

**DETERMINANTS OF CUSTOMERS' SATISFACTION WITH MOBILE BANKING SERVICE IN SIDDHARTHA
BANK**

Yagya Singh Gadshila¹, Suman Bhattacharya²

¹PG Scholar, Lord Buddha Education Foundation, Kathmandu, Nepal

²Professor, Lord Buddha Education Foundation, Kathmandu, Nepal

Abstract

This research examines the factors influencing customer satisfaction with mobile banking services in Nepal. It highlights the impact of technology on the financial sector and the challenges faced by users. The study focuses on service quality, reliability, responsiveness, user-friendliness, and satisfaction. The findings can inform strategic improvements in the mobile banking industry and contribute to the development of a productive and secure mobile banking ecosystem in Nepal.

Key Words: Customers' Satisfaction, , Mobile Banking, Services

CHAPTER 1: INTRODUCTION

1.1 Background of the Study

Even in Nepal, just 30 years ago banking was very traditional, but today 80% of customers use mobile banking, online banking and phone payments (Gaudel, 2021). The study concluded that the expansion of branches and the increase in the number of internet user have led to an increase in the use of mobile banking services. The main objective of the study was to assess customer satisfaction with mobile banking services in Nepalese banks. The next step is to identify the driving factors and conduct an empirical analysis to determine customer satisfaction with mobile

banking in Nepal. It is important to understand the level of customer satisfaction with the bank's mobile banking service.

1.2. Problem Statement

There are different ways to measure customer satisfaction with mobile banking in Nepal as each person's satisfaction level is different. The survey conducted by SBI Bank Nepal shows that customers become dissatisfied when the performance does not meet their expectations and the performance includes usability, services provided, fees, capabilities responsiveness and user-friendliness of mobile banking (Pradhan, 2019). Leading banks in Nepal are using mobile banking to support banking services and build customer loyalty (Shrestha, 2019). Another major problem for banks is that potential customers have a wide range of mobile phones with different operating systems, which makes it difficult for banks to provide standardized applications (Kamboj, 2022). A study on challenges in mobile banking adoption and preference in India indicates that mobile banking is problematic and dangerous with the main concern being the impact of the human factor

1.3. Research Objectives

- To assess whether service quality has a significant relationship with customer satisfaction.
- To assess whether service reliability has a significant relationship with customer satisfaction.
- To assess whether responsiveness has a significant relationship with customer satisfaction.
- To assess whether user-friendliness has a significant relationship with customer satisfaction.

1.4. Research Questions

- Is there any significant relationship between service quality and customer satisfaction?
- Is there any significant relationship between service reliability and customer satisfaction?
- Is there any significant relationship between responsiveness and customer satisfaction?
- Is there any significant relationship between user friendliness and customer satisfaction?

1.5. Research Hypotheses

H1: There is a positive relationship between service quality and customer satisfaction.

H2: There is a positive relationship between service reliability and customer satisfaction.

H3: There is a positive relationship between responsiveness and customer satisfaction.

H4: There is a positive relationship between user-friendliness and customer satisfaction.

1.6. Scope

The aim of this study is to identify the main factors affecting customer satisfaction with mobile banking services of Nepalese banks. The independent variables were identified as service quality, service reliability and responsiveness, while customer satisfaction was the dependent variable.

1.7. Limitations of the Study

- One limitation of the research is the potential lack of generalizability to other banks in various regions or countries.

- Cultural, economic, and regulatory variations may affect the variables that influence consumer satisfaction and mobile banking adoption.

1.8. Summary

On with mobile banking services in Nepal varies from individual to individual. There are distinct customer satisfaction and dissatisfaction factors associated with mobile banking services.

CHAPTER 2: LITERATURE REVIEW

There are different ways to measure customer satisfaction with mobile banking in Nepal as each person's satisfaction level is different. The survey conducted by SBI Bank Nepal shows that customers become dissatisfied when the performance does not meet their expectations and the performance includes usability, services provided, fees, capabilities responsiveness and user-friendliness of mobile banking (Pradhan, 2019). Banks should educate their customers on how to use and benefit from mobile banking services. Leading banks in Nepal are using mobile banking to support banking services and build customer loyalty (Shrestha, 2019). A study on challenges in mobile banking adoption and preference in India indicates that mobile banking is problematic and dangerous with the main concern being the impact of the human factor.

2.1. Previous Studies

In recent years, mobile banking—which enables users to conduct financial transactions through mobile devices—has gained popularity in Nepal. Customer service had a positive impact on mobile banking services in Jordan (Alalwan et al., 2016). The level of service quality had a significant impact on customer satisfaction with mobile banking services in Pakistan (Akbar & Parvez, 2016). When developing and introducing mobile banking services, Nepalese banks should keep in mind the following points to ensure high customer satisfaction:

2.2. Research Theory

Technology Acceptance Model

The main goal of this theory was to shed light on the mechanisms underlying technology acceptance to forecast behavior and offer a theoretical justification for the successful application of technology. Multi-item measures for perceived utility and ease of use were designed, pre-tested, and validated in numerous studies based on past empirical research on human behavior and the management of information systems.

The research also uses the TAM model to support the ideas.

CHAPTER 3: RESEARCH METHODOLOGY

This chapter uses different research methodological approaches to analyze and interpret the data. To investigate relationships between variables pertaining to mobile banking services and customer satisfaction, a research model is used.

3.1. Research Philosophy

- **Positivism:** Positivism emphasizes the use of scientific methods for studying the social world, arguing that knowledge can be acquired through empirical observation and measurement.
- **Interpretivism**

Interpretivism is a research methodology that values understanding social phenomena and human behavior from the perspectives of the subjects being studied, recognizing individual interpretations of reality. **This research uses the Positivism approach.**

3.2. Research Strategy

- **Survey:** A survey is a type of survey design that gathers information from a sample of people using standardized questionnaires and interviews. For both quantitative and qualitative research, questionnaires are frequently used.
- **Case Study:** A case study is a type of research design in which a specific phenomenon or situation, such as an individual, group, business, or community, is in-depth investigated.

The survey will be used as the research strategy. This requires collecting data from a sample of users of mobile banking through surveys or online questionnaires, then performing statistical analysis to identify the factors influencing customer satisfaction.

3.3. Research Choice

- **Quantitative:** Statistics are frequently used in quantitative research to analyze the data after it has been gathered through structured methods like surveys and experiments. Inferential or descriptive statistics can be used to analyze collected data, which is typically of a numerical nature, to find patterns, connections, and associations (Kumar, 2018).

Research uses quantitative methods to collect and analyze data.

3.4. Time Horizon

Cross-sectional: Participants are not followed over time in a cross-sectional study; rather, data gathered at one particular point in time is examined. (Kumar, 2018). **A cross-sectional approach will be used.**

3.5. Data

- **Primary data:** Primary data, as opposed to information that has already been published or gathered by others, refers to first-hand information that researchers have gathered

specifically for research studies.

- **Secondary data:** Researchers refer to secondary data when they use information already collected by another party for new research studies. **The research uses both primary and secondary data.**

3.6. Instrumentation

- **Type of questionnaire:** Surveys are printed on paper and distributed to participants in order to gather data. There is also a survey you can take online..
- **Closed-ended questions:** Closed questions offer participants a choice of several answer options. For example, "True" or "False", "Yes" or "No", or a list of choices.
- **Likert scales:** a style of closed-ended inquiry in which the answerer rates how much they agree or disagree with a statement using a rating scale. In most cases, participants are given an opinion and given the option to "strongly agree" or "strongly disagree" with it (Archer, 2019). **Close-end questionnaires will be distributed, and a Likert scale will be used.**

3.7. Source of Data Collection

- **Survey:** A series of questions are asked to learn more about the opinions, beliefs, behaviors, and experiences of some individuals.
- **Convenience:** A low-probability sampling technique called convenience sampling chooses participants based on their accessibility and availability. This approach is practical, but it may produce results that are not representative of the population because only those who are available and willing to participate (Archer, 2019).

The research will use Convenience Sampling.

3.8. Research Model

Fig 1: Research Model

3.9. Data Processing

- **Coding:** To make data values and responses easier to manage and analyze, data are coded by assigning them numerical or alphanumeric values (Flick, 2020). Survey responses that indicate "male" or "female" can be coded as "1" or "2," respectively, to make statistical analysis simpler.
- **Editing:** Data processing includes checking and correcting data for consistency, accuracy and completeness to ensure that the data is suitable for analysis. This is an essential step for data processing pipelines to deliver the highest quality results (Kumar, 2018).

3.10 Data Analysis

Validity refers to the accuracy and correctness of results, whereas reliability refers to the consistency and stability of results (Kumar, 2018). To guarantee the accuracy and reliability of their findings, researchers must provide evidence of both reliability and validity.

3.11 Ethical Consideration

Appropriate ethical considerations regarding informed consent, privacy, mitigating risk and harm, avoiding fraud, promoting equality and diversity, maintaining scientific integrity, and sharing data used in research.

3.12 Summary

This study uses specific research methods and approaches. Research models are formulated with dependent and independent variables and tested using various statistical tools such as ANOVA, regression. Ethical considerations are taken into account when collecting data.

CHAPTER 4: FINDINGS AND ANALYSIS OF DATA

4.1. Introduction

This study aims to understand customer satisfaction among mobile banking users of Siddhartha Bank by analyzing factors influencing satisfaction. Using statistical methods like reliability testing, descriptive analysis, ANOVA, normality tests, and hypothesis testing, the research examines user preferences, feedback, and usage patterns. The findings will help improve mobile banking services and customer experience, contributing to customer-centric strategies.

A survey was conducted on 360 mobile banking customers of Siddhartha Bank, focusing on service reliability, app responsiveness, and user-friendliness. 335 valid responses were recorded, and a descriptive and inferential analysis process was used to assess the data.

4.2. Summary Result

The study used SPSS to measure the reliability of dependent and independent variables. The questionnaire was reliable, and other tests like descriptive analysis, correlation analysis, normality test, coefficient, multiple regression analysis, and ANOVA tests were conducted. The main objective was to understand the relationships between different variables and their combined effect on customer satisfaction. Correlation analysis revealed that ease of use, service quality, service reliability, mobile responsiveness, and user friendliness were key factors affecting customer satisfaction. ANOVA analysis showed a regression model involving user ease, mobile responsiveness, service quality, and service reliability, which effectively explained the variation in customer satisfaction. These findings provide valuable information for companies seeking to improve customer satisfaction and adapt their strategies to the identified influencing factors.

CHAPTER 5: SUMMARY, CONCLUSION, AND RECOMMENDATION

5.1 Summary Findings

The study investigates customer satisfaction factors for Siddhartha Bank's mobile banking services using a closed-ended questionnaire. The survey was distributed to 360 users, obtaining 335 valid responses. The study used reliability tests and statistical methods to analyze the data.

Descriptive analysis calculated the mean and standard deviation of customer satisfaction, service quality, service reliability, mobile responsiveness, and usability. The demographic part of the questionnaire was analyzed according to frequency distribution, with the majority being male, aged 20-30, and holding a university degree. Correlation analysis using Pearson correlation revealed a significant correlation between the variables. Normality tests were performed to evaluate data distribution. Multiple regression analysis tested the influence of independent variables on customer satisfaction, with a strong association between predictors and satisfaction. Hypothesis testing was performed using p-values to determine the significance of the relationships hypothesized. The results provided valuable insights to improve Siddhartha Bank's mobile banking and customer experience.

5.2 Evaluation of Finding

Question 1

Is there any significant relationship between service quality and customer satisfaction?

The study found a strong and statistically significant relationship between service quality and customer satisfaction in Siddhartha Bank's mobile banking sector. The Pearson correlation coefficient showed a positive correlation of 0.675, indicating a moderate to strong positive linear relationship between the two variables. This suggests that as service quality perception increases, so does customer satisfaction. The p-value of 0.000, which is lower than the usual threshold of 0.05, demonstrates strong evidence against the null hypothesis of no relationship. This study contributes significantly to the understanding of customer satisfaction and service quality in mobile banking, emphasizing the importance of prioritizing service quality improvement strategies. However, the study's limitations may affect its generalizability to other institutions or geographies.

Question 2

Is there any significant relationship between service reliability and customer satisfaction?

Service reliability in mobile banking refers to the consistency and reliability of services

provided to customers, including system availability, transaction processing speed, data security, and user experience. High service reliability increases customer trust, trade, and recommendation. The Pearson correlation coefficient of 0.802 indicates a strong positive correlation between service reliability and customer satisfaction, indicating a real and meaningful relationship between service quality and customer satisfaction.

Question 3

Is there any significant relationship between responsiveness and customer satisfaction?

Mobile banking app responsiveness refers to the speed and efficiency of the app in responding to user interactions. A strong positive correlation between mobile banking app responsiveness and customer satisfaction is observed, with a Pearson correlation coefficient of 0.720. This indicates that when the app's responsiveness improves, customer satisfaction also increases. The p-value, which indicates the significance of the relationship, indicates that the relationship is not coincidental. Therefore, the research provides valuable insights into the factors influencing customer satisfaction with mobile banking, indicating that improvements in app responsiveness are likely to result in increased satisfaction.

Question 4

Is there any significant relationship between user friendliness and customer satisfaction?

The usability of mobile banking applications is crucial for customer satisfaction. A user-friendly application reduces complexity and friction, improving the overall user experience. A Pearson correlation coefficient of 1.0 indicates a strong positive correlation between usability and customer satisfaction. A p-value of 0 indicates a high level of significance, confirming the relationship between usability and customer satisfaction. The research contributes to understanding the factors that shape customer satisfaction in the context of mobile banking, particularly in the banking industry. By considering both the correlation coefficient and p-value, the study contributes significantly to

understanding the factors shaping customer satisfaction in the context of mobile banking.

5.3 Implication of the study

The study highlights the importance of usability, customer service, service reliability, and responsiveness in improving customer satisfaction in mobile banking apps. It emphasizes the need for user-centered design principles, empathetic customer service, and continuous technological advancement to ensure seamless functionality. It also highlights the need for Siddhartha Bank to invest in training and resources to provide exceptional support, maintain service reliability, and optimize application responsiveness. By focusing on these aspects, banks can enhance customer relationships and competitiveness in the digital banking landscape.

5.4 Conclusion

A study by Siddhartha Bank aimed to understand customer satisfaction in its mobile banking services. The research involved an online survey, data collection, statistical analysis, and hypothesis testing. The study found that service reliability, responsiveness, and mobile application usability were key factors influencing customer satisfaction. The results showed a strong correlation between predictors and satisfaction. The study also confirmed the hypothesis that positive relationships between service quality, reliability, responsiveness, usability, and customer satisfaction were present. This research provides valuable insights for Siddhartha Bank to improve its mobile banking services and enhance customer experiences, enhancing its competitive position in the digital banking landscape.

5.5 Recommendation

The study by Siddhartha Bank reveals that customer satisfaction with mobile banking services is influenced by service reliability, responsiveness, and usability. The findings suggest that improving these factors can enhance customer experience and competitiveness in the digital banking landscape. The recommendations include regular app refinement, enhanced customer service training, continuous service reliability, optimized app responsiveness, tailored communication strategies, usability testing, personalized service, education and integration, and

data security. The study also emphasizes the importance of continuous usability testing to identify areas for improvement. By focusing on user-friendliness, customer service, service reliability, and app responsiveness, banks can create a better mobile banking experience, promoting loyalty and competitive advantage in the digital banking landscape.

References

- Archer, L. (2019). *Research methodology: A step-by-step guide for beginners* by R. Kumar, Thousand Oaks, CA, Sage, 2019, \$47.00, ISBN 978-1-5264-4990-0.
- Association, I. R. M. (2021). *Research Anthology on Innovative Research Methodologies and Utilization Across Multiple Disciplines*. Information Science Reference.
- Baabdullah, A. M., Alalwan, A. A., Rana, N. P., Kizgin, H., & Patil, P. (2019). Consumer use of mobile banking (M-Banking) in Saudi Arabia: Towards an integrated model. *International journal of information management*, 44, 38-52.
- Bai, H. M. (2019). Mobile Banking Services and Customer Satisfaction with Reference to ICICI Bank-A Study. *Journal: Shanlax International Journal of Commerce*, 7, 7-18.
- Chaouali, W., & El Hedhli, K. (2018). Toward a contagion-based model of mobile banking adoption. *International Journal of Bank Marketing*, 37(1), 69-96.
- Che Nawi, N., Mamun, A. A., Hayat, N., & Seduram, L. (2022). Promoting sustainable financial services through the adoption of eWallet among malaysian working adults. *SAGE Open*, 12(1), 21582440211071107.
- Dhakal, P. (2013). *Customer Satisfaction Research of Nepal SBI Bank Ltd.*
- Flick, U. (2020). *Introducing research methodology: thinking your way through your research project*. *Introducing Research Methodology*, 1-416.
- Gaudel, D. (2021). Users' Satisfaction of E-Banking Services in Nepal. *Available at SSRN 3850674*.
- George, A., & Kumar, G. G. (2014). Impact of service quality dimensions in internet banking on customer satisfaction. *Decision*, 41, 73-85.

- Gomachab, R., & Maseke, B. F. (2018). The impact of mobile banking on customer satisfaction: Commercial banks of Namibia (Keetmanshoop).
- Hill, N., Brierley, J., & MacDougall, R. (2003). *How to measure customer satisfaction*. Gower Publishing, Ltd..
- Kamboj, S., Sharma, M., & Sarmah, B. (2022). Impact of mobile banking failure on bank customers' usage behaviour: the mediating role of user satisfaction. *International Journal of Bank Marketing*, 40(1), 128-153.
- Khatri, J. R., & Upadhyaya-Dhungel, K. (2013). Internet banking in Nepal: Use and challenges. *Banking journal*, 3(2), 57-77.
- Kumar, R. (2018). *Research methodology: A step-by-step guide for beginners*. Sage.
- Miah, M. M. (2018). Users' Satisfaction of Digital Banking Services in Finland.
- Moist, J. A., Anitsal, I., & Anitsal, M. M. (2021). The Customer Value Model and Mobile Banking: Evaluation of Technology-Based Self Service (TBSS) Gaps. *Atlantic Marketing Journal*, 10(2), 2.
- Mukherjee, S. P. (2019). A guide to research methodology: An overview of research problems, tasks and methods.
- NRB. (2019). *Financial Access Expands to 61 Percent Population*. <https://www.nrb.org.np/contents/uploads/2020/03/NRB-News-Vol.31-20760918.pdf>
- Pradhan, S. (2019). CUSTOMER SATISFACTION TOWARDS E-BANKING SERVICES
- Resources, M. a. I. (2021). *Research Anthology on Securing Mobile Technologies and Applications*. IGI Global.
- Shaikh, A. A., & Karjaluo, H. (Eds.). (2018). *Marketing and mobile financial services: a global perspective on digital banking consumer behaviour*. Routledge.
- Shrestha, R. (2019). *Customer Satisfaction with E-banking Services of Private Commercial Banks in Nepal* (Doctoral dissertation, Department of Management, People's Campus Paknajol, Kathmandu).

Tam, C., & Oliveira, T. (2017). Literature review of mobile banking and individual performance. *International Journal of Bank Marketing*, 35(7), 1044-1067.