

E-BANKING SERVICE ON CUSTOMER SATISFACTION OF COMMERCIAL BANK IN BAGMATI PROVINCE, NEPAL

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By

Lelisha Maharjan

Campus Roll No: 3507/075

Exam Roll No: 13519/19

T. U. Regd. No: 7-2-701-12-2014

Shanker Dev Campus

Group: Account

Kathmandu, Nepal

December, 2024

CERTIFICATION OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled **“E-BANKING SERVICE ON CUSTOMER SATISFACTION OF COMMERCIAL BANK IN BAGMATI PROVINCE, NEPAL”** The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor has it been proposed and presented as part of requirements for any other academic purposes. The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of this dissertation.

.....

Lelisha Maharjan

Date:

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Ms. Lelisha Maharjan has defended research proposal entitled **“E-BANKING SERVICE ON CUSTOMER SATISFACTION OF COMMERCIAL BANK IN BAGMATI PROVINCE, NEPAL”** successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestion and guidelines of supervisor Asso. Prof. Dr. Suman Kamal Parajuli Submit the thesis for evaluation and viva-voce examination.

.....
 Asso. Prof. Dr. Suman Kamal Parajuli
 Dissertation Supervisor

Dissertation Proposal Defended Date:

.....

Dissertation Submitted Date:

.....

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

Dissertation Viva-voce Date:

.....

APPROVAL SHEET

We, the undersigned, have examined the thesis entitled “**E-BANKING SERVICE ON CUSTOMER SATISFACTION OF COMMERCIAL BANK IN BAGMATI PROVINCE, NEPAL**” Presented by Lelisha Maharjan Candidate for the degree of Master of Business Studies (MBS Semester) and conducted the Viva voce examination of the candidate. We hereby certify that the thesis is worthy of acceptance.

.....
Asso. Prof. Dr. Suman Kamal Parajuli
Dissertation Supervisor

.....
Internal Examiner

.....
Internal Expert

.....
External Expert

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

.....
Joginder Goet
Acting Campus Chief

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Conceptual Framework

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ABBREVIATIONS

| | | |
|------------|---|--|
| CB-SEM | : | Covariance-Based Structural Equation Modeling |
| CST | : | Cost |
| CUS | : | Customer Satisfaction |
| e-Banking: | | Electronic Banking |
| EDP | : | Expectancy-Disconfirmation Paradigm |
| ICT | : | Information, Communications and Technologies |
| IT | : | Internet |
| PLS-SEM | : | Partial Least Squares Structural Equation Modeling |
| REL | : | Relative Advantage |
| RES | : | Responsiveness |
| SECP | : | Security and Privacy |
| SPSS | : | Statistical Package for Social Science |

ABSTRACT

The purpose of this study is to analyze the major factors that determine customer satisfaction with the e-banking service of a commercial bank in Bagmati province, Nepal. The study investigates the relationship between customer satisfaction and service quality with the goal of bridging research gaps and providing insights into the complex processes that drive customer satisfaction.

This study is based on the primary data and used the various factors such as: internet, cost, security and privacy, relative advantage, responsiveness and customer satisfaction. To fulfill the research objective, various tools such as tables, figure, mean, standard deviation, percentages, correlation, and regression analyses were used to examine the results.

This study used 378 samples out of a total of 400 population, which were collected from banking customers through a physical survey in Kathmandu Valley as well as an online survey from Bagmati Provenance. The majority of respondents are male, married. The highest participation of male and female respondents are 21 to 30 years old and 31 to 40 years old. It means young people are attracted to e-banking service. The study draws an overall picture, major determinant of customer satisfaction with e-banking service of commercial banking and impact of e-banking service on retailer customer as well as tries to use full set of objectives.

This study suggests that internet, cost, security and privacy, relative advantage and responsiveness have a significant positive relationship on customers satisfaction with e-banking service of commercial bank in Bagmati province, Nepal. For small and medium-sized retailers to operate their online businesses e-banking service is necessary.

Keyword: Customer Satisfaction, e-Banking Service, Internet, Privacy and Security

CHAPTER I

INTRODUCTION

1.1 Background of the Study

The majority of businesses now use information and communications technologies to fulfill the increasing expectations of their customers and conduct business in new ways. Technology is one of the major forces and dynamic changes that are taking place in today's global business environment. This leads to the introduction of new goods and services, as well as market opportunities and the development of more business-oriented information systems that facilitate managing tasks like organizing, coordinating, and planning. ICTs hold great promise for the banking industry, as they can boost customer base growth, lower transaction costs, improve response quality and timeliness, expand advertising and branding opportunities, enable self-service and service customization, and enhance customer relationship management and communication. Nowadays, e-banking services with different levels of complexity are offered by the majority of banks in the developed world and by some in the developing world. For example, some banks have implemented e-banking to facilitate communication with customers regarding bank statements, while other banks leverage e-banking services to provide customers with access to their accounts and to conduct various banking operations, like the electronic delivery of monthly bank statements, online account balance checks, online fund transfers, and the utilization of electronic cash systems, among other functionalities.

A retail bank, virtual bank, credit union, building society, or other financial institution's website can be used for financial transactions by its clients through the use of internet banking, an electronic payment method. Internet banking, e-banking, virtual banking, and a few more words are also used to describe online banking. The idea of customer satisfaction and how it might be positively impacted has gained new depth thanks to this new channel (Firdous & Farooqi 2017).

Zafar et al. (2011), Internet users engage in four types of electronic commerce. The following activities-banking, investing, shopping, and online electronic payments for Internet services-require a banking relationship. Since most business transactions are now completed online, the massive growth of the internet is altering how organizations engage

with their customers. The rise of e-commerce as a payment method has forced banks to diverge from their conventional banking offerings and provide a service that is mostly provided online; this is known as internet banking, or e-banking.

Due to rising computer literacy, financial sector deregulation, the spread of electronic commerce quickly, shifting consumer demands for modern financial products and services, and resolute efforts to reduce costs and improve customer convenience, national, international, and global banks have been encouraged to provide their clients with internet banking (IB) services (Sathiyavany & Shivany, 2018).

Nowadays, it is impossible to avoid business rivalry. Every industry, regardless of product or service, has a unique winning technique. Service is the most crucial component that needs to be developed and provided to clients in this situation. The service needs to be qualified as a result. This is because satisfied customers will not do business with an organization that does not provide quality service. A service is considered qualified if a sufficient number of customers are completely satisfied. Therefore, it must be the main priority of every business. Customer satisfaction is influenced by five service quality factors: tangibles, assurance, responsiveness, reliability, and empathy (Daengs et al., 2012).

The service sector, including banks, is becoming more and more digitalized, which forces them to offer online banking and e-banking services in order to gain a competitive edge and take up a large portion of the market. These services are vital to boosting organizational profitability as well as customer satisfaction and loyalty, and e-banking studies place a high value on the quality of these offerings, (Sathiyavany, 2018).

Retail banking Customer in Sudan are influenced by various factors such as internet, unclear legislations, protecting e-transactions, slow banks response (Ismail & Osman, 2012). E-banking service adoption and the switching behavior of commercial bank customers are significantly influenced by demographic factors (Tafadzwa, 2017).

The most important aspect of any organization's existence is customer satisfaction. It is a measure of how well goods and services live up to customer expectations. It's an approach for the long run. Customer satisfaction can be defined broadly as an individual's contentment or dissatisfaction with the perceived performance of a product in comparison

to their expectations. The consumer becomes dissatisfied if the performance fails to match their expectations. Similarly, customers are satisfied when the performance meets their expectations. The customer is extremely satisfied if the performance meets or exceeds their expectations. The consumer experiences two outcomes: either they are happy with the services they receive, or they are not. In order to retain customers and ensure the bank's performance, customer satisfaction is crucial.

The customer's satisfaction level is directly and indirectly influenced by various socio-economic factors such as age, gender, education, income level, profession, and location. The young generation is more familiar with technology as compared to the older generations. The educated customers were aware of mobile banking services and used them more than the uneducated. Those customers who are located in different places (such as urban and city) and have excess internet access can use the e-banking service. The poor customer can't adopt the e-banking service compared to the rich.

Similarly, this thesis discusses various issues and future prospect of customer satisfaction with e-banking service and how is the impact of e-banking service on retailer business sector in Bagmati province. Also, the study used the dependent variable (Customer satisfaction) and independent variables (such as internet, cost, security, privacy and responsiveness) to fulfill the research gap and objective of the study.

1.2 Problem Statement

Financial transactions have been transformed in Nepal by the rapid adoption of e-banking services, which provide increased accessibility and convenience. However, the effectiveness of these services depends on knowledge of client satisfaction in this particular environment. However, customer satisfaction in e-banking services in Nepal is vital for enhancing service quality, ensuring customer loyalty, fostering competitive advantage, and supporting the country's digital, economic development, regulatory environment, and economic impact to understand customer understanding and the impact of e-banking services on retailer customers.

There is a positive and significant relationship between connivance, security, and privacy in Nepalese customer awareness. Also, he suggested that commercial banks focus more on enhancing the overall customer awareness of reliability and accessibility (Khanal,

2023). The study's findings, security and convenience have little bearing on satisfaction, but cost, responsiveness, and relative advantage have a big impact. However, even if loyalty and satisfaction have a strong relationship, they are not directly tied to one another (Nusrat & Golma, 2022). Geebren et al. (2021), found that trust fully mediates the links between service quality, structural assurance, and customer satisfaction. It also has a considerable positive impact on customer satisfaction.

Shrestha et al. (2020), presents information on the state of online banking current scenario and supports banks with increased marketing, communication, mass customization, cost savings, and product innovation. Pokhrel & K.C. (2024), found a strong positive correlation between customer happiness, the intention to continue using mobile banking services, and the quality of those services. Fitriani, (2020) Retail sector's capacity to pull in customers is being significantly impacted by Indonesia's internet's rapid expansion. Retail banking Customer are influenced by various factors such as internet, unclear legislations, protecting e-transactions, slow banks response (Ismail & Osman, 2012).

Tahtamouni (2023) Explored that customer satisfaction with e-banking service is highly influenced by time, ease of use, confidentiality and security. Sthapit & Bajracharya (2019), explored how customer perceptions of usefulness, risk, and ease of use have significantly impacted e-banking services. Angusamy et al. (2022) identify the e-banking responsiveness, security and privacy, and reliability have a significant impact on e-banking customer satisfaction, but ease of use has an insignificant impact on e-banking customer satisfaction. The perception of e-banking service quality is mostly influenced by trust and privacy (Sardana, 2020). According to Ali et al. (2023), there is evidence linking cybercrime, system security, privacy, trust, and financial stability to the propensity to transact online. Thakuri et al. (2023) discovered that relative advantage and cost had no impact on customer satisfaction, but responsiveness and security had a substantial impact.

In the above study, researcher did not focus on the retailer customer. E-banking service play a crucial role on the retailer customer satisfactions in Nepalese context. My study is focuses on the customer satisfaction with e-banking service of commercial bank in Bagmati province and show the relationship between dependent and independent

variable. Also, the study represents the retailer customers satisfaction in Bagmati province, Nepal.

The research questions are as following as:

- i. What are the major factors that determine the customers satisfaction with e-banking service in Bagmati province?
- ii. What is the relationship between e-banking service and customer satisfaction?
- iii. What is the impact between dependent and independent variables?

1.3 Objective of the Study

The Objective of the study are as following as:

- i. To assess major factors that determine the customers satisfaction with e-banking service of commercial bank in Bagmati province, Nepal.
- ii. To examine the relationship between e-banking service and customer satisfaction.
- iii. To analyze the impact of e-banking on customer in Bagmati Province.

1.4 Rationale of the Study

The success and growth of financial institutions in Nepal are significantly influenced by the level of customer satisfaction with e-banking services. It has an impact on customer retention, loyalty, and the general use of digital banking platforms. When customers are satisfied, they are more likely to remain loyal, use e-banking services frequently, and recommend them to others, thereby enhancing the bank's brand image and reputation. As customers interact more with a variety of banking goods and services, strong satisfaction levels also contribute to revenue growth. Customer satisfaction with e-banking services is very important, which includes the following:

- i. Surveys of customer satisfaction yield important insights into what customers want and need, enabling banks to stay competitive and continuously enhance their offerings.
- ii. The study will investigate customer are satisfied with e-banking platform as reliable and secure, which helps to policy maker to build security and a good environment.
- iii. The study will focus the impact of e-banking service in retailer. It helps to see or measure the customers satisfaction level from e-banking service in Bagmati province.

- iv. In addition to assisting banks in meeting regulatory requirements, putting the needs of their customers first enhances their reputation and quality of service. Overall, the long-term prosperity of Nepal's banking industry depends on client satisfaction with e-banking services.

1.5 Limitations of the Study

Customer satisfaction with e-banking services is becoming more and more acknowledged as a critical success factor in Nepal's banking industry's quickly changing digital environment. Although there are a lot of benefits and advantages, reaching and sustaining high levels of customer satisfaction comes with a lot of restrictions and difficulties. The limitations of the study are as follows:

- i. The study is based on the primary data.
- ii. The study focuses on only Bagmati province.
- iii. The study focuses on the factor affecting customer satisfaction with e-banking service in on Bagmati province.
- iv. The study investigates relationship between e-banking service and customer satisfaction.
- v. The study found descriptive statistic, correlation analysis and multiple regression analysis
- vi. Also, this study measures the customer satisfaction level through a Likert scale (strongly agree-1, agree-2, neutral-3, disagree-4, and strongly disagree-5).

CHAPTER -II

REVIEW OF LITERATURE

2.1 Introduction

This chapter provides the basic concept of customer satisfaction with e-banking services and Linkage in Bagmati Province, Nepal. In this section, I have included theoretical literature review, empirical literature review and research gap of the study. Theoretical review discovered the dissonance theory, contrast theory and comparison level theory. Similarly empirical review looked international and national literature review.

2.2 Theoretical Review

2.2.1 The Dissonance Theory

According to Cardozzo (1965), the Dissonance Theory postulates that an individual would perceive cognitive dissonance if they were expecting a high-value product and instead received a low-value one. In other words, unmet expectations lead to psychological discomfort or cognitive dissonance (Yi, 1990). This theory states that existence creates pressure to lessen dissonance, which could be done by changing the perceived difference. Similarly, post-exposure assessments are mostly a consequence of high expectations because it's believed that discovering disconfirmation causes psychological distress. But, Oliver (1977) suggested that customers perceptually distort expectation-discrepant performance in order to match their previous degree of anticipation. A mismatch between a product's performance and expectations can cause psychological strain for buyers, who may try to alleviate this by altering their perception of the product. Cardozzo suggests that consumers may become more critical of a product if it comes at a high personal expense. For example, a customer who expects a beautiful meal may try to make things seem better by mentioning overcooked food or claiming the meal was better than it appeared.

According to Cooper (2012), people who have contradictory views or behaviors feel uncomfortable psychologically, which leads them to try to lessen the dissonance by changing their beliefs, changing their behaviors, or incorporating new cognitions. This idea explains why people want to maintain internal consistency, which affects how they make decisions, alter their behavior, and construct their attitudes. The Dissonance Theory highlights those expectations are dynamic and can change during a consuming

experience, but it is not a complete explanation for customer happiness. For example, pre-holiday expectations may change during a holiday, and new expectations may arise due to experiences during the celebration. This means that customers' expectations about a room may change based on their previous engagement, such as from the hotel lobby to the room or restaurant.

2.2.2 The Contrast Theory

Yi (1990) contrast theory implies the dissonance theory's opposite viewpoint. This theory claims that customers frequently accentuate differences when a product's performance falls short of the consumer's expectations and outcomes. Cardozzo (1965) says that a customer who obtains a lower-value product than expected will exaggerate the difference between the expected and actual items. Oliver & Desarbo (1988) stated that a product that performs below expectations will receive a worse rating than it merits. According to the contrast theory, when expectations are not satisfied, the subject will either respond positively or negatively to the disconfirmation experience; a positive disconfirmation will result in a high assessment of the product, while a negative disconfirmation would result in a low rating (Oliver, 1977).

2.2.3 The Comparison Level Theory

The expectancy-disconfirmation paradigm has been criticized by a number of academics who contend that it makes the erroneous assumption that expectations set by manufacturers, corporate reports, or other sources are the primary predictor of customer happiness (Yi, 1990). According to La Tour and Peat (1979), the EDP avoids other potential sources of expectation, like the consumer's past experiences and those of other consumers with similar structures. Thibaut and Kelley (1959) provided an improved version of the theory of comparative levels. As opposed to the paradigm of expectancy-disconfirmation, which uses situationally produced or predicted expectations as the benchmark for comparison. The Comparison Level Theory argues that there are several fundamental factors that influence a product's comparability level: (1) customers' prior experiences with comparable items; (2) contextually driven wants; and (3) the referent experience of other customers as individuals. Similarly, LaTour and Peat (1980) observed that expectations derived from past experiences were the most significant predictor of customer satisfaction, while situationally generated expectations had little effect on customer satisfaction.

2.3 Empirical Review

2.3.1 International Context

Zhao & Zhengwei (2012) examined website quality parameters that can affect e-banking consumers' satisfaction in the Chinese commercial banking sector. The authors found a positive relationship between consumer satisfaction with e-banking and the quality of the website. According to the author's the e-banking service's information efficiency, security, interactivity, convenience of use, and content are the primary variables that impact consumer satisfaction.

Geebren et al. (2021), looked at consumer satisfaction with regard to using e-banking services in mobile ecosystems, particularly in developing nations. The study found that trust fully mediates the links between service quality, structural assurance, and customer satisfaction. It also has a considerable positive impact on customer satisfaction. Furthermore, he found that there is a partial mediation effect of trust in the interactions between task characteristics, customer satisfaction, information quality, and system quality. But Puriwat & Tripopsakul (2017) Customer satisfaction were significantly impacted by Trust, reliability, and responsiveness. Similarly, Alkhaibaria et al. (2023) explored the positive and significant impact of e-banking quality service on customer satisfaction. Also, the researcher found that females utilize e-banking services more than males in Saudi Arabian commercial banks.

The purpose of this study is to ascertain the most influential aspects and the degree to which they affect young customers' happiness and retention in mobile banking. The study is based on primary data and a quantitative research design. According to the study's findings, security and convenience have little bearing on satisfaction, but cost, responsiveness, and relative advantage have a big impact. However, even if loyalty and satisfaction have a strong relationship, they are not directly tied to one another (Nusrat & Golma , 2022).

Angusamy et al. (2022) identify the major factors in e-banking services that have a significant impact on customer satisfaction. The study is based on primary data from Malaysian customers. Also, it revealed that e-banking responsiveness, security and privacy, and reliability have a significant impact on e-banking customer satisfaction, but ease of use has an insignificant impact on e-banking customer satisfaction. Similarly,

Tahtamouni (2023) Explored that customer satisfaction with e-banking service is highly influenced by time, ease of use, confidentiality and security.

The study investigated the major factors that affect consumer satisfaction with e-banking services. The study employed primary data from two private sector banks in the Delhi region, selected conveniently, to create a 5-factor structure. The dimensions of efficiency, fulfillment, trust, responsiveness, and systems are important to e-banking service quality satisfaction. In summary, the perception of e-banking service quality is mostly influenced by trust and privacy (Sardana, 2020).

Fitriani, (2020) investigated the factors that affect customers' intentions to use mobile payments in Indonesia from the perspective of retailers. The primary data was analyzed with the CB-SEM method. The study's findings indicate that, from the perspective of the retailers, the following elements influence intention to utilize mobile payments: government restrictions, platform trust, retailer involvement, brand value, network externalities, and retailer satisfaction. According to this study, among other characteristics, platform trust has the strongest correlation value and directly influences retailer satisfaction. The retail sector's capacity to pull in customers is being significantly impacted by Indonesia's internet's rapid expansion. For small and medium-sized retailers to operate their online businesses, mobile payment is necessary.

Fianto et al. (2021) investigated the major factors in the mobile banking services of Indonesian Islamic banks towards customer satisfaction. It is based on primary data and the partial least squares structural equation modeling (PLS-SEM) approach. He found that the security, design, enjoyment, and application systems of Islamic mobile banks significantly impact customer satisfaction. According to this study, the most important aspect affecting customer happiness is the number of mobile banking applications that Islamic banks should be implementing.

2.3.2 National Context

Pokhrel & K.C. (2024) examined how Nepali mobile banking customers' satisfaction levels influenced their intentions to continue using mobile banking services and the quality of those services. The study used a cross-sectional survey research design and a quantitative methodology. The study found a strong positive correlation between customer happiness, the intention to continue using mobile banking services, and the

quality of those services. Furthermore, the quality of mobile banking services has a partial mediating role in the relationship between customer happiness and the intention to continue using mobile banking.

Khanal (2023) examined the effect of e-banking services on Nepalese customers awareness of commercial banks. The study is based on primary data and descriptive as well as explanatory research designs. According to the authors, there is a positive and significant relationship between connivance, security, and privacy in Nepalese customer awareness. Also, he suggested that commercial banks focus more on enhancing the overall customer awareness of reliability and accessibility.

Gautam & Sah (2023), examined that the strength of the website and e-customer service were heavily influential dimension of the e-banking service practices. Which were followed by the organization's site, user-friendliness and security/privacy. A key issue for bankers, users, and legislators for ongoing development is e-customer satisfaction, which has a substantial impact on e-customer loyalty. Additionally, e-satisfaction regulates the relationship between e-customer loyalty and online banking services. Finally, the study gives a model for identifying the level of online banking service quality that influences electronic client happiness and loyalty in South Asian developing nations.

This paper's primary goal is to assess how customer satisfaction is affected by the quality of e-banking services. Primary data and random sampling are employed in the investigation. The study utilized the multiple regression technique to assess the impact of the service quality factor on customer satisfaction. The study investigated how strong each factor is in relation to customer happiness. The results indicate that there is a statistically significant correlation between the service quality dimension and customer happiness and that the entire regression model fits the data reasonably well (Sharma et al. ,2020).

Shrestha et al. (2020) presents information on the state of online banking current scenario and supports banks with increased marketing, communication, mass customization, cost savings, and product innovation. The study focuses internet banking and technology to understand the customers behavior.

The young generations are familiar with mobile banking services, technology, and its benefits. It also evaluates the positive impact of perceived usefulness and simplicity of use on the attitude of young customers towards using mobile banking. There is a positive and significant relationship between behavioral intention and mobile banking (Kunwar & Thakur, 2019).

Sthapit and Bajracharya (2019) explored how customer perceptions of usefulness, risk, and ease of use have significantly impacted e-banking services. Among the three variables, usefulness is more influential on business students' adoption of e-banking in Kathmandu. Also, the study focuses on formulating e-banking strategies. Overall, consumers are satisfied with the Nepalese commercial banks' service quality (Shrestha, 2018).

Ayer (2023) investigated how customer satisfaction at Nepalese commercial banks is affected by e-banking services. The study is based on primary data and uses regression models and correlation coefficients that are estimated to fulfill its objective. Also, the study showed that convenience, reliability, ease of use, security, and time have a positive impact on customer satisfaction with the e-banking services of banks.

Table 2.1 Matrix of literature review

| S. N | Authors | Title | Objective | Methodology | Major Finding |
|------|---------------------------|--|--|---|---|
| 1. | Pokhrel & K.C. (2024), | Continuance intention: mediating role of satisfaction: a two-stage structural equation modeling artificial neural network approach | examined how Nepali mobile banking customers' satisfaction levels influenced their intentions to continue using mobile banking services and the quality of those services. | The study used a cross sectional survey research design and a quantitative methodology. | The study found a strong positive correlation between customer happiness, the intention to continue using mobile banking services, and the quality of those services. |
| 2. | Alkhaibaria et al. (2023) | The impact of e-banking service quality on the sustainable customer | To analyze the impact of e banking service quality on customer satisfaction in Saudi Arabian | Qualitative and quantitative method | explored the positive and significant impact of e banking quality service on |

| | | | | | |
|----|------------------------|---|--|---|--|
| | | satisfaction: Evidence from the Saudi Arabian commercial banking sector. | commercial banks. | | customer satisfaction. |
| 3. | Tahtamouni (2023) | E-banking services and the satisfaction of customer in the Jordanian banks | to discuss the key dimensions of the quality of e-banking services to be considered in the future to adopt future transactions and figure out how to take advantage. | Descriptive and analytical approach | customer satisfaction with e-banking service is highly influenced by time, ease of use, confidentiality and security. |
| 4. | Khanal (2023), | Impact of e-Banking Services on Customer Awareness in Nepalese Commercial Banks. | examined the effect of e banking services on Nepalese customers awareness of commercial banks. | The study is based on primary data and descriptive as well as explanatory research designs. | There is a positive and significant relationship between connivance, security, and privacy in Nepalese customer awareness. |
| 5. | Gautam & Sah (2023), | Online banking service practices and its impact on customer satisfaction and e-customer loyalty in developing country of South Asia-Nepal | examined that the strength of the website and e-customer service were heavily influential dimension of the e-banking service practices | The research followed the E-S-QUAL model to measure the online service practices. | The study gives a model for identifying the level of online banking service quality that influences electronic client happiness and loyalty in South Asian developing nations. |
| 6. | Geebren et al. (2021), | Examining the role of consumer satisfaction within mobile eco systems: | looked at consumer satisfaction with regard to using e-banking services in | structural equation modelling with partial least | The study found that trust fully mediates the links between service |

| | | | | |
|-----|---------------------------------------|--|--|--|
| | Evidence from mobile banking services | from mobile ecosystems, particularly in developing nation. | squares (PLS-SEM) | quality, structural assurance, and customer satisfaction. |
| 7. | Fitriani, (2020) | Retailers' Intention in Using Mobile Payment in Indonesia | investigated the factors that affect customers' intentions to use mobile payments in Indonesia from the perspective of retailers | The primary data was analyzed with the CB SEM method. The retail sector's capacity to pull in customers is being significantly impacted by Indonesia's internet's rapid expansion. For small and medium sized retailers to operate their online businesses, mobile payment is necessary. |
| 8. | (Sardana, 2020). | E-banking service quality and customer satisfaction: an exploratory study on India | investigated the major factors that affect consumer satisfaction with e-banking services | Exploratory factor analysis the perception of e banking service quality is mostly influenced by trust and privacy |
| 9. | Sharma et al. (2020). | Impact of e-banking service quality on customer satisfaction. | This paper's primary goal is to assess how customer satisfaction is affected by the quality of e banking services. | The multiple regression technique has been used. There is a statistically significant correlation between the service quality dimension and customer happiness and that the entire regression model fits the data reasonably well. Kunwar &Thakur, (2019). |
| 10. | Kunwar &Thakur, (2019). | User Acceptance of Mobile Banking: A Demographic Study | To find out the impact of mobile banking acceptance | The study used the TAM model. There is a positive and significant relationship |

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|----------------------------------|--|---|--|--|
| | of Nepal Focusing on among young on Young Customer Aged (25 40). | customer. | | between behavioral intention and mobile banking. |
| 11. Sthapit &Bajracharya (2019), | Customer Perception towards Adoption of e-banking Services in Kathmandu: A Survey of Business School Students. | To investigate the relationship between students' perceptions of business schools and their use of online banking services. | This study used Technology Acceptance Model (TAM). | Usefulness is more influential on business students' adoption of e banking in Kathmandu. |

2.3.3 Research Gap

E-banking has drastically changed the global financial landscape while providing customers with previously unheard-of levels of efficiency and comfort. As commercial banks work to suit their clients' changing expectations and stay up-to-date with global technical breakthroughs, e-banking services have been adopted more and more in Nepal. In Nepal, e-banking services encompass a diverse range of features, including ATMs, online and mobile banking, and electronic fund transfers. These services are now important for improving accessibility and financial inclusion, particularly in a country as geographically diverse as Nepal.

The existing research on customer satisfaction with electronic banking services covers multiple characteristics, such as service quality, security, convenience of use, and customer assistance. Research has looked at how each of these elements affects customer satisfaction separately and as a whole. The significance of demographic factors like age, income, and education in influencing how customers view and interact with e-banking services has also been shown by research.

The review of relevant studies shows that there is a gap between the past and earlier studies in terms of some objectives, instruments utilized for analysis, data collection time, and so on. There are different results between dependent and independent variables. Most of the studies focus on the capital area. In the above literature, the main gap identified is that priority has not been given to the factors that determine customer satisfaction and e-banking services. Therefore, the study has been focused on the urban and rural areas of Baghmata province to fulfill the objectives and gaps of the study.

CHAPTER III

RESEARCH METHODOLOGY

3.1 Introduction

This study aims to examine the main attributes that customers expect in the adoption of e-banking services among the bank's customers, specifically those who are current users of online banking services in Bagmati provenance. The inquiry also aims to identify the satisfaction level of customers. Also, the study included research design, population and sample, source of data, data collection and sampling producer, data analysis tools and techniques, and finally validity and reliability in this section.

3.2 Research Design

A research design refers to the plan of action that we choose to implement in order to address the research gap and achieve our research goals. It is a research procedure and operating plan. The Purpose of the study is to analyze how customer satisfaction from e-banking service in Bagmati Provenance. The study is based on primary data and data are collected through questionnaire. Descriptive and casual comparative research design are used in this study. The study examines into the facts, makes assumptions about details within specified frameworks, and offers crucial details about the subject, significant discoveries, and conclusion.

3.3 Population and Sample

The study's participants are e-banking customer inside the Bagmati province. The targeted population of the study is 400 but the sample is 378 which is collected through physical and online survey method. Convenience sampling method was applied in this research. The respondents were e-banking service costumers from different banks to represent the whole population. In this study, I have also collected data from customers. The 378-sample chosen for the study is based on the discretion of the examiner, who thinks that 378 respondents are enough for the study.

3.4 Nature and Source of Data

In this study, primary data are collected to examine customer satisfaction with the e-banking service in Bagmati province. The primary data is first-hand, which is collected through a survey questionnaire by the examiner individually and by using Google Forms.

3.5 Data Collection and Processing Procedure

Data collection is the process of gathering information from specific respondents in order to answer the investigation's questions. This investigation is focused on the factors that determine customers satisfactions. The following are examples of primary data sources: experiments, observations, and social surveys using questionnaires and interviews. In this study, participant data is collected through the use of questionnaires.

3.6 Data Analysis Tools

The study uses descriptive statistics analysis, which is carried out using survey responses collected by questionnaires and is based on primary data. SPSS has been used to analyze the data after Microsoft Excel was used to code the responses. The study uses descriptive statistics, correlation, and regression models to analyze the data. Descriptive statistics were used to explain the e-banking services, customer satisfaction, and demographic characteristics of the respondents. Calculated mean, standard deviation, frequencies, and percentages are used to explain the variables. The correlation is examined between the dependent and independent variables. A regression model has been used to investigate the impact of e-banking services on customer satisfaction.

Mean

The term "mean" indicates the average, which is used to determine the data's central tendency. The average of respondents' responses to the different variables in the Likert scale question is calculated in this study by using the mean. For each and every sample, the Likert scale question's mean value is calculated.

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

Where,

$\sum X$ = Value of responses of each independent or dependent variable

n = No. of statement

Standard Deviation

The percentage that a collection of data values fluctuates or is distributed can be expressed using the standard deviation, which measures dispersion. In this study, Likert scale responses are used to compute the standard deviation for each sample.

$$\text{Standard deviation (S · D)} = \sqrt{\frac{\sum(x - \bar{x})^2}{n}}$$

Where,

x = Value of responses of each dependent or independent variable

\bar{x} = Mean value of responses of each dependent or independent variable

n = No. of responses

Correlation Analysis

The correlation coefficient is a method for demonstrating the relationship between two variables. A strong correlation between two variables does not imply that changes in one will automatically impact changes in the other. Outliers can have a large effect on the correlation coefficient and perhaps mislead results. The strength of the association between independent and dependent variables is assessed using correlation analysis for Likert-scale responses.

$$\text{Correlation Coefficient (r)} = \frac{n\sum xy - \sum x \sum y}{\sqrt{n\sum x^2 - (\sum x)^2} \sqrt{n\sum y^2 - (\sum y)^2}}$$

Where,

x = Value of independent variable

y = Value of dependent variable

n = Number of responses

Regression Analysis

This study aims to examine the impact of e-banking service on customer satisfaction in Bagmati Province. Following regression model is used. This model can be express as;

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5$$

Y = Customer Satisfaction

X_1 = Internet

X_2 = Cost

X_3 = Security and Privacy

X_4 = Relative advantage

X_5 = Responsiveness

α = Constant/ Intercept

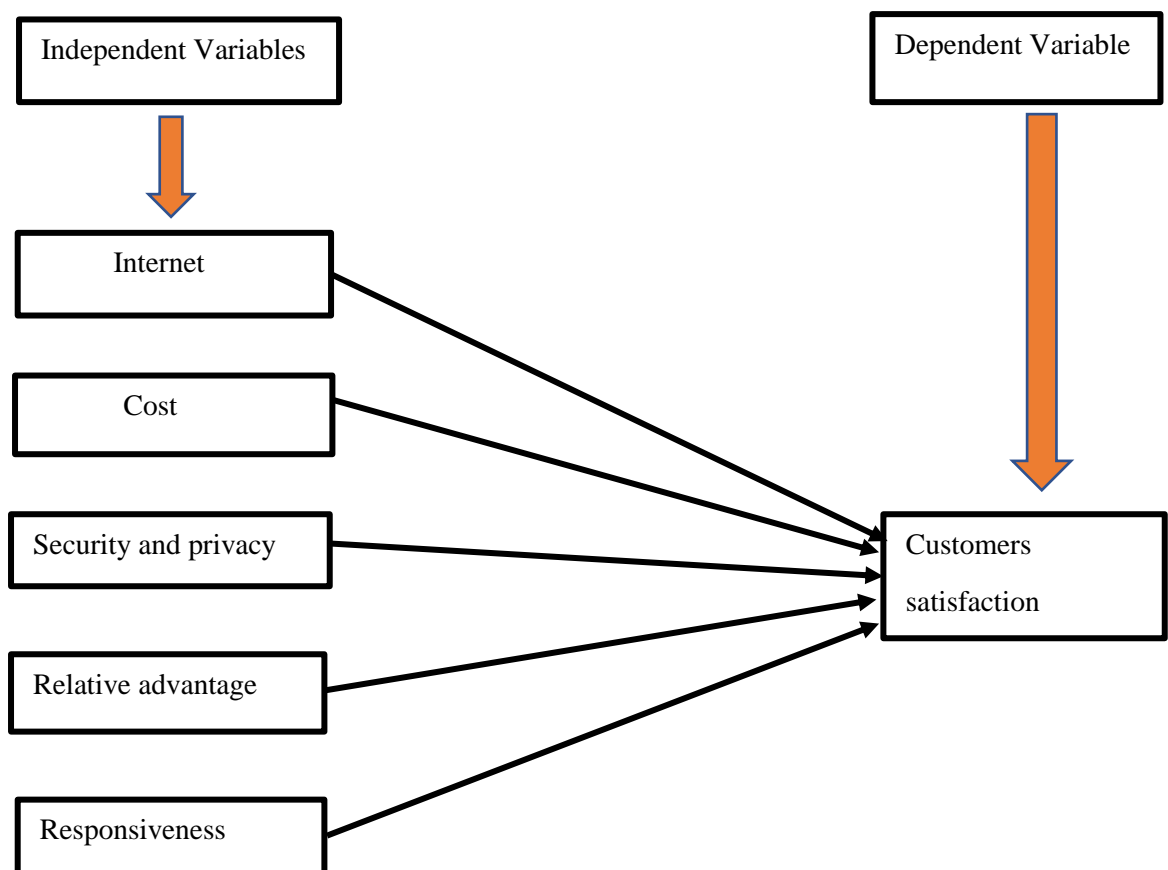
$\beta_1 + \beta_2 + \dots + \beta_5$ = Coefficient of respective variable

3.7 Conceptual Framework

If a bank wants to keep and expand their customer base, one of the most important factors is customer satisfaction with e-banking services. Understanding the variables influencing customer satisfaction in the context of Bagmati province in Nepal, a significant Nepalese city might help banks increase customer retention and service quality.

The conceptual framework provides a structured approach to understanding the variables influencing customer satisfaction with e-banking services in Bagmati Province, Nepal.

Conceptual framework



Source: Simon, & Thomas, 2016)

Independent Variable

The independent variable is a significant factor in the context of e-banking service customer satisfaction because it aids researchers in identifying the features of the e-banking service that have the biggest effects on customer satisfaction, which helps them make strategic decisions and improvements.

Internet

Due to its unmatched efficiency, accessibility, and convenience, the internet has completely changed how satisfied customers are with e-banking services. It is no longer necessary for customers to physically visit banks in order to perform transactions, check account balances, and manage finances. Customers can manage their finances more effectively with the help of online banking platforms, which include a number of features like bill payments, rapid account updates, and financial management tools. It is still possible for contentment to be impacted by sporadic technical problems and worries about cyberattacks. All things considered, the internet has greatly increased customer happiness by improving the accessibility and use of banking services.

Cost

The cost of e-banking services in Nepal has a significant influence on consumer satisfaction. Reasonably priced transaction fees, account maintenance fees, and other banking expenses can significantly improve customer satisfaction by offering superior value for the money. Reduced or no fees for basic e-banking services make these platforms more appealing and accessible, especially since many Nepali customers are price-sensitive. However, high costs or unexpected fees may cause people to become distrustful and unsatisfied. To retain and increase customer satisfaction, pricing policies must be transparent and offer competitive prices in comparison to traditional banking services. In order to increase customer satisfaction and loyalty with their online banking services, banks in Nepal should make sure that their pricing is both clear and economical.

Security and Privacy

Customer satisfaction with e-banking services is largely dependent on security and privacy. Customers feel more confident when they know that their financial information is safe from fraud and cyber attacks, thanks to strong security features like encryption and multi-factor authentication. This trust is further reinforced during security breaches by

effective incident response and open communication. Customer perception of privacy is further enhanced by stringent compliance with data protection laws and transparent policies about data usage. Customer satisfaction with the e-banking service is highly influenced by the user's security and privacy (Gautam & Sah, 2023).

Relative advantage

E-banking services' perceived advantages over conventional banking techniques, which greatly increase client satisfaction, are referred to as their relative advantages. The relative advantages that customers derive from mobile banking include social status, time savings, and availability. A significant predictor of customer satisfaction was found to be the relative benefit of mobile banking services (Baabdullah et al. 2019). Liu & Liang (2020) mentioned that there is a positive relationship between relative advantage and customer satisfaction where relative advantages are positively influenced by customer satisfaction. But, Thakuri et al. (2023) explored that relative advantage has a negligible impact on customer satisfaction.

Responsiveness

In the context of e-banking, responsiveness is the speed and effectiveness with which financial services are provided and customer questions or concerns are resolved. This covers the e-banking platforms' general agility, prompt transaction processing, prompt client inquiry responses, and efficient complaint handling. Daengs et al. (2012) mentioned responsiveness is one of the most significant characteristics and a key factor in predicting customer satisfaction. Also, Thakuri et al. (2023) explored that responsiveness is influenced the e-customer satisfaction.

Dependent Variable

Customer satisfaction

Customer satisfaction with e-banking is largely dependent on a number of aspects, including cost effectiveness, ease of use, convenience, problem solving, security and assurance, and responsiveness (Kumbhar, 2011). Customer satisfaction with mobile banking is positively and significantly impacted by tangibility, responsiveness, assurance, and tangibility (Khan et al., 2021). According to Simon & Thomas (2016), customer satisfaction in this study is defined as an emotional response to a financial service experience in connection to the customer's expectations.

3.8 Reliability and Validity of Data

A pilot test was performed beforehand to confirm the validity of the questionnaire created specifically for this investigation. The questionnaire was given to 40 respondents as a pilot sample. To determine whether or not the study tools were valid, the responses were then primarily examined using SPSS software. The banking customers receive the questionnaire at random. Their opinions and comments, along with the advice of experts, were taken into consideration, and the questionnaire was modified as necessary.

One crucial component in ensuring that an instrument designed to evaluate a specific idea is measuring the variable accurately and measuring the concept that the study is trying to measure is reliability testing. Consistent measurement across the instrument's different items is ensured by reliability. Cronbach's alpha is employed in this study to assess the different items' reliability.

The formula for Cronbach Alpha which is given below:

$$\alpha = \frac{N \cdot \bar{c}}{\bar{v} + (N - 1) \cdot \bar{c}}$$

Where,

N= Number of items

\bar{c} = Average variance between item and pair

\bar{v} = Average Variance

Table 3.1

Reliability test

| Variables | Cronbach's Alpha | No of items |
|-----------------------|------------------|-------------|
| Internet | .918 | 6 |
| Cost | .913 | 6 |
| Security and Privacy | .904 | 6 |
| Relative advantage | .912 | 6 |
| Responsiveness | .916 | 6 |
| Customer satisfaction | .923 | 6 |

Source: Author's own

Table 3.1 exhibits the Cronbach alpha for the variables that were selected for the study. The Cronbach alpha for all the variables is greater than 0.80 which signifies that overall reliability is good for the strength of variables.

CHAPTER- IV

RESULT AND DISCUSSION

4.1 Introduction

This chapter focuses on the analysis, presentation, and interpretation of the study's findings. The results are presented using various analytical tools such as frequency tables, descriptive statistics, correlation, and regression analyses. The chapter is divided into subsections that explore how respondents' demographic characteristics—such as gender, age, marital status, education level, occupation status, and average monthly income—relate to customer satisfaction with e-banking services. Key variables, including internet usage, cost, security and privacy, relative advantage, and responsiveness, are examined to determine their influence on customer satisfaction. The study emphasizes the use of regression analysis to assess the impact of these variables, with a strong focus on the data collected to meet the study's objectives.

4.1 Demographic Characteristics

The Demographic characteristics include gender, age, level of education, occupation status, and average total monthly income for this research.

4.1.1 Demographic Profile of Respondents

The demographic profile of respondents is shown in:

Table 4.1

Demographic Profile of Respondents

| Factors | Demographic Variables | Frequency |
|---------|-----------------------|-----------|
| Age | Below 20 | 13 |
| | 21-30 | 197 |
| | 31-40 | 91 |
| | 41-50 | 34 |
| | 51-60 | 31 |
| | Above 60 | 12 |
| | Total | 378 |

| | | |
|------------------------|------------------|-----|
| Gender | Male | 259 |
| | Female | 119 |
| | Total | 378 |
| Marital Status | Married | 209 |
| | Unmarried | 169 |
| | Total | 378 |
| Education Level | Below SLC | 172 |
| | +2 Level | 120 |
| | Bachelors | 38 |
| | Master and above | 48 |
| | Total | 378 |
| Monthly Income | Up to 30000 | 140 |
| | 31000 - 50000 | 133 |
| | 51000 - 100000 | 45 |
| | Above 100000 | 60 |
| | Total | 378 |
| Occupation | Governmental | 223 |
| | Non-Governmental | 155 |
| | Total | 378 |

Source: Survey Data ,2024

Table 4.1 exhibits the respondent's profile grouped by demographic variables such as age, gender, Marital status, Education level, Occupation status, and average monthly income. So, this study consists of 378 respondents in total. In terms of gender, there were 259 male respondents, accounting for 68.5% of the total, and 119 female respondents, accounting for 31.5% of the total.

Regarding age, the respondents were categorized into six groups. There were 13 respondents (3.4%) who were below 20 years old, 197 respondents (52.1%) between the ages of 21 and 30, 91 respondents (24.1%) between the ages of 31 and 40, 34 respondents (9.0%) between age of 41 and 50, 31 respondents (8.2%) between the age of 51 and 60, and 12 respondents (3.2%) who were above 60 years old.

The level of education was divided into four categories. There were 38 respondents (10.1%) with a below SLC, 172 respondents (45.5%) with a +2 level, 120 respondents (31.7%) with a Bachelor's degree, and 48 respondents (12.7%) with a level of education above a master's degree.

The marital status was divided into two categories. There are 209 respondents (55.3%) with married, and 169 respondents (44.7%) unmarried.

In terms of occupation status, the respondents were classified into two groups. There were 223 Governmental (59.0%), and 155 non-Governmental (41.0%).

Finally, the monthly income was divided into four ranges. There were 60 respondents (15.9%) with an income below 30,000, 140 respondents (37.0%) with an income between 31,000 and 50,000, 133 respondents (35.2%) with an income between 51,000 and 100,000, and 45 respondents (11.9%) with an income above 100,000.

4.2 Descriptive Analysis for Study Variables

To characterize the key features of the study's data, descriptive analysis is used. They offer a concise breakdown of the various factors that were looked at in order to gauge customer satisfaction. The total number of respondents, the minimum and maximum values, and the mean, as well as standard deviation of the variables used in the study are all included in the descriptive analysis. Internet, cost, security privacy, relative advantage, and responsiveness are an independent variable in this situation, whereas customer satisfaction is a dependent variable. The sample for the study is 378, participants are e-banking customer inside the Bagmati province. Descriptive analysis is done based on the response rate of respondents.

Table 4.2
Descriptive Statistics of the Variables

| | N | Minimum | Maximum | Mean | Std. Deviation |
|--------------------------|-----|---------|---------|------|-------------------|
| Internet | 378 | 2 | 5 | 4.37 | 0.771 |
| Cost | 378 | 2 | 5 | 4.42 | 0.791 |
| Security and privacy | 378 | 2 | 5 | 4.38 | 0.759 |
| Relative advantage | 378 | 2 | 5 | 4.40 | 0.765 |
| Responsiveness | 378 | 2 | 5 | 4.38 | 0.776 |
| Customer satisfaction | 378 | 2 | 5 | 4.43 | 0.792 |

Sources: Field Survey, 2024

Table 4.2 presents the descriptive statistics of six variables (Internet, Cost, Security and Privacy, Relative advantage, Responsiveness, and Customers satisfaction) based on survey data collected from 378 respondents. Each variable has a minimum value of 2, a maximum value of 5, and means ranging from 4.37 to 4.43, indicating relatively high scores across all measures. The standard deviations are between 0.759 and 0.792, reflecting slight variability in responses but generally indicating a concentrated distribution of scores near the mean. The data suggests a consistent positive perception among respondents regarding these variables.

4.2.1 Internet

Internet has been measured using 6 items. The response rate of the respondent is shown in the table.

Table 4.3

Internet

| | No. | Minimum | Maximum | Mean | Std. Deviation |
|--|-----|---------|---------|------|-------------------|
| I become more satisfied through the transaction with internet banking. | 378 | 2 | 5 | 4.37 | 0.771 |
| Payment of the bills (telephone, water, electricity...etc.) through the internet banking has increased our satisfaction. | 378 | 2 | 5 | 4.42 | 0.764 |
| Electronic deposit and money transfer have increased our satisfaction. | 378 | 2 | 5 | 4.37 | 0.768 |
| Display of bank account and balance electronically has increased our satisfaction | 378 | 2 | 5 | 4.43 | 0.758 |
| Continuous communication with bank accountholder has increased our loyalty. | 378 | 2 | 5 | 4.35 | 0.801 |
| Privacy, secrecy and safety have increased our trust in transaction with internet banking | 378 | 2 | 5 | 4.34 | 0.808 |

Source: Field Survey ,2024

Table 4.3 exhibits that the descriptive statistics for Internet were obtained from a survey conducted in 2024. The measurement of internet was based on six items, and the responses from the respondents are presented in the table. Each statement is rated on a scale from 2 (minimum) to 5 (maximum), with the mean values indicating the average level of agreement and the standard deviations showing the variability in responses.

For the items, “I become more satisfied through the transaction with internet banking” there are 378 respondents. The mean of 4.37, with a standard deviation of 0.771, suggesting that most respondents are highly satisfied with internet banking transactions, with slight variability in their responses.

Similarly, for the items, “Payment of bills (telephone, water, electricity, etc.) through internet banking has increased our satisfaction” there are 378 respondents. It holds a mean of 4.42 and a standard deviation of 0.764, reflecting strong satisfaction with bill payments through internet banking, with relatively low variability.

For the items, “Electronic deposit and money transfer have increased our satisfaction” there are 378 respondents. It has a mean of 4.37 and a standard deviation of 0.768, indicating high satisfaction with electronic transactions, again with limited variation in responses.

For the items, “Display of bank account and balance electronically has increased our satisfaction” there are 378 respondents. It shows the highest mean of 4.43 and a standard deviation of 0.758, reflecting very high satisfaction with the convenience of viewing account information online.

Similarly, for the items, “Continuous communication with bank account holder has increased our loyalty” there are 378 respondents. *It* has a slightly lower mean of 4.35 and the highest standard deviation at 0.801, suggesting that although most respondents feel loyal, there is a bit more variability in responses related to communication.

Finally, the item, “Privacy, secrecy, and safety have increased our trust in transactions with internet banking” also received responses from 378 participants. It has a mean of 4.34 and a standard deviation of 0.808, reflecting strong trust in the security of internet banking, though responses show the greatest variation among all the statements.

Overall, the high means across all items suggest that respondents generally hold positive views on various aspects of internet banking, with slight differences in how much they value communication and security.

4.2.2 Cost

Cost has been measured using six items. The response rate of the respondent is shown in table.

Table 4.4

Cost

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|-----|---------|---------|------|----------------|
| Cost of using mobile banking service is reasonable. | 378 | 2 | 5 | 4.37 | 0.771 |
| I am satisfied with the transaction fees and charges associated with mobile banking services. | 378 | 2 | 5 | 4.42 | 0.764 |
| I am satisfied with the cost of using mobile banking services compared to other banks. | 378 | 2 | 5 | 4.37 | 0.768 |
| Low fees and charges are important for me to use mobile banking services. | 378 | 2 | 5 | 4.43 | 0.758 |
| I am satisfied with the value for money offered by mobile banking services. | 378 | 2 | 5 | 4.35 | 0.801 |
| I am willing to pay a higher fee for additional features or benefits associated with mobile banking services. | 378 | 2 | 5 | 4.34 | 0.806 |

Source: Field Survey (2024)

Table 4.4 exhibits that the descriptive statistics for Cost were obtained from a survey conducted in 2024. The measurement of internet was based on six items, and the responses from the respondents are presented in the table. Each statement is rated on a

scale from 2 (minimum) to 5 (maximum), with the mean values indicating the average level of agreement and the standard deviations showing the variability in responses.

For the items, “Cost of using mobile banking service is reasonable” there are 378 respondents. It has a mean of 4.37 and a standard deviation of 0.771, indicating that most respondents believe the cost of using mobile banking services is fair, with relatively little variation in opinion.

Similarly, for the items, “I am satisfied with the transaction fees and charges associated with mobile banking services” there are 378 respondents. It has a mean of 4.42 and a standard deviation of 0.764. This suggests a high level of satisfaction with the fees and charges, with responses being quite consistent across participants.

For the items, “I am satisfied with the cost of using mobile banking services compared to other banks” there are 378 respondents. It also shows a mean of 4.37 and a standard deviation of 0.768, indicating that respondents generally find the cost of mobile banking services competitive compared to other banks, with little variability in their views.

For the items, “Low fees and charges are important for me to use mobile banking services” there are 378 respondents. It has the highest mean of 4.43 and a standard deviation of 0.758, demonstrating that the importance of low fees and charges is a key factor for respondents when choosing mobile banking services, with very limited variation in opinions.

For the items, “I am satisfied with the value for money offered by mobile banking services” there are 378 respondents. It holds a slightly lower mean of 4.35 and a standard deviation of 0.801, reflecting strong satisfaction with the overall value provided by mobile banking, though there is a bit more variation in how participants perceive this value.

Finally, the item, “I am willing to pay a higher fee for additional features or benefits associated with mobile banking services” there are 378 respondents. It has a mean of 4.34 and a standard deviation of 0.806, showing that while most respondents are willing to pay more for added features, there is slightly more variability in responses, indicating some differences in willingness to incur additional costs.

Overall, the high mean scores suggest that respondents generally view the costs of mobile banking services favorably, finding them reasonable, competitive, and offering good value for money. However, the willingness to pay more for extra features shows a bit more variation, hinting that not all respondents are equally open to higher fees.

4.2.3 Security and Privacy

Security and Privacy has measured using 6 items. The response rate of the respondent about is shown in table.

Table 4.5

Security and Privacy

| | N | Minimum | Maximum | Mean | Std. Deviation |
|--|-----|---------|---------|------|----------------|
| I feel secure in using mobile banking services | 378 | 2 | 5 | 4.40 | 0.779 |
| I have experienced security issues while using mobile banking services. | 378 | 2 | 5 | 4.38 | 0.759 |
| I trust mobile banking service providers to keep my personal information safe. | 378 | 2 | 5 | 4.35 | 0.764 |
| I am satisfied with the security measures implemented by mobile banking service providers. | 378 | 2 | 5 | 4.36 | 0.755 |
| I find it easy to use the security features provided by mobile banking providers, such as two-factor authentication. | 378 | 2 | 5 | 4.39 | 0.795 |
| I frequently change my mobile banking passwords or PINs. | 378 | 1 | 5 | 4.37 | 0.808 |

Source: Field Survey ,2024

Table 4.5 exhibits that the descriptive statistics for Security Privacy were obtained from a survey conducted in 2024. The measurement of internet was based on six items, and the responses from the respondents are presented in the table. Each statement is rated on a scale from 2 (minimum) to 5 (maximum), with the mean values to show the average sentiment and standard deviations to indicate variability in the responses.

For the item, “I feel secure in using mobile banking services” there were 378 respondents. It has a mean of 4.40 and a standard deviation of 0.779, indicating that most respondents feel confident in the security of mobile banking, with only moderate variability in their level of confidence.

Similarly, for the items, “I have experienced security issues while using mobile banking services” there were 378 respondents. It has a mean of 4.38 and a standard deviation of 0.759. This relatively high mean suggests that respondents generally have not encountered many security issues, with responses being quite consistent across the sample.

For the items, “I trust mobile banking service providers to keep my personal information safe” there were 378 respondents. It has a mean of 4.35 and a standard deviation of 0.764. This indicates strong trust in mobile banking providers' ability to safeguard personal data, with responses showing a moderate degree of consistency.

For the items, “I am satisfied with the security measures implemented by mobile banking service providers” there were 378 respondents. It has a mean of 4.36 and a standard deviation of 0.755, suggesting high satisfaction with security protocols, with little variability in the responses.

For the items, “I find it easy to use the security features provided by mobile banking providers, such as two-factor authentication” there were 378 respondents. It shows a mean of 4.39 and a standard deviation of 0.795, reflecting that most respondents find security features user-friendly. However, there is slightly more variability in how easy respondents find these features to use.

Finally, the item, “I frequently change my mobile banking passwords or PINs” also received responses from 378 participants. It has a mean of 4.37, with the largest standard deviation of 0.808, indicating that while many respondents regularly update their passwords or PINs, there is more variation in behavior, as some may do so less frequently.

Overall, the high mean values suggest a generally positive view of mobile banking security and privacy. Respondents feel secure, trust providers to protect their information, and are satisfied with the available security measures. The slight variability in responses regarding password changes and the usability of security features suggests that while security is a priority, individual habits and experiences may differ.

4.2.4 Relative Advantage

Relative Advantage has measured using 6 items. The response rate of the respondent about is shown in table.

Table 4. 6

Relative Advantage

| | N | Minimum | Maximum | Mean | Std. Deviation |
|--|-----|---------|---------|------|----------------|
| It is easier to conduct transactions in mobile banking services compared to other banks. | 378 | 2 | 5 | 4.39 | 0.791 |
| It saves my time using mobile banking services than visiting a physical bank branch. | 378 | 2 | 5 | 4.40 | 0.730 |
| It makes efficient to manage my finance using mobile banking services. | 378 | 2 | 5 | 4.40 | 0.765 |
| I find innovative features in mobile banking services. | 378 | 2 | 5 | 4.40 | 0.737 |
| Mobile banking services is more accessible compared to traditional banking services. | 378 | 2 | 5 | 4.39 | 0.760 |
| Mobile banking services is more flexible in terms of the range of transactions. | 378 | 2 | 5 | 4.38 | 0.755 |

Source: Field Survey ,2024

Table 4.6 exhibits that the descriptive statistics for Security Privacy were obtained from a survey conducted in 2024. The measurement of internet was based on six items, and the responses from the respondents are presented in the table. Each statement is rated on a scale from 2 (minimum) to 5 (maximum), with the mean values reflecting the average level of agreement and the standard deviations showing the variation in responses.

For the item, “It is easier to conduct transactions in mobile banking services compared to other banks” there are 378 respondents. It has a mean of 4.39 and a standard deviation of 0.791. This high mean suggests that respondents find mobile banking services more convenient for conducting transactions than other banks, though there is moderate variability in the responses.

For the item, “It saves my time using mobile banking services than visiting a physical bank branch” there are 378 respondents. It shows a mean of 4.40 and a standard deviation of 0.730, indicating that respondents strongly believe mobile banking saves time compared to in-person banking. The relatively low standard deviation suggests that this opinion is widely shared with little variation.

Similarly, for the item, “It makes efficient to manage my finance using mobile banking services” also shows a mean of 4.40 and a standard deviation of 0.765, reflecting those respondents feel mobile banking enhances financial management efficiency. Responses show some consistency, with a moderate range of views.

For the item, “I find innovative features in mobile banking services” there are 378 respondents. It has a mean of 4.40 and a standard deviation of 0.737, indicating that respondents perceive mobile banking as innovative, with minimal variability in their level of agreement.

For the item, “Mobile banking services is more accessible compared to traditional banking services” there are 378 respondents. It shows a mean of 4.39 and a standard deviation of 0.760, suggesting that most respondents find mobile banking more accessible than traditional banking, with moderate consistency in their views.

Finally, the item, “Mobile banking services is more flexible in terms of the range of transactions” also received responses from 378 participants. It has a mean of 4.38 and a standard deviation of 0.755. This indicates that respondents consider mobile banking to offer greater flexibility in transaction types compared to traditional banking, with limited variability in opinions.

Overall, the high means across all items indicate that respondents view mobile banking as offering significant advantages in terms of convenience, time savings, efficiency, innovation, accessibility, and flexibility. The relatively low standard deviations suggest that these advantages are widely recognized and agreed upon by the participants.

4.2.5 Responsiveness

Responsiveness has measured using 6 items. The response rate of the respondent about is shown in table.

Table 4. 7

Responsiveness

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|-----|---------|---------|------|----------------|
| I can easily contact customer service representatives when I have a problem with my mobile banking account. | 378 | 1 | 5 | 4.38 | 0.786 |
| Mobile banking service providers are always willing to help. | 378 | 1 | 5 | 4.38 | 0.776 |
| M-banking customer care provides prompt and accurate services. | 378 | 2 | 5 | 4.38 | 0.766 |
| M-banking customer care takes more time (more than your expectation) to respond to your request. | 378 | 2 | 5 | 4.37 | 0.772 |
| Mobile banking service provider informs me of any changes or updates to their services in a timely manner. | 378 | 2 | 5 | 4.39 | 0.781 |
| Mobile banking service providers follow up to ensure my issue has been resolved to my satisfaction. | 378 | 2 | 5 | 4.39 | 0.763 |

Source: Field Survey, 2024

Table 4.7 exhibits that the descriptive statistics for Security Privacy were obtained from a survey conducted in 2024. The measurement of internet was based on six items, and the responses from the respondents are presented in the table. The table shows the minimum and maximum values, as well as the mean (average agreement) and standard deviation (variability in responses) for six statements related to responsiveness.

For the item, “I can easily contact customer service representatives when I have a problem with my mobile banking account” there are 378 respondents. It has a mean of 4.38 and a standard deviation of 0.786. This suggests that most respondents find it easy to contact customer service, although there is some variability in their experiences, as indicated by the standard deviation.

For the item, “Mobile banking service providers are always willing to help” there are 378 respondents. It holds a mean of 4.38 and a standard deviation of 0.776, reflecting strong agreement among respondents that mobile banking providers are willing to assist, with moderate consistency in their responses.

Similarly, the item, “M-banking customer care provides prompt and accurate services” there are 378 respondents. It also has a mean of 4.38 and a slightly lower standard deviation of 0.766, indicating that respondents generally agree customer care is both prompt and accurate, with a relatively uniform distribution of responses.

For the item, “M-banking customer care takes more time (more than your expectation) to respond to your request” there are 378 respondents. It shows a mean of 4.37 and a standard deviation of 0.772. This suggests that respondents slightly agree that customer care may take longer than expected to respond, although there is moderate variability in their experiences.

For the item, “Mobile banking service provider informs me of any changes or updates to their services in a timely manner” there are 378 respondents. It has a mean of 4.39 and a standard deviation of 0.781. This indicates that respondents generally feel well-informed about updates or changes, with a small range of variation in their perceptions.

Finally, the item, “Mobile banking service providers follow up to ensure my issue has been resolved to my satisfaction” there are 378 respondents. It also has a mean of 4.39 and a standard deviation of 0.763, showing that respondents agree providers follow up on issues, with relatively consistent responses across the group.

Overall, the high mean values across all statements suggest that respondents perceive mobile banking providers as responsive and effective in addressing customer concerns, offering prompt and accurate services, and keeping customers informed. The standard deviations, which range from 0.763 to 0.786, indicate that while the majority of respondents share positive views, there are some differences in individual experiences regarding contact ease, response times, and satisfaction with follow-ups.

4.2.6 Customer Satisfaction

Customer Satisfaction has measured using 6 items. The response rate of the respondent about is shown in table.

Table 4. 8

Customer Satisfaction

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|-----|---------|---------|------|----------------|
| I am satisfied with the mobile banking services provided by the bank. | 378 | 2 | 5 | 4.46 | 0.728 |
| I am satisfied with the range of services offered through mobile banking. | 378 | 2 | 5 | 4.44 | 0.738 |
| I am satisfied with the customer service provided by the mobile banking service provider. | 378 | 2 | 5 | 4.44 | 0.770 |
| I am satisfied with the level of personalization offered by mobile banking services. | 378 | 2 | 5 | 4.47 | 0.750 |
| I am satisfied with the reliability of mobile banking services. | 378 | 2 | 5 | 4.40 | 0.744 |
| I am satisfied with the accuracy of the account information provided by mobile banking services | 378 | 1 | 5 | 4.43 | 0.792 |

Source: Field Survey,2024

Table 4.8 exhibits that the descriptive statistics for Security Privacy were obtained from a survey conducted in 2024. The measurement of internet was based on six items, and the responses from the respondents are presented in the table. Each statement is rated on a scale from 2 to 5 (with one having a minimum of 1), and the table reports the mean (average level of satisfaction) and the standard deviation (variability in responses) for each statement.

For the item, “I am satisfied with the mobile banking services provided by the bank” there are 378 respondents. It has a mean of 4.46 and a standard deviation of 0.728, indicating a high level of satisfaction with the overall services provided by the bank, with relatively little variation in responses.

For the item, “I am satisfied with the range of services offered through mobile banking” there are 378 respondents. It shows a mean of 4.44 and a standard deviation of 0.738. This suggests that respondents are highly satisfied with the variety of services available, and the low standard deviation indicates that most participants share similar views.

Similarly, for the item, “I am satisfied with the customer service provided by the mobile banking service provider” there are 378 respondents. It also has a mean of 4.44, with a slightly higher standard deviation of 0.770. This reflects strong satisfaction with customer service, though there is a bit more variability in experiences compared to the range of services.

For the item, “I am satisfied with the level of personalization offered by mobile banking services” there are 378 respondents. It holds the highest mean of 4.47 and a standard deviation of 0.750. This suggests that respondents highly value the personalized features of mobile banking, with relatively consistent views across the sample.

For the item, “I am satisfied with the reliability of mobile banking services” there are 378 respondents. It has a mean of 4.40 and a standard deviation of 0.744, indicating that respondents are generally satisfied with the dependability of mobile banking, though the standard deviation shows some variation in opinions.

Finally, the item, “I am satisfied with the accuracy of the account information provided by mobile banking services” also received responses from 378 participants. It has a mean of 4.43 and the highest standard deviation of 0.792. This suggests that respondents are very satisfied with the accuracy of the information provided, but there is slightly more variability in their responses, indicating that some users may have had different experiences.

Overall, the high mean values across all items indicate strong customer satisfaction with various aspects of mobile banking services, including service range, customer support, personalization, reliability, and accuracy. The standard deviations, which range from 0.728 to 0.792, suggest that while the majority of respondents share positive views, there are some differences in individual experiences, particularly with accuracy and customer service

4.3 Test for Multicollinearity

For this study, a large number of variables have been used. Therefore, the result may be different as there exists Multicollinearity which occurs when two different variables measure the same thing which may hinder in getting the result. To make sure that the selected variables for the study are free from Multicollinearity, the study has tested Multicollinearity by using the method of VIF (Variance Inflation Factor). The study has tested Multicollinearity which is shown below in the table:

Table 4. 9

Checking for Multicollinearity using VIF

| Variables | Tolerance (1/VIF) | VIF |
|-----------|-------------------|-------|
| IT | 0.102 | 1.026 |
| CST | 0.100 | 1.013 |
| SECP | .0101 | 1.012 |
| REL | .0103 | 1.035 |
| RES | .0103 | 1.032 |
| CUS | .0100 | 1.008 |

Source: Field Survey, 2024

This study identifies a multicollinearity problem when VIF values exceed 10, indicating further investigation. Tolerance is used to test multicollinearity, with values below 0.1 indicating linear combinations. Table 4.9 shows no multicollinearity problem as well independent variable have values below 10.

4.4.1 Correlation Analysis

This study utilized correlation analysis to examine the relationships between independent variable such as internet, cost, security, privacy, relative advantage, and responsiveness and customer satisfaction shown in the table 4.10.

Table 4. 10

Correlation Matrix between Independent Variable and Dependent Variable

| | IT | CST | SECP | REL | RES | CUS |
|------|---------|---------|---------|---------|---------|-----|
| IT | 1 | | | | | |
| CST | 0.350** | 1 | | | | |
| SECP | 0.320** | 0.300** | 1 | | | |
| REL | 0.270** | 0.280** | 0.320** | 1 | | |
| RES | 0.290** | 0.320** | 0.310** | 0.290** | 1 | |
| CUS | 0.300** | 0.310** | 0.280** | 0.310** | 0.300** | 1 |

Source: Field Survey, 2024

IT= Internet, CST= Cost, SECP= Security and Privacy

REL= Relative Advantage, RES= Responsiveness, CUS= Customer Satisfaction

From table 4.10 it can be concluded that there is significantly positive correlation between the variable such as internet, cost, security, privacy, relative advantage, and responsiveness and customer satisfaction with-banking service as the significance level in (<0.01).

4.4.2 Regression Analysis

Regression analysis has been done to look at how employee internet, cost, relative advantage, responsiveness, and security and privacy affects customer satisfaction. It displays the regression findings for customer satisfaction with internet, cost, relative advantage, responsiveness, and security and privacy to be more precise.

Table 4.11

Model Summary of Regression Model

| Model Summary | | | | | | |
|---------------|------|----------|-------------------|----------------------------|--------|--------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin | Waston |
| 1 | .775 | 0.637 | 0.696 | 0.2913 | 1.754 | |

Predictor: (Constant), Internet, Cost, Security and privacy, Relative advantage and Responsiveness.

Dependent Variable: CUS

Source: Field Survey,2024

The study uses a regression model, which is assessed through statistical measures. The R-squared value shows that 63.7% of customer satisfaction variance can be explained by the predictors, including Internet, Cost, Security and privacy, Relative advantage, and Responsiveness. The Adjusted R Square is 69.6%, and the standard error of the estimate is approximately 0.2913. The Durbin-Watson statistic is 1.754, indicating a good fit, with a substantial R-squared value, adjusted R-squared value, and low standard error of the estimate.

Table 4.12

ANOVA

| | Model | Sum of Square | df | Mean square | F | Sig |
|---|------------|---------------|-----|-------------|----------|-------|
| 1 | Regression | 51.019 | 5 | 7.865 | 109.2139 | 0.000 |
| | Residual | 29.017 | 350 | 0.079 | | |
| | Total | 84.172 | 355 | | | |

Dependent Variable: CUS

Predictor: Predictor: (Constant), Internet, Cost, Security and privacy Relative advantage and Responsiveness.

Source: Field Survey,2024

The ANOVA table shows that Internet, Cost, Security, and privacy Relative advantage and Responsiveness predictors account for a significant portion of customer satisfaction variability. The model is statistically significant and proficient in explaining CUS, as evidenced by the significant sum of squares (51.019) and F-statistic (109.2139) with a low p-value (.000). This indicates the model's robustness in predicting customer satisfaction.

Table 4.13

Coefficient of Regression Model

| Model | Unstandardized Coefficients | | Standardized Coefficient | t. | Sig | Collinearity Statistics | |
|----------|-----------------------------|-------|--------------------------|-------|-------|-------------------------|-------|
| | B | Std. | Beta | | | Tolerance | VIF |
| Constant | 1.323 | 0.167 | | 7.946 | 0.000 | | |
| IT | 0.36 | 0.53 | 0.37 | 0.682 | 0.000 | .894 | 1.118 |
| CST | 0.211 | 0.47 | 0.232 | 4.529 | 0.000 | .978 | 1.022 |
| SECP | 0.51 | 0.022 | 1.22 | 2.238 | 0.000 | 0.932 | 1.073 |
| REL | 0.50 | 0.43 | 0.063 | 1.168 | 0.000 | 0.890 | 1.124 |
| RES | 0.108 | 0.43 | 0.131 | 2.528 | 0.000 | 0.952 | 1.105 |

Coefficients

The coefficients table displays the results of the multiple regression analysis, including unstandardized, standardized, significance levels, and collinearity statistics for each independent variable's impact on customer satisfaction.

The study reveals that the Internet significantly positively impacts customer satisfaction, with a significant p-value of 0.000. The Beta value indicates an increase in satisfaction, and the tolerance value is 0.2, indicating no multicollinearity issues.

The CST coefficient is statistically significant at 0.211, with a p-value of 0.000. The Beta value of 0.232 suggests a weak positive impact of empathy on customer satisfaction. The tolerance value is 0.978, and the VIF is 1.1022, indicating no multicollinearity issues.

SECP'S and REL's Unstandardized coefficient are 0.51 and 0.50 respectively with p-value 0.000, which is statically significant to customer satisfaction.

Similarly, RES significantly impacts customer satisfaction, with a positive unstandardized coefficient of 0.108 and a Beta value of 0.131, with a tolerance value of 0.952 and a VIF of 1.105. In summary, Internet, cost, security and privacy, relative advantage and responsiveness are found to be statistically significant predictors of customer satisfaction.

4.7 Major Findings

With the different quantitative analyses for the study, the researcher has come up with different findings which further aided in concluding the current research. This part of the chapter points out the major findings for the current research which are listed below:

This study was conducted through a questionnaire survey of 400 respondents who were user of e-banking service of commercial bank from Bagmati province. There were 378 samples selected out of a total of 400. The collected data was analyzed using a mean, standard deviation, correlation and regression model to test the significant relationship between independent (Internet, cost, privacy and security, relative advantage, responsiveness) and dependent (customer satisfaction) variable. The majority of the respondents were male, married, and in the 21- 30 years old age group. the majority of the respondent's income level were up to Rs.30000 and Rs.31000 to Rs. 50000 respectively. Similarly, lower income age group was above 61 age group. The majority of the participants education level was under SLC and +2 level respectively.

Internet: The internet significantly enhances mobile banking and e-banking services, eliminating the need for physical visits for transactions, account balance checks, and financial management, despite variations in customer satisfaction levels.

Cost: The study shows that the cost of e-banking services in Nepal significantly impacts consumer satisfaction, with reasonable transaction and maintenance fees enhancing customer satisfaction and variations in responses suggesting variations.

Security and privacy: The statistics reveal respondents & Customers feel more confident when they know that their financial information is safe from fraud and cyber-attacks,

thanks to strong security features like encryption and multi-factor authentication. This trust is further reinforced during security breaches by effective incident response and open communication.

Relative advantage: The results indicate the relative advantage has a significant influence on consumer satisfaction. E-banking services & perceived advantages over conventional banking techniques, which greatly increase client satisfaction, are referred to as their relative advantages. The relative advantages that customers derive from mobile banking include social status, time savings, and availability.

Responsiveness: The results indicate the responsiveness has a significant influence on consumer satisfaction. Responsiveness is the speed and effectiveness with which financial services are provided and customer questions or concerns are resolved. This covers the e-banking platforms& general agility, prompt transaction processing, prompt client inquiry responses, and efficient complaint handling.

4.5 Discussions

This study contributed in understating customer satisfaction with e- banking service of commercial banking in Baghmati province, Nepal. It supports earlier studies on the subject empirically, with support from Nepal. The main purpose of the study was to examine the major factors that determine the customers satisfaction with e-banking service of commercial bank in Bagmati province Nepal. This study analyzed the impact of e-banking service in retailer customer in Bagmati Province, Nepal.

As the present study investigated the major factor that determine the customer satisfaction with e- banking service of commercial banking. This section deals with the discussion on the issue relating to the relationship between factors such as internet, cost, security and privacy, relative advantage and responsiveness as well as customer satisfaction under the study. However, the study result is highly dominated by the male respondents belonging the age 21 to 30 and 31 to 40 years. The study draws an overall picture and of major determinant customer satisfaction with e- banking service of commercial bank and impact of the impact of e-banking service in retailer customer in Bagmati Province and tries to use full set of objectives.

Geebren et al. (2021), looked at consumer satisfaction with regard to using e-banking services in mobile ecosystems, particularly in developing nations. He found that there is a partial mediation effect of trust in the interactions between task characteristics, customer satisfaction, information quality, and system quality. But Puriwat & Tripopsakul (2017) Customer satisfaction were significantly impacted by Trust, reliability, and responsiveness. Similarly, Security and convenience have little bearing on satisfaction, but cost, responsiveness, and relative advantage have a big impact. However, even if loyalty and satisfaction have a strong relationship, they are not directly tied to one another (Nusrat & Golma, 2022).

Angusamy et al. (2022) and (Sardana, 2020) revealed that e-banking responsiveness, security and privacy, and reliability have a significant impact on e-banking customer satisfaction, but ease of use has an insignificant impact on e-banking customer satisfaction. Similarly, Tahtamouni (2023) and Ayer (2023), explored that customer satisfaction with e-banking service is highly influenced by time, ease of use, confidentiality and security. Khanal (2023), examined there is a positive and significant relationship between connivance, security, and privacy in Nepalese customer awareness. Pokhrel & K.C. (2024) and Sharma et al. (2020), indicate that there is a statistically significant correlation between the service quality dimension and customer happiness.

Fitriani, (2020) investigated the factors that affect customers' intentions to use mobile payments in Indonesia from the perspective of retailers. The study's findings indicate that, from the perspective of the retailers, the following elements influence intention to utilize mobile payments: government restrictions, platform trust, retailer involvement, brand value, network externalities, and retailer satisfaction. According to this study, among other characteristics, platform trust has the strongest correlation value and directly influences retailer satisfaction. The retail sector's capacity to pull in customers is being significantly impacted by Indonesia's internet's rapid expansion.

In conclusion, the study's findings suggest that internet, cost, security and privacy, relative advantage and responsiveness have a significant positive impact on customers (retailer) satisfaction with e-banking service of commercial bank in Bagmati province, Nepal. The result shows that there is statistically significant and positive correlation relationships between Internet, cost, privacy and security, relative advantage,

responsiveness as well as customer satisfaction. For small and medium-sized retailers to operate their online businesses e-banking service is necessary. The results are consistent with previous studies on customers satisfaction with e-banking service of commercial bank. However, further research is needed to investigate the customer satisfaction with e-banking service of commercial banking in Nepal.

CHAPTER -V

SUMMARY AND CONCLUSION

The goal of the study is to investigate the various factors that determine the customers' satisfaction with e-banking services of commercial banks in Bagmati province, Nepal. In order to contribute to the study's findings, the data analysis from the previous chapter was completed. This section includes the study's results, an overview of the introduction, and a review of relevant methods. The findings are useful in helping to draw conclusions and generalizations from the study's findings.

5.1 Summary

The purpose of this study is to analyze the major factors that determine the customers' satisfaction with e-banking services of commercial banks in Bagmati province, Nepal and examine the e-banking service and customer satisfaction in Bagmati Province. The study used various factors such as Internet, cost, privacy and security, relative advantage, responsiveness as well as customer satisfaction.

This study was conducted through a questionnaire survey of 400 respondents who were users of e-banking services of commercial banks from Bagmati province. There were 378 samples selected out of a total of 400. The collected data was analyzed using a mean, standard deviation, correlation and regression model to test the significant relationship between independent (Internet, cost, privacy and security, relative advantage, responsiveness) and dependent (customer satisfaction) variables. The majority of the respondents were male, married, and in the 21 to 30 years old age group. The majority of the respondents' income level was up to Rs.30000 and Rs.31000 to Rs. 50000. The majority of the participants' education level was under SLC and +2 level.

The internet significantly enhances mobile banking and e-banking services, eliminating the need for physical visits for transactions, account balance checks, and financial management, despite variations in customer satisfaction levels. The study shows that the cost of e-banking services in Nepal significantly impacts consumer satisfaction, with reasonable transaction and maintenance fees enhancing customer satisfaction and variations in responses suggesting variations.

The results indicate the cost of e-banking services such as transaction fees, account maintenance fees, and other banking expenses can significantly improve customer satisfaction by offering superior value for the money. Reduced or no fees for basic e-banking services make these platforms more appealing and accessible, especially since many Nepali customers are price-sensitive. Variability in responses suggests differences in cost among customer satisfaction. Customers feel more confident when they know that their financial information is safe from fraud and cyber-attacks, thanks to strong security features like encryption and multi-factor authentication. This trust is further reinforced during security breaches by effective incident response and open communication. The relative advantages that customers derive from mobile banking include social status, time savings, and availability. Responsiveness is the speed and effectiveness with which financial services are provided and customer questions or concerns are resolved. This covers the e-banking platforms & general agility, prompt transaction processing, prompt client inquiry responses, and efficient complaint handling.

The study revealed that internet, cost, security and privacy, relative advantage and responsiveness have a significant influence on customers (retailer) satisfaction with e-banking service of commercial bank in Bagmati province, Nepal.

5.2 Conclusions

The purpose of the study is to examine the main determinants of customer satisfaction with the e-banking services of commercial banks in Bagmati Province. The study used various factors such as Internet, cost, privacy and security, relative advantage, responsiveness as well as customer satisfaction to fulfill the research objective. Customer satisfaction with e-banking service of commercial banking in Bagmati province, Nepal reveals a generally positive perception among retailer customers.

The internet is essential for saving retailer customers' time. Customers can conduct transactions, check account balances, and manage their finances without physically visiting banks. Online banking platforms helped customers manage their money more efficiently. They offer a variety of functions like financial management tools, quick account updates, and bill payment. Cost of e-banking services such as transaction fees, account maintenance fees, and other banking expenses can significantly improve customer satisfaction by offering superior value for the money. Reduced or no fees for basic e-banking services make these platforms more appealing and accessible, especially since many Nepali customers are price-sensitive. Customers feel more confident when they know that their financial information is safe from fraud and cyber-attacks, thanks to strong security features like encryption and multi-factor authentication. Customers benefit from mobile banking in terms of availability, time savings, and social standing. Responsiveness is the speed and effectiveness with which financial services are provided and customer questions or concerns are resolved. This includes the general agility of e-banking platforms, quick transaction processing, quick responses to customer inquiries, and effective complaint handling.

In conclusion, the study's findings suggest that internet, cost, security and privacy, relative advantage and responsiveness have a significant positive impact on customers (retailer) satisfaction with e-banking service of commercial bank in Bagmati province, Nepal. The result shows that there is statistically significant and positive correlation relationships between Internet, cost, privacy and security, relative advantage, responsiveness as well as customer satisfaction. For small and medium-sized retailers to operate their online businesses e-banking service is necessary.

5.3 Implications

Research implications refer to the significant and practical implications of study findings, linking them to academic and real-world applications, and highlighting areas requiring further research.

- According to the findings of this study, Internet, cost, privacy and security, relative advantage and responsiveness have a statistically significant influence on customer satisfaction. The findings aid online payment providers, policymakers, and bankers in understanding customer perspectives, motivating them to implement regulations that attract more customers to online payment services.
- The study indicates that e-banking services enhance customer satisfaction, suggesting that commercial banks should prioritize improving their e-banking facilities to enhance customer satisfaction.
- Research has demonstrated that the integration of internet, technology, privacy and security can improve business efficiency, service quality, customer retention, and the role of online payment in service provider growth.
- In the case of retailer customers, even if sending a small amount of money incurs a cost, if the bank can arrange that the cost will not be charged up to a certain amount, the public attraction towards e-banking can be increased.
- The study is highly beneficial for scholars and students seeking to further investigate the issue as consumers.

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ii ABSTRACT

The purpose of this study is to analyze **the** major factors **that** determine customer **satisfaction with**

the e-banking service of a commercial bank in Bagmati province, Nepal. The study investigates the relationship between customer satisfaction and service quality with the goal of bridging research gaps and providing insights into the complex processes that drive customer satisfaction. This study is based on the primary data and used the various factors such as: internet, cost, security and privacy, relative advantage, responsiveness and customer satisfaction. To fulfill the research objective, various tools such as tables, figure, mean, standard deviation, percentages,

correlation, and regression analyses **were used to examine the** results. **This study**

used 378 samples out of a total of 400 population, which were collected from banking customers through a physical survey in Kathmandu Valley as well as an online survey from Bagmati Provenance. The majority of respondents are male, married. The highest participation of male and female respondents are 21 to 30 years old and 31 to 40 years old. It means young people are attracted to e-banking service. The study draws an overall picture, major determinant of customer satisfaction with e-banking service of commercial banking and impact of e-banking service on retailer customer as well as tries to use full set of objectives. This study suggests that internet, cost,