

**CUSTOMER SATISFACTION WITH DIGITAL BANKING
PLATFORMS IN COMMERCIAL BANKS IN NEPAL**

A THESIS

Submitted By

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RECOMMENDATION

This is to certify that the thesis

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**Customer Satisfaction With Digital Banking Platform In Commercial Banks In
Nepal**

has been prepared as approved by this campus in the prescribed format of the faculty
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DECLARATION

I hereby declare that the thesis entitled **Customer satisfaction with digital banking platform in commercial banks in Nepal** submitted to office of the Dean, Faculty of Management, Tribhuwan University (TU), is entirely my own work in the form of partial fulfillment of the requirement for the Degree of Masters of Business Studies (MBS) under the supervision of my thesis guide **Asso. Prof. Suman Kamal Parajuli** of Shanker Dev Campus Campus, T.U.

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ABBREVIATIONS

ABC:	Digital banking Channels
ANOVA:	Analysis of Variance
ATM:	Automated Teller Machine
BFIS:	Bank and Financial Institutions
CS:	Customer Satisfaction
EFT:	Electronic Funds Transfer
GBIME:	Global IME Bank Limited
IB:	Internet Banking
ICT:	Information and Communications Technology
INT:	Internet Banking
IT:	Information Technology
KBL:	Kumari Bank Limited
MB:	Mobile Banking
NBL:	Nepal Bank Limited
EBL:	Everest Bank Limited
POS:	Point of Sales
SBL:	Siddhartha Bank Limited
SEM:	Structural Equation Mode
SMS:	Short Message Services
SPSS:	Statistical Package for Social Scientists

ABSTRACT

The purpose of this study is to ascertain how customer satisfaction in Nepali commercial banks is affected by digital banking channels. Seven commercial banks in Nepal—EBL, NBL, NIC ASIA, GBIME, NABIL, KBL, and SBL bank—were examined in order to do this. The population of the seven commercial banks in Nepal that were chosen for the study was the focus of the survey study design. Using a questionnaire that was distributed at random, 384 respondents—judiciously proportionately among the clients of the chosen banks—were surveyed. To determine whether there is a meaningful connection between customer happiness and digital banking channels, correlation and regression analysis were used. According to the study's findings, a digital banking channel significantly raises customer satisfaction at a Nepalese commercial bank. To improve consumer happiness, financial institutions ought to expand the use of mobile banking. To make sure that the cards that are given to customers and point of sale banks are practical, dependable, and able to operate quickly, they should collaborate closely with large retailers and other businesses that use point of sale systems. They ought to improve their online banking to make it more user-friendly, quick, and flexible. To improve client service, the number of ATM outlets should be increased.

CHAPTER I

INTRODUCTION

1.1 Background of the Study

New methods of conducting business in banking have been made possible by developments in the industry, particularly with regard to online banking. The global banking industry is known for its increased volatility and competitiveness, which is evidenced by the rise in cross-border trade as well as mergers, acquisitions, and consolidations (Muhammad et al., 2015). Digital banking distribution lines are a new class of financial services that offer services directly to consumers through new lines and technology. Financial institutions now have to adjust to fast changes due to the rise in financial dangers and economic challenges (Kohali and Sheleg, 2011). The rise of new technologies and the necessity for a modern method of working have changed the workplace. Furthermore, during uncertain economic times, financial institutions confront significant hurdles due to significant changes in regulatory frameworks and demographics. Commercial banks need to take advantage of this chance and leverage the changes by innovating financial services. The global banking industry has altered throughout time, in addition to the significant changes brought about by technology advancements in recent years. modifications to the applied regulations (Buitenhek, 2016). Because of this, certain banks have changed the way they provide their services, going from consultation to direct marketing and sales via phone, email, and other electronic channels (Dermish et al., 2011). There are direct and indirect channels for banks. Indirect pipelines are those that the bank partially controls, whereas direct pipelines are those that the bank owns and has control over. Direct advertising can be classified as either location-based, which involves physical locations such as offices, mobile phones, kiosks, and commercial centers, or remote-based, which involves online platforms, voice chat, and call centers (Buitenhek, 2016). When utilizing digital banking services in Turkey, this is evident to all. When compared to other nations, the nation had the most users accessing digital banking in 2015. US (Coşkun, 2014). Due to poor planning, rural banks frequently fall behind while the majority of Australian banks have embraced expensive digital banking services to better serve their clients (Khatri and Kurnia, 2011). Digital services are provided by both governmental and private service providers in India; research indicates that higher levels of customer

satisfaction are associated with these business models. Pakistan has been slow to adopt digital banking (Hussain et al., 2017). According to Abubakar et al. (2012), Malaysian banks are well-known for their technology and telecommunications products. Customers can do business remotely and avoid in-person bank visits thanks to these services. The use of digital banking services has made local banks more competitive in developing nations, particularly in Africa. Additionally, the widespread use of local currency by banks has compelled all banks to provide services that boost revenues and customer satisfaction. When it comes to the use of digital banking, Nigeria leads all other African nations, closely followed by Ghana. Agboye and Ake (2014). Kenya, Tanzania, and Uganda are among the East African nations that are substantially investing in ICT in order to embrace the modern economy. Setting a budget. This helps banks reach a wider audience, lower transaction costs, and give impoverished individuals living in rural areas greater access to financial services. Consequently, the emphasis placed by marketers on the significance of consumers' emotional behavior is a continuation of such practice (Adewoye, 2013). Customers always want banks to provide them with quick, easy, and secure service, claims Miah (2018). Understanding client satisfaction with digital banking services is crucial as a result.

1.2 Problem Statement

Customer happiness is the most sought outcome in today's global corporate environment. Customers of today seek out devices that are trustworthy, dependable, and effective in addition to low prices. When offering services, a large number of Kenyan banks heavily rely on information and communication technology. To enhance the client experience, it has made significant investments in virtual banking services and personal finance. However, issues such as staff skill levels, low internet connection, low bank balances, poor communication quality, availability, and cost, as well as delayed delivery of items, have hindered the adoption of e-commerce (Jalal et al.). Any organization's primary aim and goal is to satisfy its customers. Businesses get greater revenue and market share when their consumers are happy, and vice versa. Additionally, when customers are satisfied, the business can win over new customers and accomplish its objectives. Consequently, in order for businesses to succeed, they must promptly attend to the demands of their clients. The bank must treat its clients well in order to earn and keep their trust as a commercial entity. However, clients' bank accounts are rarely reflected in Nepal. They are forced to employ antiquated technology

as a result, which increases client churn and discontent. This indicates that a variety of reasons, including the usage of outdated assets, prevent banks from satisfying the expectations of their clients. seniority declining and acceptance of a service rising. Customers in Kenya have long complained to banks about the lack of improved service, but banks tend to overlook the issue, particularly when utilizing contemporary technology (Aker, 2010). Businesses providing online banking services have shown an improvement in customer satisfaction (Aker, 2010; Bichanga and Wario, 2014; Kombo et al., 2016). Finding a balance between speed, convenience, and security is the biggest problem facing the electronics sector. A further worry is irregular transactions, which have an impact on the caliber of customer deliveries, particularly at ATMs. Similar to this, customers complained and occasionally filed lawsuits when the retail store of the company was unable to access the main bank account. Permit consumers to track personal banking transactions, obtain online statements, make international payments and remittances, withdraw cash at any time of the day, and even transfer deposited money to other parties. Even with their best efforts, banks still have to deal with complaints from their clientele about things like malfunctioning ATMs, poor network access, internet theft and fraud, and the incapacity to offer financial services.) and other unstated costs associated with online banking, sending alerts, needing to purchase an ATM card, the inability to use Nigerian credit cards for international purchases, etc. (John and Rotimi, 2014). Though many local banks now provide internet banking, customer integration with the process is still a long way off. This is mostly because of the high frequency of online fraud and the absence of suitable safeguards to shield banks against the dangers of conducting business and transacting online, particularly when it comes to communication. involvement with client needs. This study aims to ascertain how customer happiness is affected by digital banking. The following subjects are covered in this study as research questions

- i. What are the customers' thoughts regarding the digital banking services offered by Nepal Commercial Bank, including e-banking, mobile banking, ATMs, and point of sale?
- ii. Does consumer happiness have anything to do with digital banking services like e-banking, mobile banking, ATMs, and point-of-sale systems?

- iii. What effect does digital banking—which includes e-banking, mobile banking, ATMs, and point-of-sale systems—have on Nepal's commercial banks' client satisfaction rates?

1.3 Objectives of the Study

The main objective of the study is to determine how virtual banking channels affect Nepalese commercial banks' customer satisfaction. The following are the research's distinct goals:

- i. To assess how satisfied customers are with digital banking channels.
- ii. To examine how consumer satisfaction and objective variables such as e-banking, mobile banking, ATMs, and factors of sale relate to one another.
- iii. To assess how customer satisfaction in Nepali industrial banks is affected by e-banking, mobile banking, ATM, and point-of-sale banking.

1.4 Hypotheses

According to Creswell (2000), a written statement outlining the anticipated relationship between independent and dependent variables is called a hypothesis. Based on an analysis of previous research papers and articles, the following hypotheses have been developed to determine relationships and assess the impact of the independent and dependent variables in this study. These theories were derived from the study's theoretical framework.

H1: Customer happiness and the internet banking channel have a remarkably positive association.

H2: The correlation between client happiness and the ATM banking channel is remarkably positive.

H3: The correlation between client happiness and the mobile banking channel is remarkably positive.

H4: The correlation between customer happiness and the POS banking channel is remarkably positive.

1.5 Rationale of the Study

This analysis is significant, especially for Nepal's banking sector. Comprehending the interest and excitement of the virtual banking channel enables bankers to address

customer concerns and, in the end, makes it easier to tailor their digital banking offerings to meet the needs of their customers. In a similar vein, this analysis offers policymakers guidance for creating regulations, laws, and norms pertaining to digital banking channels. Academic institutions as well as anyone interested in conducting related research in the future should find this study to be helpful. The analysis emphasizes that factors related to the digital banking channel exist, and individual factors significantly influence the degree of consumer satisfaction. When a customer's satisfaction with any services received greatly surpasses their expectations, their enjoyment is heightened. Thus, this analysis has identified a number of elements that influence consumer satisfaction while also influencing the adoption of virtual banking channels.

The study makes it easier to analyze how important it is to look after consumers and ensure that they have a positive experience using virtual banking channels. It also supports the question of whether banks are able to retain customers and provide assistance to lessen the difficulties faced by the unbanked people. Additionally, the banking company can use the results of this observation to enhance or expand its offers in a way that promotes financial empowerment and customer satisfaction for all parties. In the end, the results can also be used as secondary sources for additional studies.

1.6 Limitations of the Study

- i. Despite the ongoing efforts to draw meaningful insights from the observation, the following primary obstacles had been identified.
- ii. I. A few factors that affect customers' pride have been included in the analysis, but other factors might also have an impact on customer satisfaction.
- iii. ii. Owing to scheduling constraints, the sample size was limited to 384 respondents, who might not be representative of the population.
- iv. III. The observation was predicated entirely on the notion that the dependent and independent variables would linearly correlate. The assumption of non-linear regression was not included in the analysis.

CHAPTER II

LITERATURE REVIEW

2.1 Introduction

This paper offers the basic framework of the topic and deals with an assessment of conceptual and empirical literature on the influence of digital banking channels on customer satisfaction in industrial banks in Nepal. Stated differently, the literature review section compiles the findings from other researchers who have completed their studies in the same field of inquiry. In order to make it easier to arrive at a critical conclusion, it is important that you study many foreign works of literature on the subject. This chapter is broken up into sections to provide greater detail on the opinions derived from multiple researchers. The review of related literature, which is divided into four sections as a review on different four independent variables, is the subject of the first section. Furthermore, the second step provides the theoretical basis for the analysis. The literature assessment summary is given in section 1/3.

2.2 Theoretical evaluation

Bank success, retention, and loyalty are all dependent on customer pleasure. It gauges how satisfied customers are with a company's products and services. Consumer impressions and assessments of online, mobile, ATM, and point-of-sale banking include virtual banking purchaser pride. Several theories that are relevant to the subject include the following ones:

the idea of expectancy-affirmation

According to the Expectation-Confirmation Concept (ECT), customer satisfaction is determined by the difference between initial expectations and actual studies. If services match or beyond expectations, there is a good chance that customers will be extremely satisfied with digital banking. Customer satisfaction may be low if services fall short of expectations.

SERVQUAL model

Five SERVQUAL carrier first-class dimensions—tangibility, reliability, responsiveness, warranty, and empathy—have an impact on customer satisfaction. These factors determine the dependability and quality of POS systems, ATM services, internet banking interfaces, and mobile banking apps.

Version of the TAM generation acceptance

The way users approach generation is described by the era attractiveness version (TAM). This suggests that user recognition and pride are significantly influenced by perceived usefulness and simplicity of use. Customers' perceptions of internet banking, ATMs, mobile banking, and POS performance in virtual banking are influenced by these factors.

2.3 Empirical Review

Thakuri et al. (2023) looked at the particular perspectives of commercial bank clients. The goal of the study is to identify the key factors influencing customer satisfaction and retention in cell banking. The predominant paradigm for investigating reality is now exploratory studies. In Nepal's banking sector, mobile banking has become essential. However, the majority of Nepalese banks are aware of the importance of client psychology. Certain banks struggle to satisfy the demands of their clients. Data were statistically examined utilizing facts that were both descriptive and inferential. 403 convenience-sampled responses were examined using SEM. The analysis found that customer happiness is more impacted by protection, responsiveness, and ease than by price and relative benefit. Although there is a strong correlation, loyalty is not always connected with patron pride. This discovery can be advantageous for the outstanding service idea. This analysis solely looks at customers of banks in the Kathmandu Valley. More study is required to understand the relationship between various variables and customer satisfaction. Affected parties include scientists, financiers, and legislators who advance mobile banking. Cell banking is important and deserving of greater attention. To improve today's banking and financial systems, we need more safety, reliable support, and an honest value machine.

Gautam and Shah (2023) looked into how e-purchaser satisfaction and loyalty are impacted by online banking carrier policies. It also looks at the ways in which online banking service practices are mediated by e-loyalty and e-pride. Online banking service quality (OBSQL) was evaluated using E-S-QUAL in five domains: user experience, security, privacy, and website functionality. Using stratified random sampling, a quantitative research approach and structured questionnaire are used to obtain first-rate records. Using AMOS and SPSS, 384 of the 475 valid surveys were evaluated. The pleasant qualities of online banking were investigated for exploratory element

evaluation, and parameters and shapes were determined by structural equation modeling. After website efficacy and e-customer support, the organization's website, user-friendliness, safety, and privacy, and internet accessibility were the next most important online banking service standards. The relationship between e-patron loyalty and online banking services is mediated by e-pride, which is a significant area of development for legislators, bankers, and users. E-consumer happiness has a big influence on loyalty. In developing South Asian nations, the quality of online banking influences electronic customer satisfaction and loyalty. An impact model is presented in this study.

Poudyal (2023) investigated how a variety of criteria, including speed, responsiveness, safety, and friendliness, influence customers' opinions of the cell banking services offered by Nepalese development banks. This study employs a combination of descriptive and causal-comparative methodologies to investigate the association between a number of variables and consumer pride levels. 540 people from 17 different development banks filled out the questionnaires on their own time. After the data was evaluated, 385 of the responses were deemed to be reliable. The results demonstrate a robust and advantageous relationship between those factors and fashionable client satisfaction. The analysis revealed that there hasn't been much of an impact from safety size on customer satisfaction. This study will be very helpful to the management of Nepalese development banks who are looking to increase the efficacy of their cell banking services.

Byamba and Chang (2012) examined the variables influencing internet sales for airlines in Mongolia. Information was gathered from 138 passengers on three airlines—MIAT Mongolian Airlines, Aero Mongolia, and Eznis Airlines—for the survey. Customers' satisfaction with e-trade in the B2C marketplace is mostly determined by how easy it is to use, how interactive it is, and how safe it is to make purchases. These are significant factors. This study found that user-friendliness, interaction, and website security all contribute to high levels of customer satisfaction with e-tickets in Mongolia.

Jiradilok et al. (2014) investigated how customer satisfaction affected online shopping in Thailand. 400 samples total were used in this study, which were split equally between two companies: respondents who enjoyed making online purchases and respondents who had no prior online shopping experience. As a tool, a survey questionnaire is employed. The analysis showed that consumers prioritize assurance and empathy as the

most significant factors. This discovery holds significance for two categories of online consumers: those who enjoy making purchases and those who do not. Even while the respondents were satisfied with range, website gadget quality, and tangibility, the observation also showed that these factors had no bearing on the objective of shopping. Gbadeyan and Akinyosoye (2011) examined customer preference for online banking using a case study of a few Sierra Leonean institutions. The fee for the e-banking services offered served as the impetus for this paper's examination of clients' bank preferences. Data was gathered using a questionnaire approach that included Likert-type open-ended questions with four factors. About 400 respondents received the gadget with its 36 objects, and 360 completed and submitted the questionnaire. Stratified sampling was employed in the investigation. The evaluation was conducted using statistical approaches such as correlation and Chi-square. The results of the Chi-square analysis showed that, across three ranges of freedom, banks' superior e-banking services have a significant impact on their customers at 95%. The examination also revealed that e-banking has become a significant phenomena in the banking sector and will continue to do so as advancements in the field of statistics continue.

ready and equipped, (2015) investigated consumer perceptions on the ease of use and readiness to utilize E-banking services are determined and assessed. Two hundred customers of a public and personal bank self-administered a questionnaire, which helped to compile the figures. The method of judgmental sampling has been applied. The accumulated data was arranged tabularly, and the statistical technique known as ANOVA was employed to assess the data. According to the survey, almost 70% of respondents think highly of e-banking services and are satisfied with them. It was also discovered by the observation that people are not using all of the E-banking services frequently because they are less knowledgeable about computers and the internet and feel hesitant to use the services.

Nochai and Nochai (2013) looked into how Thai customers' satisfaction levels were affected by net banking services. The goal of this study is to identify the aspects of online banking services that influence customer satisfaction at the top three banks in Bangkok: Bangkok Bank, Kasikorn Financial Institution, and Siam Commercial Bank. 450 respondents' statistics were gathered through the use of questionnaires and quota sampling. The assessment of multinomial logistic regression was utilized to determine the critical aspects of online banking services that influence customer satisfaction. The

results indicated that the key elements that affect customer satisfaction are providing services that are available 24 hours a day, 7 days a week, completing projects correctly, contacting staff to check immediately, and providing accurate and current information. Another important factor is offering online registration examples.

Shakya (2016) evaluated how online banking affected Nepalese industrial banks' customer satisfaction and business success. To gather data, the study employed a questionnaire survey. An analysis of 145 respondents' patterns was conducted in this study. Regression and correlation have been used in the analysis. The study found that customer satisfaction with online banking was definitely correlated with return on equity and return on assets.

The kingdom of Saudi Arabia's adult college students are having a difficult time adopting online banking services. This was investigated by Muhammad and Rana (2012). Information has been gathered from 150 Saudi Arabian college students and examined using correlation analysis and the T-test. For examination, only adults had been selected. The analysis discovered that customers are more likely to utilize online banking when they believe it to be user-friendly, beneficial, innovative, and credible. The observation also found that the uptake of online banking was unaffected by trialability.

The impact of digital banking on Nigerian corporate bank clients' pride was studied by John and Rotimi (2014). One hundred and twenty copies of the questionnaire were distributed, and one hundred copies were returned. The questionnaires were based. The chi-square was used to evaluate the hypotheses and the acquired statistics were analyzed using simple percentage analysis. The analysis found a strong correlation between customers' satisfaction and electronic banking. Additionally, the convenience, flexibility, and transaction-related benefits of speed, performance, and accessibility have contributed to the growing popularity of e-banking.

In Bangladesh, mobile banking service satisfaction and customer satisfaction were studied by Brahman and Hasan (2017). The study used customer pride as the dependent variable, whereas the five service quality dimensions—specifically, tangibles, responsiveness, guarantee, and empathy—are considered independent variables. 166 consumers of five Bangladeshi providers of mobile banking services were given a questionnaire. The respondents were selected from the Dhaka city using a

straightforward Random Sampling technique. In the end, multiple regressions, descriptive facts, and Pearson correlation were used to examine the impacts. The four variables—tangible, responsiveness, empathy, and reliability—were found to have a strong and positive correlation with customer satisfaction. Nevertheless, there is no significant correlation between buyer pride and the guarantee component. The findings suggest that businesses should focus on the tangible, responsiveness, empathy, and reliability variables since those are the primary indicators of customer satisfaction with mobile banking services.

The case of Dhaka city was used by Hossain and Hossain (2015) to test cell banking and buyer satisfaction. Using a convenience sampling technique, 250 respondents—users of cell banking services—are included in the sample. The examination was conducted between January and July of 2014. Regression analysis and correlation analysis were the methods employed for the investigation. The analysis found a strong correlation between movement loyalty and customer satisfaction. Additionally, it was seen that supplier quality had an impact on buyer pride, but that its effect on motion and customer loyalty was no longer as substantial. The results also showed that the executives of such banks needed to focus more on increasing the cost of switching and creating more creative initiatives to increase customer trust and loyalty.

In Jordan, Asfour and Haddad (2014) investigated how cell banking could improve customers' e-delight. The study sample comprised 360 out of the 400 customers who use mobile banking services at Jordan Ahli Bank, Union Bank, HSBC Bank, and Capital Bank. Simple regression was used to examine the hypotheses, and the results showed that using mobile banking services has an impact on achieving customer e-pride. The findings suggested that the total dimensions of the cellular banking provider may have a statistically significant impact on the buyer's E-pride. Additionally, a simple regression revealed that privacy and accessibility had a greater impact than the other dimensions of cell banking. The analysis also suggested that in order to achieve a customer's E-delight, the bank should invest more time and resources in launching and expanding its mobile banking services and performing a variety of unique banking operations.

Adewoye (2013) looked into how Nigerian industrial banks' service delivery was affected by cellphone banking. The examination was conducted in Lagos, Nigeria, using 140 (one hundred forty) questionnaires that were given to both senior and junior

staff members of the selected banks. A total of 35 teams of employees were recruited from each of the four (4) selected institutions. One hundred and twenty-five (1205) questionnaires, or 83.3% of the total number of questionnaires issued, were found to be useful for the examination. Utilizing a frequency table, percentage, and mean rating evaluation, the collected data were analyzed. Additionally, the non-parametric statistical test Chi-square was employed to verify the hypothesis. STATA 10 information evaluation package deal/software was used to investigate the impact of cell banking on service delivery as well as the relationship between cell banking and provider transport within the sampled banks. The results of the study demonstrated that mobile banking enhances banks' ability to provide services by reducing transaction costs, saving time and money, providing short transaction alerts, and improving customer satisfaction and relationships.

Masrek et al. (2012) looked at the use, satisfaction, and loyalty of cell banking using a case study of Malaysian customers. The study found that the use of mobile banking indicates customer satisfaction and that pride in using mobile banking indicates loyalty. There were 312 responders within the Malaysian population under investigation. IBM SPSS version 20 statistical software and analysis of second shape (AMOS), which is used for structural equation modeling, were utilized to examine the collected data. The researcher noted that using a mobile bank is unquestionably linked to pride rather than loyalty, and that pleasure significantly predicts loyalty. The study also found that mobile banking services have an effect on customer satisfaction in Malaysia. Since not all banks have implemented mobile banking, this finding should warn banking professionals to keep up with the advancements in information and communications technology.

The factors influencing Jordanian customers' adoption of mobile banking services were identified by Khraim et al. (2011) through a case study of Jordanian customers. In addition to gathering information through the use of a questionnaire with 22 questions, the study sought to identify the underlying factors that influence mobile banking adoption in Jordan. Of the 450 questionnaires distributed, 301 were returned (66.0%), and the population under examination was the Hashemite state of Jordan. In accordance with the methodological study approach that was selected, the quantitative data was statistically analyzed using SPSS statistical descriptive, which was used to determine the respondents' demographics and well-known traits in order to provide a descriptive

of the respondents. The results of this analysis showed that all six of the factors—self-efficacy, trainability, compatibility, complexity, chance, and relative benefit—were statistically significant in influencing cell banking, or the factors that could affect mobile customers' decision to use cellular banking services.

Saleem and Rashid (2011) evaluated the connection between Pakistan's use of cell banking and patron pride. Survey-based primary research is examined, employing a non-probabilistic sampling technique. There are only a few banks that can use the pattern frame. A sample of 230 bank employees and 230 clients of financial institutions are given the questionnaires. Surveys are employed to gather data, which is then examined using statistical techniques such as regression analysis, correlation analysis, and problem analysis. Customers' worries about the technology's security, authenticity, and dependability are real, according to the observation. The findings demonstrated that novel offerings, safety, customer acceptance, and risk are the key indicators of period adoption.

Al-Kasasbeh et al. (2011) looked at factors that influence e-provider satisfaction. The purpose of the study was to ascertain how e-provider pride is affected by website design, navigation, and customisation. In order to investigate factors that impact customer satisfaction with e-services, a survey was distributed at random to 615 college students at Petra College in Jordan, out of a total of 5918, to ascertain their opinions. The study demonstrated how website design, usability, and personalization affect user satisfaction. The study also discovered that more than e-service satisfaction occurs in correlation with the perceived quality of the college's website's design, navigation, and customisation.

Mwatsika (2016) looked into how customer satisfaction with the financial institution in Malawi was affected by the performance of the ATM. A total of 353 individuals were polled for the study. A self-administered questionnaire with multi-size and multi-characteristic Likert measurement scales was used to collect statistics. A regression version was used to examine the association between buyer pride and ATM banking performance. The findings showed that customer satisfaction with the financial institution may be predicted by 40% based on the overall effectiveness of automated teller machine banking. The study also found that computerized teller device banking is ineffective in persuading customers to switch banks, regardless of how much it may boost customer satisfaction with the financial institution. The study came to the

conclusion that in order to attract customers away from competitors, opportunity advertising strategies must be pursued. Adeniran and Junaidu (2014) investigated Nigerian ATM banking customer satisfaction. One hundred respondents who use the ATM services offered by United Financial Institution for Africa in the Sokoto metropolitan were polled for the study. A move-sectional survey approach was used to conduct the research, asking respondents about ATM offerings. The data has been subjected to multiple logistic regression model analyses. The study discovered that the perceived simplicity of use, transaction cost, and service protection of ATMs have a significant and positive influence on customer satisfaction. The study did find, however, that ATM services have a small but favorable impact on the amount of money available. Medard and Venkatesan (2016) investigated how customer satisfaction was impacted by ATM carrier fines. Through a systematic random sampling at ATMs operated by various banks in and around Chidambaram town, the study polled 141 customers in total. For the examination, a three-level design is used, with the district serving as the first degree, the town as the second, and the patron as the third. A Chi-rectangular analysis of the degree of correspondence is applied to the gathered data. A component evaluation approach was utilized to determine all the important aspects of ATM service excellence on customer happiness and relationships, and Cronbach's Alpha was employed to gauge internal consistency. The analysis showed that the first-class demographic attribute of customers has had a significant impact on ATM service quality. The examination also revealed comfort, availability, compatibility, warranty, and numerous other factors. has a fantastic impact on customer satisfaction in ATM service.

Shemsu (2017) evaluated customer satisfaction and the amount of use of ATM banking services. Descriptive survey design was employed in order to achieve the research purpose; both primary and secondary data were used. The primary statistics were obtained from respondents through the use of near-ended and a five-factor Likert scale questioners. A comfort sampling technique was employed to gather the data; 400 respondents who had used ATMs for at least a year were given specially created questionnaires. Out of the four hundred surveys that were distributed, 385 were again provided by the switch member banks' customers. Tables, percentages, means, and fashionable deviations are among the descriptive evaluation tools used to analyze the gathered statistics. The observation revealed that the majority of customers are

disillusioned with ATM services because of a number of problems related to them, such as: customers' money owed being debited without disbursing; insufficient cash in ATMs; malfunctions caused by electricity and connectivity problems; delayed response times in the event of transaction errors; availability of limited offerings; high service rate for ATM service; complexity of the device; and ATMs failing due to updated balances. Despite the issues, many consumers choose to use shared ATMs to obtain their provider since it is more convenient and saves time.

Kaur (2013) examined customers' satisfaction with ATM providers using an empirical investigation of Chandigarh banks. The study looks into many aspects of great customer service and how they affect customer satisfaction. Through the use of a pre-established questionnaire, 100 respondents—clients of various major public and private zone banks in Chandigarh—provided information for this purpose. In order to meet the study's objectives, facts were examined, and the analysis's conclusion showed that people are satisfied with the service provided by banks' ATMs. Key aspects of a good supplier include timeliness, security, privacy, accessibility, ease of use, efficiency, and dependability. Nonetheless, the majority of consumers utilize ATMs to withdraw cash most efficiently.

Sing (2011) looked into how Indian banks' ATM offerings affected customer satisfaction. The purpose of this research is to understand how ATM products affect customer satisfaction in the Indian banking sector. The study employed the best available data, which was gathered from 400 respondents using a structured questionnaire survey. Since the research was primarily conducted in cities, it cannot be applied to all Indian bases. ANOVA and item analysis were utilized to identify significant issues, and frequency evaluation was employed to look at customer satisfaction. The study concluded that ATM service has a big impact on customer satisfaction and that there is a considerable improvement in consumer satisfaction when banks guarantee the ATM's proper operation. The study also identified the significant factors that banks might address to improve customer satisfaction.

Shrestha (2016) evaluated the factor influencing how satisfied customers are with ATM services. A Nepalese commercial bank case study. To gather information, the study employed a questionnaire survey. On this study, a sample of 196 respondents was studied. The methods of correlation and regression analysis were applied in this investigation. The observer noted that the reasonableness of the amount charged, the

ATM's appeal, the use of its services, and the behaviors of customers after making a transaction might all have a positive impact on consumer satisfaction. The study also revealed a negative correlation between customer pride and the frequency of issues encountered.

Akpan (2016) looked into how customer satisfaction in Nigeria's banking sector was impacted by the quality of ATM service. The study examined the effect of an excellent ATM provider on customer satisfaction within Nigeria's banking sector. The study uses survey research, in which consumers of four randomly selected banks—First Bank of Nigeria%, United Bank for Africa%, Guarantee Trust Bank%—are accidentally sent questionnaires. and the % of Skye Financial Institution. at various points during transactions on the bank's ATMs. The main instruments of statistical analysis are a few regression evaluations, suggest descriptive data, standard deviation, tables, and charts. Results show that the degree of pride an ATM offers increases with its carrier ranking. The study came to the conclusion that customer satisfaction is influenced by ATM carrier quality.

In 2015, Khanna and Gupta conducted an in-person study of customers' opinions regarding public sector banks' (PSBS) technology. The entire examination was predicated on top-tier data gathered via a questionnaire. In order to learn more about the factors influencing customers' perceptions of the era in which PSBs helped create innovative transport channels, a survey as well as in-person interviews with managers and customers of the financial institution were conducted. These interviews focused on five factors: acceptability, protection, availability, consumer-friendliness, and accessibility. With the use of random sampling, the pattern's scale increased to 304. As a result, the research design shifted to one that was exploratory and descriptive. According to the observation, public sector banks must identify the elements that influence a person's perception of being able to charge more to customers for financial services and goods delivered using cutting-edge delivery methods.

Akbarzadeh (2013) looked into how well the sales component performed and how that affected customer satisfaction. The observer used the to be had sample strategy to survey a total of 384 individuals. Cronbach's alpha was used to test the reliability of the statistics, which were gathered by questionnaires. The Spearman correlation coefficient was used to analyze the relationship between many of the observer variables. Poor Melli Bank POS dispersion throughout the shop's stages has a negative effect on customers'

purchase intentions, according to the observer. The results also suggested that, in the instance of Melli Financial Institution POS, there might be a negative correlation between purchase frequency and card recognition failure.

Singh (2013) investigated how average customer satisfaction in Indian retail settings was affected by perceived pleasantness of service. The examination employed a questionnaire survey to get the necessary data on customer satisfaction. For this investigation, a 600-respondent pattern was examined. The present study utilizes a descriptive, correlational, and normal least rectangular approach for its fact evaluation. The analysis discovered a significant and positive correlation between five aspects of outstanding service and Indian retailers. Furthermore, this study discovered a strong and wide correlation between physical component, dependability, private interaction, problem-solving, and consumer coverage.

Using clients, Adeoti and Oshotimehin (2011) examine the factors influencing the decision to use factor of sale terminals. Using the probit version on primary statistics collected from 650 customers, the study discovers that a variety of characteristics influence the use of point-of-sale (POS) terminals, including nativity, safety, convenience of use, availability, comfort, and intention to use. Significantly reducing excess cash drift can be achieved by making improvements to transaction security, technological accessibility, and user-friendliness, especially in developing economies.

The impact of electronic fees on customer support transport in Nigerian banks was evaluated by Fenuga (2010). Using stratified sampling, the survey was conducted with one hundred respondents from four Nigerian banks. Data had been gathered via a questionnaire that was sent out at random. Regression analysis and chi-square were used to analyze the relationship between the study variables. The final analysis demonstrated that, in Nigeria, digital pricing, akin to the point of sale, has a significant and positive influence on customer satisfaction. Additionally, the study found that digital pricing enhances management effectiveness, customer service delivery, and higher earnings in Nigeria.

2.4 Research Gap

Despite the increasing adoption of digital banking platforms in commercial banks in Nepal, there is a noticeable gap in research concerning customer satisfaction in this context. While previous studies have primarily focused on technological advancements,

security issues, and the overall growth of digital banking, there is a lack of comprehensive analysis on how these platforms meet customer expectations and satisfaction. Furthermore, existing research often overlooks the specific cultural, economic, and infrastructural factors unique to Nepal that might influence customer satisfaction. There is also a need to explore the diverse demographic segments within the country to understand how different customer groups perceive and interact with digital banking services. Additionally, the impact of customer service quality, user interface design, and accessibility on customer satisfaction remains under-explored. Addressing these gaps could provide valuable insights for banks to enhance their digital services and improve customer satisfaction in Nepal.

CHAPTER III

RESEARCH METHODOLOGY

The general strategies and plans that will be helpful for this study project were presented in this section. This topic included the definition of variables, the study's scope and design, the kind and source of the data, as well as analysis tools and procedures. Using both financial and statistical techniques, this study attempted to conduct a well-designed quantitative and qualitative investigation in a very straightforward and understandable manner. The following subsections provide descriptions of the application of in-depth research methods.

3.1 Research Methods

The investigation has utilised quantitative research methodologies to examine the correlation between the variables under investigation. Research that involves collecting and analyzing numerical data is referred to as quantitative research. Researchers may, for instance, conduct interviews with open-ended questions to gather narrative, or qualitative, data, and distribute surveys with closed-ended questions to gather quantitative, or numerical, data (Tashakkori & Teddlie, 2003). Consequently, the present investigation employed the subsequent research methodologies, protocols, and tools to assess the relationship between consumer satisfaction and digital banking platforms.

3.2 Research Design

A descriptive and informal comparative research design served as the study's foundation. The purpose of the survey is to gather primary data. The elements influencing customer satisfaction through digital banking platforms among Nepal's commercial banks were the subject of the study. In order to assess the significance of the link between the independent variables (point of sale, ATM, mobile banking, and online banking) and dependent variable (customer satisfaction), a casual comparative study design is used. This specific study contributes to the understanding of the impact and determinants of digital platforms on consumer satisfaction. This study's foundation is a survey research design used to learn what consumers think about commercial banks' digital banking services. Regression analysis and the Pearson correlation test were used to examine this relationship between the variables in order to determine whether there

was a positive or negative association between them and customer satisfaction. Regression analysis has also been used to determine the degree to which each individual variable would impact customer satisfaction. As a result, the research design has been put into practice to meet the study's goals.

3.3 Population and Sample data

3.3.1 Population and Sample size

The purpose of the study is to understand the relationship between patron pride in Nepal's commercial banks and virtual banking channels. The target audience for this study consists of commercial bank customers who may utilize internet, mobile, ATM, and point-of-sale (POS) banking as well as other virtual banking channels.

A typical pattern length of 384 has been obtained from seven industrial banks. The population is unknown because there are no long-term customers for the banks. Because they have the freedom to choose their carrier associate, they may regularly change their provider partner, making it difficult to track down the population for dates. Samples from all seven industrial banks, for example, had been gathered. Financial institutions: GBIME, Nabil, SBL, KBL, NBL, and Nic Asia. Additionally, the consumer samples were from distinct age groups, genders, and educational backgrounds. Every respondent was required to complete an extensive questionnaire as part of the survey.

Table 1

Sample List of Responses

Name of Bank	No. of Response
Nepal Bank Limited	88
Everest Bank Limited	94
NIC Asia Bank Limited	97
Global IME Bank Limited	29
Kumari Bank Limited	19
Nabil Bank Limited	33
Siddhartha Bank Limited	24
Total number of response	384

Source: Field Survey, 2024

The study's basis for data is 384 observations, as Table 1 demonstrates. The replies were gathered from NIC Asia bank (97 responses), Nepal SBI (94 responses), Nepal bank (88 responses), and other commercial banks (GBIME, KBL, Nabil, and SBL) totaling 105 responses.

3.3.2 Sampling Design

To get answers, the researcher employed judgmental sampling. Purposive sampling, also name for judgmental sampling, is a strategic strategy that is useful when examining consumer satisfaction with digital banking platforms in Nepali commercial banks. By choosing participants according to predetermined standards and the researcher's judgment, this approach guarantees that they are informed, pertinent, and representative of the main user groups. This targeted selection enhances data quality and depth by providing detailed and accurate feedback that is crucial for understanding client satisfaction with online banking, mobile banking, ATMs, and POS systems. It also makes it possible to include a range of demographic categories and subgroups, which ensures thorough insights. Since it focuses resources on respondents who are most likely to provide the most relevant data, judgmental sampling is both economical and efficient.

3.4 Nature and Sources of Data

Primary facts were employed in this study. Through the use of the based questionnaire, the respondents provided the primary data. The top survey served as the main foundation for this study's conclusions. The information is gathered by creating a standard questionnaire, which is then distributed to the bank's clientele. Thus, it is evident that the records and records provided by the sampled respondent served as the foundation for the findings. The look at used record-keeping units and questionnaires enable you to compile remarkable and trustworthy information. The purpose of this study is to understand respondents' assessments of how virtual banking channels affect customer satisfaction in commercial banks. Utilizing the based questionnaire, the patrons of Nepal's industrial banks were asked to provide the relevant records. One client of a commercial bank in Nepal completed the questionnaire, which was distributed individually via private social media platforms like Facebook, Viber, Whatsapp, and Gmail.

The purpose of the structural questionnaire is to collect data regarding customer satisfaction. The main section of the questionnaires provides demographic data, such as gender, age, education, popularity of marriage, monthly income, and many other factors. The respondents' descriptive evaluation has been conducted using this section of the questionnaire. In a similar vein, the purpose of the second section of the questionnaire is to investigate how various factors affect customer satisfaction. The questionnaire specifically included questions using a Likert scale, which is a widely utilized scoring system that asks respondents to rate how settled or confrontational they felt about each set of assertions. The poll consists of thirty questions, each on a five-point Likert scale ranging from "Strongly Disagree" to "Strongly Agree," with 1 denoting "Strongly Disagree" and 5 denoting "Strongly Agree." The second section of the inquiry contains a number of statements from providers of net banking, ATMs, and point-of-sale systems. In industrial banks, those factors had been employed to gauge customer satisfaction. This design was chosen in order to anticipate and identify the forms, directions, and significance of the emerging relationship between patron pride in Nepali industrial banks and specialized digital banking channels.

3.5 Methods of Analysis

The SPSS tool has been utilized to tabulate and examine the legitimate answers in order to evaluate the statistics. A comprehensive data report was prepared at the outset. Next, variables are defined, along with their labels and values added. Utilizing an intuitive menu of SPSS-operated commands, statistics have been entered. This study measured the effect of digital banking channels on customer satisfaction in Nepalese commercial banks using a variety of statistical tools, including frequencies, probabilities, and implies, general deviation, correlation, and regression. The average score is also calculated using a Microsoft Excel sheet, which is likewise utilized for the necessary tables and statistics series operation.

The purpose of the study is to look into the relationship between customer happiness and virtual banking channels. As independent variables, the factors influencing virtual banking channels are employed. Four distinct factors—online, mobile, ATM, and point-of-sale—are considered independent variables. Customer satisfaction is now considered the structural variable. In this study, a multiple regression model was employed to examine the correlation between the factors influencing virtual banking

channels and customer satisfaction. The following is the multiple regression model applied in this observation:

Conceptual Model

The following regression models have been suggested for testing in this study:

$$Y_1 = \alpha + \beta_1 X_1 + \beta_2 X_2 + E_i \dots\dots\dots (1)$$

Empirical Model

The following model, which was used in the study, served as the basis for it:

$$Y = \alpha + \beta_1 IBK + \beta_2 ATM + \beta_3 MBK + \beta_4 POS + E_i \dots\dots\dots (1)$$

Here,

Y = Customer Satisfaction

IBK = Internet Banking

ATM = ATM Banking

MBK = Mobile Banking

POS = Point of Sales

E = Error term

3.6 Conceptual Framework

The impact of digital banking channels on Nepalese industrial banks' patron pride was the main focus of this investigation. Customer happiness has been included as an established variable in this study, whereas internet, mobile, ATM, and point-of-sale services have been included as impartial variables (Simon & Thomas, 2016).



Figure 1 Conceptual Framework

Specification of Variables

Customer satisfaction: for any business, customer satisfaction is likely to be a fundamental preference for service delivery and a general indicator of excellence (Gerson, 1993). According to Eid (2011), Lau (2011), and Merwe (2010), pride is a reaction to a perceived difference between pre-consumption expectations and post-consumption performance. Client satisfaction with products and services is a good indicator of client pride. Therefore, customer satisfaction is crucial for service and product marketers since happy customers are more likely to make repeat purchases, spread the word about their brand, and remain loyal over time. Rosen (2001) discovered that 35–40% of the money generated by e-trade websites is derived from returning visitors. Consequently, customer satisfaction increases customer loyalty, exhibits a slight increase in market share, and signals future market penetration (Yeoh & Chan, 2011). Customer satisfaction was described by Fornell (1992) as the overall post-purchase or usage evaluation. Customer satisfaction is the culmination of a product's many attributes being met, and it may result from how well those attributes work (Churchill and Surprenant, 1992).

E-banking: Daniel (1999) described net banking services as a bank's primary online statistics service for its customers. Customers can use internet banking to carry out standard banking operations on a computer equipped with an internet connection. Online banking services that are most frequently utilized include paying payments, transferring money between accounts, and examining the stability of an individual's bank account (Fox, 2006). Internet banking services are described as bank account

administration, digital invoice payment, and online financial advice by the Basel Committee Record on Banking Supervision (1998). According to (Mukherjee and Nath, 2003), internet banking is a type of financial service that allows users to conduct financial activities over telecommunication networks, such as monitoring account balances and making payments.

Ma (2012) found that three key factors influence Chinese consumers' satisfaction with online banking services: privacy, reputation, and cost. According to Litifi and Gharbi (2012), online banking significantly improves e-delight and has a significant impact on the e-loyalty of cyber clientele in Tunisia. Tulaniet al. (2009) investigated the level of net banking adoption and usage through Zimbabwe's industrial banks and found that people utilize the internet to check their bank account balances, pay bills, and transfer money. Application requests, safety, application transactions, ticket booking, and cash transfers were found by Singhal and Padhmanabhan (2008) to be the variables driving users to use e-banking channels. In their evaluation of variables that influence the inclination of clients toward online banking, Qureshi et al. (2008) found that nearly 50% of clients switched from traditional to online banking. In a similar vein, Azouzi (2009) investigated the uptake of digital banking in Tunisia and found that although 95% of respondents were online, just a small portion of them utilized it as their main banking method.

Cellular banking: mobile banking is a branchless banking method that provides low-cost financial services to unbanked populations in both urban and rural areas. The provider's goal is to remember the people who fall under the purview of financial services even when they live far from banking hubs, rather than to destroy branch banking. You can still access a wide range of services through cell banking, including shopping, fund transfers, application invoice payment, cash withdrawals from designated ATMs or cashpoints, and many more exciting features (Islam, 2010).

Generally speaking, Kahandawa and Wijayanayake (2014) looked into what influences customers' satisfaction with mobile banking services. The study found that customer satisfaction in Sri Lankan commercial banks is positively impacted by mobile banking services. Rahman and Hasan (2017) evaluated customer satisfaction and the quality of mobile banking providers in Bangladesh. The four variables—tangible, responsiveness, empathy, and reliability—have a significant positive correlation with client pride, according to the study. However, the warranty issue has little to do with the buyer's

sense of pride. Aghdaie and Faghani (2012) found that there is a strong correlation between mobile banking consumer satisfaction and four factors: responsiveness, tangibility, empathy, and reliability. This was shown in an observation of cell banking clients. Parvin (2013) shown that the degree of satisfaction among mobile banking consumers has been relatively high compared to a small portion of the user base, with nearly half expressing themselves as extremely satisfied and the remaining 8.3% claiming that they are extremely upset.

Automated teller machines, or ATMs, are automatic systems that provide bank customers with the ability to access their accounts and perform various financial activities without physically visiting a bank branch. According to Hood (1976), an ATM is a digital fund transfer device that can handle cash deposits, account transfers, balance queries, cash withdrawals, and payment processing. ATMs offer 24 hour service, meaning they are available all day, every day. The buyer is able to take out coins at any time of day or night, subject to a set limit (Akrani, 2011).

Islam et al. (2007) examined the level of pride held by Bangladeshi ATM cardholders of a major financial organization (HSBC). An analysis revealed a strong correlation between ATM provider features and customer satisfaction. The analysis found that the area, staff response, currency note quality, care shipping time, and ATM performance were all positively and significantly correlated with customers' sense of pride. In his analysis of Pakistani banks, Khan (2010) found a strong and positive correlation between the quality of ATM service provided and the satisfaction of its clients. Purchaser pride is one of the key indicators used to gauge a bank's overall performance, according to Komal and Singh (2009). They investigated the relationship between many ATM locations, factors that influence the choice of ATM, and how these factors interact with customer satisfaction. According to McAndrews (2003), a welcoming and comfortable environment, a sufficient selection of ATMs, an easy-to-use interface, and the ability of the ATM all contribute significantly to the happiness of users. However, Shemsu (2017) found that the majority of users are dissatisfied with the ATM services.

Point of sale (POS): Point of sale terminals are electronic devices that can be used to process and verify transactions using credit and debit cards. According to David (1982), there has only been a very little flow of money. Furthermore, Patrick (1985) argues that the allure of coins is seductive due to the fact that transaction fees will rise. Therefore,

as costs rise, so does the use of non-cash bills. A portion of these were made possible by the development of the information and communication technology age (ICT).

According to Steve (1996), an electronic pricing system is one that uses data generation to automate financial transactions, which are carried out within and outside of banking halls and not always at the customer's branch. The information era is the primary impetus behind the development of electronic devices that improve customer service delivery. To identify clients and skip them to the machine for a paper or electronic charge, plastic cards are utilized. According to Steve (1996), it's a method for individual clients to communicate with the online banking company. Financial companies distribute playing cards with credit and debit features that are intended to give their customers access to credit scores and debit options.

3.7 Reliability and Validity Testing

A questionnaire examining the effect of digital banking channels on customer satisfaction in Nepalese industrial banks was used to gather data for this study. A total of 384 samples were chosen. Some of the respondents were given the questionnaires, and the replies were then compiled. Only Likert scale-style questions—the thirty (30) questions total—are taken into account for reliability assessments using Cronbach's alpha. The reliability and validity of the claims included in the survey are determined using the Cronbach's alpha reliability check.

Table 2

Cronbach Coefficient

S.N	Variables	No of items	Cronbach's Alpha
1	Internet Banking	6	0.928
2	Mobile Banking	6	0.923
3	Automated teller Machine	6	0.940
4	Point of Sale	6	0.944
5	Customer Satisfaction	6	0.938
	Overall	30	0.9346

Source: Field Survey, 2024

The Cronbach's alpha coefficients of the established variable, customer pride, and the impartial variables, e-banking, mobile banking, ATMs, and point of sale, are shown in

Table 2 in line with Sekaran (2000), a Cronbach's Alpha coefficient of less than 0.6 is regarded as negative, a coefficient of more than 0.6 but less than 0.8 is deemed applicable, and a coefficient of more than 0.8 is deemed good in this case. The Cronbach's Alpha of all the variables is deemed perfect since it is greater than 0.7. As a result, the research's instruments were thought to be trustworthy.

According to McDonald & Hendrickson (1993), for devices to be used in tandem as a scale, the alpha of the scale must be greater than 0.70. Therefore, in order to complete the object validity, minimum coefficient alpha values of 0.70 are established. Cronbach's alpha for the facts in this desk 3.five is 0.9346, indicating that there is internal consistency and the statistics are valid and dependable for a system of a similar kind. Cronbach's alpha of 0.9346 indicates that 96.45% of the data collected for the analysis is deemed credible, while the remaining 6.546% of the facts contain errors. The range of objects on the dimensions has an impact on the price of alpha. Here, the Cronbach's Alpha must be higher than 0.70 in order to indicate the veracity of the facts. Since the cost of Alpha in Table 4.5 is 0.9346, which is greater than 0.70, the analysis is reliable for similarly procedured data. As a result, the data's Cronbach's alpha is zero.9346, which is widely recognized as indicating the presence of internal consistency and the validity and reliability of the statistics for comparable methods.

CHAPTER IV

RESULTS AND DISCUSSION

4.1 Introduction

The most important facts are presented and examined methodically in this chapter. For the purpose of the investigation, exceptional statistical and multiple regression models from the last bankruptcy had been used. The bankruptcy is divided into three parts. The first stage includes the results of the questionnaire survey as well as the presentation and assessment of the top data. The assessment of a few regressions, correlation analysis, and hypothesis testing are covered in the second section. This chapter's third section presents conclusions and discussion derived from the analysis of the most important material.

4.2 Data Presentation and Analysis

This phase's primary goal is to test the link between the customer and the virtual banking channels. Similar divisions into several sections occur within this section. The profile and demographic characteristics of the respondents are covered in the first section. The second component is descriptive evaluation, which uses imperative tendency measurements and frequency analysis to examine the collected data. The 1/3 component uses inferential assessment, which includes correlation analysis and hypothesis testing, to analyze the gathered statistics. Regression analysis makes up the fourth section. The fifth and last section of this chapter addresses discussion and conclusions drawn from an analysis of the data gathered on online banking channels and customer satisfaction in Nepali commercial banks.

4.2.1 Respondents Profile

The demographic analysis and interpretation of primary data obtained via surveys are covered in this section.

Table 3

Demographic Profile of the Respondents

Respondents Detail	No of responses	Percentage (%)
Gender of Respondents		
Male	220	57
Female	164	43
Total.	384	100
Age Group of Respondents		
Below 20 years	24	6.5
20-30 years	248	63.3
30-40 years	53	14
40-50 years	42	11.3
Above 50 years	18	5
Total	384	100
Marital status of Respondents		
Single	213	55.5
Married	171	44.5
Others		
Total	384	100
Respondents Education level		
High School	38	10
Undergraduate	65	16.8
Graduate	200	52.3
Postgraduate	81	21
Total	384	100
Occupation of Respondents		
Self-Employed	63	16.3
Employed	196	51
Student	113	29.5
Unemployed	12	3.2
Total	384	100
Monthly income of Respondents		
Below Rs.20,000	129	33.8
NRs.20,000-NRs.40,000	117	30.8

NNRs.40,000-NRs.60,000	76	19.8
Above NRs.60,000	60	15.7
Total	384	100
Experience of Respondents		
Less than 1 years	44	11.5
1-3 years	117	30.5
More than 3 years	223	58
Total	384	100
Source of knowledge		
Through Social Media	65	17
Through Friend	82	21.3
From Bank	228	59.3
Others	9	2.4
Total	384	100
Digital banking channels users		
Internet Banking	270	70.2
ATM	345	89.8
Mobile Banking	334	87
Point of Sale	168	44
Respondent used digital banking channels		
Nepal Bank Limited	88	22.8
Everest Bank Limited	94	24.5
Nic Asia Bank Limited	97	25.3
Other Commercial Banks	101	27.4
Total	384	100

Source: Field Survey, 2024

According to Table 3, gender is a crucial factor in expressing and responding to issues related to the problem. Therefore, the variable gender was examined in this observation. The bulk of respondents (57%) are men, according to Table 3. The remaining respondents (43%) are women. One of the most important factors in determining the viewpoints on the particular topics is the respondents' age. The respondent's age is divided into five categories: under 20, 20–30, 30–40, 40–50, and beyond 50 years old. The majority of respondents (63.30%) are in the age range of 20–30 years, followed by the age group under 20 years (6.50%), the age group of 30–40 years (14%), the age group of 40–50 years (11.30%), and the age group of over 50 years (5%).

One of the most important factors that might influence attitudes and levels of knowledge toward any social phenomenon is training. The respondents' training degrees are divided into four groups: graduate, postgraduate, undergraduate, and excessive college. According to Table 3, the bulk of respondents are graduates (52.30%), followed by postgraduates (21%), undergraduates (16.8%), and those with an excessive college degree (10%). The respondents' marital status is divided into three categories: single, married, and others. The figure shows that, in comparison to married respondents (45%), the bulk of respondents (55%) are single.

The questionnaire was distributed to participants who were employed in various industries. Table 3 revealed that the majority of respondents (51%) are employed, with the remaining respondents (3.20%) being self-employed, college students (29.50%), and unemployed (3.20%) rounding out the group. Monthly income has a significant influence on a character's purchasing behavior. The respondents' monthly income is divided into three agencies, as Table 3 demonstrates. Of these, the majority (33.80%) earn less than NRs. 20,000 per month, followed by those who earn between NRs. 20,000 and NRs. 40,000 (30.80%), NRs. 40,000 and NRs. 60,000 (19.80%), and the remaining respondents who earn more than 60,000 (15.70%). The respondents who are classified primarily based on the length of time their customers have been using digital banking services are an essential class for the study.

According to Table 3, 223 respondents (58%) have been using digital banking channels for more than three years. Additionally, 117 respondents (30.50%) have been using ABC for one to three years, while the remaining 44 respondents (11.50%) have been using it for much shorter time than that. Respondents categorized the study according to the sources from which they learned about virtual banking channels, including social media, friends, street signs, banks, and other sources. The table verified that, with the help of social media (17%), the majority of respondents (59.30%) are aware that ABC is a bank. Of the respondents, 21.30% learned about ABC from friends, and 2.40% learned about it from other sources. The majority of respondents (89.80%) and (87%), respectively, use ATMs and mobile banking, according to Table 5.2. Moreover, 44% of banks are point-of-sale (POS) and 70% of banks are net. According to the desk, 384 answers were gathered from unique commercial banks.

4.2.2 Descriptive Analysis

The sample and observations are summed up by descriptive facts. The descriptive analysis in this study includes the computation of statistical metrics like the standard deviation and suggest. The output consisted of thirty (30) questions with a predetermined mean score. With 1 denoting "strongly disagree," 2 "disagree," 3 "neutral," 4 "agree," and 5 "strongly agree," a 5-factor Likert scale was employed for each question, ranging from "strongly disagree" to "strongly agree." These values are employed in the analysis of data pertaining to frequencies and aggregation in relation to variables and research objectives.

Internet banking channel

One of the research's independent variables is the internet banking channel. Below is a descriptive analysis of each draft question as well as a general descriptive analysis of this variable:

Table 4

Descriptive Statistics of Internet Banking Channel

Code	Statements	Mean	Std. Deviation
Int1	Internet banking is useful for easy banking transactions.	3.910	1.049
Int2	Internet banking service is less costly than other banking services. (Branch, ATM, Mobile & POS banking).	3.770	1.059
Int3	Internet banking transaction procedure is faster and more reliable.	3.780	1.056
Int4	Internet banking is convenient because it eliminates the risk of carrying cash.	3.900	1.049
Int5	Transaction through internet banking is confidential and secure.	3.710	1.011
Int6	You are satisfied with internet banking service	3.810	1.004
Internet banking channel		3.810	0.890

Source: Field Survey, 2024

Table 4 exhibits the descriptive details of a character item and the item in its whole. The consumer's belief on the net banking channel was measured using six statements. All 384 respondents filled out a five-factor Likert scale and submitted their answers. The desk displayed the average cost of the statements, which ranges from 3.710 to 3.910, indicating an excellent response. The desk also shows that "Int1" has the highest implied value and "Int5" has the lowest. The lowest suggest of 3.710 indicates that respondents are less agreed with the assertion "Transaction via net banking is private and at ease." Additionally, the table explicitly states that "Int2" has the best known deviation and "Int6" has the bottom widespread deviation, meaning respondents have more deviation with the assertion "internet banking provider is muchless highly-priced than different banking services." The average mean score for internet banking channel is 3.810, indicating that clients are happy with the net banking channel supplied by using Nepalese commercial banks.

ATM

Another independent variable in this study is the banking channel provided by automated teller machines. Below is a descriptive study of each prepared question and a descriptive study of this variable as a whole:

Table 5

Descriptive Statistics of ATM Banking Channel

Code	Statements	Mean	Std. Deviation
Atm1	ATM banking is convenient for daily banking transactions.	3.960	1.072
Atm2	I am satisfied with ATM banking because of its 24x7 availability.	3.900	1.128
Atm3	The speed of processing transactions by ATMs is much faster.	3.870	1.082
Atm4	ATM banking transactions are highly secure and safe.	3.680	1.069
Atm5	You are satisfied with the transaction fee charged by the bank for using an ATM card.	3.440	1.159

Atm6	ATMs save me from transport costs and time by bringing self-service to convenient locations.	3.780	1.030
ATM banking channel		3.770	0.928

Source: Field Survey, 2024

There are six statements that are used to gauge customers' perceptions of the ATM banking channel. All 384 respondents provided their responses using a 5-point Likert scale, and the results show that the statements' means range from 3.430 to 3.960, indicating that the reaction is favorable. Of the six statements, the one with code "ATM5" has the lowest mean—3.440—with a trendy deviation of 1.159, and the one with code "ATM1" has the highest mean—3.960—with a well-known deviation of 1.072. The best suggest score of three.960 indicates that it is the most agreed upon announcement, highlighting the fact that "ATM banking is convenient for day-to-day banking transactions" and Additionally, the table indicates that "ATM5" has the highest known deviation of 1.059, while "ATM6" has the lowest fashionable deviation of 1.030. The average implied rating for the ATM banking channel is 3.770, which suggests that respondents deviate further from the statement "ATMs save me from transport fees and time by way of bringing self-provider to handy places." It implies that clients are happy with the excellent ATM banking service provided by utilizing Nepalese commercial banks. Stated differently, the final outcome implies that business banks in Nepal are satisfying their customers via the ATM banking channel.

Mobile banking

An additional independent variable in this study is the mobile banking channel. Below is a descriptive analysis of each draft question as well as a general descriptive analysis of this variable:

Table 6

Descriptive Statistics of Mobile Banking Channel

Code	Statements	Mean	Std. Deviation
Mob1	Mobile banking is more convenient than other banking i.e. Internet, ATM, POS banking.	3.960	1.112

Mob2	Mobile banking is convenient because it reduces the risk of carrying cash.	4.070	1.024
Mob3	I am using mobile banking because of its 24 X 7 availability.	4.090	1.062
Mob4	Mobile banking procedures are Clear and understandable.	3.820	1.055
Mob5	Mobile banking is cost-effective as compared to visiting banks	3.870	0.990
Mob6	You are satisfied with the user interface of mobile banking.	3.780	1.005
Mobile banking channel		3.930	0.914

Source: Field Survey, 2024

The descriptive facts of each assertion separately and together are displayed in Table 6. Six statements are used to gauge how customers feel about the services offered by cellphone banking. Each of the 384 respondents filled out a 5-factor Likert scale to submit their answers. The statements' median cost, as indicated by the desk, ranges from 3.780 to 4.090. The statement with code "Mob6" has received the lowest mean score of three.780 with a known deviation of one.1/2, while the statement with code "Mob3" has received the highest mean score of four.090 with a fashionable deviation of 1.062. The highest suggestive score of 4.090 indicates that the most agreed-upon declaration is "I used cell banking due to its 24 X 7 availability," while the lowest suggestive score of 3.780 indicates that respondents are less satisfied with the statement "you are happy with the person Interface of mobile banking."

According to the desk, "Mob1" has the best general deviation (one.112) and the lowest standard deviation (zero.990) of any of the groups. This indicates that respondents disagree more often with the statement that "cell banking is more convenient than other banking" (online, ATM, POS banking). For the cell banking channel, the average recommend score is 3.930. It shows that customers are happy with the satisfactory cell banking channel that Nepalese industrial banks provide. Stated differently, the outcome indicates that Nepalese commercial banks are meeting the needs of their customers by means of mobile banking.

Customer Satisfaction

The research's dependent variable is customer happiness. Below is a descriptive analysis of each draft question as well as a general descriptive analysis of this variable:

Table 7

Descriptive Statistics of Customer satisfaction

Code	Statements	Mean	Std. Deviation
Cs1	You are completely happy with your bank providing digital banking services.	3.900	1.002
Cs2	You are satisfied with the customer support provided on your bank's website	3.740	0.957
Cs3	You are satisfied with the payment system provided on the bank's website.	3.790	1.024
Cs4	Your digital banking services are easy to use.	3.890	0.931
Cs5	You are satisfied with the transaction procedures.	3.840	0.985
Cs6	Your bank's digital banking services are user-friendly.	3.880	0.952
Customer satisfaction		3.840	0.859

Source: Field Survey, 2024

The descriptive details of a person's declaration, both in part and in all, are displayed in Table 7 Six statements are used to gauge how satisfied a client is. Each of the 384 respondents filled out a 5-factor Likert scale to submit their answers. The desk display indicates that the items' median prices range from 3.740 to 3.900, indicating an excellent response. The statement with code "Cs2" has the lowest mean of three.740 and the preferred deviation of zero.9720 out of the six statements; the statement with code "cs1" has the highest mean of 3.900 and the trendy deviation of 1.002.

The announcement that "you are completely glad along with your financial institution offering digital banking services" has the highest mean score of 3.900, while the announcement that "you are satisfied with the customer support provided to your financial institution's internet site" has the lowest mean score of 3.740. The table shows

that "Cs3" has the highest fashionable deviation of 1.024 while "Cs4" has the lowest popular deviation of 0.931, meaning that respondents have more deviation with the announcement that "you are happy with the payment gadget supplied at the bank's website." The weighted average mean score for patron satisfaction is three.840, indicating that customers are satisfied with the digital bank

4.3 Inferential Analysis

This section has two analysis tools that are meant to test the hypothesis set and offer the strategy for interpreting the empirical data that were constructed in the previous chapter.

4.3.1 Correlation Analysis

After the descriptive data have been indicated, Pearson's correlation coefficients are calculated, and the results are provided in desk 4.4.4.1. More specifically, it shows the dependent and impartial variables' correlation coefficients for selected Nepalese commercial banks. The Pearson correlation coefficients between reliable and objective variables are displayed on the desk. Customer pride is a kingdom where the product provider fulfills the needs or solves the difficulties of the customers. Customer satisfaction is the known variable. The e-banking variable is unbiased. ATM banking is a way to turn in banking services like chickening out money, balance inquiries, and many more. E-banking banking is a way to turn in banking services through the net where consumers are not required to go to a physical branch. point of sale banking refers to the identification of customer information through a card with a chip this is examined by using a machine which permits access to the payment function through the same card without having to go to an actual financial institution; loan disbursement characteristic cannot be undertaken. mobile banking is a medium of appearing banking and monetary services and interacting with customers via the usage of the cellular application that is faster and less difficult than traditional banking.

Table 8

Pearson's Correlation Analysis

Variables	E-Banking	ATM	Mobile Banking	POS	Customer Satisfaction
E-Banking	1				

ATM	0.724**	1			
Mobile Banking	0.724**	0.738**	1		
Point of Sale	0.635**	0.613**	0.654**	1	
Customer Satisfaction	0.639**	0.669**	0.706**	0.624**	1

Table 8 indicates that there is a zero.639 Pearson Correlation coefficient between online banking and customer satisfaction, indicating a clear correlation between the two variables. This demonstrates that customer happiness increases with net banking volume. At a big degree of one percentage, the excellent coefficient of correlation is 0.639. Additionally, there is a zero.669 Pearson Correlation coefficient between ATM banking and client happiness, suggesting a positive correlation between the two variables. It demonstrates that the wider the range of ATM options, the more satisfied customers are. The excellent correlation coefficient is 0.669 with a 1 % wide range.

The two variables appear to be positively associated, as indicated by the cell banking carrier and consumer pride's Pearson Correlation coefficient of 0.706. It suggests that a surge in mobile banking services leads to a rise in customer satisfaction. At a 1 percent significance level, the excellent coefficient of correlation is zero.706. Similarly, there is a strong correlation between the two variables, as indicated by the 0.624 Pearson Correlation coefficient between buyer satisfaction and the factor of sale banking carrier. This suggests that a rise in point of sale options in brick-and-mortar stores corresponds to an increase in customer satisfaction. At a 1 percentage fantastic stage, the amazing coefficient of correlation is zero.624.

4.3.2 Regression Analysis

To learn more about the association between unbiased variables and a structured variable, a few regressions are conducted altogether. Regression analysis is a statistical technique used in statistical modeling to estimate the relationships between variables. The focus is on the link between a structured variable and unbiased variables, and it includes a variety of modeling and study methodologies for several variables. A few regressions have been performed to determine how independent factors affect a fixed variable. The theoretical framework has been superseded by the regression model. This version has determined which variables are important in describing the variation of the based variable, how much variability within the structured variable is defined by the unbiased variable, and which independent variables specify variability within the final

results. This study examined the association between client pride and virtual banking channels using the regression version.

Table 9

Regression analysis of customer satisfaction

Model	R	R Square	Adjusted R Square	Std. The error of the Estimate
1	0.783 ^a	0.614	0.610	3.223

a. Predictors: (Constant), Point of Sale, ATM, Internet Banking, Mobile Banking

b. Dependent Variable: Customer Satisfaction

Source: Filed survey data, 2024

The version summary recommends the R-square, also referred to as the coefficient of devotion, as a tool for helping to explain variance. As can be seen from table 9, the cost of the R-rectangular is 0.614, meaning that the use of internet, ATM, mobile, and point-of-sale banking channels can account for 61.4% of the variation in consumer pride. This suggests a tenuous relationship between customer satisfaction and every aspect of digital banking channels. In addition, the model summary indicates a standard error of the estimate of 3.223, indicating that the observed fee of customer satisfaction from the regression line is within a range of 3.223 devices. Yet, the remaining 39% (or 100%–61%) in this study is still unaccounted for. Put differently, there exist various additional characteristics related to digital banking channels that hold significance in elucidating customer satisfaction but have not been examined in this study.

ANNOVA

Table 10

ANNOVA Testing

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	6254.606	4	1563.652	150.589	<.001 ^b
Residual	3935.384	379	10.384		
Total	10189.990	383			

Source: Filed survey data, 2024

The desk Sig appears in the ANOVA check. value 0.05 exceeds the estimated Sig. cost 0.00001. It represents the alternative hypothesis with a significance level of 5%. This demonstrates how the overall model underwent a considerable modification. It indicates that there is a strong link between independent and established factors. As a result, the level of customer satisfaction at Nepal's commercial banks is dependent upon the superior service provided by digital banking channels. But this no longer implies that there is a strong association between the patron delight stage and any one of the digital banking channel's components. With buyer satisfaction serving as the established variable and the four dimensions of virtual banking channels—net banking, ATM, mobile banking, and element of sale—as the independent variables (X1, X2, X3, X4), the version is constructed using the following equation.

$$Y = \alpha + \beta_1IBK + \beta_2ATM + \beta_3MBK + \beta_4POS + E_i$$

The customer satisfaction regression equation can be expressed as follows, based on the coefficients: $v = 3.901 + 0.100X_1 + 0.231X_2 + 0.303X_3 + 0.208X_4$.

The regression coefficients for online, ATM, mobile, and point-of-sale banking are, respectively, 0.100, 0.231, 0.303, and 0.208.

Coefficients Determination

Table 11

Multiple Regression Analysis of Customer Satisfaction

	Model	Unstandardized		Standardized	T	P-value
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	3.901	0.804		4.851	0.001
	E-Banking	0.100	0.050	0.104	1.985	0.048
	ATM	0.231	0.050	0.249	4.659	0.001
	Mobile	0.303	0.052	0.322	5.865	0.001
	Banking					
	Point of Sale	0.208	0.044	0.214	4.752	0.001

a. Dependent Variable: Customer Satisfaction

Source: Filed survey data, 2024,

Each of the factors—e-banking, mobile banking, ATMs, and point-of-sale banking—is stable at zero, according to Table 11, and the degree of consumer pride is 3.901. Additionally, the findings imply that, when the unbiased variable is set to zero, a unit increase in the net banking channel produces a 0.103 increase in customer satisfaction, and a unit increase in the cellular banking channel produces a 0.303 increase in customer satisfaction. The data indicate that although a unit boom in the point of sale banking channel results in a 0.208 increase in customer enjoyment, a unit boom in the ATM banking channel results in a 0.231 increase in consumer satisfaction. In terms of value, the results showed that employing automated teller machines in conjunction with cell banking had the greatest effect on customer satisfaction, followed by point of sale, while internet banking had the least effect. Since each variable's p-value was less than 0.05, all of the variables were large.

4.3.3 Hypothesis Testing

The process of using statistics to ascertain the likelihood that a particular hypothesis is true is known as hypothesis testing. To test hypotheses, inferential analysis is employed. Analyzing the complete population is the best method to find out if a statistical hypothesis is true. Because it is frequently not feasible, researchers usually look at a biased sample from the population.

Table 12

Testing of Alternative Hypothesis

Hypotheses	Alternative Hypothesis
There is significant positive relationship between internet banking and customer satisfaction.	Accepted
There is significant positive relationship between ATM banking and customer satisfaction.	Accepted
There is significant positive relationship between mobile banking and customer satisfaction.	Accepted
There is significant positive relationship between POS banking and customer satisfaction.	Accepted

As a result of hypothesis testing, all of the values in Table 13 are less than 0.05. Each of the distinct hypotheses is accepted. They are described as follows:

- H1: There is a significant positive correlation between customer satisfaction and e-banking providers. The results of the correlation analysis demonstrate the strong relationship between customer happiness and e-banking providers. At 1 percent, the correlation is quite strong and the p-value is smaller than alpha, that is, $0.001 < 0.01$. Thus, the alternative hypothesis (H1) is consistent with ordinary.
- H2: The satisfaction of customers and ATM banking carrier have a full-size, high-quality relationship. Customer happiness and ATM banking carrier appear to be positively correlated, according to the correlation evaluation. At 1 percent, where the p-price is less than alpha, or $0.001 < 0.01$, the correlation is extensive. Consequently, the alternative hypothesis (H2) is accepted as true.
- H3: There might be a sizable fine courtship between patron pride and cell banking service. The study of correlation points to the possibility of a strong relationship between customer satisfaction and mobile banking services. When the p-value is less than alpha, or $0.001 < 0.01$, the correlation is huge at a percentage of 1. The opportunity speculation (H3) is therefore well-established.
- Hypothesis 4: There could be a massively positive correlation between customer pride and the POS banking channel. The study of correlation points to the possibility of a strong relationship between customer satisfaction and the POS banking channel. When the p-value is smaller than alpha, or $0.001 < 0.01$, the correlation is strong at a percentage of 1. As a result, the alternative theory (H4) makes sense.

It is clear from the aforementioned analyses that there is a strong correlation between all of the independent variables and client satisfaction. But out of all the independent factors, the mobile banking channel had the strongest link with customer satisfaction. Consequently, it can be said that customer satisfaction is more impacted by mobile banking.

4.4 Findings

- A study was conducted to determine how various independent factors included in research affected consumer satisfaction. The population was represented by

the pattern size of 384 used in the investigation. The final result was provided when the descriptive and inferential data had been completed. The following is a summary of the results obtained via descriptive statistics for the dependent and independent variables:

- The respondents appear to agree that net banking is a significant component of the virtual banking channel that affects customer satisfaction, as indicated by the total recommend score of 3.81 for e-banking.
- The respondents gave ATM banking a mean score of 3.77 overall, indicating that it has an impact on customer satisfaction.
- The respondents concur that mobile banking is an essential part of the virtual banking channel that affects customer satisfaction, as seen by the total mean score of 3.93 for mobile banking.
- The overall median score for POS banking is 3.fifty seven, meaning that respondents concur that POS is an essential component of the digital banking channel that affects how satisfied customers are.
- The combined implied client satisfaction rating of 3.eighty-four indicates that customers are generally satisfied with digital banking channels.
- According to the descriptive data, cellular banking has the highest implied value of 3.93 with a general deviation of 0.914 across a wide range of independent variables. This demonstrates that the impact of the mobile banking channel on customer satisfaction is higher.
- The patron pride introduced variable has a zero.859 preferred deviation and an average of 3.84. This implies that Nepalese industrial banks' virtual banking channels provide optimal levels of customer satisfaction. There may be variety in the respondents' responses as seen by the trend deviations of some variables, which are below the 1.00 threshold and some above it.
- The correlation coefficient analysis indicates that there is a positive relationship between a dependent variable and an independent variable, indicating that the components of virtual banking channels influence customer satisfaction.
- The outcome verified that, at the zero.01 degree, any construct is statistically large. this is because the alpha price, or zero.01, is significantly greater than the p-price of 0.001. As a result, the findings demonstrated that there is a strong

correlation between customer satisfaction and all of the independent variables—that is, internet, mobile, ATM, and point-of-sale banking.

- The results of a hypothesis check showed that the correlation is significant at 1%, where the p-cost is significantly lower than alpha, that is, $0.001 < 0.001$. There is a significant relationship between customer satisfaction and online banking. As a result, opportunity speculation (H1) happens frequently. Additionally, there is a positive association between customer satisfaction and ATMs. Consequently, the alternative hypothesis (H2) is likewise accepted over time. Similarly, there's a great relationship between mobile banking and customer satisfaction. Consequently, the opportunity hypothesis (H3) is consistently true. Furthermore, there is a strong link between customer satisfaction and point of sale systems. As a result, the alternative theory (H4) is accepted.
- The research's R-square value is 0.610, which indicates that 61% of the variation in customer satisfaction is defined by online, mobile, ATM, and point-of-sale banking services, with the remaining 39% (or $100\% - 61\%$) coming from various aspects of digital banking channels. Regression analysis's final result demonstrates that the beta coefficients for cellular, e-banking, ATM, and point-of-sale (POS) banking are high-quality and correlate with customer happiness.

4.5 Discussion

The outcome indicates that for net banking with client pride, the beta coefficients are excellent and sizable. This implies that net banking positively affects client satisfaction. This results is consistent with that of Nochi and Nochi (2013), whereas the observational result indicated that the high quality aspects of the online banking service had a positive impact on customer satisfaction. According to Gbadeyan and Akinyosoye's (2011) research, the results showed that banks' first-rate e-banking services had a significant influence on their customers at a 95% degree of freedom. According to John and Rotimi's (2014) analysis of the data, there is a significant correlation between digital banking and customer satisfaction.

In terms of customer satisfaction with cellular banking, the beta coefficients are outstanding and significant. It suggests that the positive influence of mobile banking on customer satisfaction is evident. This result is consistent with that of Masrek et al. (2012), who found that cell banking had a significant and positive impact on customer

satisfaction and loyalty. Hasan & Rahman (2017). The analysis found that there is a strong correlation between customer satisfaction and the tangible cell banking factors of tangibleness, responsiveness, reliability, and empathy. Saleem and Rashid's (2011) analysis of the final product revealed that mobile banking had the strongest and most significant impact on customer satisfaction.

Furthermore, the beta coefficients for ATM banking with customer happiness are fantastic and enormous. This suggests that the use of ATM banking greatly enhances customer happiness. This result is consistent with that of Adeniran and Junsidu (2014), and it also suggests that the use of banks to provide ATMs can have a positive and significant impact on the sense of pride that customers have in their bank. According to Akpan (2016), the observational outcome demonstrated that customer satisfaction within the Nigerian banking sector is highly influenced by the quality of ATM service. The final analysis showed that responsiveness, safety and privacy, performance, accessibility, ease, and reliability are important aspects of first-class ATM banking service (Kaur, 2013).

Similarly, the large and favorable beta coefficients are favorable for POS banking with customer satisfaction. This shows that customer satisfaction is positively impacted by point-of-sale banking. This finding is consistent with that of Fenuga and Oladejo (2010), whereas the observation result indicated that in Nigeria, electronic payment has a significant influence on customer satisfaction. According to Dion's 2003 study, the advancement of point-of-sale (POS) technology results in higher revenue and lower costs, both of which have an effect on profitability and customer satisfaction. According to Lin and Sun's (2009) analysis, the generation of online shoppers has a significant influence on consumer happiness.

CHAPTER V

SUMMARY AND CONCLUSIONS

5.1 Summary

Examining the impact of virtual banking channels on customer satisfaction in Nepali commercial banks is the main goal of the study. The study's particular objectives were to find out how satisfied customers were with digital banking channels and to look into the relationship between customer happiness and each of the objective variables—such as e-banking, mobile banking, ATMs, and points of sale. This observation provides policymakers with ideas for rules, policies, and guidelines regarding digital banking channels. Educational institutions and those who may be interested in conducting related research in the future could find this study to be helpful.

Although there are some restricted aspects in the examination that impact client pleasure, other factors may also impact buyer joy. The concept of linear regression between the based and impartial variables became the main foundation of the study. The assumption of non-linear regression was not included in the analysis. There are gaps in the current research and earlier studies concerning a few objectives, the tools utilized for analysis, the length of time records were collected, and other factors. The subject is also thought to be what sets current study apart from earlier studies. Here, drawing a valid conclusion on consumer satisfaction with digital banking while taking into account earlier research is the primary objective. mainly on the basis of the earlier research, assess the conceptual framework model as it advances. The conceptual framework served as the foundation for the development of the hypotheses. A total of 384 individuals with various backgrounds participated in the study. First-hand information is obtained through the use of dependent questionnaires that are sent to the participants. A strict set of thirty (30) questions has been written and given to the clients in order to conduct the examination. Samples from EBL, NIC-Asia, NBL, SBL, KBL, Nabil, and GBIME bank were obtained by the researcher. Samples were started to be collected using the judgmental sampling method.

To establish the connection between customer happiness and e-banking, mobile banking, ATMs, and points of sale, correlation analysis was conducted. The study made considerable use of a multiple regression analysis to determine how customer satisfaction is impacted by e-banking, ATMs, mobile banking, and factors of sale. On

a five-factor Likert scale ranging from "Strongly Disagree" to "Strongly Agree," respondents provided their responses. According to the descriptive results, cell banking has the highest mean score of 3.930 with a standard deviation of 0.914 among a variety of unbiased factors. This suggests that buyer pride is more significantly impacted by mobile banking. Additionally, the dependent variable, customer pride, has a standard deviation of 0.859 and an average rating of 3.840. This implies that customers are generally satisfied with Nepalese Bank's digital banking platforms. The eight research hypotheses were addressed using the correlation effects. The final result verified that, at the zero.01 degree, all the constructs are statistically full-size. this is because the p-value of 0.001 is substantially lower than the alpha value of 0.01. Results later demonstrated that there is a strong positive correlation between consumer satisfaction and all the unbiased factors, including e-banking, ATMs, mobile banking, and point-of-sale (POS) banking.

The R-square, often known as the coefficient of willpower, is displayed in the model summary and may help to explain variance. The cost of the R-square, as evident from the location, is 0.610, meaning that the use of internet banking, ATM banking, mobile banking, and point-of-sale banking can define a 61 % variation in customer satisfaction. But the final 39 percent (100–61%) of this study remains unaccounted for. To put it another way, this study no longer takes into account other important factors related to digital banking providers that are crucial in understanding customer satisfaction. According to an ANOVA check, the computed Sig. cost of 0.001 is less than the stated Sig. value of 0.05. The null hypothesis is shown at a significance level of 5%. This implies that the whole model grew in size. The final regression analysis result shows that the beta coefficients are favorable with respect to customer satisfaction for e-banking, ATM, mobile, and point-of-sale banking. It implies that the availability of POS, ATM, mobile, and e-banking services has a significant influence on customer satisfaction.

5.2 Conclusions

Eight potential links can benefit from the correlation and regression analysis's results. The statistical analysis revealed a broad positive correlation between customer satisfaction and virtual banking channels. The study concluded that the net banking service had a very positive impact on customer satisfaction based on its findings. Customers of selected commercial banks are happy with online banking services, but

not any more so than with ATM, M-banking, and POS banking services, according to the study's findings. Furthermore, the analysis found that ATM banking has a significant and positive influence on customer satisfaction. By making their services more enjoyable and offering a wider selection of ATMs, commercial banks are demonstrating their gratitude to their customers. The study's conclusion demonstrated that Nepalese business banks' patron pride is positively impacted by mobile banking providers. It was determined that consumers are happy with the cell banking service offered by Nepal's industrial banks. The study also found that the factor influencing virtual banking channels the most is cell banking. The examination outcome also showed that point-of-sale banking significantly influences customer happiness. It implies that customers are satisfied with the financial channel at the moment of sale.

Customer discontent with industrial banks' online banking services is rising (Aker, 2010; Bichanga & Wario, 2014; Kombo et al., 2016). The main difficulties with digital banking are striking a balance between speed, comfort, and security. Frequent system failures, mostly on ATMs, have also been a source of worry and have an impact on how well customer care is provided. Additionally, grievances have been voiced regarding catastrophes at retail point-of-sale terminals that occur when access to the host financial institution is denied, hence causing problems to customers and occasionally resulting in legal action. Customer satisfaction is positively impacted by online banking. This result is consistent with that of Gbadeyan and Akinyosoye (2011) as well as Nochi and Nochi (2013). Cell banking has a fantastic impact on customer satisfaction. This location aligns with the conclusions of Saleem and Rashid (2011), Rahman and Hasan (2017), and Masrek et al. (2012). Customer satisfaction is positively impacted by ATM banking. The results of Adeniran and Junsidu (2014) and Akpan (2016) are comparable to this one. The impact of POS banking on customer pride is good. This result is consistent with the findings of Lin and Solar (2009) and Fenuga and Oladejo (2010).

5.3 Implications

The following conclusions are drawn from the study's results regarding how to establish digital banking channels in a way that will increase customer satisfaction in Nepal's commercial banks.

- The analysis found that the satisfaction of customers is greatly impacted by online banking. Therefore, commercial banks looking to increase customer

satisfaction levels should focus more on delivering their customers better online banking services.

- The study found a positive correlation between ATM banking and customer happiness. Consequently, the industrial banks are keen to boost customer satisfaction and need to concentrate more on improving services through ATM banking and expanding the number of ATM services offered.
- The analysis found that mobile banking is unquestionably linked to customer satisfaction. Therefore, industrial banks that wish to boost customer satisfaction levels should focus more on offering their clients better mobile banking options.
- Considering only the examination, commercial banks that wish to increase customer satisfaction levels must focus on raising the sales provider element. because the observer discovered that a superior point of sale carrier has a significant impact on customer satisfaction.

Recommendations for Future Researchers

- This observation has made an effort to hide the problems related to how virtual banking channels affect customer happiness. As a result, more study can be conducted using the information from this analysis. Several recommendations for researchers studying fate are listed in the index below:
- The focus of this examination is business banks. However, additional research must include other financial institutions such as finance corporations and improvement banks in order to provide a more comprehensive understanding of virtual banking channels and their effects on client satisfaction.
- The examination has clarified four aspects of digital banking channels; in a similar vein, a study of the determination of various aspects of customer satisfaction may be conducted.
- Three hundred eighty four samples from seven industrial banks were used in the study; additional patterns and banks will need to be included in subsequent research.
- The observer utilized a limited amount of analytical equipment; future research should use a greater amount of analytical equipment to produce more accurate results.

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General information	Responses
Gender	
Male	
Female	
Age	
Under 20 years	
20-30 years	
30-40 years	
40-50 years	
Above 50 years	
Marital status	
Single	
Married	
Others	
Education level	
High School	
Undergraduate	
Graduate	
Postgraduate	
Occupation	
Self-employed	
Employed	
Student	
Unemployed	
Monthly income	
Below Rs.20,000	
NRs.200,000-NRs.40,000	
NRs.40,000-NRs.60,000	
Above Rs.60,000	
How long have you been using digital banking channels?	
Less than 1 years	
1-3 years	

More than 3 years	
How did you learn about digital banking channels?	
Through Social Media	
Through friend	
From Banks	
Others	

Which digital banking channels you are using?

You can choose more than one option

- a. Internet Banking b. ATM c. Mobile Banking d. Point of Sale (POS)

Which bank's digital banking channels do you use?

S.N	Bank Name	Response
1	Nepal Bank Limited	
2	Everest Bank Limited	
3	Nic Asia Bank Limited	
4	Other Banks (Please write)	

How do you rate internet banking service?

Please rank your preferences from 1 to 5 (1 being the lowest and 5 being the highest) 1-Strongly Disagree 2-Disagree 3- Neutral 4- Agree 5- Strongly Agree

Internet Banking (IB)	1	2	3	4	5
1. Internet banking is useful for easy banking transactions.					
2. Internet banking service is less costly than other banking services. (Branch, ATM, Mobile & POS banking).					
3. Internet banking transaction procedure is faster and more reliable.					
4. Internet banking is convenient because it eliminates the risk of carrying cash.					
5. Transaction through internet banking is confidential and secure.					
6. I am satisfied with internet banking service					

How do you rate ATM banking service?

Automated teller machines (ATM)	1	2	3	4	5
1. ATM banking is convenient for daily banking transactions.					
2. I am satisfied with ATM banking because its 24 X 7 availability.					
3. The speed of processing transactions by ATMs is much faster.					
4. ATM banking transactions are highly secure and safe.					
5. I am Satisfied with the transaction fee charged by the bank for using an ATM card					
6. ATMs save me from transport costs and time by bringing self-service banking into convenient locations.					

How do you rate mobile banking service?

Mobile banking (MB)	1	2	3	4	5
1. Mobile banking is more convenient than other banking (Internet, ATM, POS banking)					
2. Mobile banking is convenient because it reduces the risk of carrying cash.					
3. I am using mobile banking service 24x7					
4. Mobile banking procedures are clear and understandable.					
5. Mobile banking cost-effective as compare to visiting banks					
6. You are satisfied with the user interface of mobile banking					

How do you rate POS banking service?

Point of sale (POS)	1	2	3	4	5
1. POS banking is reliable and trustworthy for shopping and service payments.					
2. POS banking ensures an effective payment mechanism.					
3. POS banking is very useful among consumers at a retail store.					
4. It is banking is flexible in addressing the specific needs of customers.					
5. POS is convenient because it reduces the risk of carrying cash.					
6. Technology use in POS helps to execute transactions fast.					

Questionnaire relating to customer satisfaction

Customer satisfaction	1	2	3	4	5
1. You are completely happy with your bank providing alternative banking services.					
2. You are satisfied with the customer support provided on your bank's website.					
3. You are satisfied with the payment system provided on the bank's website.					
4. Your banking services are easy to use.					
5. You are satisfied with the transaction Procedures.					
6. Your bank's digital banking services are user-friendly.					

Thank you for your valuable time!

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i i ii ABSTRACT The purpose of this study is to ascertain how customer satisfaction in Nepali commercial banks is affected by digital banking channels. Seven commercial banks in Nepal—EBL,

NBL, NIC ASIA, GBIME, NABIL, KBL, and SBL bank —were examined **in**

order to do this. The population of the seven commercial banks in Nepal that were chosen for the study was the focus of the survey study design. Using a questionnaire that was distributed at random, 384 respondents—judiciously proportionately among the clients of the chosen banks—were surveyed. To determine whether there is a meaningful connection between customer happiness and digital banking channels, correlation and regression analysis were used. According to the study's findings, a digital banking channel significantly raises customer satisfaction at a Nepalese commercial bank. To improve consumer happiness, financial institutions ought to expand the use of mobile banking. To make sure that the cards that are given to customers and point of sale banks are practical, dependable, and able to operate quickly, they should collaborate closely with large retailers and other businesses that use point of sale systems. They ought to improve their online banking to make it more user-friendly, quick, and flexible. To improve client service, the number of ATM outlets should be increased. CHAPTER ONE INTRODUCTION 1.1 Background of the Study New methods of conducting business in banking have been made possible by developments in the industry, particularly with regard to online banking. The global banking industry is known for its increased volatility and competitiveness, which is evidenced by the rise in cross-border trade as well as mergers, acquisitions, and consolidations (Muhammad et al., 2015). Digital banking distribution lines are a new class of financial services that offer services directly to consumers through new lines and technology. Financial institutions now have to adjust to fast changes due to the rise in financial dangers and economic challenges (Kohali and Sheleg, 2011). The rise of new technologies and the necessity for a modern method of working have changed the workplace. Furthermore, during uncertain economic times, financial institutions confront significant hurdles due to significant changes in regulatory frameworks and demographics. Commercial banks need to take advantage of this chance and leverage the changes by innovating financial services. The global banking industry has altered throughout time, in addition to the significant changes brought about by technology advancements in recent years. modifications to the applied regulations (Buitenhek, 2016). Because of this, certain banks have changed the way they provide their services, going from consultation to direct marketing and sales

via phone , email, **and other electronic** channels (**Dermish et al., 2011**). There **are direct and indirect channels**