfaction in the Nepalese Finance sector.
- iii. Analysis the technological framework and security protocols adopted by Nepalese Finance sectors in delivering Digital Banking services.

1.4 Research Hypothesis

In accordance with the study's goals, a comprehensive examination of the literature, incorporating both theoretical and empirical perspectives, has resulted in the development of the following hypotheses. These hypotheses aim to examine the influence of Digital Banking service delivery on customer satisfaction:

Hypothesis 1: The availability of ATM services plays a crucial role in influencing customer satisfaction in private finance companies in Nepal.

Hypothesis 2: Internet banking services have a significant effect on customer satisfaction in Nepalese private finance companies.

Hypothesis 3: Mobile banking services have a significant effect on customer satisfaction in Nepalese private finance companies.

Hypothesis 4: Credit card services have a significant effect on customer satisfaction in Nepalese private finance companies.

Hypothesis 5: Debit card services have a significant effect on customer satisfaction in Nepalese private finance companies.

Hypothesis 6: Electronic fund transfer services have a significant effect on customer satisfaction in Nepalese private finance companies.

Hypothesis 7: Digital Payments significantly impact customer satisfaction in Nepalese private Finance Company.

1.5 Significance of the Study

This work greatly enriches scholarly knowledge and serves as a valuable resource for future scholars, enabling them to thoroughly assess the methodology and results. The extensive integration of Information and Communication Technology (ICT) in the banking industry has had a substantial effect on the provision of services and the financial profits of banks. The banks are currently undergoing a steady transition from traditional banking to integrating ICT into their array of services. Finance firms are seeing a significant surge in popularity, both domestically and globally, because to their effective management and professional services, which have a crucial influence on the national economy.

Finance Company offers a fundamental service known as Digital Banking. Gaining a comprehensive understanding and conducting significant research on Digital Banking inside a Finance Company is crucial for several stakeholders. A significant proportion of the Nepalese population lacks information regarding digital and online financial activity. The aim of this study is to provide an educational resource that empowers individuals to understand the various online services available to them. This study highlights the undeniable connection between financial institutions and IT, considering the significant dependence of the global economy on these institutions. Therefore, it provides crucial data for IT policymakers in the banking industry, assisting in the development of efficient strategies for Finance Company.

Furthermore, this paper holds great importance for students and scholars who are eager to advance their research on this topic. The study's findings provide strong evidence to encourage other banks to improve their electronic banking services, leading to better client experiences and ultimately affecting the bank's profitability by increasing revenue.

1.6 Limitations of the Study

The future of the banking business is definitely moving towards modernization, with a focus on infrastructure and improved computerization. This will promote connectivity through developing technologies. The crucial significance of Information Technology in

the banking sector indicates that banks in the future will largely depend on it to maintain and support their operations. Consequently, banks need to be ready to take advantage of the opportunities that arise from globalization and financial deregulation. This study focuses on the electronic banking services provided by Finance Company in Nepal. The investigation will concentrate on a particular Finance Company selected for the study.

Nevertheless, it is crucial to recognize that this study has significant limitations. The researcher faces significant challenges in accessing and obtaining the necessary data. The scarcity of easily obtainable data on the topic and the complex and packed schedules inside the Finance Company contribute to the difficulties. Acquiring relevant information or data for the study is anticipated to be a challenging endeavor. Furthermore, the strict confidentiality provisions in Finance Company restrict the availability of essential data. Moreover, the study is constrained by the challenge of giving questionnaires to responders with hectic schedules.

CHAPTER-II

LITERATURE REVIEW

This chapter provides a comprehensive analysis of relevant literature, encompassing articles, papers, books, and previous studies, that are connected to the study problem. Specifically, the focus has been on examining the digital banking service delivery ecosystem and how it affects consumer satisfaction.

An extensive analysis has been conducted on many scholarly works, industry reports, and academic research papers to gain a comprehensive understanding of the complexities of online banking service delivery models, technological advancements, customer preferences, and how these relate to measures of customer satisfaction.

2.1 Conceptual Review

The Theory of Reasoned Action (TRA) was developed to provide a more profound understanding of the relationships between attitudes, intentions, and behaviors, making it a crucial framework for comprehending human behaviors. This statement clarifies that an individual's views towards a particular activity and subjective norms have an impact on their intention to use technology. In a fiercely competitive market shaped by increased rivalry and deregulation, several service and retail enterprises are actively searching for efficient techniques to differentiate themselves. According to Caruana (2011), a strategy that is consistently associated with success in these firms is centered around providing a high level of service quality.

As a result, service quality has become a prominent field of research in recent years. This is due to the potential for increased profits, improved cross-selling rates, more customer loyalty, changing consumer buying habits (Kaynak, 2015), and a larger market presence. The banking industry, acknowledging the significance of customer service, has been compelled to engage in intense competition within a market-oriented setting. The service sector, known for its diverse nature, means that what is true for one service may not necessarily be applicable to another. The absence of uniformity, combined with the abstract

quality of services, presents difficulties in making comparisons. The notions of customer happiness and service excellence are closely interconnected.

According to Hamisah (2013), the increasing use of electronic banking is causing changes in customer service and consumer satisfaction in the technological environment. Information technology, specifically Digital Banking, is crucial for providing high-quality services at a lower cost. Enhanced customer satisfaction promotes mutual comprehension, client loyalty, and establishes a bedrock of confidence between the customer and the bank. Customers have a higher positive perception of banks that offer comprehensive Digital Banking services. Customer satisfaction is determined by the extent to which the business meets the customer's expectations and provides a high level of service quality. By bridging the disparity between anticipated and actual service quality, Digital Banking plays a crucial role in enhancing customer happiness.

Dawes (1972) defines contrast theory as the inclination to amplify the disparity between an individual's personal views and the attitudes conveyed by opinion statements. Contrast theory offers a different perspective on the process of customer post-usage evaluation compared to assimilation theory. It suggests that post-usage evaluations result in predictions that are opposed to those of assimilation theory regarding the impact of expectations on satisfaction. Automated teller machines have revolutionized the way clients access funds in their accounts. Unlike the old method, which limited withdrawals to the counter, ATMs provide a more convenient and accessible option for customers to access their money at any time. In order to enhance client satisfaction, a bank must allocate significant resources towards the expansion and improvement of its ATM networks, or alternatively, consider becoming a member of established local or worldwide networks such as Visa or Mastercard. Assimilation theory suggests that consumers try to reduce the difference between their expectations and the actual performance of a product or service. On the other hand, contrast theory argues that when consumers encounter unexpected outcomes, this leads to an amplification or exaggeration of the difference between their expectations and the actual performance. According to the contrast theory, every difference between experience and expectations was magnified in the direction of the difference. If the company creates high expectations in its advertising and then the customer's experience

falls significantly short of those expectations, the product or service would be deemed completely unsatisfactory and rejected. On the other hand, if advertising makes less ambitious claims and then exceeds expectations, it will lead to an even greater positive confirmation bias. Consistent with this notion, Finance Company should persist in introducing novel goods that enhance customer pleasure while yet adhering to market norms.

Theoretical Review

Theory of Reasoned Action

The Theory of Reasoned Action (TRA) offers valuable insights into understanding the complex connection between attitudes, intentions, and behaviors, particularly in the context of technology adoption. The Technology Readiness Assessment (TRA) proposes that people's intentions to use technology are influenced by their attitudes towards the behavior and subjective standards. In the face of increasing competition and deregulation in the services and retail sectors, delivering exceptional service quality has become a vital strategy for attaining success. In the last ten years, there has been a growing focus on service quality, which has made it a prominent topic of research. As a result, there has been a significant improvement in profitability, a rise in cross-selling rates, an increase in customer loyalty, and a wider market reach. Effective customer service has become indispensable in the banking industry to effectively compete in a market-driven economy. The diverse attributes of the service sector suggest that what is appropriate to one service may not necessarily be applicable to another. Furthermore, the intangible nature of services presents challenges in attaining standards, hence emphasizing the importance of service quality and customer satisfaction. As internet banking becomes more widespread, the significance of providing excellent customer service also increases. Information technology, especially e-banking, plays a vital role in providing enhanced services at lower costs. Enhancing customer satisfaction not only fosters mutual understanding but also strengthens client loyalty and confidence in the bank. Financial institutions that exhibit great expertise in providing comprehensive electronic banking services generally enjoy a favorable reputation among their customers. E-banking plays a vital role in enhancing

customer satisfaction by matching customer expectations and increasing the perceived quality of service in the technological environment (Hamisah, 2013).

Contrast Theory

The concept of contrast was first introduced by Hovland, Harvey, and Sherif in 1987. Dawes (1972) defines contrast theory as the tendency to magnify the discrepancy between an individual's personal beliefs and the opinions conveyed in opinion statements. Contrast theory provides an alternative viewpoint on how customers assess products after utilizing them, in contrast to assimilation theory. This suggests that these evaluations could lead to results that predict different impacts of expectations on satisfaction. The introduction of automated teller machines (ATMs) has enhanced the convenience and accessibility for consumers to access funds in bank accounts, in contrast to the former system that restricted withdrawals to be made only at the counter. To improve customer satisfaction, a bank must make significant expenditures in ATM networks or join established local or global networks such as Visa or MasterCard.

The notion of assimilation suggests that consumers strive to minimize the discrepancy between their expectations and the actual performance of a product or service. Conversely, according to contrast theory, a surprising effect develops, leading to the amplification or exacerbation of the difference. The contrast theory suggests that any discrepancy between an individual's actual experience and their expectations is magnified in the direction of the difference. If a corporation generates lofty expectations through its advertising but fails to fully deliver on those promises, the client would perceive the product or service as utterly dissatisfactory. Conversely, when advertising makes conservative assertions and subsequently surpasses them, it will further enhance the favorable validation. In line with this concept, Finance Company should continue to introduce innovative products that boost customer satisfaction while still conforming to industry standards.

Innovation Diffusion Theory

The Diffusion of Innovations theory aims to explain the techniques, reasons, and speed at which new ideas and technological developments spread. Everett Rogers, a distinguished professor of communication studies, achieved worldwide acclaim for his theory outlined

in the book "Diffusion of Innovations." The book was originally published in 1962 and has subsequently undergone revisions, culminating in its fifth edition in 2003. Rogers argues that diffusion is the process by which an innovation is gradually communicated among the individuals within a social system. The origin of the concept of spreading innovations is multifaceted and spans a wide range of disciplines.

Rogers suggests that the spread of a new idea is affected by four main elements: the innovation itself, communication routes, time, and a social structure. This technique relies heavily on the proficiency, understanding, and competence of individuals. For the innovation to survive, it must be widely adopted. During the adoption process, there comes a certain stage where an innovation attains a critical mass.

The adopters can be categorized into five distinct groups: innovators, early adopters, early majority, late majority, and laggards. Diffusion displays various forms and is heavily impacted by the traits of adopters and the decision-making process about the adoption of innovations. The classification of adopters is mostly determined by their level of innovativeness, which pertains to the degree to which an individual accepts a new notion.

Rogers, in 1983, proposed the concept that explains how people have a natural tendency to use technology to perform routine tasks. The primary elements that lead to the acceptability of advancement on a wide scale are the comparative advantage, compatibility, complexity, trialability, and observability. This concept centers around the progression of a novel and innovative idea, item, or procedure, or a new implementation of an old one, from its initial creation to its practical use. The Innovation Diffusion Theory (IDT) posits that the dissemination of technical innovation occurs through certain channels over time among individuals within a social system. The stages of technological innovation progression can be described as follows: awareness (becoming aware of its existence and understanding its functions); persuasion (developing a positive attitude towards it); decision (committing to adopting it); implementation (using it); and confirmation (receiving support based on positive outcomes).

Early adopters generally have higher levels of education, economic success, openness to mass media and interpersonal communication channels, and engagement with change

agents. Mass media channels have a much greater impact on spreading information, while interpersonal channels have a substantially stronger influence on convincing and persuading individuals. Adoption decisions can be classified into three categories: optional, collective, or authority-based. Optional decisions provide individuals or organizations the freedom to exercise their choice in either embracing or dismissing a concept. Collective decisions are reached by achieving consensus among the members of a system. Authority-based choices are enforced by individuals or organizations that possess substantial power, position, or technical skill.

The primary attributes of an innovation include: relative advantage (the extent to which it is perceived as superior to its predecessor); compatibility (congruence with existing values, past experiences, and needs); complexity (the level of difficulty in comprehending and utilizing it); trialability (the capacity to experiment with it on a limited scale); and observability (the visibility of its outcomes). The adopter categories are categorized as follows: innovators (adventurous), early adopters (reputable), early majority (reflective), late majority (skeptical), and laggards (conventional).

Early adopters are generally characterized by higher levels of education, economic prosperity, social mobility, empathy, open-mindedness, abstract thinking skills, philosophical understanding, intelligence, ability to handle uncertainty and risk, ambitious goals, extensive social connections, increased exposure to mass media and interpersonal communication channels, and a proactive approach to seeking out information. Key roles in the innovation process consist of opinion leaders, who exert informal influence over others' behavior; change agents, who act as intermediaries between the change agency and the relevant social system, and have a significant impact on innovation decisions; and change advocates, who directly engage with clients and possess less expertise credibility but more honesty or reliability credibility, supporting the change agents. The main responsibilities of change agents encompass: recognizing the need for change in the client; establishing a mutually advantageous flow of information; diagnosing the client's issues; cultivating a motivation for change within the client; emotionally reinforcing this motivation; ensuring the client's ongoing embrace of the change and preventing any

regression; and facilitating the client's transition from dependence on the change agents to self-confidence.

2.2 Empirical Review

Electronic banking, as defined by Daniel (1999), refers to the provision of banks' information and services to consumers through various delivery channels, which can be accessed using electronic devices such as computers, mobile phones with browser software, telephones, or digital televisions.

According to Pikkarainen (2004), electronic banking is an online platform that allows clients to access various banking services, including bill payment and investing activities. In addition to cash withdrawals, electronic banking provides users with access to other types of banking transactions simply by clicking a mouse (De.Yong, 2001). Electronic banking has become a competitive instrument for financial institutions, rather than just a means to gain a competitive edge, due to globalization and increased competition. Put simply, Digital Banking refers to the supply of banking products and services through electronic delivery channels. Electronic banking has existed for a considerable while, mostly through the utilization of automated teller machines (ATMs) and telephone transactions. The internet has significantly altered banking operations by serving as a new medium for conducting transactions between customers and banks.

According to Robinson (2000), the availability of electronic banking services allows banks to create and expand their relationship with clients. Electronic banking services provide several advantages to banks, including increased client loyalty, targeted market segmentation, the ability to innovate new goods and services, and more efficient and cost-effective marketing and communication.

According to Wise & Ali (2009), numerous banks are interested in investing in EBS in order to decrease branch expenses and fees, as clients tend to prefer using EBS over physical branches for conducting transactions. The financial effect of EBS is a slight rise in expenses and revenue from fees, which is largely balanced out by the cost of huge increases in the volume of customer transactions. Therefore, EBS has experienced a substantial rise in the intangible aspect of "Customer Service Delivery". Therefore, this

leads to enhanced customer service provision, resulting in increased customer loyalty, customer retention, and overall growth in organizational value. EBS has emerged as a crucial determinant in the contemporary commercial economy, serving as a cost-effective distribution method and a means to enhance future sales.

Electronic banking is a powerful catalyst that is radically transforming the banking industry, specifically towards a more competitive market. Electronic banking has eroded the distinctions between various financial institutions, facilitated the introduction of novel financial goods and services, and made existing financial services accessible in many formats (Agbada, 2008).

Digital Banking refers to the electronic means by which customers can conduct banking transactions without physically going to a financial institution. Digital Banking utilizes the Internet to provide typical banking services, such as account opening, fund transfers, and electronic bill payment, in contrast to the conventional method of giving banking services through physical branches. Digital Banking refers to the utilization of electronic equipment such as the internet, wireless networks, ATMs, phones, and cell phones for the provision of banking services. Digital Banking is a reflection of the information and communication revolution that brings about changes in the paradigm and pattern of banking. It enables speedier banking services and effectively reduces wastage issues. Digital Banking refers to the ability to access banking services 24 hours a day, which can be done through various means such as using an Automated Teller Machine (ATM) with a Personal Identification Number (PIN) or making direct deposits into checking or savings accounts. Technological advancements have revolutionized the banking industry, shifting it from traditional branch-based banking to a more contemporary approach known as Digital Banking. This involves the utilization of various instruments such as ATMs, electronic utility payments, and online loan applications.

"Electronic banking refers to the utilization of electronic methods to directly transfer funds between accounts, as opposed to using checks or cash. By reducing bank expenses, electronic banking has the potential to enhance bank revenues." Bahram Meihami, 2013
Moreover, Digital financial refers to the overall process via which customers can effortlessly conduct financial transactions electronically, without the need to physically

visit a traditional bank branch. (Bhattacharjee, 2001) provides a broader definition of Digital Banking, describing it as a comprehensive system that offers customers a flexible, convenient, and cost-effective platform. This platform integrates various online personal banking products such as checking and savings accounts, money market accounts, certificates of deposit, credit cards, home equity loans, home mortgages, insurance, investment services, portfolio management, and other related financial services. The banking business in Nepal has experienced a sudden and significant growth. As a result of globalization, people actively search for and expect high-quality items on a worldwide scale. In the current global market, the key to gaining a competitive advantage is providing clients with high-quality service. Customer satisfaction is essential for delivering high-quality products to customers. It is a prerequisite for customer retention, loyalty, and convenience, which in turn contribute to achieving profitability, market share, growth, return on investment, and productivity goals.

Customers in developing countries prioritize "technological factors" when evaluating service quality, while the function of employees in discerning service quality in banks appears to be less significant. Banking is now seen as a business that not only involves money transactions, but also deals with information about financial transactions (Powell, 1995).

In Nepal, the adoption of contemporary technology in the banking sector is relatively recent compared to other countries. However, it is rapidly growing and proving to be successful. Various cutting-edge IT-based services, such as Automated Teller Machines (ATMs), Internet banking, mobile banking, credit cards, and debit cards, have offered customers a multitude of handy services, leading to an enhancement in service quality.

According to Singhal (2008), electronic banking refers to the utilization of the internet to carry out various banking activities, including transferring funds, paying bills, checking account balances, making mortgage payments, and acquiring financial instruments and certificates of deposit. Internet banking originated with basic features such as immediate access to data on interest rates, checking account balances, and loan eligibility calculations.

Nevertheless, these services have evolved to include online bill payment, fund transfers between accounts, and cash management services for both corporate entities and individuals (Khan M.S. & Mahapatra, 2009).

Internet applications are the sole means of maintaining constant client connectivity regardless of location or time. This leads to enhanced performance in the banking sector by facilitating swift information exchange between customers and service providers (Williamson, 2006). Furthermore, Digital Banking is predominantly influenced by the objectives of reducing operating expenses and maximizing operational revenue, as indicated by Simpson (2002). Centeno (2004) categorizes the elements influencing the adoption of Digital Banking into two distinct categories. 1) Factors pertaining to the ability to use technology. 2) Factors pertaining to retail banking. The key determinants are consumers' proficiency in utilizing internet and other associated technologies, their attitudes towards technology, and the pace of internet penetration. Issues related to the protection of personal information and the safeguarding of data

Technological improvements have fundamentally transformed global business practices, which in turn has had a significant impact on employment markets. Rapid data transmission is crucial for the operation of various industries, leading to the creation of the bar code and its subsequent evolution into the Universal Product Code (UPC). The UPC is used to track inventory in manufacturing and retail businesses. Moreover, these technological advancements not only optimize processes but also generate fresh employment prospects, notably in domains associated with data administration, information technology, and supply chain management. The adoption of modern inventory tracking and management systems by businesses has led to an increased need for qualified workers who are proficient in employing these technologies. This has resulted in a transformation of the labor force composition in these sectors. The integration of technology and business processes not only improves efficiency but also triggers changes in employment dynamics, illustrating the constantly changing nature of the contemporary workforce. The source cited is Seideman's work from 1993.

Professional organizations have adopted modern technological services to attract new business. As a result, employment and recruiting agencies have also incorporated the use

of social networking media, digital devices, and other forms of information communication technologies (ICT) to promote job opportunities instead of relying on traditional newspaper employment advertisements (Magnani, 2001). This allows individuals in the job market to retrieve job listings from various distant devices such as personal computers, personal data assistants (PDAs), mobile devices, cellphones, or any other Internet-enabled technologies.

The Internet's dynamic nature has led temporary agencies to incorporate interactive elements, such as QR codes, which can be scanned using a free application that users may install on their laptops, computers, tablets, iPhones, Androids, or any other smartphones. After being scanned, the QR code's "physical world hyperlinks" direct the user to a specific website chosen by the designer of the code. This allows the user to further interact with the product or organization, a process known as "hard linking." The QR code links can captivate the user by utilizing cutting-edge internet technology, including popular social media platforms like Facebook and Twitter, blogs, and other networking advancements that enable user-generated material for interactive experiences (Sullivan, 2011).

Social media refers to software applications or mobile applications that enable immediate contact through networking and microblogging platforms. These platforms utilize Web 2.0 technology to foster online communities and encourage the exchange of information, ideas, videos, personal messages, and other content generated by users (Gajendra, 2010). Social media's widespread adoption has led to the emergence of social networking, a practice that involves utilizing particular applications and websites to connect with individuals who share similar interests for the purpose of interaction. The proliferation of social networking platforms has facilitated seamless and interactive collaboration among users, resulting in a significant 49% of internet users actively participating in online social networking (Peacock, 2008).

Summarization of Empirical review

Author	Major Findings
Daniel (1999)	Daniel (1999) provides a comprehensive definition of electronic banking, describing it as the delivery of banks' information and services through various electronic channels accessible via devices

-
- such as computers, mobile phones, telephones, and digital televisions.
- Pikkarainen (2004) highlights how customers' convenient access to a range of banking services through internet portals can transform into a significant competitive advantage for financial institutions.
- Robinson (2000) underscores how the provision of electronic banking services empowers banks to cultivate and expand relationships with their customers. These advantages include increased consumer loyalty, precise market segmentation, product innovation, and cost-effective marketing and communication.
- Wise & Ali (2009) states that banks give priority to investing in Electronic Banking Systems (EBS) in order to lower branch expenses and fees, as customers increasingly prefer conducting transactions through EBS.
- Agbada (2008) emphasizes how the banking industry fosters increased competition and innovation through digital banking, facilitated by various electronic channels. This offers customers convenient access to banking services without the need for physical branch visits.
- Bhattacharjee (2001) highlights the transformative impact of electronic banking, elucidating its ability to streamline fund transfers, curtail bank expenses, and potentially boost incomes. Moreover, it emphasizes digital banking's provision of a versatile and cost-efficient platform, enabling customers to conduct banking transactions seamlessly without the need to visit physical branches.
- Powell (1995) reveals that in developing countries, customers predominantly prioritize technological factors over human

interaction when assessing banking services. This demonstrates a heightened emphasis on technology-driven aspects.

Singhal (2008) emphasizes electronic banking's capacity to facilitate a range of banking activities through the internet, encompassing fund transfers, bill payments, account inquiries, and diverse financial transactions.

Seideman (1993) discusses how technological advancements, epitomized by the Universal Product Code (UPC), have revolutionized global business practices. This has enhanced efficiency and generated new job opportunities in data management, information technology, and logistics.

Sullivan (2011) reveals how the Internet's dynamism has led temporary agencies to integrate interactive features like QR codes. This facilitates user engagement via "physical world hyperlinks" to related websites, harnessing online platforms and user-generated content to enhance interactivity.

Forms of Electronic Banking.

Information Technologies (IT) have fundamentally revolutionized the procedures of conducting commercial transactions and meeting the constantly evolving demands of clients for the majority of organizations. The incorporation of Information and Communication Technologies (ICT) in the banking industry has the potential to boost customer numbers, reduce transaction costs, enhance the efficiency and promptness of responses, offer greater prospects for expansion and branding, enable self-service and customization, and improve customer communication and relationships (Garau, 2002). Electronic banking services commonly encompass Automated Teller Machines (ATMs), Electronic Fund Transfer at Point of Sale (EFTPOS), Internet banking, Mobile Banking, Debit Card Services, and Credit Card Services.

Automated Teller Machine (ATM)

Automated teller machines (ATMs) greatly improve a bank's efficiency during banking hours by offering a terminal that allows users to withdraw money, inquire about their accounts, and request bank statements, among other activities. This technology serves as an efficient option for customers, eliminating the need for them to wait in long lines in crowded bank lobbies. The saved time can be allocated to other useful pursuits. Furthermore, ATMs provide a cost-efficient method to achieve greater productivity, outperforming human tellers in terms of the number of transactions processed within a given time frame. Global statistics indicate a significant 45% increase in efficiency between 1998 and 2004 as a result of the use of ATM machines. This is a noteworthy accomplishment in the worldwide distribution of currency. Rose (1999) defines an ATM as a combination of a computer terminal, a record-keeping system, and a cash vault. It allows customers to access the bank's bookkeeping system using a plastic card with a Personal Identification Number (PIN) or by entering a specific code into the terminal. This connection provides access to the bank's computerized records at any time of the day. ATMs are an essential instrument in modern banking due to their versatile functionality, which improves operational efficiency and increases client convenience (Rose, 2023).

Electronic Fund Transfer at Point of Sale (EFTPOS)

According to Smith (2019), the Point of Sale (POS) system allows customers to make retail transactions using a check card that looks like a credit card but functions differently. Upon making a transaction, the funds are expeditiously transferred from the account of the debit card holder to the account of the store. Using a debit card at a point of sale (POS) triggers an Electronic Fund Transfer Process. Integrating EFTPOS into client shopping payments, rather than dealing with checks and cash withdrawals, improves banking efficiency. Moreover, the system functions outside of the standard banking hours, guaranteeing continuous efficiency for the bank. Essentially, a point-of-sale (POS) system, located at sales centers, eliminates the requirement for physical currency exchange and automates the process of deducting funds from the buyer's account and crediting them to the seller's account. POS systems are mostly implemented in retail businesses and department stores to optimize transaction operations.

Internet Banking

Internet banking, sometimes referred to as online banking or Digital Banking, is a digital platform provided by banks and financial institutions to their customers, allowing them to perform a wide range of banking operations and services using the internet. This new service offers a simple and secure way for individuals to handle their financial transactions without having to physically go to a regular bank branch. Internet banking allows consumers to conveniently access and monitor their accounts, providing them with up-to-date information on account balances, transaction history, and full statements. Electronic fund transfers (EFT) enable smooth and effortless execution of financial transfers, whether they are within the same bank or to accounts in different banks. Furthermore, the process of paying bills for utilities, credit cards, loans, and other services can be carried out with efficiency and promptness. Internet banking include the management of loans and credit cards, enabling clients to examine information, request new services, and complete payments. Moreover, individuals have the ability to oversee their investments, examine portfolios, and participate in investment transactions. Internet banking offers a range of tools and functions that allow users to manage their accounts, communicate with customer support, send secure messages, and receive personalized alerts and notifications. This enhances the banking experience by providing digital convenience and easy access to financial information (Johnson, 2020).

Mobile Banking

Mobile banking, commonly known as "m-banking" or "m-banking," is a convenient and easily accessible method for users to do a range of banking transactions and financial operations using their mobile devices. It entails utilizing dedicated software (apps) offered by banks or financial institutions, or alternatively, accessing banking services via a mobile web browser. Mobile banking services commonly encompass features such as checking account balances, accessing recent transaction records, transferring funds between accounts, making bill payments, depositing checks using mobile image capture, and locating ATMs or branches.

Mobile banking allows customers to conveniently accomplish these tasks while on the move, enhancing flexibility and efficiency in managing their accounts. Security protocols like as Personal Identification Numbers (PINs), passwords, and biometric verification are utilized to guarantee the security of transactions and safeguard confidential financial data. The introduction of mobile banking has fundamentally transformed the manner in which individuals engage with their banks, providing a smooth and expeditious method to oversee their finances without the necessity of physically visiting a branch. The extensive utilization of smartphones has significantly accelerated the expansion and appeal of mobile banking, establishing it as an essential component of contemporary banking services. This technology offers consumers comfort and accessibility regardless of their location.

Debit Card

A debit card is a polymer payment card provided by a bank or financial institution, which is directly connected to the account holder's checking or savings account. When a debit card is used for a transaction, the funds are promptly subtracted from the cardholder's account to pay for the purchase. Debit cards provide a convenient and effective means for individuals to carry out payments, withdrawals, and transfers. They can be utilized at different points of purchase, including physical retail locations, e-commerce platforms, and automated teller machines (ATMs). Debit cards often have a distinct Personal Identification Number (PIN) to provide security, guaranteeing that only the authorized cardholder can access and utilize the cash linked to the card. Debit cards allow spending only within the amount of money available in the connected bank account, while credit cards involve borrowing money up to a certain credit limit. Debit cards are frequently utilized for everyday financial transactions due to their ability to promote responsible spending and budget management.

Credit Card

A credit card is a type of payment card issued by banks or financial institutions to individuals, enabling them to make purchases of goods and services from various businesses. The essence of a credit card transaction is in the cardholder's responsibility to repay the amount spent to the card issuer, together with any predetermined charges. In

addition to enabling direct payments, credit card providers may also offer a line of credit (LOC) to the cardholder, allowing them to obtain funds through cash advances. A credit card serves as a mechanism for borrowing, allowing users to access funds provided by the bank to make purchases, regardless of their amount. The cardholder is required to refund the borrowed amount within a specified "grace period" of typically 15 days, without incurring any additional charges. However, if the return is not done within the stated leniency period, the cardholder must pay interest, which is a percentage of the outstanding amount in addition to the initial borrowed quantity.

QR Code

A QR code, also known as a Quick Response code, is a type of barcode that uses a two-dimensional matrix to store information. The information is encoded in a pattern of black squares arranged on a white square grid. Originally designed for tracking automotive parts during the production process, this technology has become widely popular for a range of uses beyond its original purpose. QR codes have the ability to hold a wide range of data, such as text, URLs, contact information, and other forms of data. By utilizing a QR code reader, smartphone camera, or a dedicated scanning device, the encoded data contained within the QR code is rapidly deciphered and made readily available to the user. This technology enables a smooth and effective method of accessing websites, applications, online content, promotions, and other resources by merely scanning the QR code. QR codes are frequently employed by businesses for purposes such as advertising, marketing, ticketing, tracking, and linking customers to digital platforms. QR codes have become widely used in contemporary digital era because to their adaptability and user-friendly nature, serving as a common tool for retrieving information and facilitating engagement.

Benefits of Digital Banking

The benefits of electronic banking are substantial, providing major advantages to both customers and banks. A key benefit of Digital Banking is its ability to enhance competitive branding, which in turn facilitates a deeper comprehension of market demands. Banks that provide Digital Banking services are seen as pioneers in technology, which improves their brand reputation. Another significant benefit can be evaluated in relation to monetary

profit. The basic goal of every institution is to maximize profits, and banks are no exception. Digital Banking is perceived as a method to supplant arduous and less feasible traditional banking methods. According to Mols (1999), the internet has revolutionized electronic banking transactions, making them more cost-effective than branch or telephone transactions and transforming the traditional banking system. According to Jen and Michael (2006), electronic banking has provided banks and businesses worldwide with opportunity to simplify financial transactions. Although banks enjoy certain benefits, they also face many obstacles such as the need for innovative IT applications, limitations in the market, increasing competition, and the emergence of new business models. In his 2003 work, Rotchanak itumnuai emphasizes the numerous advantages of Digital Banking for both financial institutions and clients, including features such as account monitoring, fund transfers, and access to a wide array of banking goods and services. Digital Banking is essential for the economy as it enables the exchange of goods and services without the need for physical touch, hence facilitating financial transactions. In addition, electronic banking enables banks to attract and serve consumers who use mobile devices, resulting in substantial advantages through the provision of mobile financial services. According to Wind (2001), banks are motivated to adopt Digital Banking in order to boost revenues by reaching a larger market. The rise in credit card usage can be ascribed to electronic banking, which allows clients to shop internationally without using actual currency.

Challenges of Digital Banking

Digital banking, while immensely beneficial, also presents a set of challenges that need to be effectively addressed for its successful implementation and continued growth. Here are some of the key challenges faced by digital banking:

- i. **Cybersquatting Risks:** One of the most significant challenges is the heightened risk of cyber threats and data breaches. As digital banking involves the storage and transfer of sensitive financial information online, it becomes a prime target for non-criminals. Banks must invest in robust cybersecurity measures to protect customer data and systems.

- ii. **Data Privacy and Compliance:** Adhering to data privacy laws and regulations, such as GDPR (General Data Protection Regulation), is a challenge. Banks need to ensure that customer data is handled in compliance with these regulations, and privacy is maintained throughout the digital banking processes.
- iii. **Customer Education and Adoption:** Encouraging customers, especially older generations or those less familiar with technology, to embrace digital banking can be challenging. Banks need to invest in customer education and support to ensure a smooth transition to digital platforms.
- iv. **Technology Infrastructure and Integration:** Updating or replacing existing legacy systems to align with modern digital banking requirements is a significant challenge. Ensuring seamless integration of various digital channels and technologies while maintaining system stability is crucial.
- v. **Operational Resilience:** Digital banking relies heavily on technological infrastructure, and any disruptions, such as system failures or outages, can cause significant inconvenience to customers and erode trust. Banks need robust disaster recovery and business continuity plans to mitigate such risks.
- vi. **Fraud Prevention:** Digital banking is susceptible to various forms of fraud, including phishing, identity theft, and account takeovers. Banks must employ advanced fraud detection and prevention mechanisms to safeguard against these threats.
- vii. **Regulatory Compliance:** The evolving regulatory landscape poses a challenge for banks to comply with varying rules and guidelines in different regions. Keeping up with these changes and ensuring compliance without hindering innovation can be complex.
- viii. **Digital Inequality:** Not all individuals have equal access to digital devices or a stable internet connection. Bridging the digital divide and ensuring inclusivity is crucial to avoid leaving certain segments of the population behind.

- ix. **Customer Trust and Perception:** Building and maintaining trust in digital banking services is critical. Any negative incident, be it a cyber-attack or a data breach, can significantly impact customer trust and perception of the bank's security measures.

Addressing these challenges requires a strategic approach, collaboration with technology partners, continuous monitoring and adaptation, investment in cybersecurity, and a strong commitment to ensuring a seamless and secure digital banking experience for customers.

Future of Digital Banking

The future of digital banking is poised to be even more integrated, personalized, and secure. Here are some key trends shaping its trajectory:

- i. **AI and Machine Learning:** Banks will increasingly leverage AI and machine learning algorithms to analyze vast amounts of customer data. This will enable them to offer personalized recommendations, predict financial behavior, detect fraud, and enhance customer service.
- ii. **Block chain and Cryptocurrencies:** While still in the early stages, block chain technology and cryptocurrencies are likely to play a significant role in digital banking. Block chain can streamline processes like cross-border payments, while cryptocurrencies offer alternative investment options and decentralized finance (DeFi) solutions.
- iii. **Open Banking:** Open banking initiatives are gaining momentum worldwide, promoting collaboration between banks and third-party providers. This fosters innovation by allowing customers to securely share their financial data with authorized third parties, leading to better financial products and services.
- iv. **Contactless Payments and Digital Wallets:** With the rise of mobile banking, contactless payments and digital wallets will continue to grow in popularity. The convenience and security they offer will make them the preferred choice for many

consumers, especially in a post-pandemic world where contactless transactions are increasingly preferred.

- v. **Biometric Authentication:** Traditional password-based authentication methods are being replaced by biometric authentication such as fingerprint, facial recognition, and voice recognition. These methods offer enhanced security and a frictionless user experience.
- vi. **Embedded Finance:** Financial services will become seamlessly integrated into non-financial platforms and applications. This could include in-app purchases, embedded insurance, and lending services within e-commerce platforms, social media apps, and other digital ecosystems.
- vii. **Regulatory Changes:** Regulatory frameworks will continue to evolve to address emerging challenges and opportunities in digital banking, such as data privacy, cybersecurity, and consumer protection. Compliance with regulations like GDPR and PSD2 will remain a priority for banks.
- viii. **Hyper-Personalization:** Banks will increasingly use customer data to offer hyper-personalized banking experiences. This includes customized product recommendations, targeted financial advice, and personalized pricing based on individual financial behaviors and preferences.
- ix. **Augmented Reality (AR) and Virtual Reality (VR):** AR and VR technologies have the potential to transform the way customers interact with their finances. From virtual bank branches to immersive financial education experiences, these technologies will enhance engagement and convenience.
- x. **Sustainability and ESG:** There is growing demand for sustainable and socially responsible banking solutions. Banks will need to incorporate environmental, social, and governance (ESG) criteria into their products and services to meet the evolving expectations of customers and regulators.

Risk of Digital Banking

While digital banking offers numerous benefits, it also comes with its own set of risks.

Here are some of the key risks associated with digital banking:

- i. **Cybersecurity Threats:** Digital banking systems are vulnerable to cyberattacks such as hacking, phishing, malware, and ransomware. A breach in security could lead to unauthorized access to sensitive customer data, financial fraud, and identity theft.
- ii. **Data Privacy Concerns:** The collection and storage of vast amounts of customer data raise concerns about privacy. Banks must ensure robust data protection measures to safeguard customer information from unauthorized access or misuse.
- iii. **Operational Disruptions:** Digital banking relies heavily on technology infrastructure and internet connectivity. Any disruptions, such as system failures, network outages, or cyberattacks, can disrupt banking services, leading to inconvenience for customers and financial losses for the bank.
- iv. **Regulatory Compliance Risks:** Banks operating in the digital space must comply with a complex web of regulations governing areas such as data protection, cybersecurity, anti-money laundering (AML), and consumer protection. Non-compliance can result in regulatory fines, reputational damage, and legal consequences.
- v. **Fraud and Financial Crime:** Digital channels provide new opportunities for fraudsters to perpetrate financial crimes such as account takeover, card skimming, and money laundering. Banks must implement robust fraud detection and prevention mechanisms to mitigate these risks.
- vi. **Customer Trust and Reputation:** A security breach or data breach can erode customer trust and damage the reputation of the bank. Customers expect their financial institutions to safeguard their personal and financial information, and any perceived lapses in security can lead to customer attrition and loss of business.

- vii. **Technology Risk:** Rapid technological advancements and complex IT systems introduce risks related to system failures, software bugs, integration issues, and obsolete technology. Banks must invest in ongoing technology upgrades, testing, and monitoring to mitigate these risks.
- viii. **Third-Party Risks:** Digital banking often involves partnerships with third-party vendors for services such as cloud computing, data analytics, and mobile app development. Banks must assess and manage the risks associated with outsourcing to ensure the security and reliability of third-party services.
- ix. **Financial Stability:** The increasing reliance on digital banking and interconnectedness within the financial system can amplify the impact of financial shocks and operational failures. Banks and regulators must monitor systemic risks and implement measures to enhance financial stability.
- x. **Social Engineering Attacks:** Social engineering techniques such as phishing, pretexting, and social media manipulation can trick customers or bank employees into divulging sensitive information or performing unauthorized transactions. Banks must educate customers and employees about these risks and implement safeguards to prevent social engineering attacks.

2.3 Research Gap

The aim of this study is to evaluate the impact of digital banking service delivery on customer satisfaction in a private finance company in Nepal. Previous research has consistently emphasized the significant role of digital banking in enhancing consumer satisfaction. Many studies have explored customer satisfaction to assess the effects and applications of digital banking services. This study focuses on digital banking services such as automated teller machines (ATMs), internet banking (IB), mobile banking (MB), credit card services, debit card services, and electronic fund transfer services. These are considered independent variables that significantly impact consumer satisfaction. However, prior studies conducted in Nepal have not comprehensively included all these factors to examine the influence of digital banking service provision on customer satisfaction in the banking sector.

In recent years, the adoption of digital banking services has seen a significant surge globally, driven by advancements in technology and the increasing demand for convenient banking solutions. Nepal, despite being a developing nation, is no exception to this trend. The country's financial sector has been rapidly evolving, with private finance companies and banks investing heavily in digital infrastructure to cater to the changing preferences of their customers. This transformation is not only aimed at enhancing customer satisfaction but also at achieving greater operational efficiency and competitiveness. Digital banking services offer numerous advantages, such as 24/7 access to banking facilities, reduced transaction times, and improved accuracy and security. Understanding the specific impact of these services on customer satisfaction in the Nepalese context is crucial for financial institutions to tailor their offerings and strategies effectively.

CHAPTER-III

RESEARCH METHODOLOGY

The research design, population and sample, data collection technique, data analysis tools, and nature and sources of data are all covered in this chapter. To achieve the study's aims, the preceding research methodologies are used in their entirety. The research design is descriptive as well as analytical. The published quarterly financials and yearly reports of the respective institutions were collected for analytical purposes.

3.1 Research Design

The research design encompasses a comprehensive strategy that links theoretical research issues with empirical research, ensuring methodological precision and the appropriateness of the intellectual framework (Malhotra and Birks, 2007). It serves as a structured framework dictating the approach to conducting research based on specific philosophies, principles, and assumptions, delineating necessary data, methodology for data collection and analysis, and how these elements address the research question.

The descriptive study design is employed to clarify the elements of Digital Banking services, facilitating a comprehensive comprehension. Furthermore, the causal design is crucial in determining the correlation between the dependent variable (customer satisfaction) and the independent variable (Digital Banking services). Moreover, the study utilizes causal technique to investigate the impact of Digital Banking service delivery on customer satisfaction in the banking industry of Nepal. Following Sekaran and Bougie's technique (2012), a descriptive study is carried out to acquire a thorough comprehension and offer a detailed depiction of the characteristics and importance of the issue under investigation.

This study use a quantitative methodology to gather data and perform further analysis. The main method employed for gathering replies is a systematic survey conducted through a standardized questionnaire. Afterwards, a statistical analysis is performed utilizing the collected responses to evaluate the formulated hypotheses.

Primary

3.2 Population and Sample

The population refers to the entire collection of individuals or groups from which a researcher selects a sample. A sample, in the context of a study project, is a smaller and carefully chosen subset of the larger population that is involved in the research. The scope of this study encompasses all 20 Finance Companies in Nepal as of May 2024, representing the entire population.

A sample is a representative subset of a larger population. Sampling is utilized to attain cost reduction in terms of money resources, workforce, and time. This study involved a cohort of 120 participants, all of whom were customers of banking organizations. Out of the whole sample, 70 individuals, which represents 58.33% of the sample, were deemed valid and included in the study. The clients were chosen utilizing a simple and direct sampling technique. The employed methodology was convenience sampling, a non-probabilistic approach.

To gather replies from diverse respondent groups, survey questions were distributed via a Google Sheet link across multiple locations. Upon entering the premises of the bank to conduct their transactions, participants were approached and their consent to participate in answering to the questionnaire was requested.

3.3 Nature and Source of Data

This study largely depends on primary data to address the research inquiries. Primary data refers to the original information obtained directly by the researcher to confirm hypotheses and provide evidence for the researcher's claims. The collection of primary data involved the use of a questionnaire-based method. The participants were directed to complete the questionnaire and were given detailed information about the purpose and main objectives of the study. The use of this data collecting method significantly enhanced clients' comprehension of Digital Banking services and their satisfaction within the banking sector in Nepal. The questionnaires were distributed and gathered at mutually agreeable and adaptable intervals for both the participants and the researcher.

3.4 Instrument of Data Collection

Data collection is a systematic process of gathering information from specific individuals to address research questions. The primary aim of this study was to utilize primary data sources, which include observations, experiments, and social surveys, such as questionnaires and interviews. For this study, questionnaires were employed to collect data from participants. This approach was chosen because questionnaires are efficient for collecting large amounts of data in a relatively short period and can provide valuable insights into the participants' experiences and perceptions. By using questionnaires, the study aimed to obtain comprehensive and accurate data to evaluate the impact of digital banking service delivery on customer satisfaction.

3.4.1 Questionnaires of the Study

To conduct this study, a structured questionnaire was utilized as the primary tool for data collection. The questionnaire was meticulously designed, featuring well-constructed inquiries to gather data relevant to the research. It comprised two distinct sections. The initial section was dedicated to gathering demographic information from the participants, encompassing details such as age, gender, educational background, income level, and the duration of their engagement in transactions with the Bank.

The second section of the questionnaire comprised 26 Likert scale statements pertaining to ATM services, internet banking, mobile banking, credit card services, debit card services, electronic fund transfer services, and overall customer satisfaction. Participants were asked to rate their level of agreement on a 6-point Likert scale, ranging from "strongly disagree" to "strongly agree." The scores for each statement were then aggregated and averaged for subsequent analysis.

3.4.2 Validity Test

Before commencing the main study, a pilot test was undertaken to ensure the questionnaire's reliability and validity for this research. A pilot sample comprising 20 respondents was chosen to fulfill the questionnaire. Afterwards, the replies were meticulously examined using SPSS software to evaluate the reliability of the study

instruments. The questionnaires were disseminated indiscriminately among banking customers. Valuable feedback and reviews were collected from the respondents, along with expert opinions. Based on this feedback and expert insights, appropriate adjustments were made to the questionnaire.

3.5 Methods of Data Analysis

Frequency tables were utilized to present the percentage and frequency of each category, facilitating clear and straightforward interpretation. Apart from descriptive analysis, correlation and regression analyses were also performed to validate the hypotheses.

3.5.1 Descriptive Analysis

Descriptive statistics were employed to elucidate the demographic characteristics of the respondents, as well as their perspectives on Digital Banking services and customer satisfaction. Various descriptive metrics such as frequencies, percentages, means, and standard deviations were calculated to provide a comprehensive description.

3.5.2 Correlation Analysis

The correlation coefficient was employed to demonstrate the association between Modern Banking services and client satisfaction.

3.5.3 Regression Analysis

A regression model was employed to analyze the influence of Digital Banking services on customer satisfaction. The model is defined or described as:

$$Y = \beta_0 + \beta_1 A_1 + \beta_2 I_2 + \beta_3 M_3 + \beta_4 C_4 + \beta_5 D_5 + \beta_6 Q_6 + \beta_7 EF_7 + e_i$$

Where,

Y= Customer Satisfaction

Regression Coefficients= $\beta_1 + \beta_2 + \beta_3 + \beta_4 + \beta_5 + \beta_6 + \beta_7$

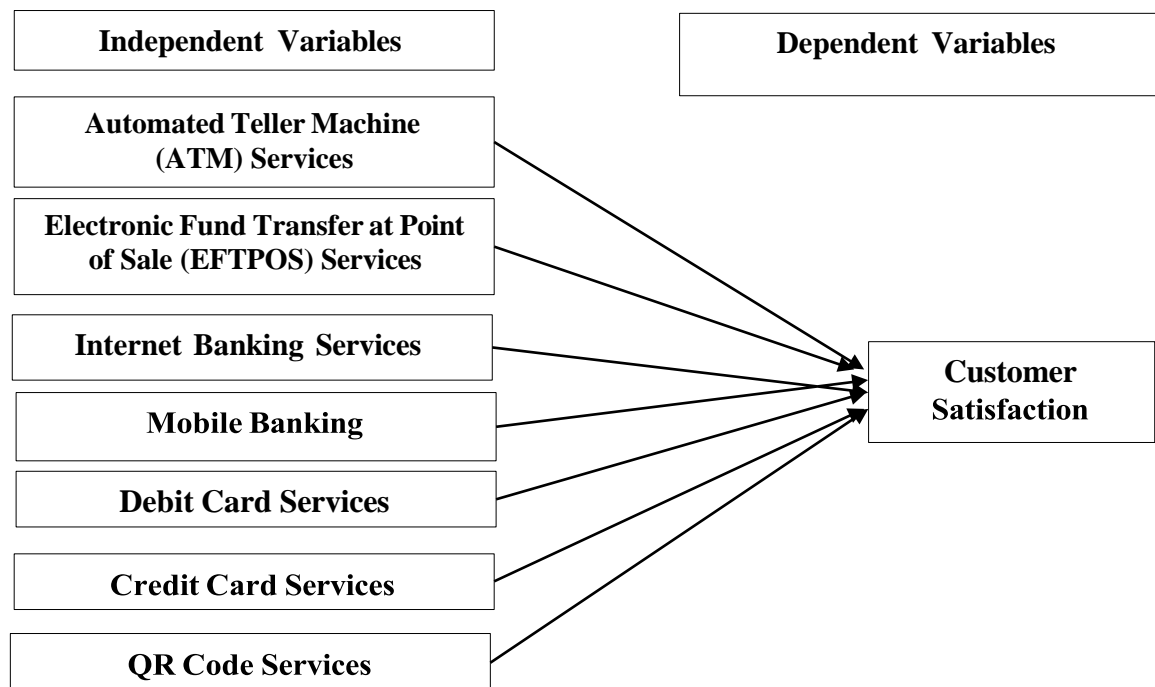
Error term= e_i

3.5.4 Software Used

The collected responses from the distributed surveys were entered into Microsoft Office(MO) Excel 2021 and IBM SPSS V1 23. Afterwards, the data was subjected to analysis, interpretation, and then presented in writing form using Microsoft Office Word 2021.

3.6 Conceptual Framework

The research is based upon the analysis and interpretation of dependent (customer satisfaction) and independent variables (Automated Teller Machine (ATM), Internet and Mobile banking, Credit cards, Debit cards, QR Code and Electronic Fund Transfer).



(Source: (Klaus & Nguyen, 2013))

Figure 3.1 Theoretical framework of digital determinants of customer satisfaction

Definition of Variable

Automated Teller Machine (ATM)

Automated Teller Machine (ATM) services refer to the electronic banking facilities provided by financial institutions that enable customers to perform various transactions

without the need for human interaction. These services typically include cash withdrawals, deposits, balance inquiries, fund transfers, bill payments, and more. ATMs are self-service terminals equipped with a combination of hardware and software components, such as card readers, cash dispensers, PIN pads, and screens. Users can access their accounts by inserting a bank card and entering a personal identification number (PIN). ATMs offer convenience and accessibility, allowing customers to conduct banking transactions anytime and anywhere, reducing dependency on physical bank branches. They play a crucial role in modern banking systems, providing fast and efficient services to a large number of customers while minimizing operational costs for financial institutions (Caruana, 2011).

The Electronic Fund Transfer at Point of Sale (EFT- POS) Services

The Electronic Fund Transfer at Point of Sale (EFT-POS) services involve electronic payment transactions that occur at the point of sale (POS) in retail stores or businesses. With EFTPOS, customers can make purchases by using debit or credit cards instead of cash. The process typically involves swiping or inserting the card into a card reader device at the checkout counter, entering a personal identification number (PIN), and authorizing the transaction. EFTPOS systems are connected to the customer's bank account or credit card provider through a secure network, facilitating the transfer of funds from the customer's account to the merchant's account in real-time. These services offer convenience, speed, and security for both customers and merchants, eliminating the need for handling cash transactions. Additionally, EFTPOS transactions provide electronic records that simplify accounting and financial management for businesses. Overall, EFTPOS services have become an integral part of modern retail operations, offering a seamless payment experience for consumers while streamlining payment processing for businesses (Ahmad, 2011).

Internet Banking Services

Internet banking services enable customers to conduct various financial transactions and banking activities through the internet. Users can conveniently check their account balances, view transaction histories, and access account statements online. They can

transfer funds between accounts, pay bills electronically, and even deposit checks using their smartphones. Internet banking also offers features for loan management, account alerts, and secure messaging with the bank. These services provide flexibility and accessibility, allowing customers to manage their finances from anywhere with an internet connection. Security measures such as encryption and authentication ensure the safety of transactions and customer information. Overall, internet banking has transformed the banking experience, offering convenience and efficiency to customers while streamlining banking operations for financial institutions (Banstola, 2007).

Mobile Banking

Mobile banking is the delivery of banking services via smartphones or other mobile devices. Customers may conveniently access their bank accounts, conduct transactions, and manage their finances using mobile applications or mobile-optimized websites. With mobile banking, users can check their account balances, transfer funds between accounts, pay bills, deposit checks using mobile check deposit, and receive account alerts. Mobile banking offers convenience, accessibility, and flexibility, allowing customers to conduct banking activities anytime and anywhere with an internet connection. Security measures such as encryption, biometric authentication, and secure login protocols ensure the safety of transactions and customer data. Overall, mobile banking has revolutionized the way people interact with their banks, providing a seamless and convenient banking experience (Hamisah, 2013).

Debit Card Services

(Lamichhane, 2022) Debit card services provide a convenient and widely accepted means for individuals to access funds in their bank accounts. These cards are linked directly to the cardholder's bank account, allowing them to make purchases and withdrawals using funds available in their account balance. Debit cards can be used at various points of sale, including retail stores, online merchants, and ATMs. When making a purchase, the cardholder typically authorizes the transaction by entering a personal identification number (PIN) or by signing a receipt. Debit cards offer a convenient alternative to cash and checks, providing immediate access to funds without the need to carry large amounts of cash. They

also offer additional features such as contactless payments and security measures to protect against fraud. Overall, debit card services offer convenience, accessibility, and security for everyday financial transactions.

Credit Card Services

Credit card services provide users with a convenient and flexible way to make purchases and access credit. Credit cards are issued by financial institutions and allow cardholders to borrow funds up to a predetermined credit limit. When a purchase is made using a credit card, the cardholder is essentially borrowing money from the issuer, with the obligation to repay the borrowed amount along with any applicable interest charges. Credit cards can be used at a wide range of merchants, both online and offline, and often come with additional benefits such as rewards programs, cashback offers, and purchase protections. Users can also make cash advances from their credit card, although this typically incurs higher interest rates and fees. Credit card services offer convenience, security, and the ability to finance purchases over time, but it's important for users to manage their credit responsibly to avoid accumulating debt (Garau, 2002).

QR Code Services

QR code services utilize QR codes, which are two-dimensional barcodes capable of storing various types of data. Users can access information or perform actions by scanning these codes using a smartphone or other compatible devices. These services find widespread application across multiple domains, including payment solutions, ticketing, marketing, authentication, and information sharing. QR codes enable quick and easy access to content, facilitate mobile payments, streamline ticketing processes, enhance marketing campaigns, provide authentication methods, and simplify information sharing. Overall, QR code services offer a versatile and convenient means for users to interact with digital and physical environments, leveraging the capabilities of modern mobile technology (Mukherjee, 2004).

Customer Satisfaction

Customer satisfaction refers to the overall sentiment or perception of customers towards a product, service, or experience provided by a business or organization. It reflects the extent

to which customers' expectations are met or exceeded, leading to a positive evaluation of their interactions with the company. Customer satisfaction is influenced by various factors, including product quality, service reliability, responsiveness of staff, convenience, pricing, and overall customer experience. When customers are satisfied, they are more likely to make repeat purchases, recommend the business to others, and maintain long-term relationships with the company. Conversely, dissatisfaction can lead to negative word-of-mouth, loss of customers, and damage to the company's reputation (Davis, 1989).

CHAPTER- IV

RESULTS AND DISCUSSION

The chapter focuses on the examination of the data gathered via surveys. The data are subjected to statistical analysis and the resulting findings are presented and interpreted. In order to achieve the study's objective, the data acquired through the questionnaire was evaluated using a statistical tool. This chapter also addresses the examination of hypotheses that were formulated in the preceding chapter.

4.1 Profile of the Respondents' Demographics

This section focuses on the demographic analysis and interpretation of the primary data collected through questionnaires. The inquiry entails an analysis of the respondents' attributes, including gender, age, education, income, and the length of time they have been utilizing Digital Banking services. Out of the 150 questionnaires distributed to potential respondents, a total of 77 responses were collected. However, out of the total responses, seven of them contained inaccuracies, resulting in a legitimate response rate of 46.67 percent. All participants resided in the Kathmandu Valley.

Table 1

Demographic Profile of the respondents

Demography Fields	Details	Frequency(F)	Percent(%)
Gender	Male	43	61.4
	Female	27	38.6
Age Group	18-30	47	67.1
	31-40	17	24.3
	41-50	6	8.6
Education	Under Graduate	2	2.9
	Graduate	26	37.1
	Master's degree and above	42	60
Income	Up to Rs. 100,000	12	17.1
	Rs. 101,000 – Rs. 300,000	18	25.7
	Rs. 301,000 – Rs. 500,000	17	24.3
	Rs. 501,000 and above	23	32.9
Years of using Digital Banking services	Less than 1 year	12	17.1
	1-2 years	16	22.9
	2-3 years	25	35.7
	3-5 years	9	12.9
	More than 5 years	8	11.4

Source: Primary Data

Table 4.1 displays the proportional distribution of participants categorized based on their gender. Analyzed data was obtained from a group of 70 participants. Out of all the responses, 61.4 percent (43) were male. The female response rate was 38.6 percent, with a total of 27 responses. This study demonstrates a slight prevalence of male participants in compared to females. The table presents the percentage distribution of respondents based on their age groupings. 67.1 percent of all the participants fell within the age range of 18-30. Subsequently, the participants in the age range of 31-40 constituted 24.3% of the total, and 8.6% belonged to the 41-50 age bracket. This trend can be attributed to the banks' presence on a college campus, where a significant number of their customers are students. The findings suggest that most consumers belong to the age group of employed individuals who are actively engaged in regular banking transactions.

The table presents the demographic attributes of the participants based on their educational qualifications. The investigation revealed that 60.0% of the participants were currently pursuing Master's Degree or higher level studies. Furthermore, 37.1% of the respondents were categorized as graduates, whilst 2.9% were categorized as undergraduates. This distribution represents the necessary need of basic literacy for banking procedures, clarifying the formal educational levels of the participants. The table also displays the profile of respondents classified according to their income levels. The biggest proportion, amounting to 32.9% of the respondents, reported an income level beyond 501,000. Subsequently, the bracket ranging from 101,000 to 300,000 accounted for 25.7% of the total, while the bracket from 301,000 to 500,000 accounted for 24.3%. Additionally, the bracket with an annual income of 100,000 constituted 17.1%.

Additionally, the table presents information regarding the length of time that respondents have been using Digital Banking services. Among the 70 participants, 35.7% had been employing the services for around 2-3 years, while 22.9% had been using them for 1 -2 years. Furthermore, 17.1% of the individuals had been availing the services for less than one year, 12.9% for around 3-5 years, and 11.4% for more than 5 years.

4.2 Descriptive analysis

Descriptive analysis involves summarizing the properties of a dataset using summary statistics. This study utilizes the mean as a measure of central tendency and the standard deviation to evaluate the variability of several variables, such as Automated Teller Machine, Internet Banking, Mobile Banking, Credit Card, Debit Card, Electronic Fund Transfer, and Customer Satisfaction. A higher mean value indicates a stronger agreement among respondents regarding those variables, implying a possibly greater impact. When assessing the mean and standard deviation of variables, it is crucial to recognize that a significantly large standard deviation number indicates that the examined data is more distant from the mean, while a smaller value suggests that the tested variables are closer to the mean. In this study, every statement is assessed using a six-point scale of measurement. The scale spans from 1 (indicating a severe disagreement) to 6 (indicating a strong agreement).

Descriptive analysis and grand mean of Variable

Products	Statements	Minimum	Maximum	Mean	S.D
ATM	Withdrawing cash using the ATM is very convenient.	1	6	5.07	0.937
	The ATM reduces queuing time.	2	6	4.61	1.054
	Transactions at the ATM are secure.	1	6	4.63	0.951
	ATM transactions are reliable.	2	6	4.73	0.867
	The ATM does not share my personal information with others.	1	6	4.97	0.963
Internet Banking services	Internet banking transactions are secure.	1	6	4.55	0.973
	Internet banking transactions are reliable.	2	6	4.53	0.944
	Internet banking does not share my personal information with others.	1	6	4.66	0.899
	Statements can be requested through internet banking.	2	6	4.56	1.163
	Transactions via internet banking are secure.	1	6	4.55	0.973
Mobile Banking	Mobile banking makes banking very convenient.	1	6	5.03	1.035
	Transactions on mobile banking are secure.	1	6	4.7	0.968
	Mobile banking is easy to use.	2	6	5.13	0.867

	Transactions on mobile banking are reliable.	2	6	4.71	0.89
	Mobile banking does not share my personal information.	3	6	4.87	0.883
	Credit cards help with buying in advance and paying later.	2	6	4.89	1.097
Credit Card	Online and living expenses payments are easier with a credit card.	2	6	4.61	0.967
	Credit cards are very convenient when traveling.	2	6	4.71	0.995
Debit Card	Transactions via debit card are secure.	2	6	4.53	1.018
	Transactions via debit card are reliable.	2	6	4.63	1.066
	Debit cards are easy to carry.	2	6	4.9	1.065
Electronic Fund Transfer	Transactions are very secure and reliable.	2	6	4.59	0.985
	Fast processing at a reasonable cost.	1	6	4.39	1.133
	The most efficient digital payment method.	2	6	4.46	1.112
	Satisfaction level with e-banking services.	2	6	4.89	0.662
Customer Satisfaction	Continuity of using digital banking services.	1	6	5.13	0.9
	I will recommend digital banking services to my friends and family.	2	6	4.66	1.02
Total Mean				127.7	

Source: Primary Data

4.2.1 Automated Teller Machine

Based on the data presented in Table 4.2, the statement "The ATM facilitates cash withdrawal in a highly convenient manner" receives the highest average score of 5.07. This indicates that this specific facet achieved the highest level of agreement among the various components of Automated Teller Machine services. Conversely, the statement "There is reduced waiting in line when using the ATM" received the lowest average rating of 4.61, suggesting that most participants expressed more disagreement with this statement compared to others.

Similarly, the factor "There is less waiting in line when using the ATM" has the highest standard deviation of 1.054, indicating a greater level of risk associated with this particular

characteristic among the components of the Automated Teller Machine. On the other hand, the characteristic "The ATM facilitates cash withdrawal with great convenience" has the lowest standard deviation of 0.937. This indicates that there is less risk associated with this specific aspect compared to other components of the Automated Teller Machine.

Table 2

Descriptive Statistics of Automated Teller Machine Services

Statements	Minimum	Maximum	Mean	Std. deviation
Withdrawing cash using the ATM is very convenient.	1	6	5.07	0.937
The ATM reduces queuing time.	2	6	4.61	1.054
Transactions at the ATM are secure.	1	6	4.63	0.951
ATM transactions are reliable.	2	6	4.73	0.867
The ATM does not share my personal information with others.	1	6	4.97	0.963

Source: Primary Data

Table 2 displays the descriptive statistics for Automated Teller Machine (ATM) services, which are based on the ratings given by respondents for different statements. The statement "Withdrawing cash using the ATM is very convenient" had a mean score of 5.07 with a standard deviation of 0.937. This indicates a high degree of agreement among respondents and relatively low variability. The statement "The ATM reduces queuing time" obtained a mean score of 4.61 with a standard deviation of 1.054, indicating a moderate level of agreement and slightly greater variability. The average score for the security of transactions at the ATM was 4.63, with a standard deviation of 0.951. This indicates that respondents generally expressed agreement with the security of transactions. The ATM transactions were assessed for dependability and received a mean score of 4.73 with a standard deviation of 0.867, suggesting a high level of consistent agreement. The statement "The ATM does not share my personal information with others" received a mean score of 4.97 and a standard deviation of 0.963. This indicates a strong consensus among respondents that ATMs prioritize user privacy, with minimal variation in their responses.

4.2.2 Internet Banking Services

Based on the facts provided in Table 4.3, the statement "Internet banking does not disclose my personal information to others" has the highest average rating of 4.66. This indicates that this specific criterion obtained the highest degree of agreement among the many components of internet banking services. Conversely, the statement "Transaction via internet banking is reliable" obtained the lowest average score of 4.53, suggesting that the majority of respondents showed less agreement with this statement in comparison to others. Furthermore, the variable "Statement can be requested through internet banking" exhibits the highest standard deviation of 1.163, suggesting a higher level of risk associated with this particular aspect in comparison to other elements of internet banking services. On the other hand, the factor "Internet banking does not share my personal information with others" has the lowest standard deviation of 0.899. This indicates that there is a lower level of risk associated with this characteristic compared to other aspects of internet banking services.

Table 3

Descriptive Statistics of Internet Banking services

Statements	Minimum	Maximum	Mean	Std. deviation
Internet banking transactions are reliable.	1	6	4.55	0.973
Internet banking does not share my personal information with others.	2	6	4.53	0.944
Statements can be requested through internet banking.	1	6	4.66	0.899
Transactions via internet banking are secure.	2	6	4.56	1.163
Mobile banking makes banking very convenient.	1	6	4.55	0.973

Source: Primary Data

Table 3 provides descriptive statistics for various statements regarding Internet Banking services. The statement "Internet banking transactions are reliable" had a mean score of 4.55 with a standard deviation of 0.973, indicating that respondents generally agree on the reliability of internet banking transactions with moderate variability. The statement

"Internet banking does not share my personal information with others" received a mean score of 4.53 and a standard deviation of 0.944, suggesting a similar level of agreement and slightly less variability. The ability to request statements through internet banking had a mean score of 4.66 with a standard deviation of 0.899, reflecting a high level of agreement and low variability. The security of transactions via internet banking had a mean score of 4.56 and a standard deviation of 1.163, showing moderate agreement but higher variability compared to other statements. Finally, the statement "Mobile banking makes banking very convenient" had a mean score of 4.55 and a standard deviation of 0.973, indicating a high level of agreement with moderate variability among respondents.

4.2.3 Mobile Banking Services

Based on the data provided in Table 4.4, the statement "Mobile banking is easy to use" got the highest average score, with a mean value of 5.13. This indicates that this specific factor obtained the highest degree of agreement among the several components of mobile banking services. Conversely, the statement "Transaction on mobile banking is secured" obtained the lowest average score of 4.70, suggesting that the majority of respondents were less likely to agree with this statement in comparison to others.

In addition, the variable "Mobile banking makes banking very convenient" has the largest standard deviation of 1.035, suggesting a higher level of risk associated with this particular feature compared to other aspects of mobile banking services. On the other hand, the factor "Mobile banking is easy to use" has the lowest standard deviation of 0.867, indicating that there is relatively less risk associated with this characteristic compared to other aspects of mobile banking services.

Table 4*Descriptive Statistics of Mobile Banking services*

Statements	Minimum	Maximum	Mean	Std. deviation
Mobile banking makes banking very convenient.	1	6	5.03	1.035
Transactions on mobile banking are secure.	1	6	4.7	0.968
Mobile banking is easy to use.	2	6	5.13	0.867
Transactions on mobile banking are reliable.	2	6	4.71	0.89
Mobile banking makes banking very convenient.	3	6	4.87	0.883

*Source: Primary Data***4.2.4 Credit Card Services**

Based on the data provided in Table 4.5, the statement "Credit card facilitates purchasing in advance and deferring payment" receives the highest average score, with a mean value of 4.89. This indicates that this specific feature garnered the highest level of agreement across the several components of credit card services. Conversely, the statement "Online/living expenses payment is easier" obtained the lowest average score of 4.61, suggesting that the majority of respondents showed less agreement with this statement in comparison to others.

Furthermore, the variable "Credit card helps to buy in advance and pay later" exhibits the highest standard deviation of 1.097, suggesting a higher level of risk connected with this particular element in comparison to other aspects of credit card services. In contrast, the feature "Online/living expenses payment is easier" has the lowest standard deviation of 0.967, indicating that there is relatively less risk associated with this element compared to other components of credit card services.

Table 5*Descriptive Statistics of Credit Card Services*

Statements	Minimum	Maximum	Mean	Std. deviation
Credit cards help with buying in advance and paying later.	2	6	4.89	1.097
Online and living expenses payments are easier with a credit card.	2	6	4.61	0.967
Credit cards are very convenient when traveling.	2	6	4.71	0.995

Source: Primary Data

4.2.5 Debit Card Services

Based on the data provided in Table 4.6, the statement "Debit card is easy to carry" has the highest average score, with a mean value of 4.90. This indicates that this specific factor obtained the highest degree of agreement among the many components of debit card services. Conversely, the statement "Transaction via debit card is secured" obtained the lowest average score of 4.53, suggesting that the majority of respondents showed less agreement with this statement in comparison to others.

In addition, the variable "Transaction via debit card is reliable" has the largest standard deviation of 1.066, suggesting a higher level of risk associated with this particular aspect compared to other aspects of debit card services. On the other hand, the factor "Transaction via debit card is secured" has the lowest standard deviation of 1.018, indicating that there is a lower amount of risk connected with this characteristic compared to other aspects of debit card services.

Table 6*Descriptive Statistics for Debit Card Services*

Statements	Minimum	Maximum	Mean	Std. deviation
Transactions via debit card are secure.	2	6	4.53	1.018
Transactions via debit card are reliable.	2	6	4.63	1.066
Debit cards are easy to carry.	2	6	4.9	1.065

4.2.6 Electronic Fund Transfer Services

The statement "Transaction is very secured and reliable" has the highest average score of 4.59, as shown in Table 4.7. This indicates that these specific criteria obtained the highest degree of agreement among the various components of electronic fund transfer services. Conversely, the statement "Fast processing at reasonable cost" obtained the lowest average score of 4.39, suggesting that the majority of respondents were less likely to agree with this statement in comparison to others.

In addition, the criterion "Fast processing at reasonable cost" has the largest standard deviation of 1.133, suggesting a higher level of risk associated with this particular factor compared to other aspects of electronic fund transfer services. On the other hand, the factor "Transaction is very secured and reliable" has the lowest standard deviation of 0.985, indicating that there is a lower amount of risk connected with this feature compared to other aspects of electronic fund transfer services.

Table 7*Descriptive Statistics of Electronic Fund Transfer*

Statements	Minimum	Maximum	Mean	Std. deviation
Transactions are very secure and reliable.	2	6	4.59	0.985
Fast processing at a reasonable cost.	1	6	4.39	1.133
The most efficient digital payment method.	2	6	4.46	1.112

4.2.7 Customer Satisfaction

In Table 4.8, the statement "Continuity of using Digital Banking services" has the highest mean score of 5.13. This suggests that this particular factor received the highest level of consensus across the many elements of customer satisfaction. In contrast, the statement "I will recommend Digital Banking services to my friends and family members" received the lowest mean score of 4.66. This indicates that most respondents disagreed more with this statement compared to others, making it the least influential factor in determining customer satisfaction.

In addition, the factor "I will recommend Digital Banking services to my friends and family members" has the largest standard deviation of 1.020, indicating a greater level of risk associated with this specific factor compared to other components of customer satisfaction. Conversely, the factor "Satisfaction level with using Digital Banking services" has the lowest standard deviation of 0.662, suggesting that there is less risk connected with this aspect compared to other components of customer happiness.

Table 8

Overall Descriptive Statistics of Customer Satisfaction

Statements	Minimum	Maximum	Mean	Std. deviation
The Satisfaction level with e-banking services.	2	6	4.89	0.662
The Continuity of using digital banking services.	1	6	5.13	0.9
I will recommend digital banking services to my friends and family.	2	6	4.66	1.02

4.3 Summary of descriptive analysis

Table 4 presents the ranking of various banking services based on their mean scores. Mobile Banking Services (MBS) achieved the highest rank with a mean score of 4.88, indicating the highest level of satisfaction among respondents. In contrast, Electronic Fund Transfer Services (EFTS) received the lowest rank, holding the sixth position with an average score of 4.47. Among the listed services, Automated Teller Machine (ATM)

secured the second position with a mean score of 4.80, followed by Credit Card Services (CCS), Debit Card Services (DCS), and Internet Banking Services (IBS) with mean scores of 4.73, 4.68, and 4.57, respectively.

In terms of reliability, ATM services stood out with the lowest standard deviation of 0.620, indicating consistent ratings among respondents. Conversely, Electronic Fund Transfer Services (EFTS) ranked sixth with the highest standard deviation of 0.861, suggesting more varied opinions among respondents. Mobile Banking Services (MBS), Internet Banking Services (IBS), Credit Card Services (CCS), and Debit Card Services (DCS) followed with standard deviations of 0.714, 0.740, 0.788, and 0.839, respectively.

Table 9

Descriptive Statistics Summary

Modules of Digital Banking Products	Mean	Std. Deviation(S.D)
Automated Teller Machine	4.8	0.62
Internet Banking Service	4.57	0.74
Mobile Banking Service	4.88	0.714
Credit Card Service	4.73	0.788
Debit Card Service	4.68	0.839
Electronic Fund Transfer Services	4.47	0.861
Customer Satisfaction	4.89	0.715
Total Mean	33.02	
Grand Mean	4.72	

4.4 Relationship between Dependent and Independent Variables

The Pearson correlation coefficient was employed to evaluate the strength and direction of the association between the independent variables (Automated Teller Machine, Internet Banking Services, Mobile Banking Services, Credit Card Services, Debit Card Services, and Electronic Fund Transfer) and the dependent variable (customer satisfaction). The correlation coefficient, denoted as r , ranges from -1 to +1, signifying the existence of positive or negative associations between variables. A positive correlation signifies that when one variable increases, the other variable also increases, while a negative correlation shows that as one variable increases, the other variable decreases. The sign of the

correlation coefficient denotes the direction of the relationship, while its value represents the strength of the association.

The analysis revealed a minimal positive linear correlation between Automated Teller Machine (ATM) usage and customer satisfaction, as demonstrated by a correlation coefficient (r value) of 0.084. Moreover, the p value of 0.489, which exceeds the threshold of 0.05, suggests that there is no statistically significant correlation between the utilization of Automated Teller Machines (ATMs) and customer satisfaction. Similarly, the analysis indicated a correlation coefficient (r value) of 0.014, indicating a very modest positive linear association between Internet Banking Services (IBS) and client satisfaction. The p value of 0.905, beyond the significance level of 0.05, suggests that there is no statistically significant correlation between Internet Banking Services (IBS) and customer satisfaction.

Furthermore, the investigation uncovered a correlation coefficient (r value) of 0.018, indicating a minimal positive linear association between Mobile Banking Services (MBS) and customer satisfaction. The p value of 0.884, beyond the significance level of 0.05, suggests that there is no statistically significant correlation between Mobile Banking Services (MBS) and customer contentment.

Furthermore, the research revealed a correlation coefficient (r value) of 0.147, suggesting a moderate positive linear association between Credit Card Services (CCS) and customer satisfaction, with CCS tending to grow as customer satisfaction rises. The p value of 0.226, exceeding the significance level of 0.05, indicates that there is no statistically significant correlation between Credit Card Services (CCS) and customer contentment.

The investigation also found a correlation coefficient (r value) of 0.141, demonstrating a modest positive linear association between Debit Card Services (DCS) and customer satisfaction, with the relationship showing an increasing tendency. The p value of 0.243, exceeding the threshold of 0.05, suggests that there is no statistically significant correlation between Debit Card Services (DCS) and customer contentment.

The research findings indicate a correlation coefficient (r value) of 0.077, suggesting a weak but positive linear relationship between Electronic Fund Transfer Services (EFTS)

and customer satisfaction. The p value of 0.528, beyond the significance level of 0.05, suggests that there is no statistically significant correlation between Electronic Fund Transfer Services (EFTS) and customer contentment.

Table 10

Correlations of Digital Banking services and Customer Satisfaction

		ATM	IBS	MBS	CCS	DCS	EFTS	CS
ATM	Pearson	1	.564 **	.628 **	.302 *	.358 **	.406 **	0.084
Correlation			0	0	0.011	0.002	0	0.489
Sig.	(2-tailed)							
N		70	70	70	70	70	70	70
IBS	Pearson	.564 **	1	.748 **	0.477**	.581**	.428**	0.014
Correlation		0		0	0	0	0	0.905
Sig.	(2-tailed)							
N		70	70	70	70	70	70	70
MBS	Pearson	.628**	.748 **	1	.426 **	.355 **	.352**	0.018
Correlation						0.003	0.003	0.884
Sig.	(2-tailed)							
N		70	70	70	70	70	70	70
CCS	Pearson	0.302*	0.477**	0.426**	1	0.594**	0.54**	0.147
Correlation		0.011	0	0		0	0	0.226
Sig.	(2-tailed)							
N		70	70	70	70	70	70	70
DCS	Pearson	.358**	.581 **	.355 **	.594 **	1	.590 **	0.141
Correlation		0.002	0	0.003	0		0	0.243
Sig.	(2-tailed)							
N		70	70	70	70	70	70	70
EFTS	Pearson	.406**	.428 **	.352 **	.540**	.590 **	1	0.077
Correlation		0	0	0	0	0		0.528
Sig.	(2-tailed)							
N		70	70	70	70	70	70	70
CS	Pearson	0.084	0.014	0.018	0.147	0.141	0.077	1
Correlation		0.489	0.905	0.884	0.226	0.243	0.528	
Sig.	(2-tailed)							
N		70	70	70	70	70	70	70

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

**. Correlation is significant at the 0.05 level (2-tailed)*

4.5 Summary of result of hypothesis

Table 11

Overall Summary of Result of Hypothesis

Variables	Hypothesis	P- value	Results
ATM	H1: The availability of ATM services plays a crucial role in influencing customer satisfaction in private finance companies in Nepal.	0.466	Rejected
Internet Banking Services	H2: Internet banking services have a significant effect on customer satisfaction in Nepalese private finance companies.	0.457	Rejected
Mobile Banking Services	H3: Mobile banking services have a significant effect on customer satisfaction in Nepalese private finance companies.	0.881	Rejected
Credit Card services	H4 : Credit card services have a significant effect on customer satisfaction in Nepalese private finance companies	0.398	Rejected
Debit Card services	H5 : Debit card services have a significant effect on customer satisfaction in Nepalese private finance companies.	0.407	Rejected
Electronic Fund Transfer Services	H6 : Electronic fund transfer services have a significant effect on customer satisfaction in Nepalese private finance companies.	0.718	Rejected

4.6 Major Findings

The primary results of the study can be summarized as follows: This line typically introduces a concise overview or summary of the main findings or outcomes obtained from the research. It serves as a precursor to outlining the key conclusions or insights derived from the study's analysis or experiments.

- i. Out of 70 respondents, 61.4% were male and 38.6% were female.
- ii. The largest age group among respondents was 18-30, comprising 67.1%, followed by 24.3% in the 21-40 age group and 8.6% in the 41-50 age group.

- iii. A significant portion of respondents (60.00%) had completed a master's degree or higher, with 37.10% being graduates and 2.90% undergraduates.
- iv. Regarding the duration of using digital banking services, 35.70% of respondents had been using these services for 2-3 years, while only 11.40% had used them for above than 5 years of time.
- v. MoBank Services had the maximum mean satisfaction value of 4.8800, whereas Electronic Services had the lowest mean value of 4.470, indicating higher customer satisfaction with MBS.
- vi. ATMs services showed the lowest variation (0.620), suggesting that ATM services were more consistently provided by banking institutions in Nepal compared to other services.
- vii. The correlation coefficient between ATM usage and customer satisfaction was 0.084, indicating a very weak positive relationship. The p-value was 0.489, suggesting this association was statistically insignificant.
- viii. The correlation coefficient between Internet Banking Services (IBS) usage and customer satisfaction was 0.014, indicating a very weak positive relationship, with a p-value of 0.905, showing no significant statistical association.
- ix. The correlation coefficient between Mobile Banking Services (MBS) usage and customer satisfaction was 0.018, indicating a very weak positive relationship. The p-value was 0.884, showing this association was statistically insignificant.
- x. The correlation coefficient between Credit Card Services (CCS) usage and customer satisfaction was 0.147, indicating a weak positive relationship. The p-value was 0.226, suggesting no significant statistical association.
- xi. The correlation coefficient between Debit Card Services (DCS) usage and customer satisfaction was 0.141, indicating a weak positive relationship. The p-value was 0.243, showing this association was statistically insignificant.
- xii. The correlation coefficient between Digital services usage and customer fulfillment was 0.07700, indicating a very weak positive relationship. The p-value was 0.5280, showing no significant statistical association.
- xiii. Hypothesis 1 was disproved, indicating that ATM usage had no statistically significant impact on customer satisfaction.

- xiv. Hypothesis 2 was disproved, indicating that Internet banking services usage had no statistically significant impact on customer satisfaction.
- xv. Hypothesis 3 was disproved, indicating that Mobile banking services usage had no statistically significant impact on customer satisfaction.
- xvi. Hypothesis 4 was disproved, indicating that Credit Card services usage had no statistically significant impact on customer satisfaction.
- xvii. Hypothesis 5 was disproved, indicating that Debit Card services usage had no statistically significant impact on customer satisfaction.
- xviii. Hypothesis 6 was disproved, indicating that digital overall services usage had no statistically significant effect on customer satisfaction.

4.7 Discussion

An examination of the demographic characteristics of the participants yields useful information about the customer population of a private finance company in Nepal. The survey participants were mostly males, primarily in the age range of 18-30 years, and possessed a master's degree or higher level of education. The data indicates that younger individuals with higher levels of education are more likely to use digital banking services. Furthermore, a substantial proportion of participants had been utilizing these services for a duration of 2-3 years, suggesting an increasing level of approval and implementation of digital banking in the area.

The descriptive analysis of different digital banking services, such as Automated Teller Machines (ATM), Internet Banking Services (IBS), Mobile Payments Services (MBS), Credit Card Services (CCS), Debit Cards Services (DCS), and electronic transfer of funds Services (EFTS), examines the advantages and disadvantages of each service. Respondents expressed the highest level of satisfaction with Mobile Banking Services, while e-Transfer Services (EFTS) obtained the lowest satisfaction rating. The data indicate that clients view mobile banking as more convenient and user-friendly in comparison to other digital banking services.

Moreover, the correlation research indicates that there are weak to negligible positive connections between the utilization of electronic financial services and the levels of consumer satisfaction. None of the associations observed were statistically significant,

suggesting that the utilization of digital banking services does not have a major impact on customer satisfaction in private Finance Company in Nepal. This discovery challenges the widely accepted notion that improved digital banking services result in increased levels of consumer satisfaction.

Furthermore, the findings of the hypothesis testing validate that the influence of individual digital banking services on customer satisfaction is not significant. All hypotheses on ATM, Web-Based Banking Services, Mobile Banking Services, Credit Card Services, Visa Debit Card Services, and Electronic Banking Services were conclusively rejected. This suggests that none of these services have a major impact on customer satisfaction in private Finance Company in Nepal.

CHAPTER-V

SUMMARY AND CONCLUSION

The findings of this investigation are summarized in this chapter. The findings are summarized in the first part. The study's conclusion, limitations, ideas for further research, and recommendations are presented in that order in the other section.

5.1 Summary

The main aim of this study was to evaluate the impact of online banking service delivery on customer satisfaction in a private finance company in Nepal. The study's findings suggest a relatively low correlation between all indicators related to Digital Banking services and overall customer satisfaction. Consistent with this study, the findings from the banks that were analyzed in Nepal corroborate the empirical research.

This tendency can be explained by clients viewing internet banking mainly as a way to avoid waiting in large lines at the bank and to overcome the difficulties of traveling through city traffic for in-person banking activities. Moreover, the study's results coincide with the research, which argues that customer happiness is affected by the congruence or discrepancy between perceived service quality and anticipated performance. The study found that consumers from different banks evaluated the service quality to be in line with the actual performance, leading to a high degree of satisfaction with the services offered, as evidenced by the study's findings.

Building upon the previous discussion, the regression analysis conducted in this study demonstrated that there is no predicted correlation between the digital banking variables and customer happiness. This finding further supports the suitability of the chosen model. The significance levels differed for each variable, and the results indicated that none of the variables were statistically significant at the 5% level. This result can be ascribed to clients who use electronic banking experiencing a sense of insufficient authority over their internet banking actions.

5.2 Conclusion

The study investigated the delivery patterns of digital banking services in the banking industry and their influence on customer satisfaction within private finance organizations in Nepal. The descriptive analysis uncovered numerous significant observations. The predominant demographic of digital banking users consisted of young individuals between the ages of 18 and 30, predominantly male. The primary user groups were salaried professionals and students. Furthermore, the majority of users had educational degrees ranging from diploma and above. The survey also observed that banks did not have standardized and readily available customer profile records.

A significant discovery was made regarding the clear correlation between demographic variables and customer happiness in Digital Banking, which was shown to be stronger than that observed in traditional banking. The survey concluded that a range of digital banking services, including ATM, internet banking, mobile banking, credit card services, debit card services, and electronic fund transfer services, had a little effect on consumer satisfaction. In addition, the ATM services exhibited the smallest degree of fluctuation (0.620), indicating that financial institutions in Nepal regularly offered these services more than other digital banking services.

Overall, Digital Banking services have had a substantial influence on improving customer happiness, reducing service waiting times, and empowering customers to efficiently manage their account transactions.

5.3 Implications

The study's findings provide significant insights for individuals in the banking industry, customers, scholars, and researchers in related fields. The study revealed that ATM, online banking, mobile banking, credit cards, debit cards, and electronic fund transfer services had no significant effect on customer satisfaction.

Electronic banking services have become a crucial and central approach in the banking business worldwide. Although it has many benefits, there are obstacles that impede its optimal application for both the general public and the banks themselves. The significant intricacy of using Digital Banking necessitates further research to thoroughly investigate

its intricacies. Therefore, the researcher suggests dedicating financial resources to duplicate this study in additional banking institutions. The outcomes of the current study highlighted the diverse obstacles and benefits connected with electronic banking services.

Banks should aim to have a diverse user base encompassing individuals of different genders, ages, educational backgrounds, and occupations. It is essential to comprehend the demographic aspects that impact satisfaction with Digital Banking services. By expanding Digital Banking services, the necessity for clients to visit physical bank branches can be minimized, resulting in cost benefits when compared to establishing new bank halls. Conducting official training sessions and delivering on the promise of round-the-clock availability are crucial measures to increase customer understanding of Digital Banking service fees. Banks should consistently enhance customer satisfaction levels through proactive initiatives and empirical surveys.

Expanding the services offered by Digital Banking, such as taking deposits, allows banks to take advantage of the growth of Digital Banking while minimizing the difficulties that come with it. Finally, banks should give priority to issues that have a substantial influence on determining consumer happiness in Digital Banking.

This study lays the groundwork for future research efforts, promoting a thorough investigation of client demographics. Although this study only examined customer happiness in the banking and financial sector, future research may investigate a range of other industries such as healthcare, insurance, trading, manufacturing, and technology. This would enhance our understanding of e-service satisfaction across different sectors.

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APPENDIX

Questionnaire for Banking Customers

Questionnaire

Dear Valued Banking Customers,

I am currently leading a research investigation focusing on the "**DIGITAL BANKING SERVICE ON CUSTOMER SATISFACTION IN FINANCE** " Your participation in this study is highly valued, and I extend my sincere gratitude for your engagement in this academic endeavor. Your insights are crucial and will significantly enrich the outcomes of my research project. Rest assured, all information shared will remain strictly confidential and will be utilized exclusively for the purpose of this research.

Sincerely yours,

Niraj Kumar Sah

Name of the Customer (Optional):

1. Age of respondents

- a) 18-30 years
- b) 31-40 years
- c) 41-50 years
- d) 51 years and above

2. Gender

- a) Male
- b) Female

3. Education

- a) Under Graduate
- b) Graduate
- c) Master's Degree and above

4. Annual Income

- a) Up to Rs. 100,000
- b) Rs. 101,000 – Rs. 300,000
- c) Rs. 301,000- Rs. 500,000
- d) Rs. 501,000 and above

5. **Since when have you been using E- banking Services?**
 - a) Less than 1 year
 - b) 1-2 years
 - c) 2-3 years
 - d) 3-5 years
 - e) More than 5 years
6. **How did you come to know about Digital Banking services provided by your bank?**
 - a) From bank officials
 - b) Advertisement in print media
 - c) Television Advertisement
 - d) On line advertisement
 - e) From family members
 - f) From Friends
 - g) Any other (specify)
7. **Which one is the main reason for you to use Digital Banking?**
 - a) Better Information
 - b) Simplification of processes
 - c) 24 Hr. service
 - d) Limited time available
8. **What would encourage you to use more the electronic banking services?**
 - a) Rewards (discounted fees for certain services)
 - b) Simpler/ clearer service
 - c) Higher Security
 - d) Free transactions
 - e) Other (specify)

THE DELIVERY OF DIGITAL BANKING SERVICES

Indicate your level of agreement on the following statements by ticking the appropriate number using the key given below: 6 = Strongly Agree 5 = Agree 4 = Slightly Agree 3 = Slightly Disagree 2 = Disagree 1 = Strongly Disagree

STATEMENTS	1	2	3	4	5	6
<u>ATM (Automated Teller Machine)</u>						
The ATM makes cash withdrawal very convenient						
There is less queuing using the ATM						
Transaction on the ATM is secured						
Transaction on the ATM is reliable						
ATM does not share my personal information with others						

<u>Internet Banking Services</u>						
Transaction via internet banking is secured						
Transaction via internet banking is reliable						
Internet banking does not share my personal information with others						
Statement can be requested through internet banking						

<u>Mobile Banking</u>						
Mobile banking makes banking very convenient						
Transaction on mobile banking is secured						
Mobile banking is easy to use						
Transactions on mobile banking is reliable						
Mobile banking does not share my personal information						

<u>Credit Card Services</u>						
Credit card helps to buy in advance and pay later						
Credit card is very convenient when travelling						
Online/ living expenses payment is easier						

<u>Debit Card Services</u>						
Transaction via debit card is secured						
Transaction via debit card is reliable						
Debit card is easy to carry						

<u>Electronic Fund Transfer Services</u>						
Transaction is very secured and reliable						
Fast processing at reasonable cost						
Most efficient digital payment method						

<u>Customer Satisfaction</u>						
Satisfaction level with using Digital Banking services						
Continuity of using Digital Banking services						
I will recommend Digital Banking services to my friends and family members						

Digital Banking Service on Customer Satisfactio...

By: Niraj Kumar Sah

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ABSTRACT Customer happiness is a crucial determinant of the success of any commercial activity. In the banking business, especially in the face of intense competition, client satisfaction plays a crucial role in distinguishing one financial institution from another. Therefore, the assessment of customer satisfaction is of utmost significance. In this period of intense competition, the key to maintaining growth and increasing market share relies on banks' ability to constantly meet and beyond consumer expectations. Amidst the dynamic and ever-changing world of online business, where new ideas and strategies quickly lose their effectiveness, ensuring client pleasure becomes crucial for sustained success and growth.

This study aims **to examine the** influence **of** e- **banking service delivery on customer satisfaction in** a **private**

finance company in Nepal. In order to accomplish this goal, primary data was gathered using structured questionnaire procedures from a sample of 70 banking clients. The study used a descriptive, casual-comparative research design, applying quantitative methods for collecting and analyzing data. The primary method for collecting replies was a self-administered questionnaire survey. The gathered data were then analyzed using statistical analysis software called SPSS. The sample approach used was non-probabilistic convenience sampling. The dependent variable is customer satisfaction, while

the independent variables are ATM, **internet banking, mobile banking, credit card, debit card, and electronic fund transfer services. The**

study utilizes correlation and regression analyses to investigate the links between these variables and determine their influence on customer satisfaction. Keyword: E-banking, Service delivery, Digitalization, Convenience, Online banking, Regression, Innovation