SERVICE QUALITY AND CUSTOMER SATISFACTION IN NEPALESE BANKING SECTOR

A Thesis

By

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CERTIFICATION OF AUTHORSHIP

The certification of authorship to be signed by the candidate would appear as follows:

I certify that the work in this thesis has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree except as fully acknowledged within the text.

I also certify that the thesis has been written by me. Any help that I have received in my research work and the preparation of the thesis itself has been acknowledged. In addition, I certify that all information sources and literature used are indicated in the reference section of the thesis.

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Trisana Baral

July, 2018

RECOMMENDATION LETTER

It is certified that thesis entitled, **"SERVICE QUALITY AND CUSTOMER SATISFACTION IN NEPALESE BANKING SECTOR"** submitted by Trisana Baral is an original piece of research work carried out by the candidate under my supervision. Literary presentation is satisfactory and thesis is in a form suitable for publication. Work evinces the capacity of the candidate for critical examination and independent judgment. Candidate has put in at least 60 days after registering the proposal. The thesis is forwarded for examination.

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APPROVAL SHEET

We, the undersigned, have examined the thesis entitled **SERVICE QUALITY AND CUSTOMER SATISFACTION IN NEPALESE BANKING SECTOR'** presented by Mrs. Trisana Baral, a 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.

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ABSTRACT

The main purpose behind of this study is to find out the relationship between service quality and customer satisfaction in Nepalese banking sector. Various concepts such as customer satisfaction, customer loyalty, service quality, SERVQUAL model have been discussed along with relevant relationship between them in the literature review and based upon it, a conceptual model had been formulated stating the four different objectives. In order to collect data for analysis, 150 completely filled questionnaires were collected within one month. Whereas questionnaires addressed service quality dimension such as, tangibility, reliability, responsiveness, empathy and assurance and customer satisfaction dimensions such as internal social and image. All these forms were collected from various commercial and development banks in Kathmandu and out of Kathmandu, Nepal.

The study was based on four research objectives: (a) to determine the profile of respondents in terms of gender, type of account, educational qualification and banking experience, (b) to determine the level of service quality in Nepalese bank, (c) to determine the level of customer satisfaction among Nepalese banks customers (d) to determine relationship between service quality and customers' satisfaction in Nepalese bank.

In order to analyze the data, Statistical Packages for Social Sciences (SPSS) was used and analytical techniques like descriptive analysis and correlation analysis were used. The findings revealed that majority of the respondents were female, over three equators with saving type of account, over half of the respondents age was 16-30 years and majority of the respondents had been customers for Nepalese bank for relatively a long period of time that is from one to three years and visiting time was less than three times in one month.

It went ahead to revealed that the level of service quality was at mean 14.580. The study found that most of the respondents agreed to employees have neat and professional appearance with then the bank has convenience business hour and the bank's staffs make customers feel safe in their transaction another side most of the people agreed with Employees don't deal with customers in a caring fashion, then Employees are not courteous in the bank and the bank do not maintains error free required.

The study found that level of customer satisfaction was at mean 11.266 (high level). Dependent variable customer satisfaction and independent variable assurance are strongly correlated because pearson correlation is highest i.e.0.392 than other dimensions.

The researcher recommended that if Nepalese Bank is to improve on service it offers to her customers to ensure their satisfaction, Nepalese Bank staff should: (a) Employees deal with customers in a caring fashion, employees are always courteous, maintains error free required and employees give individual attention to customer.

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ABBREVIATIONS

ABBS	-	Anywhere Branch Banking Service
A/C	-	Account
A.D.	-	Anno Domini
ASS		Assurance
ATM	-	Automated Teller Machine
B.S.	-	Bikram Sambat
CDM	-	Central Department of Management
CEO's	-	Chief Executive Officers
EBL	-	Everest Bank Limited
EMP	-	Empathy
Ltd.	-	Limited
M.B.S.	-	Master in Business Studies
No.	-	Number
NRB	-	Nepal Rastra Bank
RBB	-	Rastriya Banijya Bank
REL	-	Reliability
RES	-	Responsiveness
SPSS	-	Statistical Package for Social Science
TAN	-	Tangibility
T.U.	-	Tribhuvan University
i.e.	-	That is
&	-	And
%	-	Percentage