

# **FACTOR AFFECTING CUSTOMER SATISFACTION TOWARDS ONLINE PAYMENT**

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

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## CERTIFICATION OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled “**Factor Affecting Customer Satisfaction towards Online Payment**”. The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor it has been proposed and presented as part of requirements for any other academic purposes.

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

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## REPORT OF RESEARCH COMMITTEE

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## ABBREVIATIONS

%	:	Percentage
&	:	And
ATM	:	Automated Teller Machine
CON	:	Convenience
CS	:	Customer Satisfaction
e.g.	:	Example
EU	:	Ease of Use
i.e.	:	That is
IBM	:	International Business Machine Corporation
MS. DO	:	Microsoft Disk Operating System
No.	:	Number
Res	:	Respondents
SEC	:	Security
SEM	:	Structural Equation Modeling
SPSS	:	Statistical Package for Social Sciences
T.U.	:	Tribhuvan University
TS	:	Transaction Speed
WHO	:	World Health Organization
www	:	World Wide Web

## ABSTRACT

*This study examines the factor affecting customer satisfaction towards online payment. The study has followed descriptive and casual research design. This study used descriptive statistic, correlation analysis and regression analysis to analyze the data. This study reveals that the majority of the respondents agreed that convenience is the factor highly affects their customer satisfaction towards online payment and they believe that their customer satisfaction level is also high. The correlation analysis reveals that there is significant positive relationship between ease of use of online payment and customer satisfaction. Similarly, transaction speed of online payment has significant positive relationship with customer satisfaction. At the same time, there is significant positive relationship between convenience of online payment and customer satisfaction. Besides these, security of online payment has significant positive relationship with customer satisfaction. The multiple regression analysis shows that there is significant positive effect of ease of use of online payment on customer satisfaction. Likewise, transaction speed of online payment has significant positive impact on customer satisfaction. At the meantime, there is significant positive effect of convenience of online payment on customer satisfaction. Moreover, security of online payment has significant positive effect on customer satisfaction. Therefore, this study concluded that all the variables are major factors of customer satisfaction towards online payment.*

**Keywords:** *Customer satisfaction, ease of use, transaction speed, convenience and security/privacy*

## **CHAPTER - I**

### **INTRODUCTION**

#### **1.1 Background of the Study**

The modern world has been greatly influenced by technology. The global community that the internet has created also transformed the financial sector. The banking industry now has a new facet as a result of the transition from manual ledger systems to systemized procedures and the introduction of internet-based facilities. Over the past few years, the competition in the banking industry has increased. In order to remain competitive, banks are embracing cutting-edge tools and approaches to increase client happiness and retention. Karjaluo et al. (2002) stated time and geographic restrictions no longer apply to banking. E-banking is of utmost importance in satisfying consumer expectations. Delivering high-quality services can result in satisfied consumers who become devoted supporters (Gronroos, 2000). Asian customers are embracing online payment as quickly as the rest of the world. And there's no denying that the automation of banking processes has opened up new opportunities for the Nepalese banking industry.

Online payments provide customers the utmost in electronic ease while conducting financial transactions, and are viewed as a new revolution in traditional banking services. All banks, but notably large banks and mutual banks, have gradually increased the variety of online banking services they provide to customers over the last few decades (Momeni (2013). Online payments provide customers the utmost in electronic ease while conducting financial transactions, and are viewed as a new revolution in traditional banking services. All banks, but particularly large banks and mutual banks, have gradually increased the variety of online banking services they provide to customers over the last few decades (Muhammad, Akin & Abdul, 2015). Following the recent global financial crisis and depression, CEOs at financial institutions face greater pressure to retain market leadership and customer satisfaction while reducing expenses. Bank executives have used their superior information technology infrastructures and service quality to maintain market leadership while reducing costs.

A business cannot prosper unless its customers are satisfied. The degree of client satisfaction is determined by the quality of the offer. To increase customer satisfaction, the banking industry offers a range of services to its clients. Gaining the favor of customers is crucial to outperforming rivals in today's fiercely competitive industry. Through R&D efforts, bank management should determine the elements of service quality that would please their clients. The financial sector is extremely cutthroat. Banks face competition from non-banking and financial firms in addition to from other banks (Kaynak & Kucukemiroglu, 1992). Customer satisfaction is based on how successfully the client's expectations are met (Kotler & Keller, 2012). Customer satisfaction is directly tied to what the client desires. Hill, Roche and Allen (2007) stated that the degree to which these criteria are satisfied determines whether one is satisfied with conformance or unsatisfied with inconsistency. Consumer behavior is a common occurrence that may be researched.

Customer satisfaction is considered as a major differentiator and increasingly has become a crucial aspect of corporate strategy in a competitive market where organizations fight for consumers (Gitman & Carl, 2005). It is helpful to think of banks as firms and use the broad concepts of microeconomics, which determine the surroundings of all firms, in order to comprehend the economic issues and decisions they face. Nonetheless, banks are unique kinds of businesses not just because of the services they offer but also because of the manner and personnel in which those services are rendered (John, 2003). Customers now have a lot of issues with the satisfaction and services that banks offer. Research has indicated that a large number of global internet users exhibit comparable habits and inclinations between countries (Masukujjaman & Akter, 2010). Other scholars have examined the internet within conventional cultural contexts, but within national boundaries. Some researchers have looked into e-banking user preferences. Some have looked at the problems with the development of online payment and the elements that contribute to the success of different e-delivery channels in the banking environment (Sohail & Shanmugham, 2003).

Consumers are looking to banks for a number of advantages, including as superior customer support, lower transaction costs, complaint handling, a badge of pride, and early access to new goods via non-traditional channels. Consequently, banks under

pressure to devise novel approaches to satisfy customers before other financial institutions or banks do (Lamsal, 2022). Therefore, focusing on many aspects that impact customer satisfaction is crucial for improving an organization's performance and making it more competitive in the market, especially for service providers. When these factors are effectively handled, a business may please its customers and gain their trust and loyalty, which aids in the achievement of its objectives.

Due to the fact that online payments have broken down geographical, industrial, and regulatory boundaries and produced cutting-edge services and solutions that benefit both banks and clients, the commercial banking landscape has both improved and evolved. Put another way, Internet technology has the power to drastically alter banks and the financial sector. It is becoming more and more important to comprehend the degree to which clients have adopted or used online banking services. Sarlak and Hastiani (2011) asserted banks and other financial institutions should regularly assess their clients' needs to identify elements that may influence their adoption or use of online payment. The importance of online payment services is increased by the speed at which technology is evolving. Nepal leads the globe in online payments despite the dearth of research on online payment customer service, therefore it is critical to understand how online payment service affects customer satisfaction in Nepal. Hence, this study tried to analyze the factors affecting customer satisfaction towards online payment.

## **1.2 Problem Statement**

The evolution of the Internet has resulted in notable modifications to banking procedures. A wide range of practical online services offered by banks are available to online bankers. As the sector expanded to include phone and online banking, more risks were associated with online payment systems over time. Notwithstanding the advantages of online banking, e-banking in Nepal faces a number of difficulties. While banks and other financial institutions have rapidly expanded the range of online payment options they provide, bank consumers in Nepal have generally not accepted these services. This could be the result of clients' lack of confidence, inexperience of technology, or misinterpretation of the risk associated with the services (Sarlak & Hastiani, 2011).

In today's extremely competitive and international economy, customer contentment is a highly sought after phenomena. Customers today demand more than just low prices; they want helpful, trustworthy, and dependable technology. Many banks have embraced the use of information and communication technology in their service delivery at a rapid pace. Huge sums of money have been invested in the implementation of self-service and virtual banking services with the goal of enhancing customer service quality. However, the quality, availability, and expense of accessing telecommunication infrastructures, a lack of competent staff, poor internet penetration, a lack of bank accounts, and a lack of timely delivery of physical items have all hampered e-commerce adoption (Jalal, Marzooq & Nabi, 2011).

Islam and Himel (2015) Found that while reliability had a negligible negative influence on customer satisfaction, speed, responsiveness, assurance, and affordability had a significant positive impact. Addai et al. (2015) showed a positive relationship between e-banking's accessibility, dependability, and convenience and customer satisfaction. Linga et al. (2016) found a significant relationship between elements including website speed, simplicity of use, and content and customer satisfaction with online banking. Kavitha (2017) utilized multiple regression analysis to show how customer satisfaction was significantly improved by security, performance, simplicity of use, dependability, and training. Patel and Bhatt (2018) found that although competence and connectivity had the least impact, complexity, assistance, security, accessibility, and applicability had the most affects on consumers' overall satisfaction with digital banking services.

Banu, Mohamed, and Parayitam (2019) mentioned that perceived usefulness acted as a partial mediator in the relationship between the dependent variable, or customer satisfaction, and a number of independent variables, such as knowledge of the internet, security, self-efficacy, intention to adopt, trust, and ease of use. Jahan and Shahria (2021) concluded that while cost, responsiveness, and relative advantage had a significant impact on satisfaction, security and convenience had minimal effect. Angusamy, Yee, and Kuppusamy (2022) showed dependability, security and privacy, and responsiveness all have a major impact on customer satisfaction with online banking, while convenience of use had no significant influence.

Muhtasim et al. (2022) concluded that an illustration of the impact of cybercrime, system security, privacy, trust, and financial stability on the inclination to do an online transaction. Lamsal (2022) indicated that there was a strong positive relationship between customer loyalty, service quality, and satisfaction. Thakuri et al. (2023) found that while cost and relative advantage had no impact on customer satisfaction, convenience, security, and responsiveness had a substantial impact. In order to build and preserve relationships with its customers in this competitive environment, the Nepalese banking industry uses customer relationship management. There are not enough studies on how satisfied consumers are with online payment solutions. Therefore, the purpose of this study is to identify the variables that affect consumers' satisfaction with online payments. This study aims to answer the following questions:

- What are the factors of customer satisfaction towards online payment?
- What is the relationship between customer satisfaction and its factors towards online payments?
- What is the impact of ease of use, transaction speed, convenience and security/privacy on customer satisfaction towards online payment?

### **1.3 Objective of the Study**

The main objective of the study is to analyze factors affecting customer Satisfaction towards online payment. The other specific objectives are;

- To assess the customer satisfaction towards online payment under ease of use, transaction speed, convenience and security/privacy.
- To analyze the relationship between customer satisfaction and its factors towards online payments.
- To examine the impact of ease of use, transaction speed, convenience and security/privacy on customer satisfaction towards online payment.

### **1.4 Research Hypothesis**

The following hypotheses are established based on the objectives of the research and a review of the theoretical and empirical literature on the factors affecting customer satisfaction.

1. H<sub>1</sub>: There is significant impact of ease of use on customer satisfaction towards online payment.



2. H<sub>2</sub>: There is significant impact of transaction speed on customer satisfaction towards online payment.
3. H<sub>3</sub>: There is significant impact of convenience on customer satisfaction towards online payment.
4. H<sub>4</sub>: There is significant impact of security/privacy on customer satisfaction towards online payment.

### **1.5 Rationale of the Study**

Since Nepalese commercial banks currently provide excellent domestic, international, and specialty online payment services to their esteemed and valued clients, this kind of research will be carried out to support the bank's various goals by providing the information that will be most useful in making decisions regarding the improvement of service quality. Furthermore, the study will provide other researchers a head start on their in-depth assessment of the factors impacting customer satisfaction in Nepal's commercial banks. It also helps the bank make required improvements based on recommendations. Trade and businesses grow faster when satisfied clients recommend them. As a result, satisfying the clientele is essential. When consumers are unhappy, bankers and marketers should try to ascertain the cause of their dissatisfaction before taking appropriate action. Employees of the bank are required to assist customers who bring grievances to the bank. Each and every customer complaint needs to be carefully considered and addressed in order to meet the needs of the consumer. In this particular situation, it is also vital for lenders and customers.

### **1.6 Limitations of the Study**

The study has some limitations which are as follows;

- The study focuses on the factor affecting customer satisfaction towards online payment of banking customer in Nepal.
- This survey may not accurately represent how consumers see Nepal overall because it is limited to the Kathmandu Metropolitan City and only includes areas where targeted answers are available.
- The reliability of the respondents' opinions impacts the accuracy of the data, which is largely generated from primary data in the data analysis phase.

- No more than 400 individuals comprised the sample. As a result, generalizing will be quite difficult.
- There will be usage of a judgmental sampling technique. Therefore, due to the sampling technique, it may contain some errors.
- This study used descriptive statistic, correlation analysis and multiple regression analysis.

## **CHAPTER - II**

### **LITERATURE REVIEW**

Through an analysis of the relevant body of knowledge, this chapter seeks to give an academic understanding of the concept of consumer satisfaction with the quality of online payment. First comes the literature that links the study questions and objectives. A variety of literatures related to the chosen field of study or designated subject are examined. This chapter covers the research gap, empirical review, and theoretical review.

#### **2.1 Theoretical Review**

##### **2.1.2 Theories of Customer Satisfaction**

An examination of the broad concepts of customer satisfaction in this field will assist provide a clearer picture of how consumers are satisfied in banks, even though different banks may use different specific strategies. The theories of customer satisfaction are as follows:

###### **2.1.1.1 The Contrast Theory**

The Contrast Theory puts out the opposite of the Dissonance Theory. According to this theory, when a product's performance falls short of a customer's expectations, the disparity between the two will cause the customer to exaggerate the difference (Yi, 1990). The Contrast theory states that a customer will emphasize the difference between the real and expected items if they obtain a product that is less valuable than they had anticipated (Cardozzo, 1965). This hypothesis states that a product's performance will be evaluated less than it truly is if it doesn't live up to expectations (Oliver & DeSarbo, 1988). Put differently, the Contrast Theory suggests that a person will respond to disconfirmation experiences either positively or negatively when findings don't match expectations. This is due to the belief that a positive disconfirmation should result in a high rating of the product, whereas a negative disconfirmation will result in a poor evaluation (Oliver, 1977). In reference to the aforementioned restaurant situation, the customer may assert, among other things, that the meal was unfit for human consumption and that it was one of the worst experiences of their lives.

### **2.1.1.2 The Dissonance Theory**

The Dissonance Theory states that if a person expects a high-value product and receives a low-value product instead, they would suffer cognitive dissonance (Cardozo, 1965). Put another way, unmet expectations lead to psychological distress or a condition of dissonance (Yi, 1990). According to this theory, when dissonance occurs, there is a need to lessen it, which may be accomplished by altering the perceived difference. Based on this theory, post exposure ratings are mostly influenced by the expectation level since disconfirmation detection is thought to be a mentally demanding procedure. In light of this, it is suggested that consumers perceptually adjust expectation-discrepant performance to conform to their prior degree of anticipation (Oliver, 1977). For instance, if there is a mismatch between the product's performance and expectations, buyers may feel psychologically strained and try to relieve it by changing their perception of the product (Yi, 1990). Cardozo argues that consumers may become more critical of a product if it comes at a high personal expense. Think about the following situation: When a customer walks into a restaurant, they expect a beautiful meal, but what they get is an ugly dish. The client, who had come a long way and paid a high price for lunch, would try to make things seem better by saying that she liked overcooked food, that the meal was better than it seemed, etc.

The Dissonance Theory helps to emphasize that expectations are dynamic and can change during a consuming experience, even though it is not a complete explanation for customer happiness. For instance, the meaning of pre-holiday expectations may change during the holiday, and new expectations may arise as a result of experiences encountered during the celebration. This implies that customers' expectations about the room may alter depending on how well their previous engagement went when they go from one to the next, for as from the hotel lobby to the room or the restaurant (Danaher & Arweiler, 1996).

### **2.1.1.3 The Comparison Level Theory**

Several scholars have attacked the Expectancy-Disconfirmation paradigm, arguing that it assumes that the fundamental predictor of consumer happiness is the predictive expectations produced by manufacturers, business reports, or other sources (Yi,

1990). La Tour and Peat (1979), for example, stated that the EDP ignores other sources of expectations, such as the consumer's prior experience and the experience of other consumers with comparable structures. Thibaut and Kelley (1959) offered a refinement to the Comparison Level Theory. Unlike the Expectancy-Disconfirmation paradigm, which uses predictive or situationally-produced expectations as the comparison standard, the Comparison Level Theory contends that there are multiple basic determinants of a product's comparison level: (1) consumers' previous interactions with similar products, (2) contextually generated desires (those created through marketing and promotional efforts), and (3) the experience of other consumers who serve as referent persons.

LaTour and Peat (1979) stated that experience-based standards or norms serve as a foundation for comparisons in consumer satisfaction evaluations by applying the Comparison Level Theory to the confirmation/ disconfirmation process. They discovered that situationally generated expectations had minimal influence on consumer satisfaction, but expectations based on earlier experiences were the most influential predictor of customer pleasure. This research implies that when customers have personal experience and relevant knowledge about other consumer experiences, they may assign less weight to manufacturer-provided information (Yi, 1990).

#### **2.1.1.4 The Value Percept Theory**

According to Westbrook and Reilly (1983), the Expectancy-Disconfirmation paradigm was not the best model for explaining consumer satisfaction since satisfaction/dissatisfaction is more likely to be driven by comparison criteria rather than expectations. As an alternative to the Expectation Disconfirmation paradigm, they offered a Value-Percept Disparity hypothesis, initially developed by La Tour and Peat (1979). Westbrook and Reilly suggest that what is expected from a product may or may not correlate to what is wanted or valued in a product, criticizing the predictive expectations utilized as a comparison standard in the classic Disconfirmation paradigm. In contrast, what is valued may or may not match to what is expected. Thus, values, rather than expectations, have been advocated as a superior comparable measure for explaining consumer satisfaction/dissatisfaction. According to Westbrook and Reilly (1983), satisfaction is an emotional reaction generated by a cognitive evaluative process in which perceptions of an offer are compared to one's

values, requirements, wants, or desires. A rising gap between one's views and one's values (value-perception) implies an increasing level of unhappiness, similar to the Expectancy/ Disagreement paradigm.

### **2.1.2 Methods to Assess Customer Satisfaction**

The study found a direct relationship between consumer emotional emotions and CS/D metrics. Emotional reactions to an act of purchase are related, and these reactions impact the buyer's level of satisfaction or dissatisfaction. Thus, it seems that feelings about the post-purchase procedure as well as the cognitive knowledge that expectations were not fulfilled affect how satisfied a customer is with a product (Mowen, 1990). The following methods can be applied to determine client satisfaction.

#### **Complaint and Suggestion System**

The business might use a suggestion and complaint system to find out how satisfied customers are. On the forms that restaurants and motels provide, patrons can indicate their preferences and offer comments. Many companies set up customer hotlines with toll-free numbers to make it easier for clients to ask questions, offer comments, or file complaints. P&G, General Electric, Whirlpool, and other companies are instances of companies that put their consumers first. For them, they established toll-free hotlines. Businesses also use emails and webpages for effective two-way communication. They help companies come up with creative ideas to improve their products and services (Mowen, 1990).

#### **Customer Satisfaction Surveys**

Businesses may directly assess customer happiness by conducting regular surveys. Customers can phone or submit surveys to the firm to find out how they feel about their performance, products, and services. Studies show that less than 5 percent of consumers who are dissatisfied with one out of every four transactions mention it. Most customers will cut back on their purchases or switch suppliers. Reactive companies obtain firsthand information about customer satisfaction through regular surveys. Apart from collecting information on customer satisfaction, it is beneficial to

evaluate the likelihood of making another purchase and the desire to recommend the company and brand to others (Mowen, 1990).

### **Ghost Shopping**

It may also be used to gauge client satisfaction. This implies that a business may pay people to write as potential customers so they can discuss the benefits and drawbacks of utilizing both its own and its rivals' items. This mystery shopper could even evaluate how the company's sales staff handles specific circumstances. Supervisors should sometimes get up from their desks, go to different locations with their company's and competitors' sales people, and watch how they are handled. Managers who contact their own organization with inquiries and grievances may also observe how calls are handled.

### **Lost Customer Analysis**

Following up with clients who have quit doing business with you or who have moved to a competitor is another practical method to gauge customer happiness. Businesses are able to recover a significant amount of lost money by engaging with consumers, listening to their issues, and really attempting to remedy them (Mowen, 1990).

### **2.1.3 Customer Satisfaction in Banking Sector**

Customer satisfaction, according to Tsoukatos and Rand (2006) was critical to long-term corporate success. To maintain or increase market share, firms must outperform rivals by providing high-quality products or services that satisfy customers. According to Magesh (2010) satisfaction was a feeling of joy because one possesses something or has accomplished something. It was the act of meeting a need, want, demand, or anticipation. Customers contrast their expectations of a certain product or service with its actual advantages. According to Kotler and Armstrong (2010) satisfaction is defined as a person's sentiments of joy or disappointment as a result of comparing a product's perceived performance to expectations. Customers' sentiments and beliefs can have an impact on their degree of satisfaction.

Zeithaml (2009) argued that a product or service's capacity to satisfy a customer's demand or expectations is measured or evaluated by their level of satisfaction or

discontent. According to Razak et al. (2007), a customer's overall happiness is determined by how well they rate a series of experiences that are connected to a particular service provider. It has been noted that an organization's focus on meeting customer expectations increased satisfaction. When consumers are pleased with an organization's services, they become devoted patrons and the business retains them. This is advantageous to the business as it may also result in more revenue, a larger market share, and a larger clientele. Because it is regarded as a critical component in determining a bank's competitiveness, customer satisfaction has grown in importance as a result of greater competition.

Continuous and systematic assessment of satisfaction level is required (Chakravarty et al., 1996). Because a delighted client is a true asset for any firm, ensuring long-term prosperity even in times of intense competition. Cronin et al. (2000) said in their study that pleased consumers repeat their purchase of the items and also create new customers by spreading the word about it to others. Dissatisfied customers, on the other hand, may migrate to other products/services and spread a bad word to others. Customer satisfaction is defined as a collection of feelings or outcomes associated with a customer's experience with a product or service (Solomon, 1998). As a result, firms must assure client pleasure with their goods/services.

## **2.2 Empirical Review**

### **2.2.1 Review of Journals/Articles in International Context**

Almansour and Elkrghli (2023) analyzed factors influencing customer satisfaction on e-banking services: a study of Libyan banks. The purpose of this study was to look at what aspects, specifically perceived utility, perceived simplicity of use, perceived credibility, and customer attitude, affect customers' satisfaction with e-banking services in Libyan banks. Utilizing a quantitative research methodology and a descriptive study design, 215 e-banking customers were given an online questionnaire to complete in order to gather data. This study used correlation and multiple regression analysis to analyze the data. The results showed that consumer satisfaction with e-banking services was significantly positively impacted by perceived utility, perceived simplicity of use, perceived legitimacy, and customer attitude. The most significant component was determined to be the attitude of the customer, which was



followed by perceived utility, perceived credibility, and perceived ease of use. The findings of this study may help Libyan banks boost the quality of their online banking offerings and increase client satisfaction. Prioritizing client attitudes regarding e-banking services should be the first priority for banks, followed by making their systems more user-friendly and credible. To further boost consumer happiness, banks could think about highlighting the perceived value of their online banking services.

Halim et al. (2023) investigated customer satisfaction on e-banking services among university students in Malaysia. This study aimed to find out what elements Malaysian university students found most satisfying when using online banking services. The study employed a cross-sectional technique and a standardized questionnaire to gather data from 87 students who were residents of Selangor, Malaysia. The results demonstrated a positive relationship between perceived dependability, security, and utility and customer satisfaction with e-banking services. These findings suggest that consumers are drawn to banks with user-friendly online platforms that provide faster transaction speeds because they find the system valuable enough to keep using. Customers also emphasize the efficacy of the website security system since they are worried about the protection of their personal information and the security of their financial transactions while using e-banking. If banking institutions in Malaysia have a better understanding of the factors influencing customer satisfaction with e-banking services, they will be better equipped to offer their customers first-rate quality services, an efficient website with the right setting and updated technological advancements.

Muhtasim et al. (2022) investigated customer satisfaction with digital wallet services: an analysis of security factors. The purpose of this study was to determine an effective framework for digital wallet systems that addresses user satisfaction and security. A quantitative online survey was used to ascertain whether the six factors—transaction speed, authentication, encryption mechanisms, software performance, privacy details, and information provided—have a favorable or unfavorable effect on customer satisfaction. The two parts of this questionnaire were a survey on security factors influencing customer satisfaction and the demographic data of the respondents. The surveys were distributed to instructors and students at the National University of Malaysia. A sample of 300 respondents completed the survey. This study used

correlation and multiple regression analysis to analyze the data. This study found that many respondents to the poll said that the security aspects on the list had an impact on their level of satisfaction with digital wallets. Previous studies have demonstrated the impact of cybercrime, system security, privacy, trust, and financial stability on the inclination to engage in online trading. The structure that this study suggests specifically addresses the security concerns with digital wallets.

Karim, Chowdhury and Haque (2022) examined study of customer satisfaction towards e-wallet payment system in Bangladesh. The purpose of this study was to investigate the variables that influence Bangladeshi customers' satisfaction with e-wallets as a means of payment. Data from respondents who resided in the city of Dhaka totaled 480. Structural Equation Modeling was utilized to investigate each of the hypotheses, and the TAM model was utilized to build the study's framework. The findings showed that there was a favorable correlation between technology self-efficacy and contentment, making it one of the essential components of satisfaction. With the exception of the connection between contentment and perceived usefulness, all of the hypotheses were determined to be significant. This study provides validation for the external factors that underpin the present hypothesis, which is based on previous research. Lastly, recommendations for electronic payment creation were made in an effort to improve the mobile payment system and increase customer satisfaction.

Yu and Nuangjamnong (2022) analyzed the impact of mobile banking service on customer satisfaction: a case study of commercial banks in China. The main objective of the research was to assess the correlation between customer satisfaction and mobile banking services in China's financial sector, as well as the impact of transaction speed, accessibility, affordability, flexibility, ease of use, relative advantage, and risk perception. The primary focus of this study is on the elements that affect customer satisfaction with mobile banking services. Finally, a new theoretical framework is developed based on an analysis of the theoretical frameworks of the two earlier literary works. This study used descriptive and multiple regression analysis to analyze the data. Customer satisfaction is shown to be significantly impacted by the speed at which transactions may be completed through mobile banking, as well as by accessibility, cost, adaptability, ease of use, and relative advantages.

Angusamy, Yee and Kuppusamy (2022) investigated e-banking: an empirical study on customer satisfaction. The primary objective of this research was to investigate the factors that affect customers' satisfaction with online banking. The study looks into how responsiveness, dependability, simplicity of use, security, and privacy in online banking affect consumer satisfaction. The results will offer guidance on how to improve the electronic banking services offered by the banking sector. Convenience sampling is used to get 200 replies in total. The data analysis is done using the Statistical Package for the Social Sciences (SPSS) version 27 through regression analysis. The results showed that while simplicity of use had no discernible effect on consumer satisfaction with online banking, security and privacy, responsiveness, and dependability all significantly affect it. The results add to our understanding of E-banking customer satisfaction among the Malaysian customer base.

Jahan and Shahria (2021) examined factors effecting customer satisfaction of mobile banking in Bangladesh: a study on young users' perspective. The purpose of this study was to investigate the most influential aspects and the extent to which they affect young customers' happiness and retention in mobile banking. A total of 279 valid questionnaires were returned out of 300, and the partial least squares structural equation model (PLS-SEM) was used to analyze the obtained data in order to test the hypothesis and verify the model. Smart PLS (V 327) was utilized in this process. The study showed that, although security and convenience had little bearing on satisfaction, cost, responsiveness, and relative advantage had a considerable impact. However, despite the high correlation between loyalty and satisfaction, they are not directly tied to loyalty.

Ahmed (2020) investigated the influence of electronic banking service quality on customer satisfaction of banks in Tripoli City, Libya. The main objectives of this study were to determine which aspects of e-banking service quality had the greatest impact on customer satisfaction and to look into the link between the two. The study population, which consisted of bank customers in Tripoli, Libya, received copies of the questionnaire, which was conducted using the descriptive analytical approach. 180 of the 210 copies of the questionnaire were collected, and SPSS and AMOS 23 were used to analyze the collected data. This study showed that customer satisfaction was

highly influenced by the aspects of electronic banking service quality, specifically simplicity of use, time savings, security, and secrecy. Furthermore, the results indicated that the demographics of the customers gender, age, and qualification had no discernible impact on their level of happiness. As a result, this study suggests that banks focus on the primary influencing variables of the quality of electronic banking services.

Banu, Mohamed and Parayitam (2019) investigated online banking and customer satisfaction: evidence from India. The objective of the current study was to assess Indian online bank customers' happiness. 750 respondents from banks in the public and commercial sectors provided the data that were used to test the mediated model using hierarchical regression. The findings corroborated the hypothesis that perceived usefulness served as a partial mediator in the relationship between a number of independent variables, including knowledge of the Internet, security, self-efficacy, intention to adopt, trust, and ease of use, and the dependent variable, or customer satisfaction. There is a discussion of the implications for research and practicing managers.

Tiwari and Singh (2019) examined factor affecting consumer satisfaction in cashless payment systems in India with respect to Paytm and BHIM. The key objective of the current research project was to use a survey approach to determine the parameters influencing customer satisfaction and the adoption of cashless payment systems in India. The expansion of the economy can benefit society via the use of cashless payment methods. According to the study, businesses such as Paytm and BHIM should be aware of the elements influencing "consumer satisfaction" with cashless payment systems in India. Providers of cashless payment systems place equal emphasis on customer happiness in India as they do on the adoption of these systems. A technique for raising customer satisfaction rates with regard to e-wallets in India is also included in the study. A total of 200 respondents have taken part in the survey with the aid of a closed-ended questionnaire. This study used correlation and multiple regression analysis to analyze the data. This study found that BHIM is a government-owned platform, a comparative analysis revealed that it was far safer than Paytm. Paytm has certain drawbacks despite helping to provide quick fixes for issues.

Patel and Bhatt (2018) assessed classification of factors affecting overall service quality and customer satisfaction for digital banking service in Ahmedabad. The aim of the research was to identify the elements of digital banking service quality and their impact on customer satisfaction. Furthermore, by identifying the ways in which each component contributes to overall customer satisfaction, the research helps management identify areas that require improvement in order to sustain and improve customer service. In this study, descriptive analysis and multiple regression were used to examine the data. This study found that the factors having a significant impact on overall satisfaction for digital banking services were complexity, help, security, accessibility, and applicability, while connectivity and competence had a minor effect.

Kavitha (2017) analyzed factors influencing satisfaction on e-banking. The purpose of this survey was to determine how satisfied customers were with the online banking services provided by banks, particularly in terms of e-banking. Five dimensions security, performance, reliability, training, and ease of use that were identified through several literature studies were used to evaluate this. To ascertain the level of satisfaction with the e-banking services offered by Tamil Nadu's banks, a survey was created and distributed. Eventually, 250 finished questionnaires were incorporated into the study. Statistical methods like multiple regression, chi square, and simple percentage analysis were used to analyze the gathered data. The study's findings demonstrated a correlation between respondents' e-banking satisfaction and their age, education, computer literacy, occupation, income, and length of bank account. Multiple regression analysis revealed that security, performance, ease of use, dependability, and training all had a significant positive impact on customer satisfaction.

Linga et al. (2016) analyzed understanding customer satisfaction of internet banking: a case study in Malacca. This study attempted to identify and investigate the variables that affect consumers' satisfaction with online banking. Customer satisfaction with online banking may be influenced by five factors: ease, speed, security and privacy, web design and content, and service quality. Using a questionnaire survey, 200 working individuals who took part in the study gave insightful comments and answers on the aforementioned elements that affect consumers' decisions to utilize online banking. This study used multiple regression analysis to analyze the data. The study

findings demonstrated a strong correlation between consumer satisfaction with online banking and factors such as ease of use, speed, and content on the website. The results of the study demonstrated that the top three elements influencing consumers' satisfaction with online banking are ease of use, quickness, and web design and content.

Addai et al. (2015) analyzed electronic banking and customer satisfaction: empirical evidence from Ghana. This study examined the impact that the availability of electronic banking (or "e-banking") services had on the satisfaction levels of Ghanaian consumers. Using a purposive non-probability selection approach, 150 e-banking clients of Trust Bank Ghana Limited, Ecobank Ghana Limited, and Barclays Bank Ghana Limited (50 from each bank) were selected as a sample. Multiple regression analysis was performed on the original data using SPSS Statistics version 21. Multiple regression analysis was used to determine the impact of e-banking service delivery on customer satisfaction in the selected institutions. This study revealed a positive relationship between customer satisfaction and e-banking's dependability, accessibility, and ease. In order to satisfy and keep clients, banks were encouraged to offer consistent, dependable, and user-friendly online banking services.

Islam and Himel (2015) analyzed determinants of customers' satisfaction for mobile banking services: a study on the private banking sector in Bangladesh. This study evaluated the factors that influence customers' satisfaction with mobile banking services and offers recommendations for enhancing bank offerings. For the study, a survey of Dutch Bangla Bank, Dhaka Bank, and Trust Bank customers was conducted. For the study, judgmental sampling was used to pick a sample of 100 respondents. The analysis has been done using multiple regression analysis and factor analysis. This study found that speed, responsiveness, assurance and cost had significant positive impact on customer satisfaction with mobile banking services while reliability had insignificant negative impact on customer satisfaction.

Table 1

*Summary of Empirical Review in International Context*

S. N.	Authors	Title	Methodology	Major Findings
1	Almansour, B. Y., & Elkrghli, S. (2023).	Factors influencing customer satisfaction on e-banking services: A study of Libyan banks.	This study used correlation and multiple regression analysis to analyze the data.	The findings revealed that perceived usefulness, perceived ease of use, perceived credibility, and customer attitude had a significant positive impact on customers' satisfaction with e-banking services. Customer attitude was found to be the most important factor, followed by perceived ease of use, perceived credibility, and perceived usefulness.
2	Halim, H., Basar, S. A., Hamzah, H., Sukrri, N. N. A. N. M., & Bhuiyan, A. B. (2023).	Customer satisfaction on e-banking services among university students in Malaysia.	A standardized questionnaire and a cross-sectional methodology were utilized in the study	The findings showed a positive correlation between consumer satisfaction with e-banking services and perceived reliability, security, and utility.
3	Muhtasim, D. A., Tan, S. Y., Hassan, M. A., Pavel, M. I., Susmit, S. (2022).	Customer satisfaction with digital wallet services: An analysis of security factors.	This study used correlation and multiple regression analysis to analyze the data.	The study showed that many respondents thought that the security aspects mentioned had an impact on their level of satisfaction with digital wallets. Previous studies have demonstrated the impact of cybercrime, system security, privacy, trust, and financial stability on the intention to make an online transaction.
4	Karim, M. W., Chowdhury, M. A. M., & Haque, A. A. (2022).	Study of customer satisfaction towards e-wallet payment system in Bangladesh.	Structural Equation Modeling was utilized to investigate each of the hypotheses	The findings showed that there was a favorable correlation between technology self-efficacy and contentment, making it one of the essential components of satisfaction. With the exception of the connection between contentment and perceived usefulness, all of the hypotheses were determined to be significant.
5	Yu, J., & Nuangjamnong, C. (2022).	The impact of mobile banking service on customer satisfaction: A case study of commercial banks in China.	This study used descriptive and multiple regression analysis to analyze the data.	This study found that customer satisfaction is shown to be significantly impacted by the speed at which transactions may be completed through mobile banking, as well as by accessibility, cost, adaptability, ease of use, and relative advantages.
6	Angusamy, A., Yee, C. J., & Kuppusam	E-banking: An empirical study on customer satisfaction.	The data analysis is done using the Statistical Package for the Social	The results showed that while simplicity of use had no discernible effect on consumer satisfaction with online banking, security and privacy,

	y, J. (2022).		Sciences (SPSS) version 27 through regression analysis.	responsiveness, and dependability all significantly affect it.
7	Jahan, N., & Shahria, G. (2021).	Factors effecting customer satisfaction of mobile banking in Bangladesh: A study on young users' perspective.	The partial least squares structural equation model (PLS-SEM) was used to analyze the obtained data in order to test the hypothesis	The study showed that, although security and convenience had little bearing on satisfaction, cost, responsiveness, and relative advantage had a considerable impact.
8	Ahmed, A. M. (2020)	The influence of electronic banking service quality on customer satisfaction of banks in Tripoli City, Libya.	The study made use of descriptive analytical method	This study found that the quality of electronic-banking services' dimensions namely, ease of use, time saving, security and confidentiality, significantly influenced customer satisfaction. Moreover, the findings also showed that customers' gender, age and qualification did not significantly influence their satisfaction.
9	Banu, A. M., Mohamed, N. S., & Parayitam, S. (2019).	Online banking and customer satisfaction: Evidence from India.	The data that were used to test the mediated model using hierarchical regression.	The findings revealed the hypothesis that perceived usefulness served as a partial mediator in the relationship between a number of independent variables, including knowledge of the Internet, security, self-efficacy, intention to adopt, trust, and ease of use, and the dependent variable, or customer satisfaction.
10	Tiwari, N., & Singh, N. K. (2019).	Factor affecting consumer satisfaction in cashless payment systems in India with respect to Paytm and BHIM.	This study used correlation and multiple regression analysis to analyze the data.	This study found that BHIM is a government-owned platform, a comparative analysis revealed that it was far safer than Paytm. Paytm has certain drawbacks despite helping to provide quick fixes for issues.
11	Patel, I. H., & Bhatt, V. (2018).	Classification of factors affecting overall service quality and customer satisfaction for digital banking service in Ahmedabad.	The data in this study were analyzed using multiple regression and descriptive analysis.	This study indicated that while connectivity and competence had a small influence, complexity, help, security, accessibility, and applicability were the criteria having a substantial impact on overall satisfaction for digital banking services.
12	Kavitha, S. (2017).	Factors influencing satisfaction on e-banking.	The collected data was examined using statistical techniques such multiple regression, chi square, and straightforward	This study showed that e-banking satisfaction was correlated with the respondents' age, education, computer literacy, occupation, income, and length of bank connection. Customer satisfaction was found to be significantly positively impacted by



			percentage analysis	security, performance, convenience of use, reliability, and training.
13	Linga, G. M., Ferna, Y. S., Boona, L. K., & Huat, T. S. (2016).	Understanding customer satisfaction of internet banking: A case study in Malacca.	This study used multiple regression analysis to analyze the data	The study findings demonstrated a strong correlation between consumer satisfaction with online banking and factors such as ease of use, speed, and content on the website. The results of the study demonstrated that the top three elements influencing consumers' satisfaction with online banking are ease of use, quickness, and web design and content.
14	Addai, B., Ameyaw, B., Ashalley, E., & Quaye, I. (2015).	Electronic banking and customer satisfaction: Empirical evidence from Ghana.	Version 21 of SPSS Statistics was utilized to examine the original data through multiple regression	This study showed a positive relationship between consumer happiness and the accessibility, reliability, and convenience of e-banking. Banks were encouraged to provide consistent, dependable, and user-friendly online banking services in order to satisfy and retain customers.
15	Islam, S., & Himel, S. H. (2015).	Determinants of customers' satisfaction for mobile banking services: A study on the private banking sector in Bangladesh.	The analysis has been done using multiple regression analysis and factor analysis.	This study found that speed, responsiveness, assurance and cost had significant positive impact on customer satisfaction with mobile banking services while reliability had insignificant negative impact on customer satisfaction.

### 2.2.2 Review of Journals/Articles in Nepalese Context

Belbase and Paudel (2023) investigated impact of e-banking on customer satisfaction. The primary objective of the study was to examine at how customer satisfaction at a Nepalese commercial bank was affected by e-banking. Through standardized questionnaire approaches, 200 respondents who utilize financial services provided primary data for the study. There is a cause-and-effect and descriptive study design. Correlation and regression analysis were used to examine the data in this investigation. This study found that four characteristics and customer satisfaction were positively correlated. The findings showed that the factor that had the most impact on customers' happiness with online banking was security.

Gautam and Sah (2023) examined online banking service practices and its impact on e-customer satisfaction and e-customer loyalty in developing country of South Asia-Nepal. The purpose of this study was to examine at the relationship and effects of online banking service methods on e-customer loyalty and e-customer satisfaction. It

uses a structured questionnaire and a quantitative research technique to acquire primary data through stratified random sampling. 384 of the 475 distributed questionnaires that were deemed usable were analyzed using SPSS and AMOS. The dimensions of the quality of online banking services were verified by an exploratory factor analysis, and the parameters and structure were estimated using structural equation modeling. The findings showed that user-friendliness, security and privacy, and the organization's website were the most important aspects of online banking service practices, with efficiency of the website and e-customer care coming in second. E-satisfaction mediates the relationship between online banking services and e-customer loyalty, which is a major concern for bankers, users, and legislators for ongoing development. E-customer satisfaction strongly influences e-customer loyalty.

Ayer (2023) investigated e-banking services and its impact on customer satisfaction in Nepalese commercial banks. The main objective of the study was to examine how customer satisfaction in Nepalese commercial banks was affected by e-banking services. Based on primary data from 120 respondents, the study was conducted. To determine the significance and impact of e-banking services on customer satisfaction in Nepalese commercial banks, regression models and correlation coefficients are estimated. The results of the study indicated that customer satisfaction was positively impacted by convenience. Customer satisfaction was positively impacted by dependability as well. Similarly, consumer satisfaction is positively impacted by simplicity of use. In a similar vein, client satisfaction benefited from security. In a similar vein, client satisfaction benefits from time savings. Similarly, consumer satisfaction is positively impacted by perceived benefit.

Thakuri et al. (2023) analyzed factor affecting customer satisfaction of mobile banking services of commercial bank in Kathmandu valley. The aim of this study was to determine the relative significance of the key factors affecting customer retention and satisfaction in mobile banking. To evaluate the data statistically, both descriptive and inferential statistics were employed. Convenience sampling was used to collect the data, and structural equation modeling was used to analyze the relationships between 403 responses (SEM). The study's findings demonstrated that while price and relative advantage had little bearing on customer satisfaction, security,

responsiveness, and convenience did. Customer satisfaction and loyalty are highly correlated, however these attributes are not directly associated with loyalty. This finding has theoretical implications for the Service Quality Theory. The scope and depth of this study are limited to customers of banks in the Kathmandu Valley. Future studies should take into account more variables in order to have a deeper knowledge of the underlying relationship between customer satisfaction.

Lamsal (2022) evaluated internet banking services and customer satisfaction in Nawalpur district. This study aimed to determine the effects of customer satisfaction and service quality on online banking loyalty using the Nawalpur area as a case study. This analysis was based on each of these dimensions: reliability, security, efficacy, responsiveness, and simplicity of use. Furthermore, the research aimed to delineate the concept and importance of service quality generally, and online banking particularly, along with the variables that influence service quality. Customers of the bank who utilized its online services took part in the survey, which was based on a quantitative research methodology. A sample size of 172 participants was maintained for this study. The survey's phenomena were evaluated using a closed, 5-point Likert scale questionnaire. In this study, the data were analyzed using correlation and multiple regression analysis. The study's findings showed that consumer loyalty among Internet banking users in the Nawalpur district was very positively impacted by both customer happiness and service quality. Therefore, it was advised that Nawalpur's banking sector carefully evaluate all facets of e-service quality and customer satisfaction.

Gaudel (2021) analyzed users' satisfaction of e-banking services in Nepal. The purpose of the survey was to find out how satisfied Nepalese e-banking customers were. According to the report, e-banking is what encourages users of the service to use e-banking. Because SPSS is so flexible and thorough, it is employed in this research. This program was used to do both the descriptive and inferential analysis. The study discovered that while there was no significant relationship between e-banking performance expectations, responsiveness, and reliability and customer satisfaction in Nepalese e-banking business, e-banking security and personalization had a positive significant effect on customer satisfaction.

Lama (2021) investigated impact of internet banking on customer satisfaction in Kathmandu. This study investigated at how customer satisfaction in Kathmandu was affected by online banking. The dependent variable is customer happiness. Service security, convenience, and accessibility are the independent variables. 123 respondents from Kathmandu city provided their comments as main data for the research. The survey used a structured questionnaire, and the cross-sectional data was collected using Likert scale items. The relationship and effect of the independent variable on customer satisfaction were determined using regression analysis and correlation analysis. The result revealed a positive correlation between convenience and customer satisfaction, indicating that the more convenient an online banking experience is, the more satisfied customers would be. Customer satisfaction and service security were positively correlated. It implies that increased consumer satisfaction would result from improved online banking service security. Customer satisfaction and accessibility also showed a favorable correlation. The accessibility regression result was not determined to be statistically significant.

G.C. (2021) analyzed factors affecting mobile banking services and customers satisfaction: Evidence from commercial bank customers in Parasi district. The study examined the variables influencing customer satisfaction and mobile banking services for commercial bank clients in Nepal's Parasi District. The questionnaire is the main data source used in this investigation. A basic random sample consisting of 382 participants has been utilized. The study makes use of the mean and standard deviation, two descriptive statistics. One way ANOVA and the independent sample T-test were the statistical tests used to determine the perceptual differences between customers according to their demographics. Many respondents expressed great satisfaction with the mobile banking services and products, according to the research. The majority of mobile banking services' ease of use, speed, and security have raised client contentment and confidence in utilizing them in Nepal's banking sector. Customers were found to be hindered by issues such as limited withdrawal amounts, poor customer service, greater transaction costs, and online assistance in the event of a transaction failure. Therefore, in order to retain their devoted clientele, stakeholders must keep an eye on and address these issues. While each of the previously mentioned variables was significant, convenience factors typically have the biggest impact on mobile banking services. Customers of commercial banks appear to be happy with the

mobile banking services offered by these banks. Nonetheless, there was no discernible difference in the perception of mobile banking and consumer satisfaction by age, gender, and bank types.

Joshi (2021) investigated perceived service quality and customer satisfaction in Nepalese banking industry. The primary goal of this research was to investigate the link between banking service quality parameters and customer satisfaction in the Nepalese banking market. Data was gathered through an online and in-person survey of consumers at linked banks, commercial groups, and government and non-government entities in Kailali. The data was analyzed using SPSS version 20, Pearson's correlation, and multiple regression analysis. The study's findings demonstrated a favorable association between service quality and customer satisfaction. Except for tangibility, all service quality parameters showed a statistically significant positive influence on customer satisfaction. It indicates that better service quality contributes to greater customer satisfaction. The findings of this study will assist bank managers in focusing on customer satisfaction in order to compete competitively in the banking industry.

Thapa (2016) investigated ATM service quality and customer satisfaction in Nepalese commercial banks. This study examined into the impact and importance of consumer satisfaction with ATM services. The major source of data is utilized to assess respondents' perceptions of consumer satisfaction with ATM services offered by Nepalese commercial banks. The sample for the survey consisted of 200 respondents from 20 commercial banks in Nepal. To achieve this aim, the study is administered using a structured questionnaire. Approximate regression models are used to examine the significance and worth of customer satisfaction with ATM services in Nepalese commercial banks. The findings showed that the four ATM service dimensions—convenience, dependability, usability, and cost effectiveness—had a positive impact on customer satisfaction. It suggests that better levels of consumer satisfaction would result from more convenient and reliable ATM services. Similarly, greater user-friendliness and cost-effectiveness of services would translate into consumer satisfaction. Additionally, the study shows a positive correlation between security and consumer satisfaction, suggesting that improved security would likewise translate into higher customer contentment. For simplicity of use, security, dependability, cost

efficiency, and customer satisfaction, the coefficient of beta is positive and significant.

Table 2

*Summary of Empirical Review in National Context*

S. N.	Authors	Topic	Methodology	Findings
1	Belbase, N., & Paudel, S. (2023).	Impact of e-banking on customer satisfaction.	This study used correlation and regression analysis to analyze the data.	This study found that there was positive relationship between four dimensions and level of customer satisfaction. The findings revealed that, security was the most impactful variable on satisfaction of customers from e-banking.
2	G.C., P. (2021).	Factors affecting mobile banking services and customers satisfaction: Evidence from commercial bank customers in Parasi district.	The statistical test namely one way ANOVA and independent sample T-test were employed in this study.	The study indicated that a large number of respondents were very pleased with the mobile banking services and products. The user-friendliness, time factor, and security of most mobile banking services have increased the customer satisfaction level and trust of using mobile banking services in the Nepalese banking industries.
3	Lama, P. B. (2021).	Impact of internet banking on customer satisfaction in Kathmandu.	The correlation and regression were used to identify the association and impact of independent variable on customer satisfaction.	The result showed that convenience has positive relationship with customer satisfaction which depicts that convenience in use of internet banking, higher would be the customer satisfaction. The service security had also positive correlation with customer satisfaction.
4	Gaudel, D. (2021).	Users' satisfaction of e-banking services in Nepal.	With the help of this software, both the descriptive and inferential analysis was conducted.	The study found that e-banking security and personalization had positive significant effect on customer satisfaction in Nepalese e-banking business whereas there was no significant effect between the e-banking performance expectancy, responsiveness and reliability with customer satisfaction in Nepalese e-banking business.
5	Joshi, C. (2021).	Perceived service quality and customer satisfaction in Nepalese banking industry.	Pearson's correlation and multiple regression analysis have been used to analyze the data.	The findings of this study revealed that there was positive relationship between service quality and customer satisfaction. All the service quality dimensions had statistically significant positive impact on customer satisfaction except tangibility. It means higher

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6	Lamsal, B. P. (2022).	Internet banking services and customer satisfaction in Nawalpur district.	This study used correlation and multiple regression analysis to analyze the data.	service quality helps increase customer satisfaction. The results of the research showed that customer satisfaction and service quality had a significantly positive influence on the customer loyalty of Internet banking customers in the Nawalpur district.
7	Ayer, R. (2023).	E-banking services and its impact on customer satisfaction in Nepalese commercial banks.	The correlation coefficients and regression models are estimated to test the significance	The study showed that convenience had a positive impact on customer satisfaction. Similarly, reliability had a positive impact on customer satisfaction. Likewise, ease of use has a positive impact on customer satisfaction. Similarly, security had a positive impact on customer satisfaction.
8	Thakuri, N., Dhakal, A., Danuwar, R. K., Baral, D. K., & Koirala, A. (2023).	Factor affecting customer satisfaction of mobile banking services of commercial bank in Kathmandu valley.	Data was gathered by convenience sampling using structural equation modeling (SEM)	This study found that although cost and relative advantage had no influence on consumer satisfaction, security, responsiveness, and convenience had a major impact.
9	Gautam, D. K. & Sah, G. K. (2023).	Online banking service practices and its impact on e-customer satisfaction and e-customer loyalty in developing country of South Asia-Nepal.	An exploratory factor analysis was used to confirm the online banking service quality dimensions and structural equation modeling was employed	The result found that the efficiency of the website and e-customer service were highly influential dimensions of online banking service practices, followed by user-friendliness, security and privacy, and the organization's site. E-customer satisfaction significantly influences e-customer loyalty, and e-satisfaction mediates the association between online banking services and e-customer loyalty.
10	Thapa, A. (2016)	ATM service quality and customer satisfaction in Nepalese commercial banks.	The regression models are estimated to test the significance	The result showed that there was a positive impact of ATM service dimension's (Convenience, reliability, ease of use and cost effectiveness) on customer satisfaction. It indicates that greater the convenience of ATM service and higher the reliability of ATM service, higher would be the customer satisfaction.

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### 2.2.3 Review of Thesis

Dhunagana (2023) analyzed the customer satisfaction with e-banking services in Nepalese commercial banks. The main objective of the research was to assess how e-

banking services affected Nepali commercial banks' customer satisfaction. Several statistical techniques, including regression analysis, correlation analysis, and descriptive statistics, were used to analyze the data. According to this survey, the majority of respondents felt that their level of satisfaction was high and that the quality factors of e-banking services namely, empathy, assurance, and reliability have a significant impact on the happiness of banking clients. The results of the correlation study show that responsiveness and customer satisfaction have a significant positive correlation as well as a favorable and positive relationship between responsiveness and e-banking service reliability. In addition, there is a strong positive correlation between customer satisfaction and the assurance of e-banking services. Similarly, there is a strong and positive correlation between tangibles and empathy and consumer happiness. Based on the regression analysis, it was shown that customer satisfaction in Nepalese commercial banks is significantly positively impacted by the following aspects of online banking: tangibles, assurance, responsiveness, and empathy. This study found that there is a significant relationship between consumer satisfaction and the quality of e-banking services.

Pokhrel (2022) examined impact of digital banking on customer satisfaction in Nepalese commercial banks. The main objective of the study was to evaluate how digital banking affected customer satisfaction in Nepalese commercial banks. For the inquiry, a descriptive and informal research design was chosen. For the study, convenience sampling also referred to as non-probabilistic sampling was employed. The data were analyzed using a number of statistical methods, such as descriptive statistics, regression analysis, and correlation analysis. The results of this study showed that Dhanding Besi's commercial banks provide automated teller machines, internet, mobile, and electronic fund transfer services and facilities. The majority of respondents concurred that the availability of mobile banking services and ATMs has a significant impact on banking customer satisfaction levels, and they also felt that their own levels of satisfaction were high. The results of the correlation analysis show that there is a strong positive link between customer satisfaction and ATM services as well as a significant positive correlation between customer happiness and online banking services. Additionally, there is a strong correlation between customer satisfaction and mobile banking services. Similarly, there is a strong and positive correlation between customer satisfaction and electronic fund transfer services. The



regression analysis revealed that consumer satisfaction in Dhading Besi's banking sector is significantly positively impacted by automated teller machine, online, mobile, and electronic fund transfer services. As a result, this study came to the conclusion that digital banking has a big influence on customer satisfaction.

Yadav (2022) investigated online banking service quality and customer satisfaction of commercial banks in Nepal. The main objective of the study was to investigate customers' perceptions of online banking services and how they relate to their levels of satisfaction. Multiple regression analysis, correlation analysis, and descriptive statistics were used to examine the data in this study. The survey found that the features of service performance and efficiency were highly regarded by the respondents, who were happy with things like transaction speed, correctness, and customer information privacy. Users were not happy with items like the website's design, usability, or accessibility to the bank, as seen by the low levels of satisfaction found in the dimensions of communication and features.

Joshi (2021) examined impact of electronic banking on customer satisfaction of Nepalese commercial banks. The primary objective of the research was to ascertain how Nepal's commercial banks' customers were affected by electronic banking. A descriptive survey research design was used in the study. The researcher used descriptive statistical methods to perform preliminary data analysis. Regression analysis was also performed in the study to determine the association between the variables under investigation. Based on the results, the study came to the conclusion that online banking's speed has a significant impact on customers' satisfaction. Additionally, a lot of users choose internet banking due to its time-saving features and ease of use. The study continues on to say that consumer happiness is mostly unaffected by the privacy and anonymity of online banking. The survey also found that using mobile banking may save costs and that having a simple way to pay bills has a big impact on consumer satisfaction. The survey also found that customer satisfaction is significantly impacted by how simple it is to use an ATM and how helpful it is when you need cash quickly. Furthermore, the impact on customer satisfaction is minimal when ATMs are conveniently located and consistently in operational condition.

Itani (2020) investigated factors affecting customers' satisfaction from ATM service: a case of Nepalese commercial banks. This study examined the factors that affect consumer satisfaction with ATM service in the context of Nepalese commercial banks. These factors included the reasonableness of the cost charged, the frequency of difficulties encountered, the choice of ATM, the consumption of services, and post-purchase behavior. The investigation's foundation is the primary data source. The structured questionnaire is the primary source of primary data, and 220 questionnaires were distributed by field surveying in the Kathmandu valley to conduct the study. For the primary data analysis, several statistical procedures are employed, such as the mean, standard deviation, correlation analysis, and regression analysis. According to the report, ATM services have a significant impact on how satisfied customers are with Nepalese commercial banks. The findings showed that while cash withdrawal is the most beneficial ATM service offered by Nepalese commercial banks, the most significant element influencing customer satisfaction level from ATM service is the reasonableness of the cost charged. Likewise, the most common issue in Nepalese commercial banks is a malfunctioning equipment. The survey also revealed that ATM users considered the daily withdrawal cap to be inconvenient, and they discovered that utilizing an ATM at a different bank in Nepalese commercial banks was expensive.

GT (2020) analyzed online banking service: an analysis on consumer adoption and satisfaction on Nepalese banking services. This study investigated into the variables influencing Nepalese consumers' acceptance and degree of satisfaction with mobile banking services. This study used regression analysis to examine the many aspects of mobile banking. Perceived credibility, perceived simplicity of use, and perceived usefulness were found to have an effect on customers' satisfaction levels and decisions to adopt mobile banking. The findings of this study will assist banks and other financial organizations in putting effective service plans into place to raise customer satisfaction and the adoption rate of mobile banking. Moreover, this study offers valuable insights for scholars in the future.

Shrestha (2020) investigated users' satisfaction of online payments in Nepal. The main objective of the research was to talk about the important variables that might affect Nepali customers' happiness with online payments. Several statistical

techniques, including regression analysis, correlation analysis, and descriptive statistics, were used to analyze the data. This study demonstrated that the degree of customer satisfaction has a significant impact on the use of online payment systems. This implies that the likelihood of a client becoming a devoted one increases with their level of satisfaction. Customer satisfaction and customer loyalty were positively correlated. It was widely believed that a customer would return time and time again to use the same bank's online services provided they were pleased with the online banking offerings. The study's analysis also revealed that users' satisfaction with Nepali commercial banks was significantly positively impacted by performance, necessary effort, dependability, customization, and security.

Parajuli (2020) investigated impact of online banking service delivery on customer satisfaction in Nepalese private commercial banks. The main objective of the study is to look at how customer satisfaction at a private commercial bank in Nepal is affected by the provision of online banking services. Using standardized questionnaire processes, seventy respondents who are satisfied with their banking services gave main data for the study. The study is based on a descriptive, informal comparative research design. The quantitative technique was employed in this study to collect data for analysis. The replies to a mostly structured questionnaire survey were used as the basis for statistical analysis to evaluate hypotheses. The self-administered questionnaire was used. Convenience sampling, or non-probabilistic sampling, was the method used for this investigation. In contrast to ATMs and online banking, customer happiness is regarded as a dependent variable. Services such as credit card, debit card, mobile banking, and electronic fund transfers are regarded as independent variables. SPSS was used to construct and analyze their correlation and regression.

Subedi (2019) analyzed the impact of online banking attributes on customer satisfaction: a study from the Nepalese banking customer perspective. The objective of this research was to evaluate how Nepalese commercial banks' customers were satisfied with online banking features. To accomplish the study goals, a self-administered questionnaire survey using a mixed-method technique was employed. In the study, 52 individuals were polled using a convenience and random selection technique. Each attribute was requested to be rated by the respondents on a five-point scale. An SPSS was used to evaluate the gathered data. The results showed that all

five online banking elements had a good effect on customer satisfaction; however, convenience and dependability are the most important factors, and security is still a concern for Nepali clients. To increase client happiness, Nepalese banks must offer cutting-edge and safe online services.

Khadka (2019) analyzed the relationship between online banking service quality and customer satisfaction Nepalese commercial banks. The primary objective of this research was to find out how the caliber of online banking services affects customer satisfaction in Nepal's commercial banking sector. A quantitative technique was employed in this study, which comprised giving questionnaires to bank clients in Nepal. The data analysis methods employed were SPSS and SEM with AMOS. Additionally, this study demonstrated a substantial correlation between aspects of service quality such as responsiveness, efficiency, security and privacy, and communication. The study's main conclusion was reliability, which also plays a significant role in how happy consumers are with e-banking in this specific industry.

### **2.3 Research Gap**

In this chapter, the concept of online payments was discussed. It became evident that the many interpretations varied according to the situation, environment, and context in which the concept was applied. Still, key terms such as "information exchange using ICT tool to foster good customer relationship" brought attention to the one feature that all definitions have in common. Stated differently, the justification for online payment was offered as a means by which banks offer their clients first-rate services.

The different online payment methods were also examined in the review. The chapter also discussed the benefits and challenges of accepting online payments. Lastly, an analysis of empirical research was done. A range of published and unpublished publications are studied in order to maximize the research's effectiveness and fill in the gaps left by previous studies. This study contributes to a better understanding of the theoretical context within which this examination was conducted. The present investigation deviates from previous research endeavors in several aspects, such as its goals, analytical techniques, duration of data collection, and so on. It is also believed that the subject symbolizes how this study differs from previous research. The main objective here is to reach a reliable conclusion regarding customer satisfaction with

online payments based on previous research. The previous studies conducted in this field are essential since they provide the foundation of the current investigation. To complete this study, a variety of books, journals, articles, and both published and unpublished dissertations are examined in order to streamline and expedite the research process.

## **CHAPTER - III**

### **RESEARCH METHODOLOGY**

This chapter aims to give an explanation of the research methods used to accomplish the objectives of the study. It looks at the research technique related to e-banking and customer satisfaction in the context of Nepalese society. As a result, this chapter provides information on study design, variable definitions, analytic procedures, population and sample, data collecting instruments, data type and sources, and research framework. The primary objective of this chapter is to demonstrate the methods and procedures employed to get the most accurate outcome while staying true to the declared purpose of the research subject (Pant, 2016). The design and methods employed have been informed by the descriptive nature of the study.

#### **3.1 Research Design**

The study has employed descriptive and casual research design. To describe the components of online payment services descriptive research design is used. Similarly, casual design helps to determine the relationship between dependent (customer satisfaction) and independent variable (factors of customer satisfaction towards online payment). Further casual research design is used to examine the impact of different factors on customer satisfaction of banking industry in Nepal.

#### **3.2 Population and Sample, and Sampling Design**

The population is the whole collection of cases or groupings used to collect samples. The sample is the portion of the general population that the researcher has chosen to include in the investigation. The study's population comprises all individuals who utilize online payment services. A sample is a portion, or proportion, of the entire population. Sampling is done with the intention of saving money, time, and effort. 450 questionnaires are distributed to the customers but only 400 questionnaire received. So, the sample of the study is 400 customers. Convenience sampling method is used in this study because the researcher has chosen those respondents to reach and get in touch with. So, it is easy way to get information compared to other sampling methods.

### 3.3 Nature and Sources of Data and Instrument of Data Collection

Regarding the information's source, primary sources produced pertinent and useful information. The major data source was also chosen on purpose during the analytical portion of the investigation. The target audience for the surveys and interviews used to collect this data was, in that order, commercial bank clients, branch managers, and supervisors of banking customer service. As additional secondary sources of information on the variables influencing customer satisfaction, pertinent online reading materials, books in journals, articles, periodicals, and annual reports of commercial banks and newspapers were employed.

### 3.4 Method of Analysis

This study used the easily interpreted frequency tables that provide the percentage and frequency of every category. In addition to the descriptive analysis, regression and correlation analysis were employed to validate the hypothesis.

#### 3.4.1 Descriptive Analysis

Descriptive statistics were used to describe the customer satisfaction, online payment, and demographic characteristics of the respondents. Calculated mean, standard deviation, frequencies, and percentages were used to characterize the variables.

#### Mean

The mean, which is determined by dividing the total number of values by the number of values, is the arithmetic mean of a range of values or quantities. It refers to the average that is examined or utilized to determine the data's central tendency. The arithmetic mean is a widely used and easily comprehended central tendency metric. To find it, add up all of the population's data points, then divide the total by the number point. The mean is used in this study to compute the average of the respondents' answers to the various variables in the Likert scale question. For every sample, the mean value of the replies to the Likert scale question is computed.

$$\text{Mean } (\bar{X}) = \frac{\sum X}{n}$$

Where,

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

n = No. of statements

### Standard Deviation

The standard deviation, which quantifies dispersion, can be used to describe the proportion to which a set of data values change or are distributed. It can be expressed as the variance multiplied by the positive square root. One of the standard deviation's characteristics is that it differs from variance in a meaningful way since it uses the same units of measurement as the data. There is a larger deviation within the data set if the data points deviate further from the mean. The standard deviation therefore increases as the data spreads. For each sample in this study, the standard deviation is computed based on the Likert scale replies.

$$\text{Standard Deviation (S.D.)} = \sqrt{\frac{\Sigma(X - \bar{X})^2}{n}}$$

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

### 3.4.2 Correlation Analysis

The relationship between two independent variables is shown by the correlation coefficient. It is a technique for ascertaining how these two variables are related to one another. A correlation coefficient is present when there is a significant correlation between the two variables, or when variations in the independent variable's value also affect the dependent variable's value. For Likert scale replies, correlation is evaluated to determine the strength of the relationship between independent and dependent variables.

$$\text{Correlation Coefficient (r)} = \frac{n\Sigma XY - \Sigma X \Sigma Y}{\sqrt{n\Sigma X^2 - (\Sigma X)^2} \sqrt{n\Sigma Y^2 - (\Sigma Y)^2}}$$

Where,

X = Value of independent variable

Y = Value of dependent variable

n = Number of responses



### 3.5.3 Regression Analysis

Regression analysis is a statistical method for assessing the degree of relationship between one or more independent variables and one or more dependent variables. It encompasses a wide range of techniques for assessing and modeling several variables in order to ascertain their relationships. Based on replies on a Likert scale, regression analysis is performed in this study to ascertain the direction of the association between the independent and dependent variables for each sample. The relationship's theoretical model is represented by the equation that follows:

$$CS = \beta_0 + \beta_1 EU + \beta_2 TS + \beta_3 CON + \beta_4 SEC + \varepsilon$$

Where,

CS = Customer Satisfaction

EU = Ease of Use

TS = Transaction Speed

CON = Convenience

SEC = Security

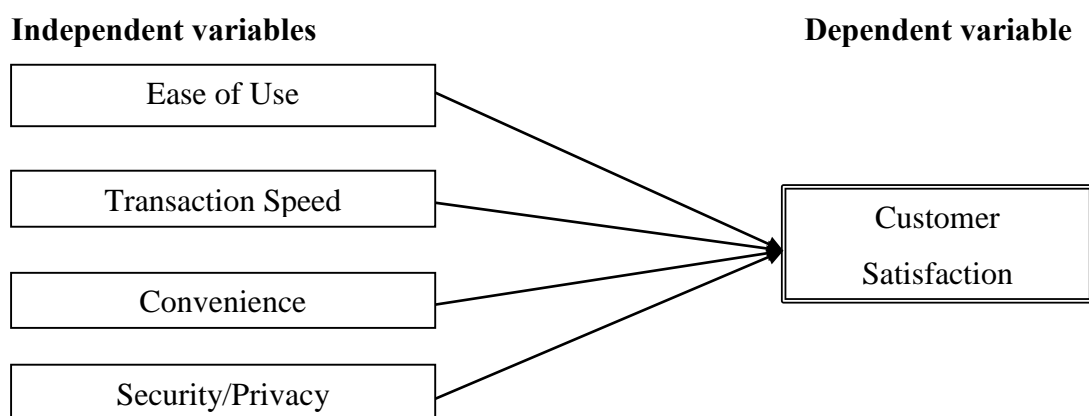
$\beta_0$  = The intercept (constant)

$\beta_1, \beta_2, \beta_3, \beta_4$  = Coefficient of variables

$\varepsilon$  = Error term.

### 3.5 Research Framework and Definition of the Variables

The research is based upon the analysis and interpretation of dependent (customer satisfaction) and independent variables (ease of use, transaction speed, convenience and security/privacy).



Source: Linga et al. (2016); Kavitha (2017); Jahan and Shahria (2021); Karim, Chowdhury and Haque (2022); Lamsal (2022); Thakuri et al. (2023)

Figure 1 Research Framework

## **Dependent Variable**

### **Customer Satisfaction**

Customer satisfaction is measured using numerical descriptions and encompasses a wide range of consumer attitudes and reactions regarding products or services following their use (Thakuri et al., 2023). Happy customers are the main source of repeat business. Since then, a large number of academics have researched this topic. Customer satisfaction gauges how effectively customers' interests are served while utilizing products or services. It also shows how closely expectations and true interests coincide. Personal appraisal significantly affects customer happiness through personal expectations (Jahan & Shahria, 2021; Karim, Chowdhury & Haque, 2022).

## **Independent Variables**

### **Ease of Use**

Online payments are simple to use, and new technology products and services are straightforward to comprehend and utilize. Ease of use refers to the customer's evaluation of how easy it is to open and utilize the online payment procedures. Lamsal (2022) found that ease of use had significant positive influence on customer satisfaction. Likewise, Kavitha (2017) found that customer satisfaction was found to be significantly positively impacted by ease of use.

### **Transaction Speed**

Transaction speed is the shortest time required for a client to finish a job. With the advent of technology, customers may visit bank branches and online channels more quickly and effectively. Commercial activities become more efficient and faster as a result. Yu and Nuangjamnong (2022) found that speed of transaction had significant positive impact on customer satisfaction. Linga et al. (2016) also concluded that transaction speed had significant positive impact on customer satisfaction.

### **Convenience**

Convenience is the extent to which online payments can satisfy user requirements such as usability and ease of use. Convenience is a major component in why consumers are satisfied with mobile banking services. When customers see mobile banking services as a helpful tool, they are typically more satisfied with the overall

quality of the service (Addai et al., 2015). Thakuri et al. (2023) found that convenience had strong impact on customer satisfaction.

### **Security and Privacy**

Security is the most crucial element in virtual transactions for customers. It is the protection and security of information. Because of fraud and hacking, information security and financial security are closely related in the field of security. Thakuri et al. (2023) mentioned that security had significant positive impact on customer satisfaction. Lamsal (2022) also concluded that there was significant positive impact of security and privacy on customer satisfaction.

## CHAPTER - IV

### RESULTS AND DISCUSSION

As the researcher has said in previous chapters, the main objective of this study is to identify the factors that influence customers' satisfaction with online payments. This leads to the division of this chapter into three sections that address the conclusions and analysis of the topic. The demographic profile, descriptive, and correlation analyses of the study variables were provided in the first section; the fulfillment of the assumptions of the linear regression model was supplied in the second section; and the regression results were presented in the third section. The ratio of the supplied dependent and independent variables, as well as the data analytic procedures used for ratio scale measurement, were established for additional statistical analysis. SPSS version 26 was the statistical application used to evaluate the collected data.

#### 4.1 Results

##### 4.1.1 Respondents Demographic Profile

The demographic analysis and interpretation of primary data obtained through survey collection are covered in this section. This section examined the respondents' age and gender profiles. Every response was from the Kathmandu Valley.

Table 3

##### *Gender Specification*

Options	No. of Respondents	Response ( percent)
Male	256	64
Female	144	36
Total	400	100

Source: Field Survey, 2024

Table 3 depicts the distribution of the respondents on the basis of gender. For this study, information from 400 respondents is collected and analyzed. The majority of respondents appear to be men, as indicated by the 64.00 percent of responses that were made by male respondents. Men represent a larger majority of the 400 respondents than women do. However, 36.0 percent of the respondents were female when questioned about various factors and how they impact customers' satisfaction

with online payments. These findings suggest that there is a gender difference in the likelihood of online payment usage. It is clear from this example that both men and women represent the majority of survey respondents.

Table 4

*Age Description of Respondents*

Options	No. of Respondents	Response ( percent)
20-29	140	35
30-39	188	47
40 and above	72	18
Total	400	100

Source: Field Survey, 2024

Table 4 presents the age distribution of the respondents, revealing that 47.00 percent of them are in the 30- to 39-year-old age range. The age group of 40 years and above has the lowest percentage of clients that use online payment services. Nonetheless, the majority of responders are young. Furthermore, 35.00 percent of respondents said that they were in the 20–39 age range, and 18.00 percent indicated that they were 40 years of age or older. This suggests that 82.00 percent of all users who make online payments are of an active age, are physically fit, and are able to utilize online payment systems, among other things.

Table 5

*Annual Income Description of Respondents*

Options	No. of Respondents	Response ( percent)
Up to Rs. 300,000	132	33
Rs. 301,000- Rs. 500,000	160	40
Rs. 501,000 and above	108	27
Total	400	100

Source: Field Survey, 2024

As Table 5 shows the profile of respondents according to income level, 40.00 percent of respondents earn between Rs.301,000 and Rs.500,000. The clientele who use online payment methods the least are those whose income is Rs.501,000 or more. Still, the bulk of responders fall somewhere around the middle of the pack. Furthermore, of the participants, 27.00 percent reported earning Rs.501,000 or more, while 33.00 percent indicated they fell within the income bracket of Rs.300,000 to Rs.300,000.

Table 6  
*Years of Using Online Payment Services*

Options	No. of Respondents	Response ( percent)
Less than 1 year	28	7
1-2 years	48	12
2-3 years	80	20
3-5 years	128	32
More than 5 years	116	29
Total	400	100

Source: Field Survey, 2024

Table 6 also stated information regarding respondent's years of using online payment services. Of the 400 respondents, 64 respondents, or 32.00 percent, have been using the services for three to five years, while 58 respondents, or 29.00 percent, have been using them for longer than five years. Furthermore, of the respondents, it was found that 14 (7.00 percent) had been utilizing the services for less than a year, 24 (12.00 percent) for one to two years, and 40 (or 20.00 percent) for two to three years.

#### **4.1.2 Descriptive Statistics Analysis**

The data in this study are analyzed using the mean and standard deviation methods. A higher mean value indicates that a greater number of respondents concur that the variable may have a significant effect on customer satisfaction.

#### **Ease of Use of Online Payment**

This section examines the impact of online payment ease of use on consumer satisfaction through descriptive research. The definition of ease of use in this study consists of four statements. A 5-point Likert scale is used to measure the variable; 1 represents strong disagreement and 5 represents strong agreement. The opinions of the respondents are computed to find the mean and standard deviation. The data presented below illustrates how customer satisfaction is impacted by how simple it is to make online payments.

Table 7

*Descriptive Statistics of Ease of Use of Online Payment*

Scale Items of Ease of Use of Online Payment	Mean	Std. Dev.
EU1 Online payment is easy to operate for all kinds of businesses.	3.9150	.87446
EU2 The interface of online payment is very simple.	3.8550	1.03035
EU3 Online payment can be switched freely in different applications.	3.8025	1.03981
EU4 Online payment can provide operation instructions for handling various businesses.	3.8575	.96930

Source: Appendix-I

Table 7 shows descriptive statistics of four different scale items of ease of use of online payment. RL1, “EU1 Online payment is easy to operate for all kinds of businesses,” earned the highest mean score of all the scale items, 3.9150. The lowest mean 3.8025 was found for scale item EU3, which states, “Online payment can be switched freely in different applications.” The accompanying chart indicates that accepting payments online is simple and convenient for a variety of business types. Respondents believe that operating instructions may be obtained through online payments.

**Transaction Speed of Online Payment**

This section highlights the transaction speed of online payments using descriptive analysis. There are four unique scale objects in it. A 5-point Likert scale, with 1 representing strongly disagree and 5 representing strongly agree, is used to rate this idea. The opinions of the respondents are averaged and their standard deviation is calculated.

Table 8

*Descriptive Statistics of Transaction Speed of Online Payment*

Scale Items of Transaction Speed of Online Payment	Mean	Std. Dev.
TS1 Online payment transaction speed is important in daily transactions	3.7675	1.11874
TS2 Fast processing at reasonable cost	3.9000	1.15035
TS3 Response of service through online payment is very arouse and quick	3.8450	1.09498
TS4 Transactions using the online payment are faster than other channel	3.8575	1.00982

Source: Appendix-I

Table 8 shows descriptive statistics of four different scale items of transaction speed of online payment. The TS2 item, “Fast processing at reasonable cost,” became the highest mean score of all the scale items, 3.9000. It indicates that the majority of clients concur that service providers offer quick processing services at fair prices. Simultaneously, the statement TS1 “Online payment transaction speed is important in daily transactions” had the lowest mean score of 3.7675, indicating that a lower percentage of consumers agreed with this statement than with others.

### **Convenience of Online Payment**

This section examines the level of convenience offered by online payment systems through descriptive research. This investigation includes four statements. A 5-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree), is used to evaluate the variable. The opinions of the respondents are computed to find the mean and standard deviation. The standard deviation shows how the respondents' actual feelings range from their average mean, whereas the mean value indicates the average condition of their feelings. The data below illustrates how customer happiness is impacted by online payment convenience.

Table 9

#### *Descriptive Statistics of Convenience of Online Payment*

Scale Items of Convenience of Online Payment	Mean	Std. Dev.
CON1 It is easy to use online payment services.	3.8200	1.03454
CON2 I can quickly and easily complete a transaction by using Mobile.	3.9350	1.01900
CON3 It is convenient to transfer funds, between accounts using online payment.	3.8275	1.00012
CON4 It is convenient to access online payment services at any time of the day	3.8675	1.02839

Source: Appendix-I

Table 9 shows descriptive statistics of five different scale items of convenience of online payment. CON2, “I can quickly and easily complete a transaction by using Mobile,” earned the highest mean score of all the scale items, 3.9350. The lowest mean, 3.8200, was found for scale item CON1, “It is easy to use online payment services.” It might be inferred that consumers thought utilizing a mobile device would



enable them to swiftly and simply finish a purchase. Additionally, using online payment services is simple around-the-clock.

### **Security/Privacy of Online Payment**

This section presents the impact of online payment security on consumer satisfaction through descriptive study. It makes four different claims. A 5-point Likert scale, with 1 representing strongly disagree and 5 representing strongly agree, was used to rate this idea. The opinions of the respondents were averaged and their standard deviation was calculated. The standard deviation shows how the respondents' actual feelings range from their average mean, whereas the mean value indicates the average condition of their feelings.

Table 10

#### *Descriptive Statistics of Security/Privacy of Online Payment*

Scale Items of Security/Privacy of Online Payment	Mean	Std. Deviation
SEC1 Online payment services do not allow others to access my accounts	3.7325	1.18721
SEC2 Online payment service is secured and safe from any fraud or hacking	3.8925	1.06479
SEC3 Online payment services offers secure personal privacy	3.8225	1.04581
SEC4 I feel secure while making transactions through the Internet	3.8575	1.04159

Source: Appendix-I

Table 10 shows descriptive statistics of four different scale items of security/privacy of online payment. SEC2, "Online payment service is secured and safe from any fraud or hacking," earned the highest mean score of all the scale items, 3.8925. The lowest mean, 3.7325, was found for scale item SEC1, "The banks physical features are visually nice." Customers' agreement that the online payment system is safe from fraud and hacking can be reached. Customers also have a sense of security while transacting online.

### **Customer Satisfaction**

The degree of customer satisfaction is displayed in this section using descriptive analysis. It asserts four separate things. This topic was rated using a 5-point Likert

scale, where 1 represents strongly disagree and 5 represents strongly agree. The standard deviation of the respondents' opinions was computed by averaging them. While the mean value represents the average state of the respondents' sentiments, the standard deviation displays how the respondents' real feelings vary from their typical mean.

Table 11

*Descriptive Statistics of Customer Satisfaction*

Scale Items of Customer Satisfaction	Mean	Std. Deviation
CS1 I am satisfied with the transaction processing via online payment	3.7075	1.12700
CS2 I will strongly recommend other to use the online payment services	3.8200	1.00255
CS3 My satisfaction with the online payment is high	3.8575	.99985
CS4 Overall, online payment service is better than my expectations.	3.7900	1.12430

Source: Appendix-I

Table 11 showed individual scale items of customers' satisfaction. The item CS3, "My satisfaction with the online payment is high," had the highest mean value (3.8575) out of the four scale items, with a standard deviation of 0.99985. Then, with a mean value of 3.7075 and a standard deviation of 1.12700, scale item CS1, "I am satisfied with the transaction processing via online payment," had the lowest score. The study concludes that consumers believe they have a high level of satisfaction with online payments. Additionally, users are highly encouraged to encourage others to utilize online payment systems.

#### **4.1.3 Summary of Descriptive Analysis**

The mean value and standard deviation of each dimension were used to determine the factors influencing the degree to which customers are satisfied with online payments. Using reliable sources that Creswel (2012) gave, the decision rule (cut-off point) for the mean values was determined and interpreted. Creswel (2012) states that a mean value of  $< 1.5$  indicates very low, 3.5-4.5 indicates high, 2.51-3.5 indicates moderate, and  $\geq 4.5$  indicates very high. The researcher reported the participants' mean score for each category of variable descriptions based on this mean score assessment.

Table 12

*Summary of Descriptive Analysis*

Study Variables	Mean	Std. Deviation	Evaluation of Mean Score
Ease of Use (EU)	3.8575	.75883	High
Transaction Speed (TS)	3.8425	.78911	High
Convenience (CON)	3.8625	.76673	High
Security (SEC)	3.8262	.83610	High
Customer Satisfaction (CS)	3.7937	.79233	High

Source: Appendix-I

Table 12 presents the results of the research findings, which indicate a high degree of customer satisfaction with a mean score of 3.7937. It demonstrates that every component of customer satisfaction with online payments, which ranges from 3.8262 to 3.8625, is at a high level. Convenience has the highest mean score of any element 3.8625 when compared to other criteria like transaction speed, security, and ease of use. This suggests that what the research most important factor is the ease of online payment, as indicated by the highest mean score of 3.8625 overall. On other words, it is clear that the majority of respondents felt that ease has a significant impact on their level of customer satisfaction with online payments and that their own level of satisfaction is high. Meanwhile, ease of use (EU), transaction speed (TS), convenience (CON), security (SEC) and customer satisfaction (CS) element got an overall mean score of 3.8575, 3.8425, 3.8625, 3.8262 and 3.7937 respectively.

#### **4.1.4 Correlations Analysis**

To identify the element influencing customer satisfaction with online payments, correlation analysis was performed. The link between the dependent and independent variables, namely factors and customer happiness, is displayed in the tables below. In this study, correlation analysis was employed to ascertain the relationship between the variables. The researcher found the correlation coefficient's value in this inquiry using the SPSS program. The correlation study focused on the general relationship between several variables and consumers' satisfaction with online payments.

Table 13

*Pearson Correlation Coefficients of Study Variables*

	EU	TS	CON	SEC	CS
Ease of Use (EU)	1				
Transaction Speed (TS)	.417**	1			
	.000				
Convenience (CON)	.528**	.457**	1		
	.000	.000			
Security (SEC)	.525**	.536**	.540**	1	
	.000	.000	.000		
Customer Satisfaction (CS)	.695**	.640**	.614**	.710**	1
	.000	.000	.000	.000	

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

Source: Appendix-II

Table 13 reveals the correlation test between both dependent and independent variables using correlation coefficient matrix. Based on the correlation value between ease of use (EU) and customer satisfaction (CS), which is 0.695, it is evident that there is a significant positive association ( $P < 0.05$ ) between the ease of use of online payments and customer satisfaction. Similarly, there is a 0.640 correlation value with a significant value of 0.000 between transaction speed (TS) and customer satisfaction (CS). This suggests that there is a strong positive correlation ( $P < 0.05$ ) between customer satisfaction and the speed at which online payments are completed. The correlation value between convenience (CON) and customer satisfaction is 0.614, with significant value 0.000, indicating a high positive connection ( $P < 0.05$ ) between the ease of online payment and customer pleasure. Furthermore, the correlation value between security (SEC) and consumer contentment, which is 0.710 and has a significant value of 0.000, shows that there is a high positive connection ( $P < 0.05$ ) between the security of online payments and customer pleasure.

#### **4.1.5 Regression Analysis**

It includes a wide range of modeling and analytic techniques for analyzing the relationship between a dependent variable (customer satisfaction) and independent factors (ease of use, transaction speed, convenience, and security/privacy of online payment).

Table 14

*Model Summary*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.847 <sup>a</sup>	.717	.715	.42325

a. Predictors: (Constant), ease of use, transaction speed, convenience and security/privacy

Source: Appendix-III

Customer satisfaction is predicted by the model's specification of the five factors, which include ease of use, transaction speed, convenience, security/privacy, and others. With an R<sup>2</sup> value of 0.717, the models indicate that variations in the independent variables (easy of use, transaction speed, convenience, and security/privacy) explain 71.70 percent of the observed variability in customer satisfaction. The other variables that account for the remaining 28.30 percent of the variance in customer satisfaction are not included in the model and hence did not provide an explanation. Stated otherwise, the model fits linearly.

Table 15

*Analysis of Variance (ANOVA)*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	179.722	4	44.931	250.807	.000 <sup>b</sup>
	Residual	70.762	395	.179		
	Total	250.484	399			

a. Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), ease of use, transaction speed, convenience and security/privacy

Source: Appendix-III

An analysis using ANOVA (F-value) suggests that the influence of dependent variables may be explained by the greatest number of potential combinations of predictor variables. Findings indicate that the customer satisfaction indicator has a major influence. Easy of use, transaction speed, convenience, security/privacy, and privacy as proxies for consumer satisfaction have F-values of 250.807 ( $p = 0.000 < 0.05$ ), which clearly indicate a substantial association between the dependent variable (customer satisfaction) and the independent factors.

Table 16

*Regression Coefficient of Independent Variables on Customer Satisfaction*

Variables	Coefficients	t-statistics	p-value	VIF
(Constant)	-.315	-2.350	.019	
EU	.363	10.316	.000	1.585
TS	.265	8.050	.000	1.506
CON	.148	4.154	.000	1.655
SEC	.293	8.629	.000	1.793

a. Dependent Variable: CS

Source: Appendix-III

Table 16 presents the regression coefficient of independent variables ease of use, transaction speed, convenience and security/privacy and the intercept value of dependent variable customer satisfaction. It shows that variance inflation factors (VIF) of independent variables is below 10. That's why, there is multicollinearity in the model.

The ease of use of online payment has a coefficient of regression ( $\beta$ ) of 0.363. It shows that adjustments to one unit of online payment ease of use result in an increase of 0.363 units in customer satisfaction. Additionally, the fact that the online payment ease of use p value of 0.000 suggests that the change is statistically significant at the five percent significance level. Hence, ease of use of online payment has significant positive effect on customer satisfaction. The coefficient of regression ( $\beta$ ) for the transaction speed of online payment is 0.265. This data indicates that if every online payment transaction increased by one, customer satisfaction would increase by 0.265 units. Additionally, the transaction's 0.000 p value indicates that it is statistically significant at the five percent significance level. Therefore, transaction speed of online payment has significant positive effect on customer satisfaction.

For the ease of online payment, the regression coefficient ( $\beta$ ) is 0.148. Customer satisfaction would rise by 0.148 units if each convenience of online payment increased by one, according to this data. The convenience of online payment p value is 0.000 shows that it is statistically significant at the five percent significance level. Hence, convenience of online payment has significant positive impact on customer satisfaction. Furthermore, for the security of online payments, the coefficient of

regression  $\beta$  is 0.293. Customer satisfaction would rise by 0.293 units if each online payment security were to increase by one, according to this data. The p value for online payment security is 0.000, indicating that it is statistically significant at the five percent significance level. Hence, security of online payment has significant positive effect on customer satisfaction.

## **4.2 Discussion**

The main objective of the study is to evaluate the factors affecting customer satisfaction towards online payment. This research also highlights the association between different factors and customer satisfaction. Research and previous literature supports the relationship between ease of use, transaction speed, convenience and security/privacy of online payment and customer satisfaction. The research literature validates that these variables directly influence customer satisfaction.

This study found that the majority of the respondents agreed that convenience is the factor highly affects their customer satisfaction towards online payment and they believe that their customer satisfaction level is also high.

This study also found that that there is significant positive relationship between ease of use of online payment and customer satisfaction. Similarly, transaction speed of online payment has significant positive relationship with customer satisfaction. At the same time, there is significant positive relationship between convenience of online payment and customer satisfaction. Further, security of online payment has significant positive relationship with customer satisfaction.

Regression analysis found that there is significant positive effect of ease of use of online payment on customer satisfaction. Similarly, transaction speed of online payment has significant positive impact on customer satisfaction. At the same time, there is significant positive effect of convenience of online payment on customer satisfaction. Moreover, security of online payment has significant positive effect on customer satisfaction.

The correlation analysis shows that there is significant positive relationship between ease of use of online payment and customer satisfaction. This is consistent with the finding of Banu, Mohamed and Parayitam (2019) which found that ease of use had significant positive relationship with customer satisfaction. This is also consistent with the finding of Lamsal (2022); Karim, Chowdhury and Haque (2022). Similarly, transaction speed of online payment has significant positive relationship with customer satisfaction. This is consistent with the finding of Linga et al. (2016) found that speed had significant positive relationship with customer satisfaction. This is also consistent with the finding of Muhtasim et al. (2022)

At the same time, there is significant positive relationship between convenience of online payment and customer satisfaction. This result is similar with the previous study of Jahan and Shahria (2021) which observed that convenience had significant positive relationship with customer satisfaction. This is also consistent with the finding of Linga et al. (2016); Yu and Nuangjamnong (2022). Moreover, security of online payment has significant positive relationship with customer satisfaction. A positive and significant association between security and customer satisfaction identified by Banu, Mohamed and Parayitam (2019). This is also consistent with the finding of Lamsal (2022); Halim et al. (2023).

The multiple regression analysis reveals that there is significant positive effect of ease of use of online payment on customer satisfaction. This is consistent with the finding of Kavitha (2017); Lamsal (2022); Angusamy, Yee and Kuppusamy (2022). Similarly, transaction speed of online payment has significant positive impact on customer satisfaction. This is consistent with the finding of Islam and Himel (2015) concluded that speed of online payment had significant positive impact on customer satisfaction. This is also consistent with the finding of Muhtasim et al. (2022); Yu and Nuangjamnong (2022).

At the meantime, there is significant positive effect of convenience of online payment on customer satisfaction. This finding is similar with the finding of Addai et al. (2015) Moreover, security of online payment has significant positive effect on customer satisfaction. This finding is similar with the prior study of Kavitha (2017); Angusamy,



Yee and Kuppusamy (2022). This is also consistent with the finding of Halim et al. (2023).

On the other hand, there is significant positive effect of ease of use of online payment on customer satisfaction which is not consistent with the prior study Angusamy et al. (2022) mentioned that each of use of online payment had no discernible effect on consumer satisfaction with online banking. This study also found that convenience of online payment has significant positive effect on customer satisfaction. This finding is dissimilarities of previous study of Lamsal (2022) which observed that convenience of online payment negative effect on customer satisfaction

## **CHAPTER V**

### **SUMMARY AND CONCLUSION**

#### **5.1 Summary**

Since the advent of the internet, banking activities have undergone significant change. Online banking clients can access a variety of services provided by banks. Banks employ information and communication technology to better manage customer interactions and deliver services, which includes online payment. Information technology has been demonstrated to improve business efficiency and service quality, which in turn draws and keeps consumers. This is significant considering the pivotal role that online payment has played in the expansion of banks. Features of online banking include tangibles, empathy, assurance, reactivity, and consistency. Subsequently, internet banking has greatly enhanced the methods for money transfers, checking and evaluating savings account balances, making mortgage and bill payments, buying financial instruments, and obtaining certificates of deposit.

The main objective of the study is to analyze factors affecting customer Satisfaction towards online payment. The other specific objectives are to assess the customer satisfaction towards online payment under ease of use, transaction speed, convenience and security/privacy, to analyze the relationship between customer satisfaction and its factors towards online payments and to examine the impact of ease of use, transaction speed, convenience and security/privacy on customer satisfaction towards online payment. The study has employed descriptive and casual research design. To describe the components of online payment services descriptive research design is used. Similarly, casual design helps to determine the relationship between dependent (customer satisfaction) and independent variable (factors of customer satisfaction towards online payment). Further casual research design is used to examine the impact of different factors on customer satisfaction of banking industry in Nepal. The major source of data was also employed on purpose in the study's analysis stage. This information was acquired via questionnaires and interviews designed for commercial bank clients, branch managers, and banking customer service supervisors, respectively. The study's sample size is 400 customers. To validate the hypothesis, descriptive analysis, correlation, and regression analysis are used by using SPSS version 26.

This study shows that the majority of the respondents agreed that convenience is the factor highly affects their customer satisfaction towards online payment and they believe that their customer satisfaction level is also high. The correlation analysis reveals that there is significant positive relationship between ease of use of online payment and customer satisfaction. Similarly, transaction speed of online payment has significant positive relationship with customer satisfaction. At the same time, there is significant positive relationship between convenience of online payment and customer satisfaction. Besides these, security of online payment has significant positive relationship with customer satisfaction. The multiple regression analysis shows that there is significant positive effect of ease of use of online payment on customer satisfaction. Likewise, transaction speed of online payment has significant positive impact on customer satisfaction. At the meantime, there is significant positive effect of convenience of online payment on customer satisfaction. Moreover, security of online payment has significant positive effect on customer satisfaction. Therefore, this study concluded that all the variables are major factors of customer satisfaction towards online payment.

## **5.2 Conclusion**

The results of the research concluded that most male consumers are more likely than female consumers to employ online payment options. In addition to being able to use online payment services, the majority of consumers who use online payments are frequently young, energetic adults. The majority of consumers have been using online payments for three to five years, and the majority of respondents are in the middle income range. Based on the survey results, the majority of respondents agreed that their personal level of satisfaction with online payments is high and that convenience has a significant effect on their level of satisfaction.

The correlation analysis concluded that there is significant positive relationship between ease of use of online payment and customer satisfaction. Similarly, transaction speed of online payment has significant positive relationship with customer satisfaction. At the same time, there is significant positive relationship between convenience of online payment and customer satisfaction. Moreover, security of online payment has significant positive relationship with customer satisfaction.

The multiple regression analysis concluded that there is significant positive effect of ease of use of online payment on customer satisfaction. Similarly, transaction speed of online payment has significant positive impact on customer satisfaction. At the same time, there is significant positive effect of convenience of online payment on customer satisfaction. Finally, security of online payment has significant positive effect on customer satisfaction.

### **5.3 Implications**

The researcher notifies the relevant bodies of the following implications based on the study's summary and conclusion.

- According to the findings of this study, the ease of use, transaction speed, convenience and security/privacy have a statistically significant influence on customer satisfaction. As a result, this findings and information is helpful for online payment providers, it policymakers, bankers to understand the customer's perspective on online payment aspects, therefore motivating providers to implement appropriately designed regulations that will attract customers to utilize online payment services.
- Information technology has been demonstrated to increase business efficiency and service quality, drawing and keeping customers, taking into account the significance of online payment in the growth of service providers.
- The study is very helpful to scholars and students who want to investigate the problem further as consumers.
- Banks should take advantage of the opportunities to increase online payment by lowering barriers, and the range of services offered by online payment should be broadened to include, for example, the ability to accept deposits.
- Lastly, service providers have to give more attention to the elements that most affect how satisfied customers are with online payments.
- The foundation for future research employing customer demographic data has been established by this study. Only consumer satisfaction in banks and other financial institutions is examined in this poll. Research may also be done in other sectors of the economy, including industry, technology, healthcare, insurance, and commerce.