

Chapter-I

1. INTRODUCTION

1.1 Background

Today, the success or the failure of the business organization depends on the responses of the consumers. They are the back bone of any kinds of business. This thesis is a critical study on the consumer behaviour and the services provided by the commercial banks.

Customers are the great power in the modern business world. They are the main part for the bank by which they can grow their bank by providing more and different types of facilities, services etc. By this the bank is motivated to work and provide services. They will be more grateful to attract the numbers of customers towards the bank. It is known to every body that when the customers are satisfied business, industries, company, banks can grow. For this bank must provide services and satisfactions to the customers as per their expectations.

Service provider must know how to please their customers. As to the customer care center, they must know what kinds of facilities help them to meet their services. It plays a vital role in the economic development and financial health of the country. An efficient banking system leads to the sound economic health of the country.

1.2 Area of Nepal

Nepal is surrounded by fast developing countries like India in South, East and West and China in North. Physically, it has been divided into three main regions but with wide variation in altitude and climate. They are:-

-) The Himalayan Region.
-) Mountain Region.
-) The Terai Region.

Nepalese people are mostly engaged in agriculture occupations and its economy is totally depending on the traditional agriculture. Development of agriculture sector helps not only to solve the problem of unemployment but also helps in the economic development of the

nation. As agriculture is still the back-bone of Nepalese economy Economic development is not possible without the development of agriculture.

1.3 Banking History

A bank is an institution in which those people who have spare cash deposit it and those who need funds borrow from it, just like reservoirs. Generally, an institution established by law, which deals with money and credits, is bank. It has been derived from the Italian word "**banco**" which refers to a bench, French "**Banque**" means bench only. At the time, there were some money-lenders sitting in a bench for keeping, lending and exchanging of money in the market place. In addition to this, a bank may be engaged in different types of functions such as remittance of money from one place to another, exchange currency, underwriting shares of newly established company, bank guarantee, discounting bills etc. Its dictionary meaning is to keep money in a place or deposit money that may be current or saving. In fact, a modern bank performs such a variety of functions.

1.3.1 Definition of Bank

According to CR Crowther, "A bank collects money from those who have it to spare or who are saving it out of their incomes and it lends this money to those who require it".

Dr. H.L. Hart had defined, "A banker is one who, in the ordinary course of his business receives money which he repays by honoring cheques of persons from whom or whose account he receives."

If we see the history of the modern banking, the oldest modern bank in the world was bank of Venice, which was established in 1157 A.D. In India, it is the Bank of Hindustan which was established in 1774 A.D. In ancient time they were placed for lending loan or borrowing money or transaction.

1.3.2 Evolution of Banking History in Nepal

In 780 B.S. King Gunakam Dev looked loans from merchants to rebuild Kathmandu city and in 937 B.S. Shankhadhar Shakhwa, who was a famous merchant, paid the loan of people and started "Nepal Shambat". But later on, in the 14th century, the famous King Jyasthiti Malla divided people into 64 castes on the basis of their profession. This group was known as "Tankadhari". However, the installation of "Kausi Tosha Khana" as a banking agency during the regime of King Prithvi Narayan Shah is regarded as the first

step toward initiating banking development in Nepal. In the 19th century, the Prime Minister, Ranodeep Singh established "Tejarath Adda" at Kathmandu. The main purpose of setting up this was to provide loan for government officers, members of staff and also for general public under the collateral of silver and gold. During the period of Chandra Shumser the "Tejarath Adda" was regarded as the primer foundation of modern banking in Nepal.

Due to the increase in transaction there was the establishment of modern bank and institution. Nepal Bank Limited was first modern bank established in 1994 B.S. under the Nepal Bank Act with one crore rupees of authorized capital.

Different definitions have been given emphasizing one or more functions of central bank. According to, Kock "Central Bank is a bank which constitutes the apex of the monetary and banking structure of the country."

Then after some years, the government need of economic liberalization policy for the development of commercial banks. They attract some foreign investors. So, Nepal Arab Bank (NABIL Bank 1987) was first joint venture Bank. As a result more and more joint venture banks are growing rapidly. According to latest report of NRB there are 25 Commercial Banks operating in the country up to December 2009.

1.4 Followings are the present Commercial Banks in Nepal:

) Nepal State Bank of India (S.B.I.)

) Everest Bank (EBL)

) Nepal Arab Bank (NABIL)

) Sunrise Bank

) Global Bank

) Prime Bank

) Laxmi Bank

) Siddhartha Bank (SBL)

) Bank of Asia (BOA)

) Bank of Kathmandu (BOK)

-)
-) Nepal Credit & Commerce Bank (NCC)
-) Standard Chartered Bank
-) Kumari Bank
-) Nepal Investment Bank Limited (NIBL)
-) Citizen Bank
-) Nepal Bangladesh Bank (NBB)
-) Machhapuchare Bank Limited (MBL)
-) Himalayan Bank Limited (HBL)
-) Kist Bank
-) Nepal Bank Limited (NBL)
-) Rastriya Banijya Bank (RBB)
-) Nepal Industrial and Commercial Bank (NIC)
-) Development Credit Bank Limited (DCBL)
-) Agriculture Development Bank (ADB)
-) Lumbini Bank
-) Nepal Merchant Bank (NMB)

1.5 History of Commercial Banks

NABIL Bank

It is the first joint venture bank, with establishment in 1984 A.D. It was established with the modern banking system to various areas of society. Nabil as a pioneer in introducing many innovative products and marketing concepts in the domestic banking sector represents a milestone in the banking history of Nepal as it started an era of modern banking with customer satisfaction measured as an objective while doing business.

Standard Chartered Bank

Its name was changed from Grindlays Bank to Standard Chartered Bank. It was established in 1985 A.D. as second joint venture under the Company Act 1964. The main

objective of the bank is to collect deposit and provide loans to agriculture, commerce and enterprises and also to provide modern banking system.

Nepal State Bank of India Bank (SBI Bank)

It was in operation on 8th July 1993. It was registered under the company Act 1964 in 1993. This is the joint venture of State bank of India and Nepali promoters. State Bank of India is holding 50% equity. The main objective is to carry out modern business in the country Under the Commercial Bank Act 1974. It provide loan to agricultural, commercial and industrial sectors.

Everest Bank Limited

It was established in 1992 under the company Act 1964 with as objective carrying out Commercial Banking Activities under the Commercial Act 1974. United Bank of India Ltd. under technical service was managing the bank from the very beginning till November 1996. Later on, it hands over the management to the Punjab National Bank Ltd. India which holds 20% equity on the banks share capital.

Nepal Industrial and Commercial Bank (NIC Bank)

Nepal Industrial & Commercial Bank Limited (NIC Bank) commenced its operation on 21st July 1998 from Biratnagar. The bank was promoted by some of the prominent business houses of the country. The current shareholding pattern of the Bank constitutes of promoters holding 65% of the shares while 35% is held by general public. NIC Bank is one of the most widely held Banking companies in Nepal, with over 32,000 shareholders.

Nepal Credit and Commerce Bank (NCC Bank)

Firstly it was named as Nepal Bank of Ceylon Limited. It was registered with His Majesty's Government office of the company register on Ashad 16th 2053 and certificate of commencement of business on Ashwin 22nd, 2053. The certificate to carry out banking business was operation from Nepal Rastra Bank on 2053 Ashwin 23rd and Bank commenced operation on Ashwin 23rd 2053.

Citizen Bank

For economic growth and development of New Nepal, Liberalization, Privatization and Globalization in this sector have given birth to the largest commercial bank, “Citizens Bank International Ltd”. The Bank is located at Sharada Sadan, Kamaladi, Kathmandu, the heart of financial sector of the country. It is being managed by a team of experienced bankers and professionals.

Sunrise Bank

In an economy driven by appetite for success, Sunrise Bank Limited is "**Rising to Serve**" by defining new levels of services and products. As a bank founded by reputed entrepreneurs, we understand the needs of a growing economy and are well equipped to serve them.

Nepal Bangladesh Bank

Nepal Bangladesh Bank Ltd. was established in June 1994 with an authorized capital of Rs. 240 million and paid up capital of Rs. 60 million as a Joint Venture Bank with IFIC Bank Ltd. of Bangladesh. Its Head office is situated at New Baneshwore, BijuliBazar and Kathmandu. The prime objective of this Bank is to render banking services to the different sectors like industries, traders, businessmen, priority sector, small entrepreneurs and weaker section of the society and every other people who need banking services.

Machhapuchhre Bank Limited

It was registered in 1998 as the first regional commercial bank to start banking business from the western region of Nepal with its head office in Pokhara. Today, with a paid up capital of above 1,314 million rupees, it is one of the full fledged commercial bank operating in Nepal; and it ranks in the topmost among the private commercial banks. MBL is striving to facilitate its customer needs by delivering the best of services in combination with the state of the art technologies and best international practices.

Prime Bank

Prime Commercial Bank has been established by prominent business personnel and professionals from diversified areas with a prime objective of providing 'Banking Services to Everyone' in the country where still large number of population are deprived of Banking Services.

The bank will endeavor to establish itself as technology saavy and customer friendly and try to maintain good relationship with its customers.

Himalayan Bank

It was established in 1993 under company act 1994, as joint venture with Habib Bank Limited of Pakistan. Despite the cut-throat competition in the Nepalese Banking sector, Himalayan Bank has been able to maintain a lead in the primary banking activities- Loans and Deposits.

Development Credit Bank Limited

DCBL Bank Limited came into operation in 2001 as development bank backed by the expertise of the professional bankers, prominent industrialists, entrepreneurs, bureaucrats and career diplomats. The policy of the Bank is to create a relationship with the customer based on shared vision and mutual understanding for mutual benefit. It focuses in providing qualitative and diversified banking services backed by efficient personal approach at desired level.

Kumari Bank

Kumari Bank, came into existence as the fifteenth commercial bank of Nepal by starting its banking operations from Chaitra 21st, 2057 B.S (April 03rd, 2001) with an objective of providing competitive and modern banking services in the Nepalese financial market. The bank has paid up capital of Rs. 1078.272 million, of which 70 % is contributed from promoters and remaining from public.

Bank of Kathmandu

BOK started its operation in March 1995 with the objective to stimulate the Nepalese economy and take it to newer heights. BOK also aims to facilitate the nation's economy and to become more competitive globally. To achieve these, BOK has been focusing on its set objectives right from the beginning.

Siddhartha Bank Limited

SBL commenced operations in 2002. The Bank is promoted by a group of highly reputed Nepalese dignitaries having wide commercial experience. We provide a full range of commercial banking services through our ten branches established in Kathmandu, Birgunj, Biratnagar, Pokhara, Damak, Narayangarh and Patan. The environment of Nepalese banking sector is undergoing a rapid transformation. With liberalization in financial markets and integration of domestic market with external markets, bank operations have become more complex and dynamic. We are geared to meet the challenges and keep abreast with the changes.

Nepal Investment Bank

Nepal Investment Bank previously Nepal Indosuez Bank Ltd., was established in 1986 21st January as a joint venture between Nepalese and French partners. The French partner

(holding 50% of the capital of NIBL) was Credit Agricole Indosuez, a subsidiary of one of the largest banking groups in the world.

Lumbini Bank

Lumbini Bank is a national level commercial bank offering a wide range of banking solutions and services meticulously customized to the needs of the customers. Established in 1998, this is the first regional commercial bank in Nepal. Lumbini Bank Limited is highly committed to assure of the standard and excellence in the services it offers. Lumbini Bank Limited has restructured various products, as a part of an ongoing process, to cater to the retail segment. The newly structured products cover Personal Loan, Home Loan, Vehicle Loan, Mortgage Loan, Educational Loan, Time Loan etc

Global Bank Limited

Global Bank Limited is a national level commercial bank promoted by highly prominent business personalities/ groups and reputed individuals of the country who have excelled in their field of business/profession with very good integrity and social standings.

Laxmi Bank

Laxmi Bank was incorporated in April 2002 as a commercial bank. The current shareholding constitutes of promoters holding 55.42%, Citizen Investment Trust holding 9.02 % and the general public holding 35.56 %. Promoters represent Nepal's leading business families with diversified business interests. The Bank's shares are listed and actively traded in the Nepalese Stock Exchange.

Nepal Merchant Bank

NMB is the first commercial bank of Nepal that has been able to upgrade from a Finance Company to full-fledged Commercial Bank. Nepal Merchant Banking and Finance Ltd., the while name of the institution, was amongst the leading financial institutions in its category till May 2008 when the transformation process for the up gradation was complete and changed its name to NMB Bank Limited.

Bank of Asia Nepal Limited

BOA is the 22nd commercial bank of Nepal. It is incorporated under the companies Act 2063 as 'A' Class financial institution. It started its full-fledged commercial operations from 12th October 2007 from its registered office at Tripureshwor, Kathmandu.

Kist Bank

With its vision of becoming the best bank on operational excellence and superior financial performance, KIST Bank was initially incorporated as a 'C' class financial institution in 2003 for undertaking limited banking activities. The Bank started commercial banking activities from May 7th, 2009 after complying with all the conditions of Nepal Rastra Bank (Central Bank of Nepal) for becoming a Commercial Bank. The Bank is a public limited company incorporated under the Bank and Financial Institution Act 2006 and the Companies Act 2006. The Bank is licensed by NRB to undertake commercial banking services and merchant banking activities in the country. The Authorized Capital of the Bank is Rupees 5 Billion and the Issued and Paid-Up Capital is Rupees 2 Billion. 60 % of the Paid-Up Capital is held by the promoter and remaining 40% is held by the general public. The shares of the Bank are listed at Nepal Stock Exchange Limited (NEPSE), the only Stock Exchange in the country, as 'A' category share.

Rastriya Banijya Bank

Rastriya Banijya Bank is fully government owned, and the largest commercial bank in Nepal. RBB was established on January 23rd, 1966 (2022 Magh 10 BS) under the RBB Act. RBB provides various banking services to a wide range of customers including banks, insurance companies, industrial trading houses, airlines, hotels, and many other sectors.

Agriculture Development Bank

With the main objective of providing institutional credit for enhancing the production and productivity of the agricultural sector in the country, the Agricultural Development Bank, Nepal was established in 1968 under the ADBN Act 1967, as successor to the cooperative Bank. The Land Reform Savings Corporation was merged with ADBN in 1973. Subsequent amendments to the Act empowered the bank to extend credit to small farmers under group liability and expand the scope of financing to promote cottage industries. The amendments also permitted the bank to engage in commercial banking activities for the mobilization of domestic resources.

Definition of Banking Services and Customer Satisfaction

Bank is the place at which the sum of monetary transaction performs. All place where there is monetary transaction perform is not a bank but is a place where monetary transaction and some other kinds of facilities like saving and deposit facilities, locker facilities, transformation is a "bank".

In the bank we do not get only the withdraw and deposit facilities but also we get other services is called "bank facilities or services".

Customer satisfaction is defined as when the bank gives certain types of services to the customers then they show some positive response towards the bank. In another word, Customer Satisfaction is the individual's performance of the product or services in relation to his or her expectation. The concept of customer satisfaction is a function of customer expectation.

1.7 Scope of the Study

This study covers the types of services provided by different commercial banks in Nepal. Also, find the satisfaction level of the customers.

1.8 Statement of the Problem

Banking transactions are going on from the ancient times in different ways. Operating only monetary transaction is not the work of a bank but customer satisfaction is also the most. By their service facilities they can attract customers to the bank. This shows that there should be good and positive relation between bank and the customers. No any institution is without any problems. Therefore, this study focuses to analyze the present situation of banking services. Beside that, they should further analyze the customer's attitude, their comments and suggestions through different sectors of customers which would be helpful to the both banks and the customers in future.

This research tried to find the solution of the following questions:

-) Do the customers are satisfied or dissatisfied with the services?
-) What is the position of the bank in terms of services and satisfaction?
-) Are the banks successful in attracting the customers with their services and facilities?
-) What are the ways of improving the customer satisfaction?

) What are the factors that lead customers towards satisfaction/dissatisfaction?

1.9 Objective of the Study:

The main objective of the study is to find whether the customers are satisfied with the services provided by the commercial banks. Also to know more expectation of the customers towards services provided by the banks.

The specific objectives of the study are:

) To find whether the customers are satisfied with the banks in terms of their services.

) To find out the reasons of the customers satisfaction or dissatisfaction.

) To evaluate the degree of attractiveness in term of services.

1.10 Research Question

Followings are the research questions:

) Are customers satisfied with banking services?

) What kinds of services or other services they want than the present one?

) Do the banks have reach their targeted goal?

) Do the customers are satisfied with responsiveness of their needs?

) Do they are satisfied with interest rate of the bank?

) Do they satisfy with the staffs come into contact?

1.11 Significance of the Study

Banking sector plays a very important role in the utilization of the reserve. It gives the services as deposit and giving loan to the industry, business trade etc.

The study mainly focused the commercial bank in terms of "Services and Customer Satisfaction". It is important to all the types of banks. As we know that customers are the backbone of all types of commercial banks, the research is concerned with behavior of the customers and their satisfactions.

The Banking Services and Customer satisfaction is the most sensitive element in the area of banking. This study will be beneficial to different parties concerned with these banks as well as other interested parties. Hoping that it will provide the pertinent and relevant

literature for the future research regarding the Banking Services and Customer Satisfaction. It will be especially beneficial to:

-) **The management:** The manager will always be aware of knowing about the good & bad position of the bank.
-) **The shareholder:** The shareholders are the real owners of the institution. They have keen interest about the position of the bank. Therefore, this study is important to the shareholder too.
-) **The government:** The government will always be interested to know about the customer condition of these institutions along with number of customers and the positions that play a vital role for the economic growth and development of the country. The customer directly affect to the nations economy. Therefore, the study is significant to the government.
-) **The competitors:** The study of customer's analyze is also useful to competitors. Increasing of the financial transaction is due to charming and attractive policies adopted by institution and customer.
-) **The individual:** Apart from the above mentioned parties the study is also important to other individuals that business and entrepreneur comprise of customer, creditors, investor, stock holder, student, economist, statistician and other rational individuals.

1.12 Limitation of the Study

Following are the limitation of the study:

-) The whole study is based upon primary data, collected in Kathmandu and Birgunj branches of the various commercial banks.
-) Time and resource constraints limited the area cover by the study.
-) The study is based on the primary data collected in the banking premises of the study bank.
-) Banking services described here is completely as it is provided by the bank.
-) The services provided by the bank and the new bank came into existence after October 2009 is not taken into account.

) As this study is the first of its kind, there were difficulties arose in reviewing the literature.

1.13 Organization of the Study

The whole study has been divided into six chapters. The first chapter describes about the introduction of the study whereas the second chapter throw light about the literature review, the third chapter elucidates about the methodology and study design of the study. Similarly the fourth chapter is about data analysis and presentation. Chapter five give glance of the findings of the study. Chapter six is about summary, conclusion and recommendations. And last there is the presentation about the bibliography and appendix. Similarly, acknowledgements, table of contents, list of tables, list of figures, abbreviations are included in the front part of the thesis report.

Chapter 1 (introduction)

The introduction orients the reader. It gives a clear understanding of the background, scope, and purpose of the study. The information to be included in the introduction chapter is: - Background of the study, Focus of the study, Statement of the study, Objective of the study Significant of the study, Limitation of the study and Organization of the study.

Chapter 2 (Review of Literature)

This chapter reviews literature on customer satisfaction in service sectors.

Chapter 3 (Research methodology)

This chapter presents the research methodology employed for testing the .Customer satisfaction in the commercial bank. This chapter contain following five sections: Research Design, Population and Sample, Sources of Data, Data Collection Techniques, Data Analysis Tools.

Chapter 4 (Data Presentation and Analysis)

The discussion and analysis section is the heart of the report .this is the section in which data are presented and analyzed .This chapter contains following two sections: Data presentation and analysis, types of services provided by commercial banks and describes the major findings of the study.

Chapter 5 (Summary, Conclusion and recommendations):

The summary is a brief narration of the entire report. This summary gives the reader overall picture of the study. A conclusion is thus a deduction based on the findings. Recommendations are the different suggestion for the organization under the study and for the further researcher.

Bibliography and Appendix

Bibliography tells the reader the sources of the researcher's information and gives a clear and complete discretion of these sources that were used in preparing the thesis report.

The appendix is a section containing a variety of items that are concerned with the study such materials as questionnaires, survey instruments, check list etc. are also included as appendix materials.

Chapter- II

2. LITERATURE REVIEW

The introductory part of this study has been presented in the first chapter. In this the reviews of the various relevant literatures in relation to support the study to receive some ideas for developing a research design.

As gone through the various available books their are very few literature available in the Nepalese contest, other only i.e. services in industry is found not in the banking sectors. During the study original copy of review of some web are included:

Customer satisfaction is an important theoretical as well as practical issue for most marketers and market researchers (Dabholkar et. al. 1996 Fournier and Mick, 1996; Meuter et, al 2000). Customer Satisfaction can be considered as essence success in today's competitive World of business. Consequently, customer satisfaction is increasingly becoming a corporate goal as more as company strives for quality in their product and services. (Bitner & Hubbert,1994)

Customer Satisfaction generally describes as the full meeting of one expectations (Oliver 1980).Customer Satisfaction is the feeling and attributes toward the services and product after it has been used. It is the major outcome of major activity where by it serves as the link between consumer buying behaviour. Customer satisfaction is widely recognized as a key influence in formation customer future purchase entitle (Taylor, Baker 1994)

A review of Literature suggests that our understanding of relationship between customer satisfaction, judgment and service quality perception remain a problematic issue (Taylor and Baker 1994)

Customer Satisfaction in the services sector by Asian Productivity Organization, Tokyo (2000) is very much useful book in the study of customer satisfaction.

) Information technology plays a great role in supporting efforts to the increment of customer satisfaction. It is a key to gather important data, which will provide facts for decision makers. These data are translated into useful format to facilitate sound strategic and operational decision making. Automatic certain tanks can make customer service ever free.

) Developing a corporate culture to institutionalize customer satisfaction is necessary. This is made possible though formulating a clear and simple corporate mission and a

set of core value. Financing and education play an important role in developing this customer-focused culture.

Similarly an article entitled total customer satisfaction service system and its best practices by hang-Yung Liu of National Sun Yatsen University of China published in the journal of Asian productivity Organization is also find very much relevant in the study of customer satisfaction some findings may be outlined as:

Customer satisfaction is a function of performance relative to the customer's expectations. When a lot has been promised and more is delivered, this creates the satisfaction of the customers. For management, this means that when performing customer satisfaction survey, they should measure their performance relative to the customer's expectation. It should be remembered that it is the customers' perception that ultimately counts .The management's view in its services is interesting but irrelevant to serving customers. It is how customers feel that really counts.

"Customers service is a philosophy in which all employees feel and act accountable for creating satisfied customers. Everyone in the organization is responsible for and works to exceed the customer's expectations. Serving customers is unique opportunity for employee. Few jobs in any organization carry such an impact as an employee does who is creating satisfied customers. The treatment of the customer is more powerful than all of the advertising dollars in a budget. Advertising only draws customers to an organization. It is the organization's performance that brings them back or chases them away."

Furthermore, the summary of an article on "Measurement of Service Productivity and Customer Satisfaction" by Sharon Wei Phin Chan of Singapore productivity and standard board, Singapore published in the journal named total customer satisfaction in service sector by APO in 2000 can be described as:

"In these complementary productivity measurement systems, monitoring customer satisfaction is a consistently key process. This is because productivity is not just about efficiency in production, but also about the quality and service are incorporated into market prices. A fundamental precept of quality management is that quality is not defined by the supplier, but the customer. "Hence, a focus on quality in management is crucial, especially in the new economy where most goods and services embody a great deal of knowledge, and goods and services are highly differentiated unfortunately, the value of improved or reduced quality is not easily captured."

Horner Der Leu of Chung Yang Christian University, China defines the marketing concept in terms of customer satisfaction as:

"There are five competing concepts under which organization can choose to conduct their marketing activities. The production concept, the product concept, the selling concept, the marketing concept and the social marketing concept. Clearly, marketing activities should be carried out through a well-thought-out philosophy of efficient, effective and socially responsible marketing

The marketing concept stresses that the key for achieving organization goals consists of being more effective than competitors in integrating marketing activities towards exterminating and satisfying the needs and wants of target marketing. The marketing concept stresses on four pillars: (1) target market (2) customer needs (3) integrated marketing and (4) profitability through customer satisfaction."

"Confronting the service quality and customer satisfaction oriented era the emphasis of customer requirement. Service interest and customer satisfaction become the key value proposition of business strategic management. Among them, customer satisfaction is the core value of marketing conception. It originated from "Customer Satisfaction" conducted by AT and T 'Moment of Truth' adopted by a north European airline company and 'Benchmark of Customer Satisfaction' carried out by American Vehicle Field. Moreover, Japanese enterprise values the worth of customer satisfaction and makes the year of 1992 as the year of customer satisfaction.

The reasons that caused this fashionable trend are the changes in consumption. In the 'Rational Consumption age' customers pay attention on function and prices. The criterion is between good and bad. Coming after it is the 'Perceptual consumption Age' customers stress design and usage, and the criteria are between 'like' and 'dislike'. The present 'Touched Consumption Age' focuses on satisfaction and joyfulness; therefore, 'satisfaction' and 'un satisfaction' is the key point. Customer satisfaction has a great impact on business management.

He further adds: The definition of customer satisfaction can be divided into two points:
preference and match

From the view of preference

Oliver (1981) thinks that satisfaction is a transaction specific and emotional reaction. It also means that customer satisfaction is an instant emotional response by using products

in certain condition. Formal (1992) states that satisfaction is a consumptive formation and the level of satisfaction is indicated by the purchasing of the products. Customer satisfaction is an experience- based attitude.

From the view of match

Westbrook (1980) points out that satisfaction is a cognitive evaluation that compares the expectation of the products and the practical requirement. Expectation has a direct relationship with products. As products meet or exceed customer requirements, satisfaction appears. On the other hand, customer satisfaction is the repetition of purchase, loyalty is caused by the customer's requirement desire and exceeded expectation.

Similarly reading the customer satisfaction Reyanaldo V. Villamin of Mc Rey food enterprises of Philippines writes from the experiences of Mc Donalds, in the article named Total management for customer satisfaction in the service industries- A focus on the experiences of Mc Donalds in the journals of Asian Productivity Organization (2000) as:

-) Customer demand value for the money they apply service providers. They demand the best service for the least possible expense.
-) Customers have many options to whom they approach to provide them service.
-) Customers are reasonable individuals that do not necessarily demand perfection. They just need to be dealt with properly should problems with them arise.
-) The impact of a negative experience is greater than that of a positive experience.
-) Securing customers to be loyal is cheaper than securing new customers.
-) Service excellence is a vehicle for long- term company growth.

Now the researcher is going to review some study made by various thinkers which are related to our study topic among them researcher related to a service quality also measure the customer satisfaction. So, it is relevant to put forth here.

(i) Siwakoti Study

He conducted study on Service Quality and Rural Branches Rastra Banijya Bank with special reference to resource mobilization. He used both primary and secondary data for the purpose of analysis. The objectives of the study were as follow:

-) To show the spatial distribution pattern of RBB in Nepal.
-) Assess the service quality of the targeted rural branches of RBB.

J) Evaluate the causes of the present level of service.

Using the various statistical tools, he came to the following conclusion: Majority of the customers had positive attitude to present banking services and minority are dissatisfied with it. The clients consider the given quality of service as a better because of absence of benchmarking. They have not experienced the difference between the service superiority of the other institutions of the same nature. The theoretical concept such as KRA, MBO and the performances evaluation of the staff is not found in the branches of the RBB. Officers and juniors are not concentrated on service quality. So, the service is not oriented to quality services. RBB has rural policy of creating the quality service The performance evaluation system of the bank is a effective rather it is subjective Therefore, the carrier path of the employees are not decided by the service quality

Lastly, he concludes that, the RBB has not performed and planned to deliver quality service to the clients however the rural clients seem satisfied with the quality of the service delivered by the particular locality where the researcher have chosen the research site.

(ii) Sapkota Study

He had made his research on "Customer Satisfaction in Nepalese Joint Venture Banks" and is aimed to assess the performances of Nepalese Joint Venture Banks. This study based on primary data. For this he had developed the questionnaires and collected in the main gate and the exit gate of the banks. His objective of the study was to find:

- Level of Satisfaction of Customer with Nepalese Joint Venture Commercial Banks.
- Analyze Comparative level of services in Nepalese Joint Venture Commercial Banks in term of Customer Satisfaction and Dissatisfaction.
- Also to find the reason for the satisfaction and dissatisfaction.

In this he had taken only the Joint venture banks and done its study separately and made the comparison between these banks only. Respondents had given average weight to all the aspect as environment, behaviour of the employee, information giving, and reliability. But dissatisfaction due to interest, high minimum balance, modern facility and also for queuing in deposit or the payment counter whether the private and public banks.

In his recommendation he had given good types of suggestion in different ground of areas. As such financial services are suggested to provide security. Banks are also suggested to concentrate on convenient locations and to the timely information.

CHAPTER- III

3. RESEARCH METHODOLOGY

3.1 Methodology

It is necessary to choose the appropriate method to carry out the study. There are two parts of this study one is the Banking services and the other is Customer Satisfaction.

3.1.1 Banking Services

For the information collection about the banking services, the web sites and brochures of the concerned banks had been visited. Also, CEOs, Branch managers and Staffs of the banks will also be visited.

3.1.2 Customer Satisfaction

For this, structured questionnaire had been developed and distributed to the customers. This is done at the entry and exit point of the respective banks.

This study is basically base on both Primary data and with time and conditions Secondary data has also been taken.

Primary data is collected by taking face to face interview and making them fill the questionnaire prepared with different people and secondary data are collected from various document related to various web sites, dissertation submitted etc. Whereas, secondary from the newspaper, website too.

3.2 Study Design

3.2.1 Sample Design

It is a blue print (road map) for the study to complete. It is a master plan to work systematically & formally giving general statements of the study. It helps for gathering necessary information and data which is required or used in the study in a reasonable and economic manner to meet the objectives. It is just as a layout drawn by the engineer or artiste for the buildings etc.

"It is a plan, structure and strategy of investigation conceived so as to obtain answer to research questions and to control variances." There are altogether 25 commercial banks currently operating in Nepal. The sample size is calculated on the basis that at least 50% of the customers are satisfied with the services provided by the banks. Also, the size is calculated with 5% level of significance and with 10% error margin. In this way the

representative sample comes out to be 96. For the sake of convenience, the sample size is increased to 120. About 120 questionnaires had been distributed to 120 account holders of the different banks.

3.2.2 Sample

A sample is a part of the population from which it was drawn. Survey research is based on sampling, which involves getting information from only some members of the population.

If information is collected from the whole population, it is known as census. Some surveys, based on very small populations (such as all members of an organization) in fact are censuses and not sample surveys. When census study is carried out, there will be no sampling error.

3.2.2.1 Sample Formula

The statistical formula computed for this study is:

$$n = 4 p*q / e^2$$

Where, n is sample size

p= probability of satisfaction of customers

q= probability of dissatisfaction of customers

e= desired error

3.2.2.2 Sample Size:

When only some units are taken from the whole, it is known as the sample. Sample Size is depended upon the financial resources, time limitations, the nature of the problem and the expertise the research. In this study, altogether 120 questionnaires were distributed, and no major difficulties were experienced. Comments were incorporated within the questionnaires. Random samplings of 84 respondents are selected from the private types of bank whereas 36 respondents are selected from the public types of bank.

S.N.	Bank Category	Respondents
1	Private Bank	84
2	Public Bank	36
Total number of respondents		120

3.2.2.3 Sampling Area

The primary data have been collected from the various branches of commercial banks from Kathmandu and Birgunj.

3.3 Populations and Sample

According to the bulletin published by Nepal Rastra Bank, there are 25 commercial banks in Nepal. Out of which 21 banks are chosen randomly. The study covered the 84% of the total banks of Nepal.

3.4 Questionnaires

It is the collection of the questions.

3.4.1 Questionnaires Design

The questionnaire had designed in such a way that the respondent could understand easily. The structured and semi structured questions have been designed. While designing the questionnaire the following facts have been considered.

1. Preliminary consideration:

what information is required?

who are the target respondents?

what methods of communication will be used to reach these respondents?

what method of analysis is to apply?

2. Decision about question content

3. Decisions about question words/Phrases

4. Decisions about question format

Direct or indirect questions.

Open-ended or closed-ended.

5. Decisions about Question sequence

6. Decisions about physical characteristics of the questionnaire or layout.

7. Pre-coding.

8. Decision about the pretest.

9. Finalization and reproduction

3.4.2 Pre-test of questionnaires

The questionnaires were finalized after taking pre-test from non- sampling areas.

3.5 Data Collection

This study basically based on the primary data collected in the banking premises, the secondary data were also collected as if necessary.

A structured questionnaire designed to collect the required information is given in appendix. Two days Monday and Friday are known as pick days in the commercial banks, in these days' data are not collected. Waiting hall and exit gate of the banks are taken for the information collection. The questionnaires were prepared in English Language to enhance the reliability of the study.

3.5.1 Data Analysis

Data analysis is a tool of discovery. Also, crosscheck of the collected data is made. Thus, the collected data are entered into the microcomputer and carefully edit to produce the quality of the data.

3.5.2 Data Processing Technique

After the questionnaires collected from the concerned banks, data entry had done and the analysis is done with the computer software SPSS 11.5

3.5.3 Method of data analysis

) Percentage (%)

It is a mathematical tool. The observed cell frequencies are expressed in the percentages

) Diagram and graph

These are the picture, which helps to know the true picture of the given different variables.

) Weighted Average

It is a statistical tool, which shows the average of weight of each component multiplied by their respective value divided by total weight. It is given as:

$$\overline{X}_w = \frac{WX}{W}$$

Or,
$$\overline{X}_w = \frac{W_1 X_1 \Gamma W_2 X_2 \Gamma \dots \Gamma W_n X_n}{W_1 \Gamma W_2 \Gamma W_3 \dots \Gamma W_n}$$

where, \overline{X}_w = weighted average

$W_1, W_2 \dots W_n$ = weights attached to each variables

$X_1, X_2 \dots X_n$ are the variables

) **T-test Formula**

$$Z = \frac{\overline{X}_1 - \overline{X}_2}{S.E.(\overline{X}_1 - \overline{X}_2)}$$

Where, $S.E.(\overline{X}_1 - \overline{X}_2) = \sqrt{\frac{t_1^2}{n_1} + \frac{t_2^2}{n_2}}$

\overline{X}_1 = mean of first series

\overline{X}_2 = mean of second series

t_1^2 = standard deviation of first series

t_2^2 = standard deviation of second series

n_1 = number of items of first series

n_2 = number of item of second series

) **Chi Square Test**

$$\chi^2 = \sum \frac{O_i - E_i}{E_i}^2$$

where, O_i = observed frequency, E_i = expected frequency

3.6 Statistical Analysis

The collected data are diagnosed, analyzed and interpreted with the help of various statistical tools.

3.6.1 Statistical tool

The following statistical tools are applied for the analysis of the collected data.

) Average

) Percentage (%)

) Weighted Average

) Mean

) Standard deviation

) T-test

) Chi-square test

3.7 Computer Software

For analyzing the collected data, Statistical Package for Social Science (SPSS) 11.5 is used. The concept note and then the thesis writing are made by using Mind Jet Mind Manager Pro7 Program.

Chapters- IV

4. DATA ANALYSIS AND PRESENTATION

4.1 PART I

4.1.1 Types of Services Provided By the Commercial Banks

There are numbers of bank in our country and also highly competition among them so to be the best; they use to give several services to their customers to attract to increase their transactions. Following are the common services provided by the Commercial banks:

-) Normal Saving.
-) Current Account
-) Fixed Deposits
-) Bank Guarantee
-) ATM
-) SMS Banking
-) Mobile Payment

i) Laxmi Bank:

-) No minimum Balance condition
-) Everyday counts-interest paid on Daily Balance basis
-) Internet-free access
-) ATMs- issued free of cost
-) SMS-free subscription
-) E-mail-free subscription for all credit alerts
-) Free cash withdrawal from any Laxmi Bank's ATMs plus access to all SCT Network ATMs at nominal cost
-) Online
-) Mobile payment Nepal Telecom post paid mobile, Prepaid Mobile, Land line, CDMA

-) 25% discount on loan processing fee on any Home Loans and Home Equity Loans
-) Visa Credit Cards accepted in over 25,000 ATMs and 350,000 outlets across Nepal & India
-) Built-in Personal Reserve Account
-) Prime Life Insurance

ii) Citizen Bank:

Deposits:

1. Normal Saving
 2. Fixed Deposit
 3. Current Account
-) Share Dhani Bachat
 -) Senior Citizen Saving
 -) Citizen Matribhumi Bachat
 -) Citizen Mahila Bachat
 -) Citizen Muna Bachat
 -) Citizen Recurring Deposit
 -) Citizen ZERO Balance
 -) Citizen Saving
 -) Citizen Dollar Saving
 -) Citizen EURO Saving
 -) Citizen GBP Saving
 -) Citizen Fixed Deposit
 -) Citizen Call Deposit (NPR)
 -) Citizen Current Saving
 -) Citizen Bidhyarthi Bachat

) Citizen Special Saving

) Euro Saving Account

Loans & Advance

) Corporate & Commercial Banking

) Citizen SME Finance

) Citizen Auto Loan

) Citizen Mortgage Loan

) Citizen Equipment Finance

) Loan against Citizen Fixed Deposit Receipt

) Other loans

Other Products & Services

) Remittance Services

) Foreign Currency/ Traveler's cheque sales & purchase

) Locker

) ATM service

) Citizen Internet Banking

) Citizen SMS Banking

) NTC PSTN telephone & NTC post paid Mobile Bills Payment Services

) Western Union Money Transfer

) Bill Payment Service

) Citizen Remit

iii) Nepal Industrial And Commerce Bank (NIC):

Deposits:

1. Normal Saving
2. Fixed Deposit
3. Current Account

-) NIC business account.
-) NIC life saving account.
-) NIC Karmashil Bachat Khata.
-) NIC shareholder saving account.
-) NIC Sikshya Kosh.
-) NIC Super Deposit.
-) NIC Saving plus.
-) NIC Corporate Super account.
-) Mero Bachat.

Consumer Banking:

-) NIC Ghar Subidha.
-) NIC Sajilo Karja.
-) NIC Business account.
-) NIC Life Saving.

Transaction Banking:

-) Any Branch Banking System.
-) ATM/Debit card.
-) Fund Transfer.
-) Purchase & Sales of Traveler Cheques.
-) Safe Deposit Locker.

SME Banking:

-) NIC small business Loan.
-) NIC SME Trade & industry Loan.

Bullion Business:

-) NIC Pure Gold.
-) NIC Pure Silver.

iv) Nepal State Bank of India (SBI Bank):

Deposit:

1. Normal Saving
2. Fixed Deposit
3. Current Account

Loan Schemes:

-) Home Loan
-) Vehicle Loan
-) Educational Loan
-) Mortgage Loan
-) Doctor Plus
-) Teacher Plus
-) Overdraft against shares
-) SME Loan for small and medium Enterprises
-) Various facilities for Corporate

Other Facilities:

-) Anywhere Banking (All our Branches are Networked)
-) Safe Deposit Locker at New Road Branch
-) Evening Counter at selected Branches.
-) 24 hours ATM services at Durbar marg & New road Branches
-) Western Union Money Transfer
-) Remittance to India (Bank Draft & SWIFT)
-) SWIFT

v) Sunrise Bank:

Deposit:

1. Normal Saving.
2. Current Account

3. Fixed Deposits

-) Loan
-) Locker system
-) ATM
-) Evening Counter

vi) Kist Bank

Deposit:

1. Normal Saving.
2. Current Account
3. Fixed Deposits

-) Kist Senior Saving
-) Kist Super Saving
-) Kist Khutruke Saving
-) Kist Student Saving
-) Kist salary Saving
-) Kist Saving Account
-) Kist tax free Deposit
-) ATM
-) SMS Banking
-) Debit card
-) ABBS
-) Minor Account
-) Elders Banking

vii) Everest Bank (EBL):

Deposit

1. Fixed Account

2. Saving Account

3. Current Account

) Overdraft

Loans

1. Housing Loan

2. Home Equity Loan

3. Education Loan

4. Loan against mortgage

5. Professional Loan

6. Vehicle Loan

) EBL Property plus

) EBL Debit card

) Anywhere Branch Banking

) Evening Counter

) ATM

) Evening Counter

viii) Bangladesh Bank

Deposit:

1. Normal Saving

2. Fixed Deposit

3. Current Account

) Consortium Finance

) **Loans**

1. Working Capital Loan

2. Term Loan

3. Demand Loan

4. Hire Purchase Loan

5. Education Loan

6. Housing Loan

) Trade Finance

) Letter of Credit

) Bank Guarantee.

) Bills Purchase.

) Remittance Services all over the world.

) Safe Deposit Locker

) ATM (Automated Teller Machine) facility

) ABBS (Any Branch Banking Service) facility

) SMS Banking

ix) Investment Bank:

Deposit:

1. Normal Saving

2. Fixed Deposit

3. Current Account

) Ezee Saving

) E- Banking

) Premier Banking

) ATM

) Utility Payment

) **Loans and Advances**

1. Vehicle Loans

) Credit Card

) Debit Card

) Safe Deposit Locker

) 365 Days Service

) Remittance

x) Development Credit Bank Limited (DCBL):

Deposit:

1. Normal Saving
2. Fixed Deposit
3. Current Account

) Current/Call

) Foreign Exchange Business

) Gurantee. Advisory and consulting Service

) Letter of Credit

) DCBL Cash Credit

) ATM

) Remittance

DCBL Pre Paid Cash

) Investment Banking

) Project Financing

) Working Capital

) Term Loan

) Retail Loan

) Venture Capital

) Foreign Exchange

) Bank Guarantee, Consulting Service and Advisory

) Letter of Credit

) **xi) Prime Bank:**

) **Deposit:**

1. Normal Saving
2. Fixed Deposit
3. Current Account

) **Loan and Advance:**

1. Housing Loan
2. Vehicle Loan
3. Personal/Mortgage Loan
4. Equipment Loan
5. Education Loan

) Overdraft

) ATM

) SMS Banking

) Safe deposit Locker

xii) Nabil Bank:

) **Deposit:**

1. Normal Saving
2. Fixed Deposit
3. Current Account
4. Call Deposit
5. Time Deposit

) Nabil Lok Bachat

) Nabil Student Saving

) Nabil Bachat

) Nabil Jestha Bachat

) Nabil Jestha Muddhati

-) Retirement Fund
-) Provident Fund
-) Miss Player Nabil Nari Bachat

Loans and Advance:

1. Working Capital Loan
2. Fixed Capital Loan
3. Import Loan
4. Bill Discounting Facility under supplier credit
5. Export Loan
6. Hire Purchase Loan
7. Project Finance
8. Mortgage Loan
9. Consortium / Syndication Loan
10. Loan against deposit and government Securities
11. Housing Finance
12. Auto Finance
13. Nabil Property
14. Personal Finance
15. Education Loan

-) Salary Management

E-Banking:

1. Nabil Net
2. Nabil Tele

Remittance:

1. SWIFT Transfer
2. Western Union Money Transfer
3. E-remittance (Qatar, Doha)

4. Travel's Cheques
5. Bank Draft
6. Mail Transfer
7. Manager Check
8. Anywhere Banking Service (ABBS)

) ATM

Cards:

1. Master Card Local
2. Master Card International
3. Visa Local
4. Diner Card
5. for Travel (against Passport)

Debit Card:

1. VISA Electron/ATM Card

) Nabil Prepaid/ NabilKool Cash Card:

) Fund Transfer

) Statement

) Balance Inquiry

) Cheque Statement

xiii) Himalayan Bank (HBL):

) **Deposit:**

1. Normal Saving
2. Fixed Deposit
3. Current Account
4. Premium
5. Call Deposit
6. Bishesh Saving Account

7. Recurring Saving Account

8. Jumbo Term Deposit

) International Banking (Letter of Credit)

) Himal Remit

) Safe Deposit Locker

) **Card Serving:**

1. ATM

2. Credit Card

3. Prepaid Card

4. VISA Debit Card

) SMS Banking

) Internet Banking

) **Loan:**

1. Corporate Loan

2. Retail/ Consumer Loan

3. Small and Medium Enterprise Loan

xiv) Bank of Kathmandu (BOK):

) **Deposit:**

1. Normal Saving

2. Fixed Deposit

3. Current Account

4. Call Deposit:

i. Ladder Saving

ii. General Saving

5. Term Deposit:

i. Sajilo Bachat Yajona

ii. Griha Laxmi Bachat

iii. Shunya Maujat Ma

iv. Sabaiko Bachat Khata

) **Loan:**

1. Corporate Credit

2. Business Credit

3. **Retail Credit/ Consumer Lending:**

i. Housing Loan

ii. Vehicle Loan

iii. Education Loan

iv. Festivity Loan

v. Foreign Employment loan

) **International Trade:**

i. Import Letter Of Credit

ii. Export Letter Of Credit

iii. Banking Guarantee

xv) **Global Bank:**

) **Deposit:**

1. Normal Saving

2. Fixed Deposit

3. Current Account

) Electronic Fund Transfer

) Demand Draft

) Traveller Cheques

) Cash Management

) Money Transfer Company

) Money Transfer Partnership

) Salary Management

-) Gift Cheques
-) Safe Deposit Locker
-) NRB Banking
-) Convenience Banking
-) Debit Card/ ATM
-) VISA Credit Card

xvi) Siddhartha Bank:

) **Deposit:**

1. Normal Saving
2. Fixed Deposit
3. Current Account

) **Corporate Banking:**

1. Business Loan
2. Trade Finance
3. Bank Guarantee
4. Treasury Operation

) Personal and Retail Business

) **Loan:**

1. Siddhartha Home Loan
2. Siddhartha Vehicle Loan
3. Siddhartha Education Loan
4. Siddhartha Personal Loan
5. Loan against fixed deposit

) Remittance

) Debit /ATM

) Safe Deposit Locker

) Evening Banking

) Holiday Banking

) Siddhartha Remit

xvii) Kumari Bank:

) **Personal banking:**

1. Deposit:

- i. Normal Saving
- ii. Fixed Deposit
- iii. Liquid Saving
- iv. Twinkle Star Saving
- v. Subha Laxmi Saving

) **Business Banking:**

- i. Deposit
- ii. Loan
- iii. Foreign Banking:
 - i. Letter Of Credit
 - ii. Forward Contact
 - iii. Bank Guarantee
 - iv. Cash Management
 - v. Clearing

) Salary Management

) Bulk Cash Management

) Remittance

) **Convenience Banking:**

- i. Evening Banking
- ii. Weekend Banking

) **E-Banking:**

- i. Internet Banking

- ii. Mobile Banking
- iii. Utility Bill Payment

xviii) Nepal Credit & Commerce (NCC):

) **Deposit:**

- i. Normal Saving
- ii. Fixed Deposit
- iii. Current Account

) Minimum Balance Zero

) Interest rate: 0.05% additional than NCC normal saving a/c

) Additional 0.05% interest rate on fixed deposit account of shareholders

) 50% discount on ABBS

) 50% discount on Issuance of Travelers Cheques and Drafts.

) Family Members of Shareholders maintaining Saving Accounts with the Bank are provided benefits of NCC Bank Shareholders Account as well.

) Free ATM card

) Internet/ SMS Banking Facility

) 365 days banking/ Evening Counter

) Telephone Bill Payment Facility

) **Insurance:**

i. Medical Insurance up to Rs. 10,000/

ii. Accidental Insurance up to Rs. 5, 00,000/

) Home Loan

) NCC Jestha Nagarik Suraksha Khata

) NCC Bal Suraksha Khata

) NCC SMS Banking

xix) Lumbini bank:

) **Deposit:**

- i. Current Account
- ii. Saving Account
- iii. Fixed Account
- iv. Call Deposit Account
- v. Lumbini Saving
- vi. Nari Bachat
- vii. Premium Saving
- viii. Premium Call Deposit

) **Loan:**

- i. Consortium Finance
- ii. Deprived Sector Loan
- iii. Educational Loan
- iv. Hire Loan
- v. Housing Loan
- vi. Loan Against FDR
- vii. Loan Against HMG Securities
- viii. Mortgage Loan
- ix. Overdraft/ Hypothecative
- x. Personal Loan
- xi. Priority Sector Loan
- xii. Term Loan
- xiii. Time Loan
- xiv. TR Loan
- xv. Working Capital Loan

) Trade finance

-) Letter Of credit
-) Remittance
-) SME Banking
-) ABBF
-) Treasury
-) Foreign Exchange
-) Safe Deposit Locker
-) 365 Days working hours.

xx) Bank of Asia (BOA):

) Deposit (local & foreign):

- i. Sulav Bachat
- ii. Samridhi Bachat
- iii. Special Saving Scheme
- iv. Fixed Deposit
- v. Call Deposit
- vi. BOA Karmachari Bachat Khata
- vii. BOA Nari Shakti Bachat Khata
- Viii. BOA So Plus
- ix. BOA Shareholder's Account
- x. i-touch (internet banking)

) Loan & Advance:

- i. Corporate Banking
- ii. Buss Banking
- iii. Enterprise Financial Solution
- iv. Auto Loan
- v. Home Loan
- vi. Loan Against Asset

-) Online Services
-) Standing Instruction
-) Cash & Bill Management
-) Remittance
-) Safer Deposit Locker
-) Debit Card

xxi) Machhapuchre Bank (MBL):

) Deposit:

- i. Current Deposit
- ii. Call Deposit
- iii. Saving Deposit
- iv. Pawa Bachat
- v. Fixed / Term Deposit
- vi. Shareholder's Account
- vii. Yuva Bachat
- Viii. Salary Management
- ix. Royalte Saving Deposit
- x. Uchcha Shikha Bachat

) Loan & Advance:

- i. Term Loan
- ii. Working Capital
- iii. Trust Receipt
- iv. Packing Credit
- v. Home Loan
- vi. Education Loan
- vii. Hire Purchase Loan
- viii. Loan Against Securities

ix. Privilege Loan

-) Trade Finance
-) Safe Deposit Locker
-) Evening Counter
-) 365 Days Banking
-) Mobile Debit Card
-) Internet Banking
-) Any Branch Banking
-) Money To Nepal
-) Remittance
-) MBL Debit Card

xxii) Agriculture Development Bank (ADB):

) **Basic Operation:**

- i. Agriculture & Rural Finance
- ii. Commercial Banking
- iii. Micro Finance

Rastiya Banijya Bank (RBB) :

) **Deposit:**

- i. Current Account
- ii. Saving Account
- iii. Fixed Deposit

) **Credit:**

- i. Corporate Banking
- ii. Retail Banking

-) Remittance
-) Interest Rate
-) Data sheet

) SFAF Service

) Loan

) Trade Finance

xxiii) Standard Chartered Bank:

) **Deposit:**

i. Current Account

ii. Saving Account

iii. Fixed Deposit

) **Priority Banking:**

i. Priority Solution

ii. Priority Solution

iii. Priority Service

iv. Internet Services

v. Resource Center

) **Private Banking:**

i. Managing Your Wealth

ii. Investor's Lounge

iii. Learning Center

iv. Concierge

v. Online Service

) **SME Banking:**

i. Cash Management

ii. SME Treasury Service

iii. Trade Finance & Working Capital

iv. Loans & Mortgage

) **Wholesale Banking:**

i. Transaction Banking

- ii. Financial Marketing
- iii. Corporate Finance
- iv. Principal Finance

) **Loans & Advance:**

) ATM Debit Card

) Remittance

4.2 PART II

4.2.1 Customer Satisfaction Analysis

Table 1
Cross Tabulation of Age and Gender

Age Group	Gender		Total
	Male	Female	
18-25	14 20.6%	18 34.6%	32 26.7%
26-33	25 36.8%	22 42.3%	47 39.2%
34-41	14 20.6%	7 13.5%	21 17.5%
42-49	10 14.7%	2 3.8%	12 10.0%
50-57	1 1.5%	2 3.8%	3 2.5%
58-65	4 5.9%	1 1.9%	5 4.2%
Total	68 100.0%	52 100.0%	120 100.0%

Source: field survey by researcher

The Above table 1 shows that out of 120 sample respondents 26.7 %are from the age group of 18-25. The highest proportion is from the age group of 26-33 constituting 39.2%. Similarly, 17.5% are from the age group of 34-41, 10.0 % are from the age group of 42-49, 4.2% are from the age group of 58-65. The least proportion is from the age group of 50-57 with 2.5%.

Analyzing gender wise, out of 68 male respondents the highest proportions are from the age group of 26-33 with 36.8%. Similarly, 20.6% of the male respondents are from the age group of 18-25 and 34-41 each. The least percentage is from the age group of 50-57 with 1.5%. Out of 52 female respondents, the highest percentage is from the age group of

26-33 constituting 42.3%. The least percentage is from the age group of 50-57 constituting 2.5%.

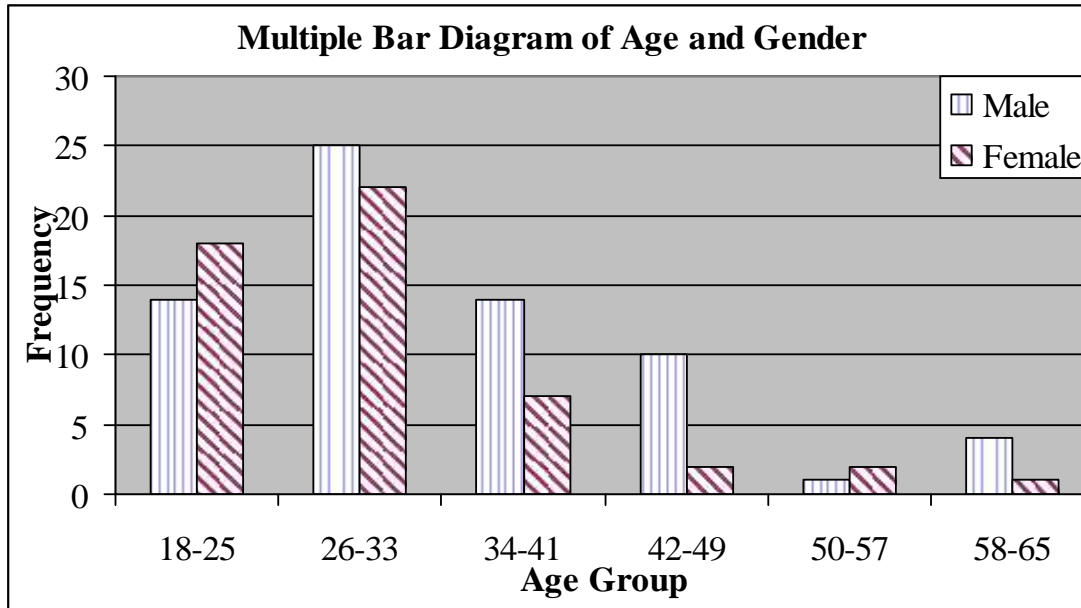


Table 2
Cross Tabulation of Religion and Gender

Religions	Gender of the customers		Total
	Male	Female	
Hindu	46 56.1%	36 43.9%	82 100.0%
Buddhist	10 52.6%	9 47.4%	19 100.0%
Muslims	4 66.7%	2 33.3%	6 100.0%
Others	8 61.5%	5 38.5%	13 100.0%
Total	68 56.7%	52 43.3%	120 100.0%

Source: field survey by researcher

The Above table 2 shows that out of total sample respondents, 68.3% (82 out of 120) are from Hindu religion where as 15.8% (19 out of 120) are from Buddhist religion. Similarly, 5.0% (6 out of 120) are from Muslim religion and 10.8% (13 out of 120) are from other kind of religion.

Out of 82 Hindu Religion of sample respondents in which 56.1% male and 43.9% female where as 19 Buddhist Religion of sample respondents in which 52.6% male and 47.4% female. Similarly, Muslim Religion of sample respondents in which 66.7% male and 33.3% female and 13 under other kinds of religion of which 61.5% male and 38.5% female.

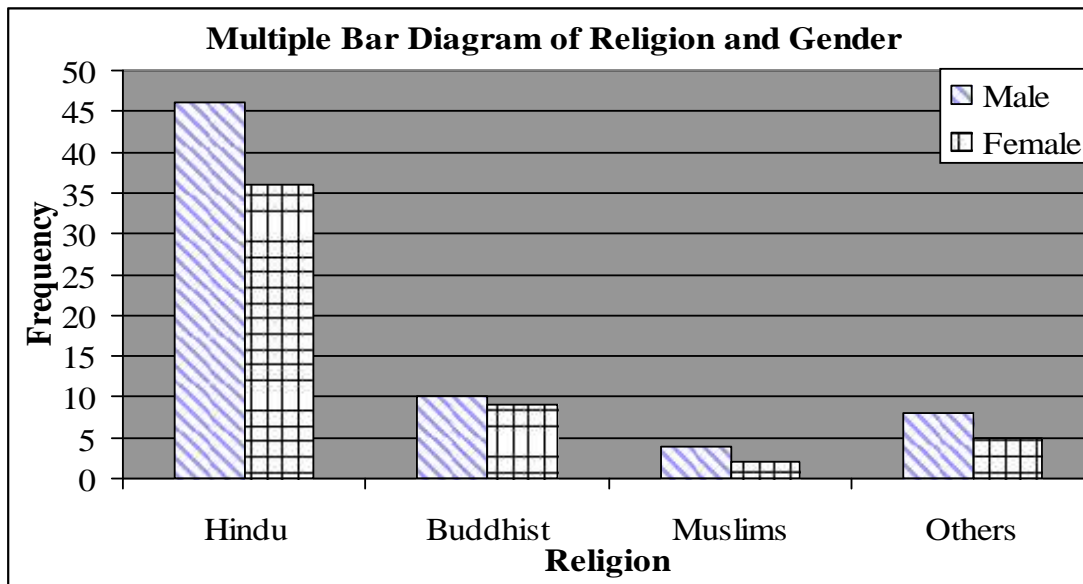


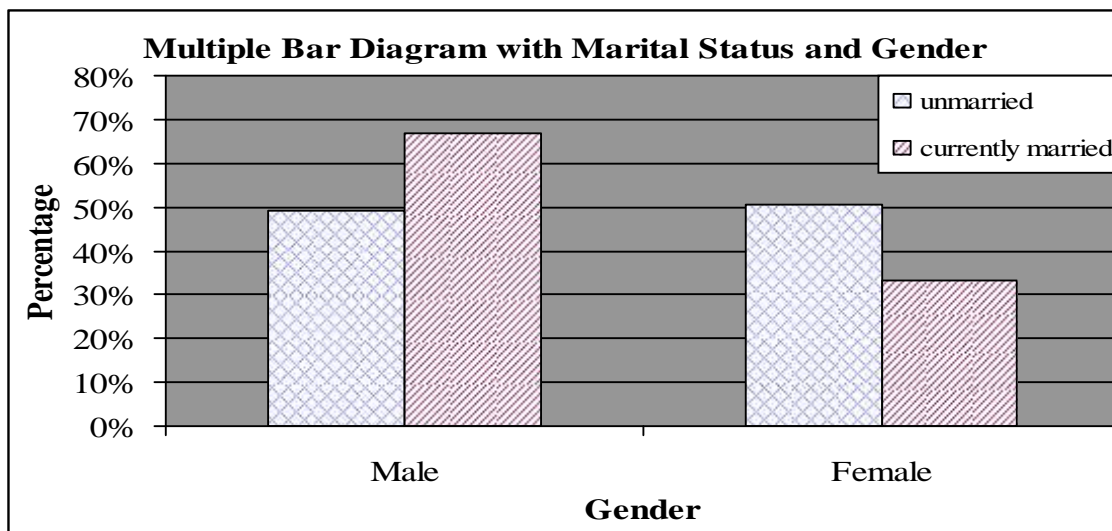
Table 3
Cross Tabulation of Marital Status and Sex

Status	Gender of the customers		Total
	Male	Female	
Unmarried	49.3%	50.7%	100.0%
Currently married	66.7%	33.3%	100.0%
Total	56.7%	43.3%	100.0%

Source: field survey by researcher

From the above table 3, it depicts that among the unmarried 49.3% are males and 50.7% are females. Similarly, out of the currently married sample respondents there are 66.7% males whereas 33.3% females.

It is clear from the above table that the percentage of male is more as compared to female out of the whole sample respondents.



SAMPLE CHARACTERISTICS ANALYSIS

Table 4
Cross Tabulation of Bank Type and Account Type

Bank Type	Account type			Total
	Current	Saving	Fixed	
Private	8 9.5%	73 86.9%	3 3.6%	84 100.0%
Public	2 5.6%	31 86.1%	3 8.3%	36 100.0%
Total	10 8.3%	104 86.7%	6 5.0%	120 100.0%

Source: field survey by researcher

Out of the 84 sample respondents of the private banks, the highest proportions of the account holders are found to be in the saving account with 86.9%. The least proportions are found to be in the fixed type of Account with 3.6% current type of account holders is found to be 9.5%.

Similarly, out of the 36 sample respondents of the public banks, the highest proportions are again in the saving account with 86.1%. The least proportions are in the Current account with 5.6%.

Out of 120 Account holders, 8.3% are in current type of account, 86.7% are in saving account and 5.0% are in fixed account. It is to be noted here that highest percentage is seen in saving deposit account in both private and public banks.

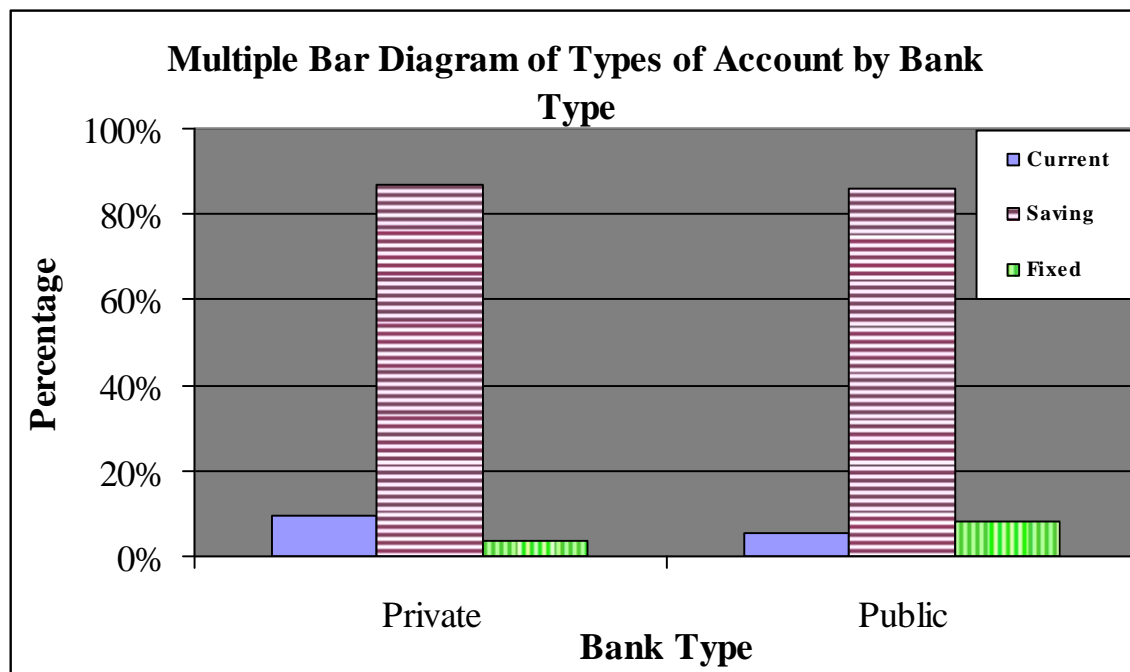


Table 5
Cross Tabulation of Bank Type and Account Types (Official or Personal)

Bank Types	Account Types		Total
	Official	Personal	
Private	10 11.9%	74 88.1%	84 100.0%
Public	3 8.3%	33 91.7%	36 100.0%
Total	13 10.8%	107 89.2%	120 100.0%

Source: field survey by researcher

The above table 5 depicts the data on types of account holders. In private banks there are 11.9% official type of account and 88.1% personal type of account.

Similarly, in public banks there are 8.3% respondents have official type of account and 91.7% respondents have personal type of account.

As compared to both the bank maximum percentage lies in personal account type.

Out of 120 sample accountholder respondents 10.8% are in official type of account where as 89.2 % are in personal type of account.

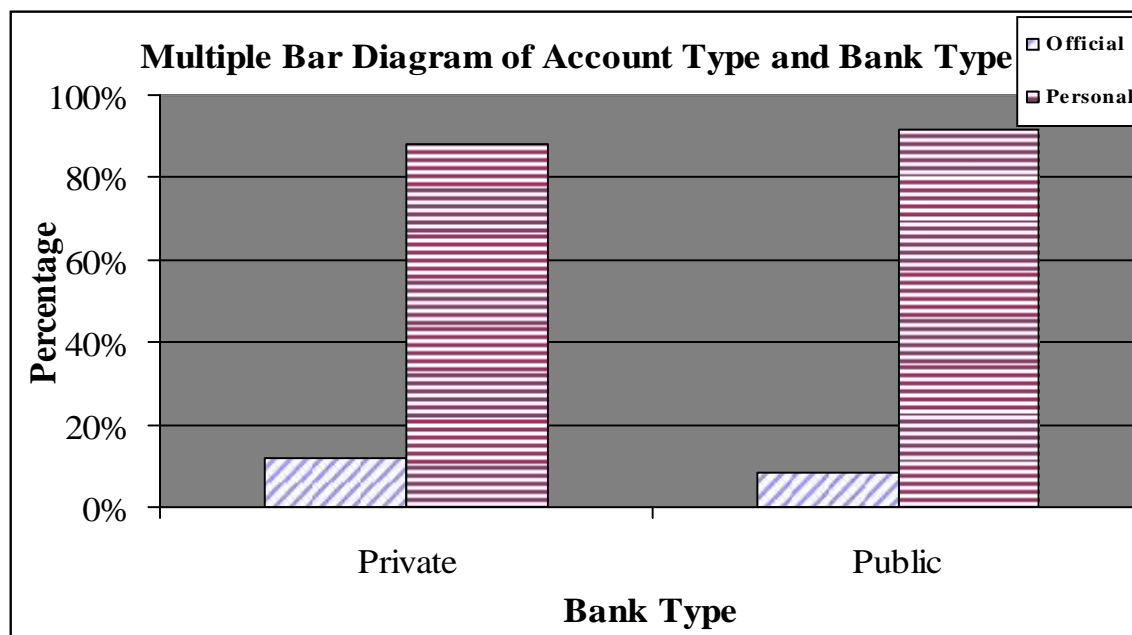


Table 6
Cross Tabulation of Bank Type and the Reason of Opening an Account

Bank Type	Reasons					Total
	Security	Easy to operation	Facilities	Opportunity for other banking service	Others	
Private	23 27.4%	36 42.9%	17 20.2%	1 1.2%	7 8.3%	84 100.0%
Public	9 25.0%	12 33.3%	3 8.3%	3 8.3%	9 25.0%	36 100.0%
Total	32 26.7%	48 40.0%	20 16.7%	4 3.3%	16 13.3%	120 100.0%

Source: field survey by researcher

The table above shows that the highest percentage of the clients of the private bank 42.9% said that they open the account in the private bank because of easiness of the operation. 27.4% respondents expressed that they open the account because of security. The least percentage with 1.2% reported that they opened the account because of opportunity provided by the banks.

In public bank the highest proportion 33.3% said that they open an account because of the easiness of the operation. Similarly, 25.0% said the reason as the security, 8.3% said because of the facilities provided by the bank and the same percentage expressed the reason as opportunity for the other banking services.

Out of 120 sample respondents the highest 40.0% reported the reason of opening account as easy to operate, 26.7% said because of the security, 16.7% said as facilities provided by the banks, 13.3% in others and 3.3% in opportunities.

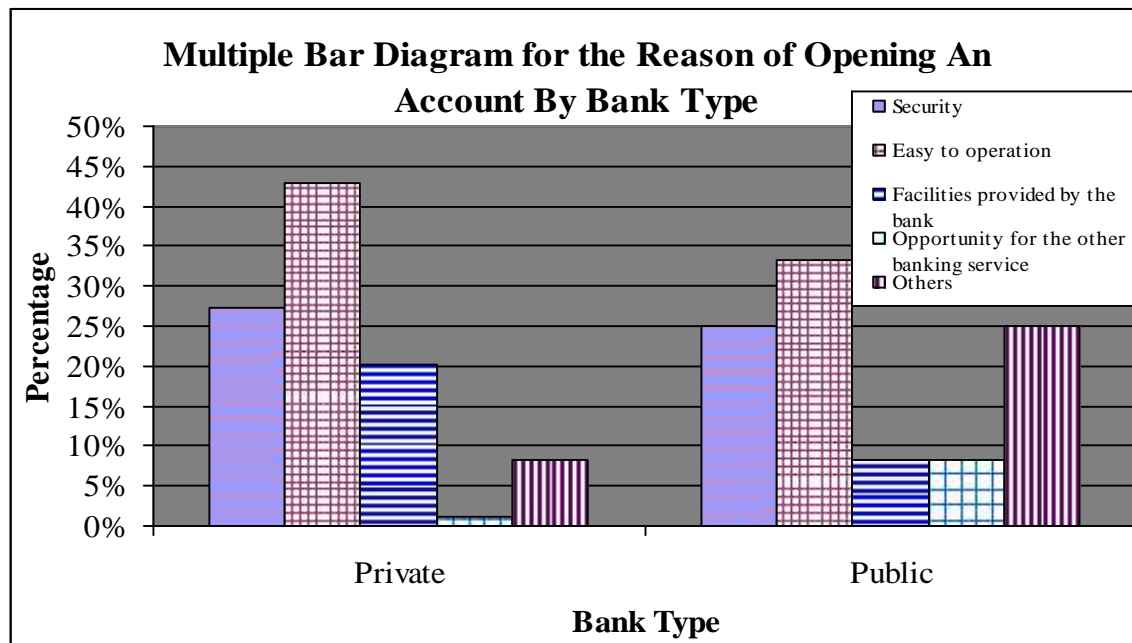


Table 7**Average Queuing Time in Deposit Counter (in Minutes)**

Bank Types	Mean	N	Std. Deviation	Minimum	Maximum	P value
Private	14.68	84	7.211	4	35	0.023
Public	18.33	36	9.487	5	40	
Total	15.78	120	8.098	4	40	

Source: field survey by researcher

From the above table it is clear that the mean queuing time in deposit counter of the private bank found to be less in comparison to public bank. The mean time in private bank is 14.68 minutes and 18.33 minutes in public bank. It means that there is more time taking in public bank than that of in private bank at deposit counter.

The minimum and maximum queuing time in the deposit counter is 4 minutes and 35 minutes for private bank and 5 minutes and 40 minutes for public banks respectively.

In this regard, t-test has been carried out to verify statistically that the observed means are significantly different or not. Since P value is $0.023 < 0.05$, it is concluded that the customer have to spent more time in public banks than in private banks in the deposit counter.

Table 8**Cross Tabulation of Queuing for Deposit Counter by Bank type**

Bank Types	Time (in minutes)				Total
	1-10	11-20	21-30	31and above	
Private	31 36.9%	39 46.4%	13 15.5%	1 1.2%	84 100.0%
Public	10 27.8%	16 44.4%	5 13.9%	5 13.9%	36 100.0%
Total	41 34.2%	55 45.8%	18 15.0%	6 5.0%	120 100.0%

Source: field survey by researcher

The highest proportion 45.8% of the respondents said that their queuing time is 11-20 minutes whereas 34.2% stated that they spent 1-10 minutes in the deposit counter. The least percentage with 5.0% reported that they spent 31 and above minutes in the deposit counters. Similarly 15% respondents said that it took 21-30 minutes in the deposit counter.

Observing the time taken in deposit counter of the private and public bank, it is clear from the table that the public banks are also in competition with newly established and sophisticated service provider private banks.

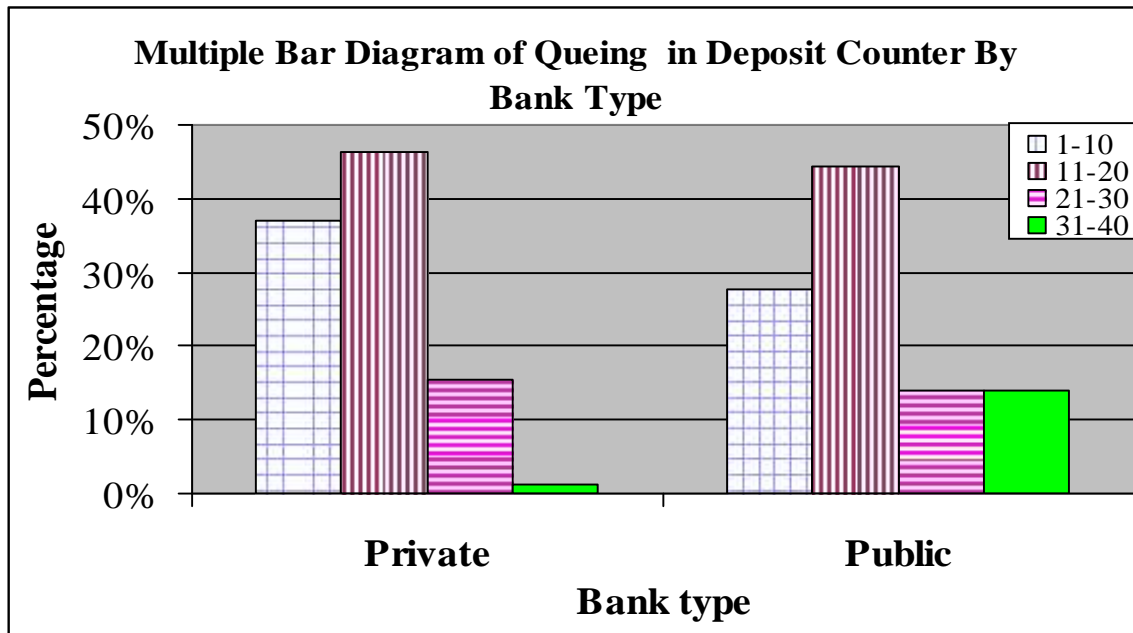


Table 9

Average Queuing Time in Payment Counter (in minutes)

Bank Types	Mean	Nos.	Standard Deviation	Minimum	Maximum	P Value
Private	12.75	84	6.844	3	30	0.012
Public	16.81	36	9.573	5	40	
Total	13.97	120	7.944	3	40	

Source: field survey by researcher

From the above table it is to be noted that the mean time of the private bank is less in comparison to public bank with 12.75 minutes and 16.81 minutes respectively. It means that there is more time taking in public bank than that of private bank at payment counter. The minimum and maximum time taken for public and private banks is 3 minutes and 30 minutes and 5 minutes and 40 minutes respectively.

The t-test carried out for the equality of the two means suggests that there is significantly difference between the two means and is concluded that the mean queuing time of the public banks is certainly more than in private banks.

Table 10

Cross Tabulation of Queuing in Payment Counter by Bank Types

Bank Types	Time (in minutes)				Total
	1-10	11-20	21-30	31 and above	
Private	38 45.2%	40 47.6%	6 7.1%	0 .0%	84 100.0%
Public	12 33.3%	18 50.0%	2 5.6%	4 11.1%	36 100.0%
Total	50 41.7%	58 48.3%	8 6.7%	4 3.3%	120 100.0%

Source: field survey by researcher

The highest proportion 48.3% of the respondents said that their queuing time is 11-20 minutes whereas 41.72% stated that they spent 1-10 minutes in the payment counter. The least percentage with 3.3% reported that they spent 31 and above minutes in the payment counters. Similarly 6.7% respondents said that it took 21-30 minutes in the payment counter.

Observing the time taken in payment counter of the private and public bank, it is clear from the table that the public banks are also in competition with newly established and stylish service provider private banks.

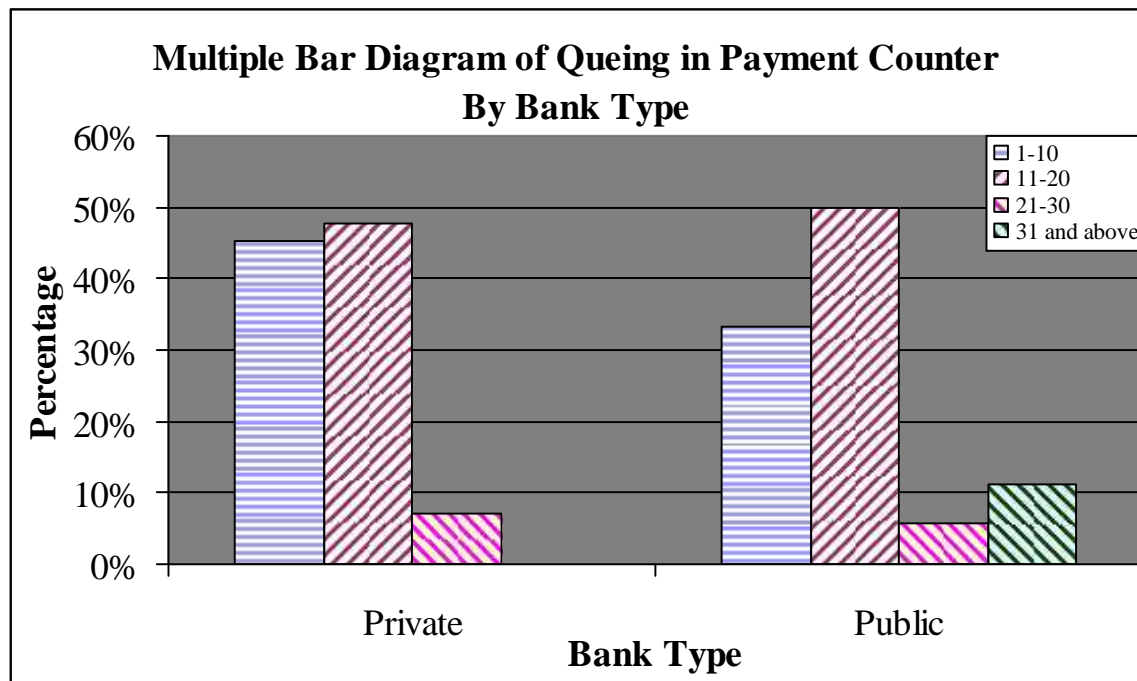


Table 11
Cross Tabulation of Bank Type and their Services

Bank Types	Service Category				Total	P value
	Satisfactory	Attractive	Quiet Good	Boring		
Private	32 38.1%	8 9.5%	40 47.6%	4 4.8%	84 100.0%	.000
Public	15 41.7%	2 5.6%	6 16.7%	13 36.1%	36 100.0%	
Total	47 39.2%	10 8.3%	46 38.3%	17 14.2%	120 100.0%	

Source: field survey by researcher

The respondents are asked to rate the services provided by the banks and they were categorized namely satisfactory, attractive, quiet good and boring.

The above table 9 shows that private banks provide good services as compared to public banks. So, in private banks the highest proportions with 47.6% expressed that the service provided by the banks are quiet good followed by 38.1% in satisfactory category. Similarly, 9.5% said that the services provided by the bank are attractive and the least proportion with 4.8% get bore with their services.

In public banks, 41.7% said that they are satisfied with the services provided by bank but a large proportions with 36.1% said that they are bored with the services. Only, 5.6% said that they are attracted by the services and 16.7% expressed that the services are quite good.

P value $.000 < .05$ (Chi-square test) shows that there is highly significant difference between the services of private banks and public banks.

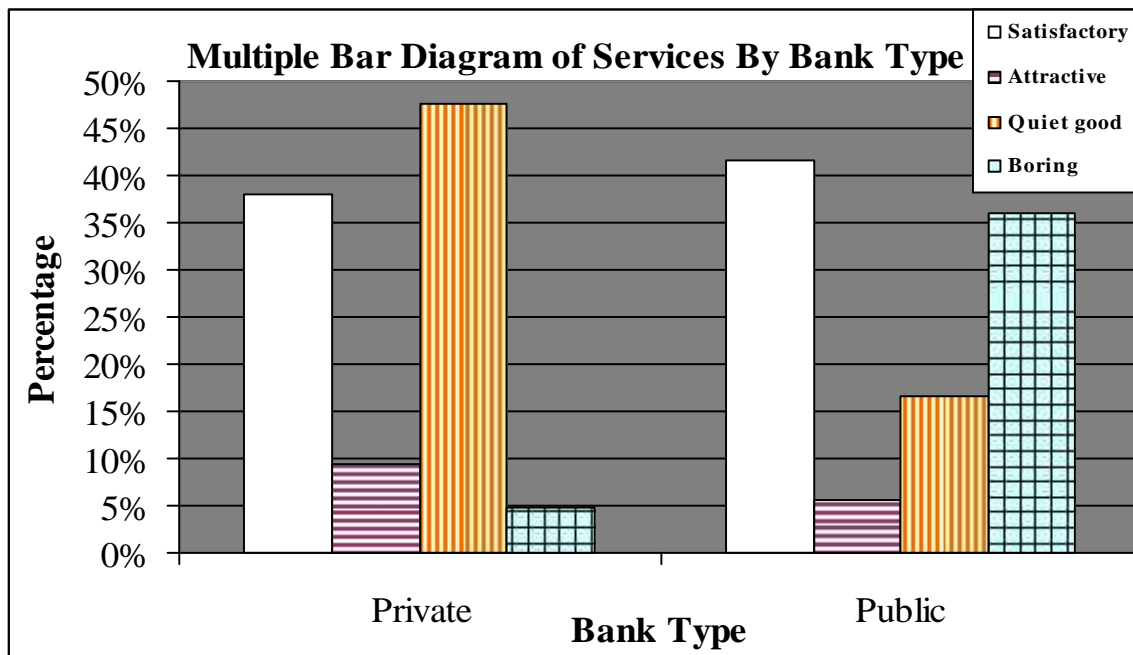


Table 12
Cross Tabulation of Bank Type and their Physical Facilities

Bank Types	Physical facilities				Total
	Highly satisfied	Satisfied	Indifference	Dissatisfied	
Private	6 7.2%	53 63.9%	23 27.7%	1 1.2%	83 100.0%
Public	0 .0%	21 58.3%	12 33.3%	3 8.3%	36 100.0%
Total	6 5.0%	74 62.2%	35 29.4%	4 3.4%	119 100.0%

Source: field survey by researcher

Note: 1 non respondent case.

Out of 83 sample respondents of private bank, majority with 63.9% respondents reported that the physical facilities provided by the bank is satisfied. Whereas 27.7% reported that they felt no difference with regard to other banks. Similarly, 7.2% said that they are highly satisfied and 1.2% said that they are dissatisfied with the physical facilities of the bank.

In public bank, the highest percentage with 58.3% of the respondents said that the physical facilities provided by the bank is satisfied followed by 33.3% felt no change with regard to other banks. Whereas 8.3% are dissatisfied.

It is noteworthy that no one respondent said that the physical facilities provided by the public bank are highly satisfied.

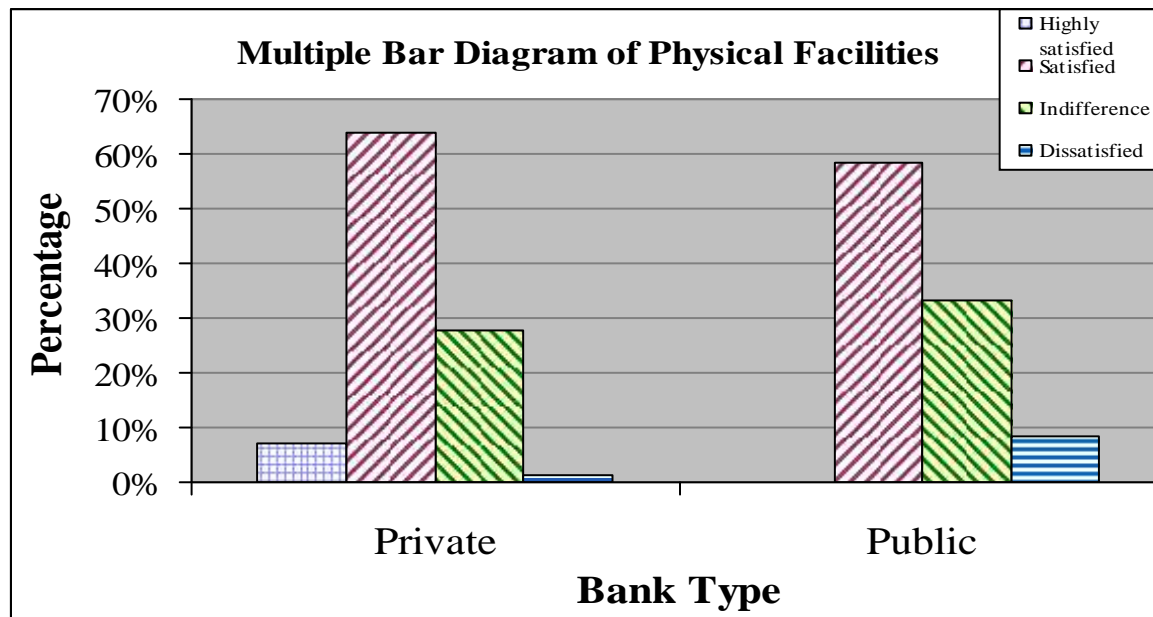


Table 13

Cross Tabulation of Bank Type with the Locker System Satisfaction

Bank Types	Satisfaction			Total
	Yes	No	Don't know	
Private	27 35.5%	4 5.3%	45 59.2%	76 100.0%
Public	15 45.5%	6 18.2%	12 36.4%	33 100.0%
Total	42 38.5%	10 9.2%	57 52.3%	109 100.0%

Source: field survey by researcher

Note: 11 non respondent cases.

The above table 12 noted that locker facility in now a day is important to all but still there are some banks that doesn't have locker system facility in some branches. In private bank the proportion of satisfied with this service is 35.5%, not satisfied is 5.3% and one who don't know about the facility is 59.2%. In this the highest is in don't know category with 59.2% and least is in not satisfaction with 5.3%.

In public bank one who is satisfied is 45.5%, not satisfied is 18.2% and not knowing about the facility is 36.4%. Similarly, in public type of banks the highest percent is 45.5% and least is 36.4%.

It says that every bank should have locker facility as it is very much need by every people now a days.

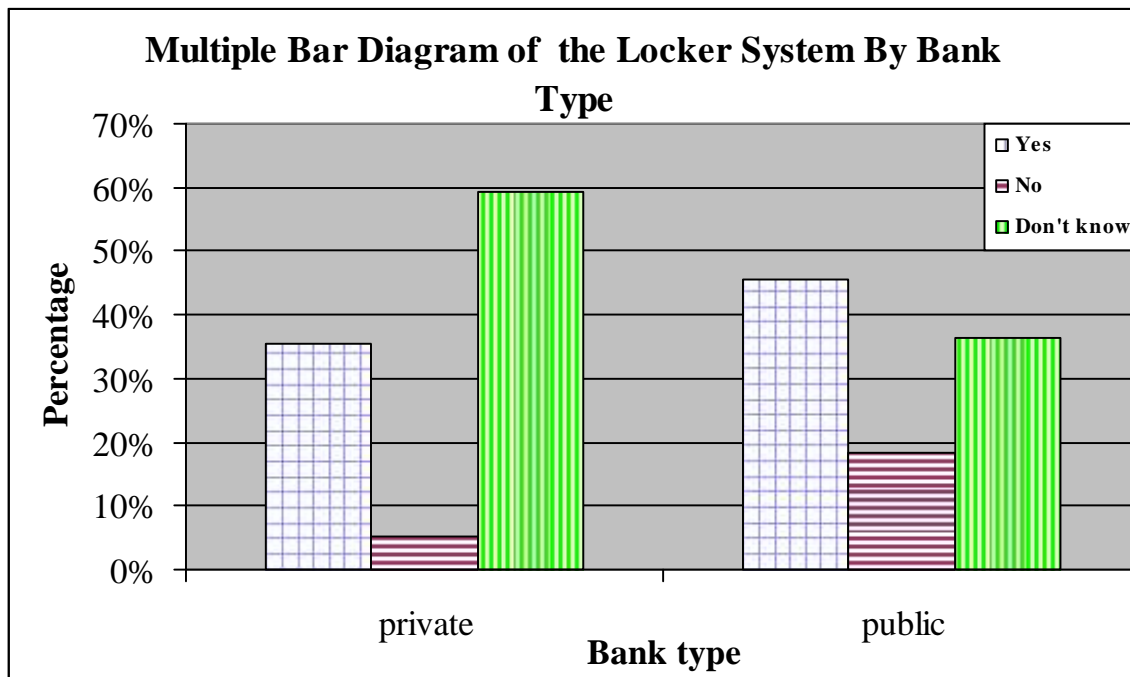


Table 14**Cross Tabulation of Bank Type and their Employee Behaviour**

Bank Type	Employee Behaviour					Total	P value
	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Strongly dissatisfied		
Private	7 8.4%	45 54.2%	25 30.1%	5 6.0%	1 1.2%	83 100.0%	.019
Public	0 .0%	12 33.3%	16 44.4%	6 16.7%	2 5.6%	36 100.0%	
Total	7 5.9%	57 47.9%	41 34.5%	11 9.2%	3 2.5%	119 100.0%	

Source: field survey by researcher

Note: 1 non respondent case.

This table 13 shows the response of customer towards the employee behaviour of the banks. This is one of the satisfaction factors of the customers towards the banks. There are no customers who rate bank by the name but by the behaviour of the employees.

The analysis shows that in private bank 8.4% are highly satisfied, 54.2% is satisfied, 30.1% are neutral, 6.0% are dissatisfied and 1.2% are strongly dissatisfied. In this the maximum percentage lies in satisfied zone with 54.2% and the minimum with 1.2% are strongly dissatisfied.

Similarly, in public bank none of the respondents said they are highly satisfied, 33.3% said that they are satisfied, 44.4% neutral, 16.7% are dissatisfied and 5.6% are strongly dissatisfied. But within them maximum is 44.4% in neutral zone and minimum none of them are highly satisfied.

Out of 119 sample respondents, 5.9% are highly satisfied, 47.9% are satisfied, 34.5% are neutral, 9.2% are dissatisfied and 2.5% are strongly dissatisfied. From this it can be said that people are affected by the behaviour of the employee of the bank.

P values 019 <.05 (Chi-square test) shows that there is a significant difference between the behaviour of the private banks staffs and public banks staffs.

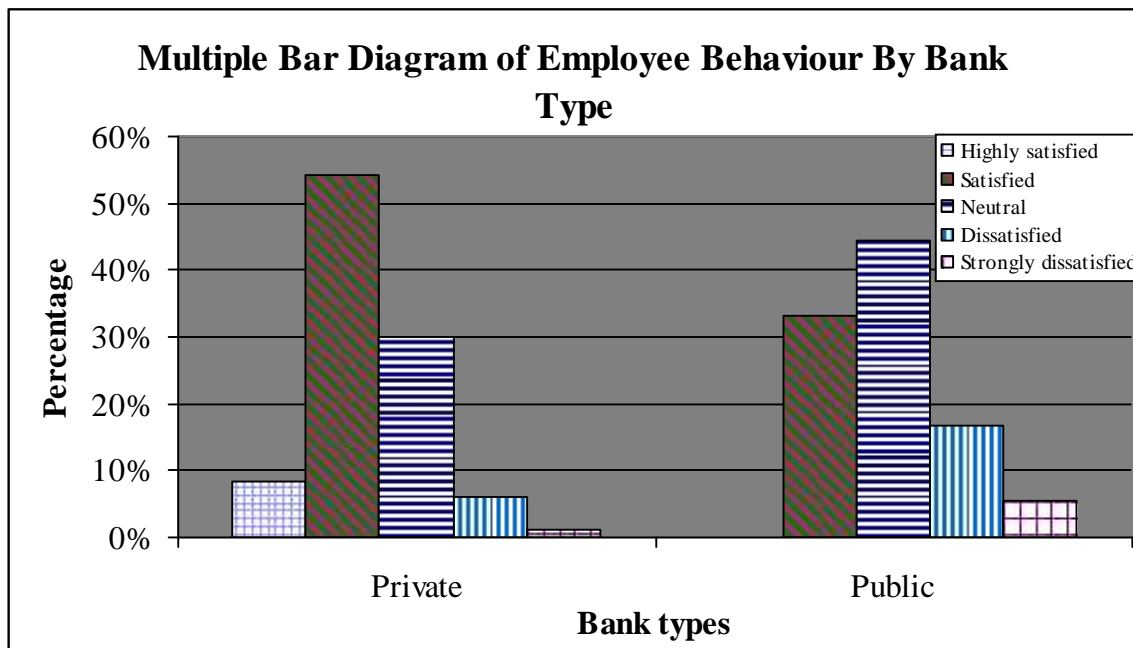


Table 15
Cross Tabulation Bank Type and Feeling about the Programme Oriented by Bank

Bank Types	feeling					Total
	Highly Satisfy	Satisfy	Dissatisfied	So so	Strongly Dissatisfied	
Private	2 2.4%	40 48.2%	3 3.6%	38 45.8%	0 .0%	83 100.0%
Public	0 .0%	15 41.7%	6 16.7%	12 33.3%	3 8.3%	36 100.0%
Total	2 1.7%	55 46.2%	9 7.6%	50 42.0%	3 2.5%	119 100.0%

Source: field survey by researcher

Note: 1 non respondent case.

The table 14 highlights the feeling of the customers about the programme oriented by the bank. The ranks are named as highly satisfied, satisfy, dissatisfied so so and strongly dissatisfied. In private bank 2.4% are highly satisfied, the highest proportion 48.2% are satisfied, 3.6% are dissatisfied and 45.8% so so, and none are strongly dissatisfied.

Similarly, in public banks no one is highly satisfied, 41.7% are satisfied, 16.7% are dissatisfied, 33.3% are so so and 8.3% are strongly dissatisfied. Here, the maximum is 41.7% are satisfied and no one is highly satisfied.

Out of 119 respondents 1.7% is highly satisfied, 46.2% is satisfied, 7.6% is dissatisfied, 42.0% is so so and 2.5% are strongly dissatisfied. Here the maximum is in satisfaction zone with 46.2% and the minimum is 1.7% is highly satisfied. We can also say that programme also help them.

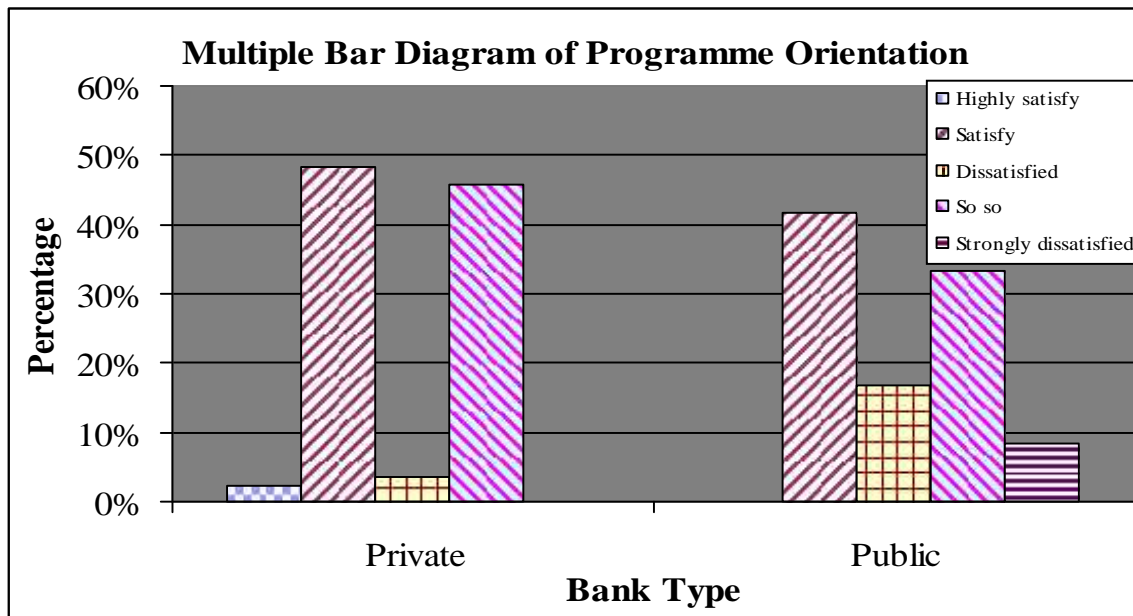


Table 16
Cross Tabulation of Bank Type and their Interest Rate

Bank Types	Interest Rate					Total
	Highly satisfied	Satisfied	Neutral	Dissatisfied	Strongly dissatisfied	
Private	5 6.0%	19 22.9%	40 48.2%	18 21.7%	1 1.2%	83 100.0%
Public	0 .0%	6 16.7%	9 25.0%	18 50.0%	3 8.3%	36 100.0%
Total	5 4.2%	25 21.0%	49 41.2%	36 30.3%	4 3.4%	119 100.0%

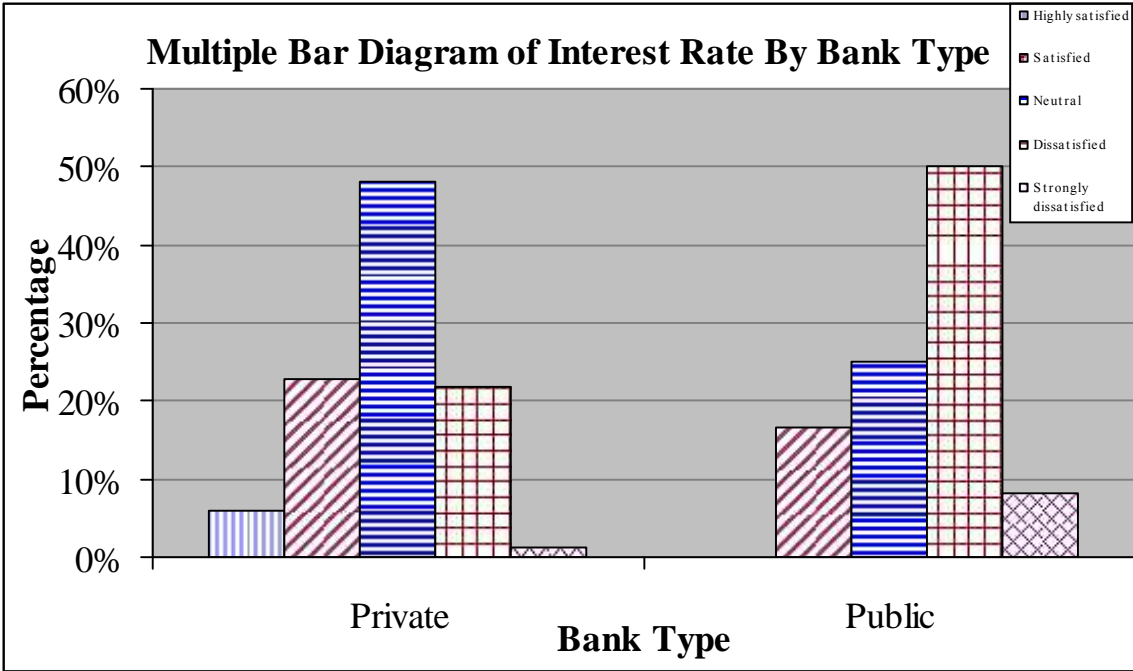
Source: field survey by researcher

Note: 1 non respondent case.

From table 15 to be noted interest rate has the great influence for the satisfaction to the customers. It can be concluded that as a determinate of satisfactory factor interest rate affect differently in different banks. In private bank 6.0% is highly satisfied, 22.9% satisfied, 48.2% is neutral, 21.7% is dissatisfied and 1.2% is strongly dissatisfied. The maximum is 48.2% and minimum is 1.2%.

Similarly, in public bank no one is highly satisfied, 16.7% is satisfied, 25.0% is neutral, 50.0% is dissatisfied and 8.3% is strongly dissatisfied. The maximum is 50.0% and no one is in minimum.

Out of 119 respondents 4.2% is highly satisfied, 21.0% is satisfied, 41.2% is neutral, 30.3% is dissatisfied and 3.4% is strongly dissatisfied.



4.2.1.1 Analysis of Comparative Performance of Commercial Banks in Terms of Customer Satisfaction Level

In this section we have taken eight points rating scale from very good to poor in ascending order for the analysis of customer satisfaction. The analysis of this has been presented below:

Table 17

Good Interest Rate

Bank Types	Good interest rate								Weighted average
	1	2	3	4	5	6	7	8	
Private	7	1	4	33	17	9	7	6	4.6
Public	0	0	9	0	9	6	3	9	5.5

Source: field survey by researcher

Most of the customer opens their bank account for the reason of good interest rates. The following table shows the satisfaction level of the good interest rate between private and public bank.

From the above table it can be noted that the satisfaction level of the private bank is high than in the public bank.

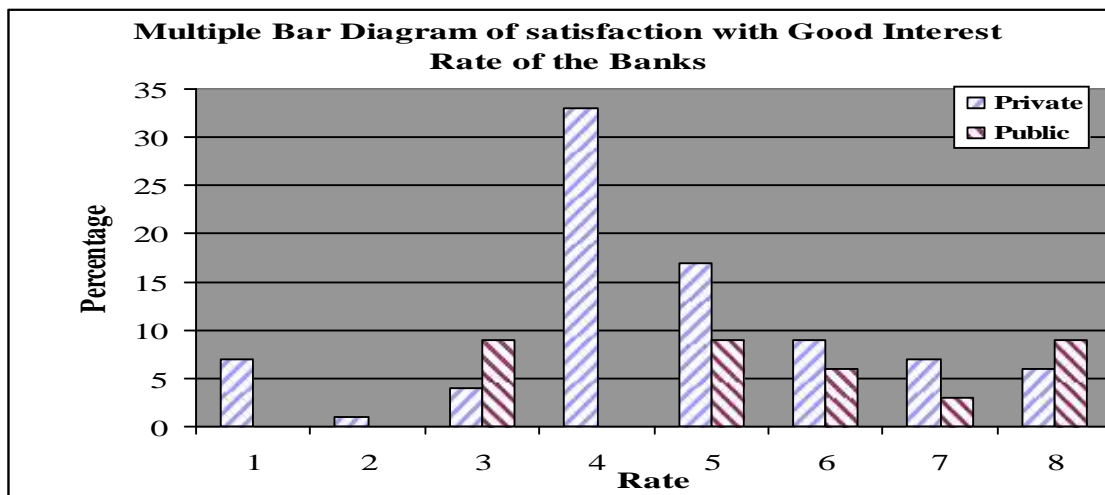


Table 18

Fast and Correct Services

Bank types	Fast and correct service								Weighted average
	1	2	3	4	5	6	7	8	
Private	1	22	16	14	14	12	1	4	3.91
Public	0	0	9	6	12	3	0	6	4.92

Source: field survey by researcher

Now a day the attraction of more customers are attracted by the services provided by the banks at fast and corrective way. The following table shows the satisfaction level of the fast and correct service between private and public bank.

From the above table it can be noted that the satisfaction level of the private bank is high than in the public bank.

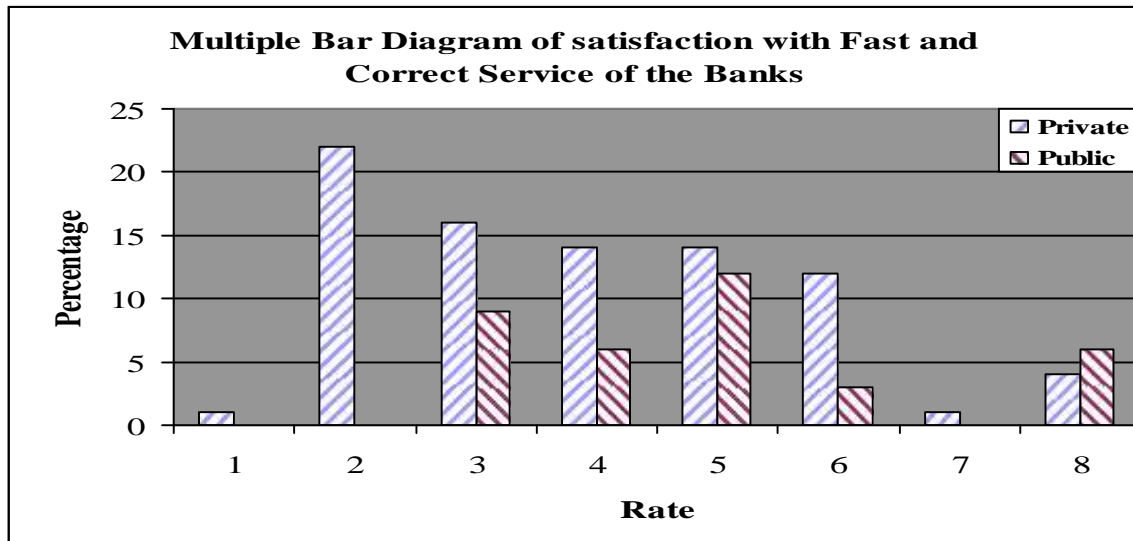


Table 19

Reliability

Bank types	Reliability								Weighted average
	1	2	3	4	5	6	7	8	
Private	34	23	8	7	10	0	1	1	2.31
Public	6	18	0	3	6	3	0	0	2.83

Source: field survey by researcher

Reliability is the important factor to own the heart of the customers. How much banks are reliable they do come to the bank. The following table shows the satisfaction level of the reliability with the private and public bank.

From the above table it can be noted that the satisfaction level of the private bank is high than in the public bank.

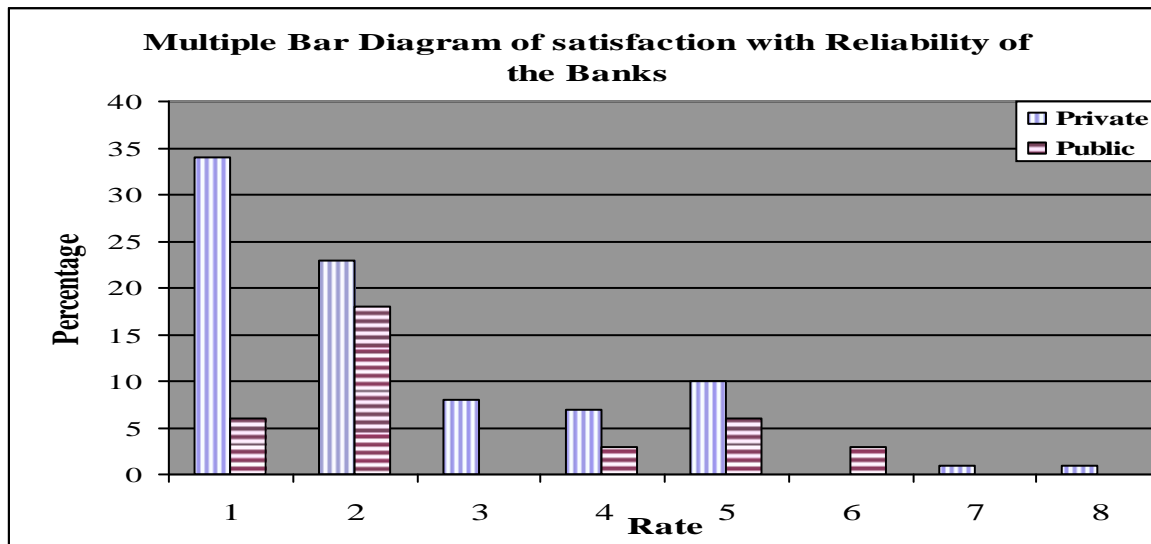


Table 20

Employee Good Behaviour

Bank types	Employee good behave								Weighted average
	1	2	3	4	5	6	7	8	
Private	14	23	10	10	14	4	8	1	3.42
Public	0	9	6	6	0	0	9	6	4.75

Source: field survey by researcher

There is no doubt that the customer will also see the behaviour of the employee of the particular banks. By which also the customers are attracted to the banks.

From the above table it can be noted that the satisfaction level of the private bank is high than in the public bank.

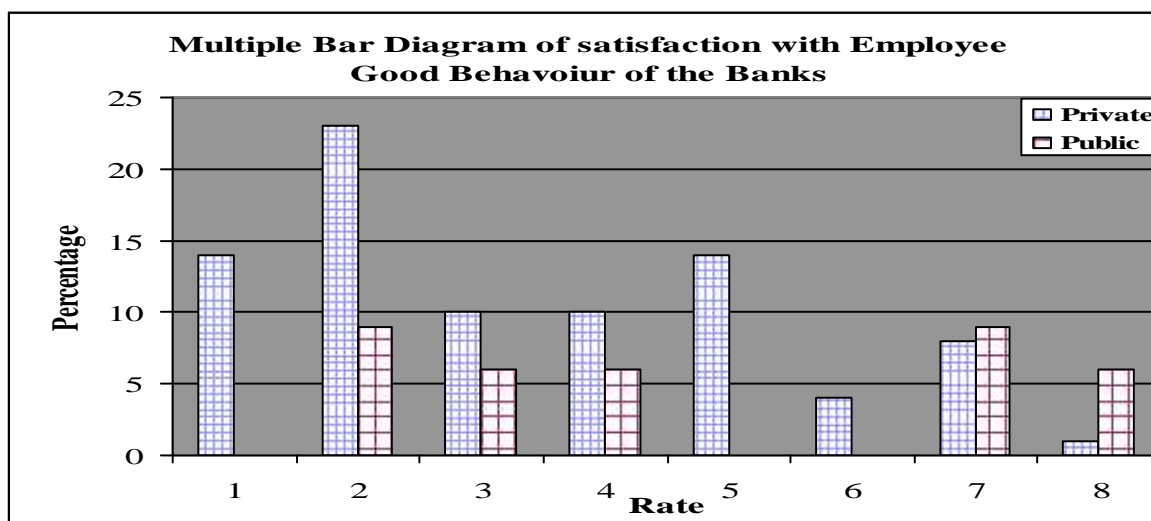


Table 21

Located Near From My Residence.

Bank types	Located near from my residence								Weighted average
	1	2	3	4	5	6	7	8	
Private	18	7	11	7	6	15	18	2	4.21
Public	21	6	0	0	6	0	3	0	2.33

Source: field survey by researcher

As we know here people have become the lazy bone so, they mostly do the transaction in that banks which is near to their residence From the above table it can be noted that the satisfaction level of the private bank is high than in the public bank.

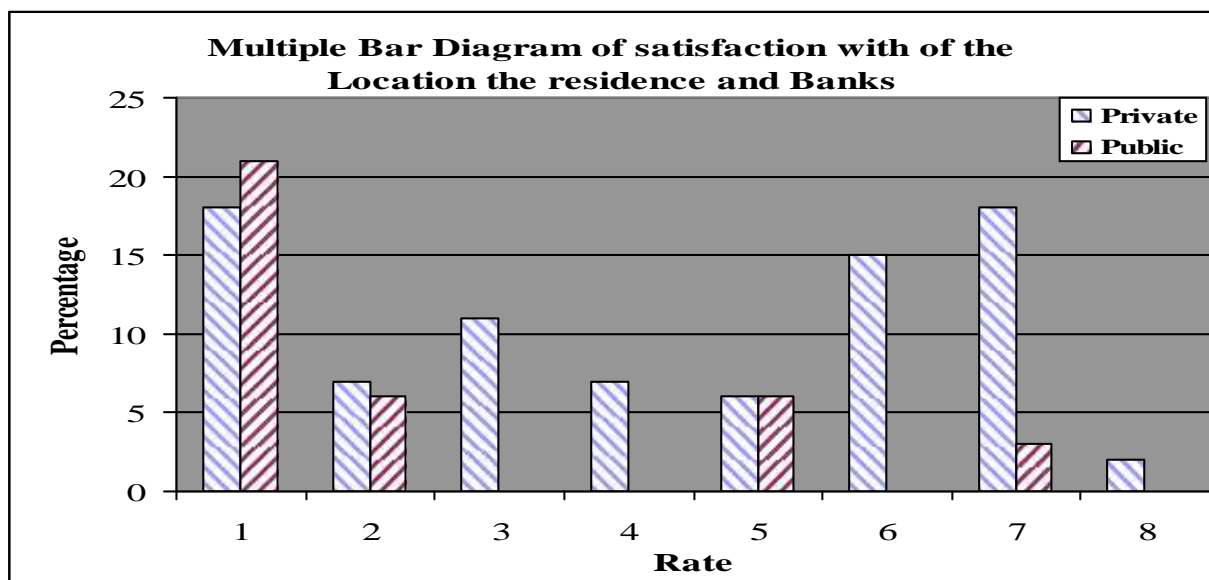


Table 22

Timely Information

Bank types	Timely information								Weighted average
	1	2	3	4	5	6	7	8	
Private	4	1	21	4	7	16	25	6	5.21
Public	0	0	0	6	0	9	9	12	6.58

Source: field survey by researcher

Customers are always looking for the timely information of the banks. By which also the customers are attracted towards the banks.

From the above table it can be noted that the satisfaction level of the private bank is high than in the public bank.

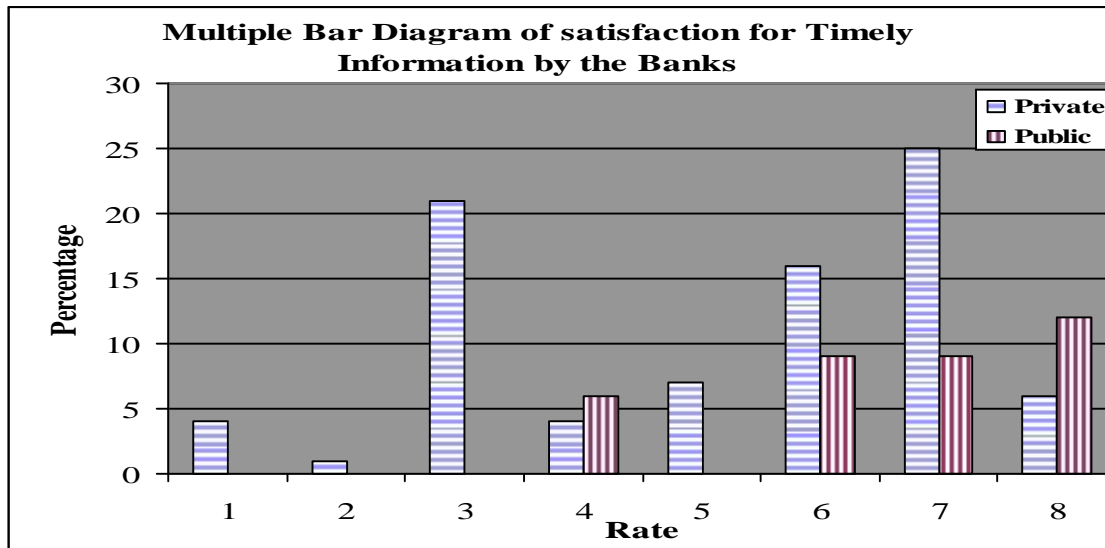


Table 23

Targeted For Poor People

Bank types	Targeted for poor people								Weighted average
	1	2	3	4	5	6	7	8	
Private	1	2	3	7	1	5	8	57	7.01
Public	6	0	6	6	3	9	6	0	4.41

Source: field survey by researcher

To what extent the banks are targeted to the poor are the responsible factors because each bank make the level of opening an account to every people by their status.

From the above table it can be noted that the satisfaction level of the private bank is less than in the public bank.

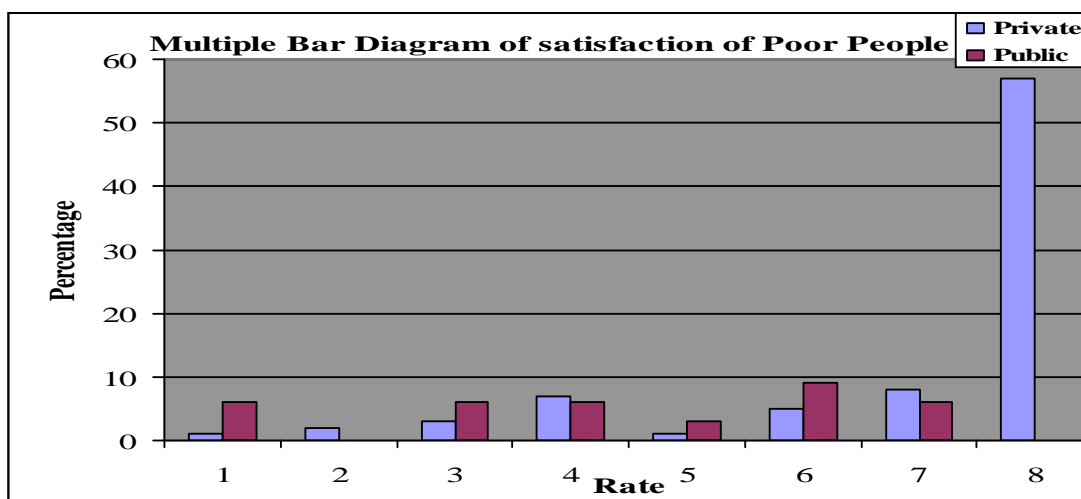


Table 24

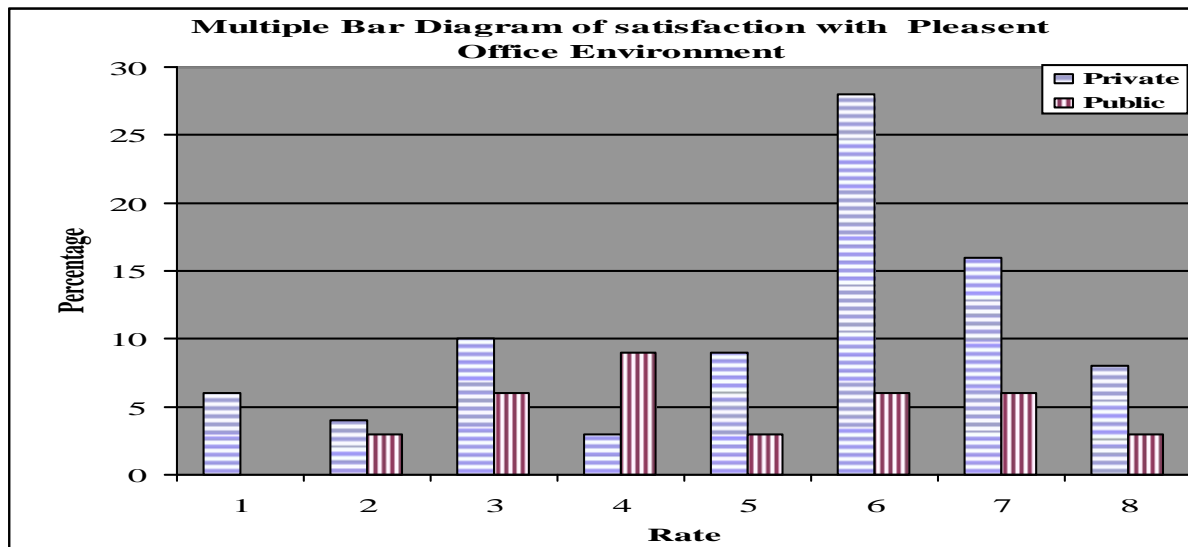
Pleasant Office Environment

Bank types	Pleasant office environment								Weighted average
	1	2	3	4	5	6	7	8	
Private	10	10	18	3	9	30	20	8	4.86
Public	0	3	6	9	3	6	6	3	4.91

Source: field survey by researcher

Keeping in mind they do also have or need the good environment of the banks. By the environment also people are encourage to do the work for that place. The surrounding also plays the great role.

From the above table it can be noted that the satisfaction level of the private bank is high than in the public bank.



4.2.1.2 Analysis of Commercial Banks in Terms of Customer Dissatisfaction Level

In this section we have taken five points scale from very poor to good in ascending order for the analysis of customer dissatisfaction. The analysis of this has been presented below:

Table 25

Low Interest Rate

Bank types	Low interest rate					Weighted average
	1	2	3	4	5	
Private	21	21	13	13	16	4.93
Public	12	12	3	9	0	2.4

Source: field survey by researcher

People always look for the good interest rate, one who provides the low rate than they always refuse or get back of it. Here the customers are dissatisfied with the low interest rate of the public bank. As it is being shown in the above table.

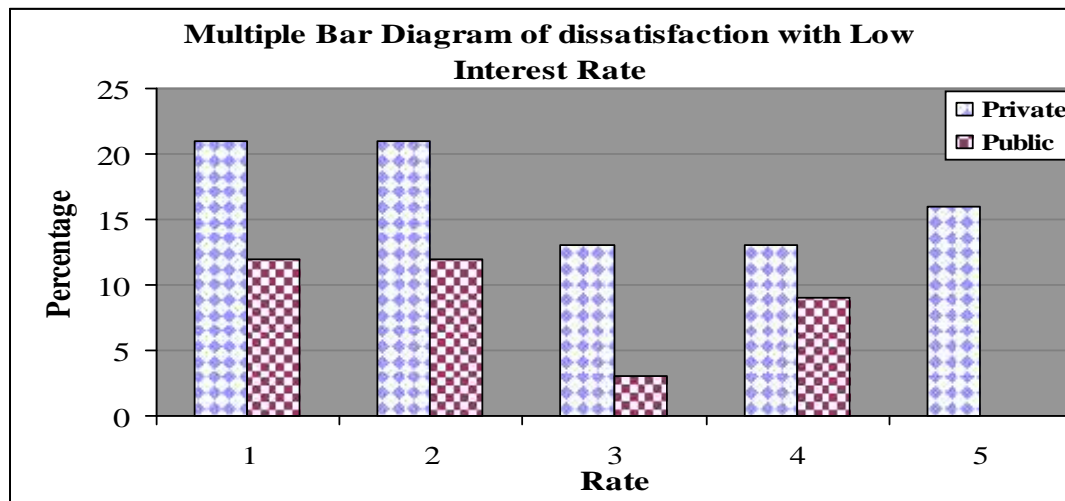


Table 26

Poor Employee Behaviour

Bank types	Poor employee behave					Weighted average
	1	2	3	4	5	
Private	3	13	23	27	18	5.6
Public	9	3	3	12	9	2.4

Source: field survey by researcher

Poor behave also make them not to open an account in that particular banks. Here the customers are dissatisfied with the behaviour of the public bank staffs. As it is being shown in the above table.



Table 27

Complicated To Get Other Service

Bank types	Complicated to get other service					Weighted average
	1	2	3	4	5	
Private	9	27	22	16	10	5.6
Public	3	12	21	0	0	2.4

Source: field survey by researcher

Only the names are not enough for opening an account but also the services of those particular banks. Here the customers are dissatisfied with the services of the public bank. As it is being shown in the above table.

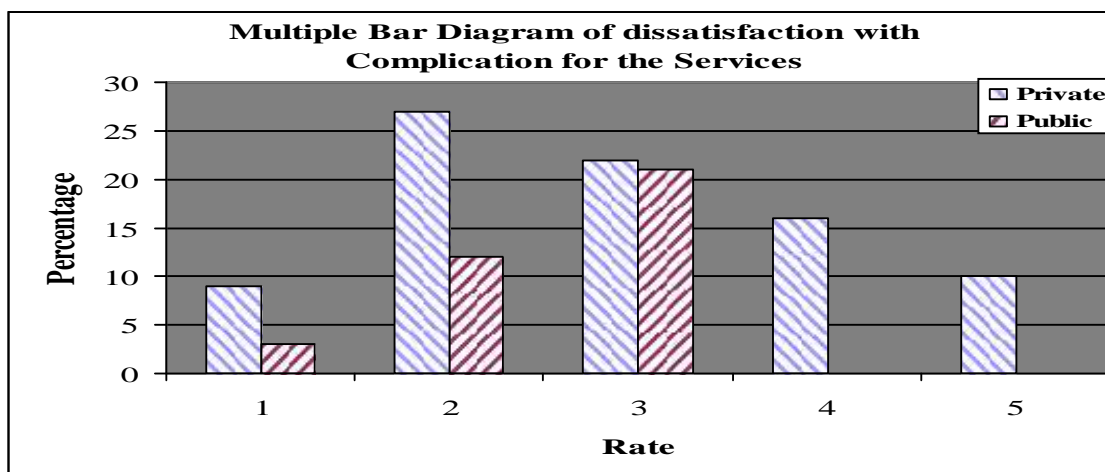


Table 28

Hesitation to Be Familiar with Modern Banking

Bank types	Hesitation to be familiar with modern banking					Weighted average
	1	2	3	4	5	
Private	29	9	20	17	9	5.6
Public	12	9	6	3	6	2.4

Source: field survey by researcher

Hesitate in adopting or taking the opportunity of being modernized. As time changes in seconds only the bank should try to grab it. . Here the customers are dissatisfied with the public bank. As it is being shown in the above table.

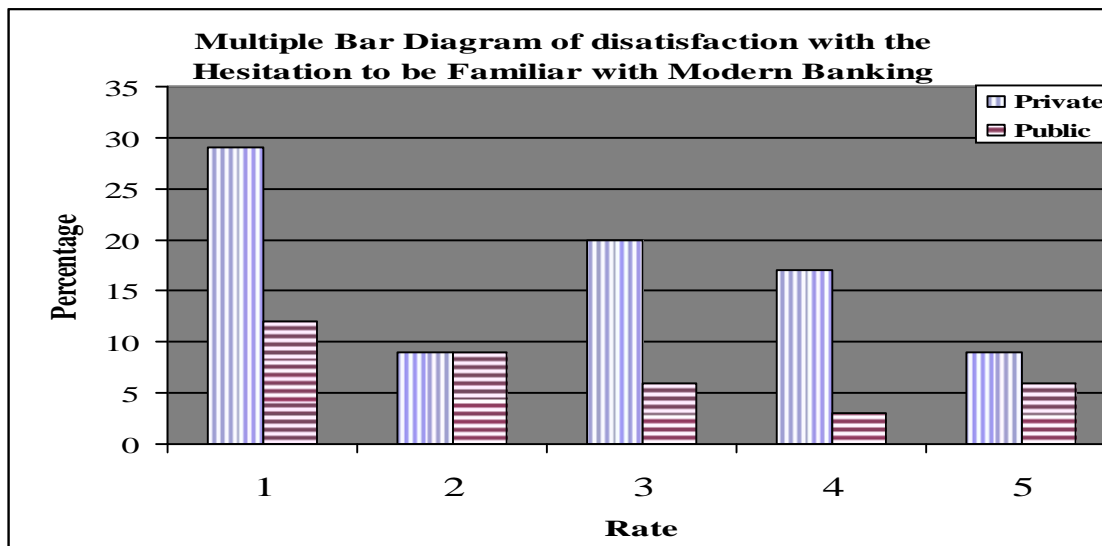


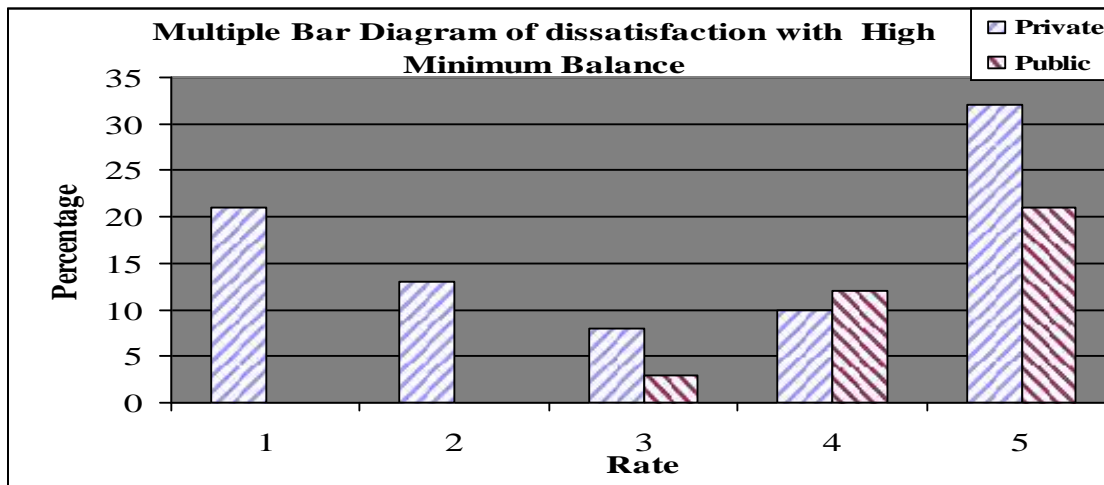
Table 29

High Minimum Balance

Bank types	High minimum balance					Weighted average
	1	2	3	4	5	
Private	21	13	8	10	32	5.6
Public	0	0	3	12	21	2.4

Source: field survey by researcher

As the bank is open for all types or level of people than there should not be high minimum balance. The table shows about its effect in this condition. Here the customers are dissatisfied with the public bank. As it is being shown in the above table.



4.2.1.3 Findings

1. As regard to the account holding 10.8% is official and 89.2% is personal. In this regard, clients are more involved in private as compare to public banks.
2. Male account holders are more in numbers than that of female account holders in both the private and public banks.
3. Religion wise, account holders from Hindu community are found more in numbers than that of other religions.
4. The reason of opening an account is of security, easy to operation, facilities provided by the bank, opportunity for the other bank services and other. After observing the table, it is found that majority of the clients open account because of the security and easiness to operate.
5. Average queuing times in the private type of banks are less than that of public type of banks in both deposit and payment counters.
6. As compared to both the banks private and public, private types of banks have attractive kind of services than that of public type of banks. But, there are still cut-throat competitions between them. So, people are more bulges towards the private type of banks than that of the public type of banks.
7. As concerned to the program oriented by the bank, client of private banks are very much satisfied as compared to public banks.
8. In the service sector, it is found that the staffs of private banks are much better in behaviour as compare to public banks.

9. While in regard of locker system, still some branches are not having the system and some clients are not aware of the facilities. Every bank need to have this because as they can lock their valuables in the locker of the bank.
10. In satisfaction factors, clients of the private banks are much more satisfied as compared to clients of public banks.
11. In dissatisfaction factors, clients of public banks are more dissatisfied than clients of private bank.
12. By observing the tables it can be said that only some are happy with the public banks.

In a Nutshell

1. In general the customers are found satisfied with private banks.
2. To be satisfaction of customer, public banks are supposed to adopt all the modern system of banking.
3. All private or public banks need to have locker system facility.

Chapter- V

5 SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

Banking Services and Customer Satisfaction is the major yardstick to analyze the performance or activity of any business house. This study entitled "**Banking Services and Customer Satisfaction of Commercial Banks in Nepal**" is aimed to find the performance of Nepalese Private and Public Banks in services and satisfaction. The functional objective of the study is:

-) To search the level of satisfaction of customers in Private and Public banks with their services.
-) To identify the causes responsible for customer's satisfaction or dissatisfaction.

This research tried to cover the private and public banks. The study is primarily based on Primary data. The secondary data were also taken to analyze the services provided by the banks. For analysis, data are presented in table and chart form.

The recommendation is presented in the last part of this chapter. The recommendations are the milestone for the improvements of the banking field.

The information had been collected from 120 customers of different banks. They open the account for the many purposes as security, easy for the opportunity, facility provided by banks, opportunity for other banking services and other too but the answer is only one that is security and easiness to operate. Either private or public customer need to be in line for a few minutes but only vary is time. They are satisfied by the services of private bank not of public bank. Similarly, in the interest rate and same to the programme orientated. Some are also affected by the behaviour of an employee of the banks, and physical facilities too.

In the satisfaction point of view also the customer are well satisfied by the private bank than that of public banks. Targeted to poor people shows the average rank for all bank and timely information too. In this customer are satisfied with the following factors good interest rate, fast and correct service, reliability, employee behave, location, timely information, targeted to poor people and office environment.

In the dissatisfaction point is mainly in public banks for this we have found it is because of low interest rate, poor employee behave, complicated to get other services, hesitation to be familiar with modern banking and high minimum balance.

5.2 Conclusion

After analyzing the collected data it can be concluded that every bank should adopt modern services and technologies for their customer satisfaction. As far to the clients the private bank is much more satisfied than that of the public banks.

From the point of opening an account the male clients are much more than female in both types of banks. As same in the genders and similarly, the Hindu religion people are involved in the banking area than that of other types of religions.

Till now also, in every type of the bank people have to be in queue for deposit and payment counter but the only difference is the time.

People are also affected by the behaviour of the staff, which can be mostly seen in the public type of banks. So, the people are not much satisfied.

Interest rate is also the thing which is seen by the customer. Mostly, the customers of the public banks are not satisfied.

As in the satisfaction point of view customers of public types are not satisfied than that of private types. Here, they are satisfied with the interest rate given by the bank. And; they are also happy with their fast and correct services. By which they can make their decisions. They also do have the good physical facilities and the office layout and the environment by which their staff can perform the work easily and give the fruitful result. Private bank had covered the poor and lower class people income and keeping this in mind they use to have or do the programme. They had have their branches in each and every location by which they can get easiness. They do also satisfy with the locker system of the bank still backwardness in the public banks for the services as to private banks. The kind of orientation is still back in public banks than that of private banks.

Moreover, in public banks there is still lacking of system. Here they use to give low interest rate. With interest rate only people use to get attracted and open their account in that particular bank. The behaviour of employee is still poor in public banks. Employee behaviour is also the things which the people want. Only having the good behave and interest no the people are attracted to the banks but they have to look after the poor and lower class people. By keeping this in mind they have to plan for the future. And there is

still dissatisfaction in the minimum balance. They will not cover all kinds of people. Still public banks are not able to use the modern technologies to get change in work. For which they are responsible by themselves only.

5.3 Recommendations

On the basis of collected data and analysis of the data it can be said that the public banks should follow

-) Modern Banking System.
-) ATM facility.
-) SMS & Internet Banking.
-) Evening counter facility.
-) Different fixed deposit.
-) Insurance facility.
-) Locker facility.
-) Office Layout.
-) Employee Behaviour.

These facilities are to be provided by some of the private banks too. All types of bank try to adopt modern technology for the improvement in the banking areas.

Also,

-) It is seen from the study that female account holders are less than that of male account holders. Hence, to create a center of attention for female, the entire bank should launch or provide attractive scheme for the females.
-) The things which we are seeing now-a-days, that there is a long queue in deposit and payment counter by which people may get bore and frustrated so, the bank need to have more numbers of counter for that and they should be provided the magazines, daily newspaper and suitable channel for them regarding the banks and share market. And they can also announce the different kinds of scheme which are going to be in the future.

-) All kinds of bank are supposed to give different and modern kinds of services to the customers. By this also they can attract the people to open the account in their banks.
-) Time an only, not only the private banks but public banks also should do some kind of orientation by which the customer can get sky-scraping benefits.
-) Banks should try to give good interest rate to the customer by which they can be satisfied. With the interest rate also the customer are attracted to the banks.
-) In same their staff should be with good behaviour and they should always try to get hold of their anger as it is known to every one every people are of different nature. This is especially regard to public banks. By this also there is less degree of faith in public banks. Always there should be in services, if needed they should make rotation contained by the staff only.
-) Not only the above mentioned facilities but also other smaller kinds. There should have pleasant kind of restroom, waiting room and pleasant office environment and in some banks there are no any kinds of parking facilities etc by which people are suppose to park in the road and also some time get scolded by the traffic police too if they do have their own parking home there would not be any kind of bordering. In every bank there must be good physical kinds of facilities which play a great role.
-) .And also the bank must be provided by the locker system in their every branch and they should give information while opening an account, now-a-days which is needed by everyone now-a-day. Where people keep their valuable jewellery, important documents, certificate etc.
-) The bank should open their branches in every main place by which people can get benefit and they should also keep ATM facility too especially now-a-days in bandh. This means that it should be near to every people. And also try to make ABBS facility.

) Why do you open the account?
Security (1) Easy to operation (2) Facilities provided by bank (3)
Opportunity for the other banking service (4) others (please specify) (5).....

) On an average, how much time do you wait in the deposit counter?
.....minutes

) On an average, how much time do you wait in the payment counter?
.....minutes

) How far have you come from?
Near (1) Not so far (2) Far (3) Very Far (4)

) How do you categorize the services as?
Satisfactory (1) Attractive (2) Quiet good (3) Boring (4)

) Does a service generate curiosity about the bank?
Yes (1) No (2)

) Are you satisfied with the evening counter of the bank?
Satisfy (1) Not satisfy (2)

) How do you rate the service?
Best (1) Good (2) So-so (3) Bad (4) worst (5)

) Does service make customer open the account?
Yes (1) No (2)

) In your opinion, to what extent this bank is performing some programs to satisfy you?
Negligible (1) Little (2) Fair (3) Adequate (4) Outstanding (5)

) How far of your objective, of opening the account are meet by your bank?
Highly fulfilled (1) Fulfilled (2) Neutral (3) Unfulfilled (4) Highly unfulfilled (5)

) Do you want ATM facilities outside the country?

Yes (1) No (2)

) Do the machines are on the services all the time?

Yes (1) No (2)

) What kinds of services are provided by your bank?

- 1..... 4.
- 2..... 5.
- 3..... 6.

) Are you satisfied by the locker system if the bank? If no why?

Yes (1) No (2) Don't Know (3)

) What do you feel about the programme oriented by Bank?

Highly Satisfied (1) Satisfy (2) Dissatisfied (3) So so (4) Strongly Dissatisfied (5)

) What do you feel about the Employee Behaviour of the Bank?

Highly Satisfied (1) Satisfy (2) Neutral (3) Dissatisfied (4) Strongly Dissatisfied (5)

) What do you feel about the Physical Facilities of the Bank?

Highly Satisfied (1) Satisfy (2) Indifference (3) Dissatisfied (4) Strongly Dissatisfied (5)

) What do you feel about the interest of your Bank?

Satisfy (1) Highly Satisfied (2) Dissatisfied (3) Strongly Dissatisfied (4)

) Following factors may be the responsibilities factors in your level of satisfaction.

Therefore, please rate them, as per their situation. Rating

Very Good	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	Poor
Good interest rate	()								Located near from my residence ()
Fast and correct service	()								Timely information ()
Reliability	()								Targeted for poor people ()
Employee good behaviour	()								Pleasant office environment ()

) Following factors maybe the responsibilities factors in your level of dissatisfaction.

Therefore, please rate them, as per their situation.

Rating

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