Factors Affecting Customer Satisfaction of Mobile Banking Services at Commercial Banks in Nepal

Amit Kumar Sahani*

MBA-BF, Lumbini Banijya Campus, Tribhuvan University, Nepal.

*Corresponding Email: *sahaniamit101@gmail.com*

Abstract: Customer satisfaction is an emotion a person experiences when comparing the perceived overall performance of a product to their expectations. Mobile banking has achieved a great importance in Nepal's banking sector. Though majority of Nepalese banks have recognized the importance of understanding customer psychology and are highly conscious of it. The main purpose of this study is to analyze the effect of convenient, communication, time saving, and security of mobile banking in customer satisfaction in commercial banks in Nepal. This research adopts a descriptive and causal comparative research design where in primary data were collected through a survey in the structured questionnaire distributed among a sample of 172 responses was taken from random mobile banking users of different commercial banks which is assumed to comply with the sample size standards for academic research as stated by Hair et al. (2014) which says that the minimum sample for models with up to seven constructs, which is the case of this study as well, must have sample size of 150. The response was taken randomly selected for administration of the questionnaire using the convenience sampling method. This research will be useful to higher management to the banks in developing effective strategies for mobile banking services as well as to retain their customers. Furthermore, Nepal Rastra Bank (Central Bank of Nepal) might be enthusiastic to identify the prevailing problems and technical as well as non-technical barriers concerned with the adoption of the mobile banking on customer satisfaction which will facilitate them to take necessary steps to eradicate barriers and to implement effective policies accordingly.

Keywords: Customer Satisfaction, Convenient, Communication, Time Saving, Security, Mobile Banking Services.

1. INTRODUCTION

Customer satisfaction is an assessment of the value of a service after purchase, and it is the most essential aspect in corporate success (Bolton & Drew, 1991). Similarly, Harun et al.

(2018) describe customer satisfaction as a mental state in which the client's needs, desires, and expectations are met or surpassed throughout the product or service life cycle, resulting in subsequent buybacks and loyalty. Client satisfaction was consistent with the disconfirmation paradigm of consumer satisfaction and dissatisfaction, which holds that pre- and post-purchase expectations and assessments influence whether a client is happy or unsatisfied. According to Swaddling and Miller (2002), customer satisfaction is a measuring technique with distinct characteristics of customer satisfaction. Customer happiness is one of the factors that influence loyalty.

The customer responds to fulfillment with satisfaction. A determination that a characteristic of goods or service or the goods or service itself offered a pleasurable amount of consumption-related fulfillment including amounts of under or over fulfillment (Oliver, 1997). Mobile banking services play a significant role in customer satisfaction to carry out daily transaction. It is important to understand customers' perspectives on mobile banking. Not all customers are aware of mobile banking apps and their security. If they don't understand the customer's perspective towards mobile banking then the customer would be dissatisfied and if customers don't use mobile banking, they can switch to another bank, and they can open an account in another bank. Due to these issues, banks do not receive the expected transactions and profits. Banks do not meet their targets. It also lowers the bank's position and popularity.

Even the customer loses trust in the bank. To gain customer trust, banks should learn about their customers' behavior and attitudes, as well as their perspectives and perceptions. Banks should prioritize customers and address issues by modifying mobile banking services, utilizing cutting-edge technology, updating mobile banking apps, lowering mobile banking service fees, providing a discount system for first-time mobile banking users, improving mobile banking services, and enhancing mobile banking services. Mobile banking apps must be user-friendly and secure; banks should accept responsibility for unauthorized users who are automatically hacked into mobile banking. The study's findings will provide valuable insights for commercial banks in Nepal as they work to improve their mobile banking offerings and increase customer satisfaction.

Mobile banking users must find mobile banking apps that are both convenient and secure; banks are held accountable for illegal users who gain automatic access to mobile banking. If the bank provides the aforementioned services, it can increase profitability, strengthen its position, boost transactions, and attract new customers. This study examines the factors influencing customers' satisfaction with mobile banking services in Nepalese commercial banks, thereby bridging the existing knowledge gap by addressing the question of how to satisfy customers as a whole, as well as the relationship between customer satisfaction and convenience, communication, time savings, and security. By identifying and understanding the factors that influence customer satisfaction, banks can develop effective strategies to increase customer satisfaction, such as encouraging the adoption and use of mobile banking apps.

2. RELATED WORK

Conceptual Framework

The conceptual framework refers to the researchers' findings or prior knowledge and observations on the subject of the study, which map out the actions required during the course of the study. The conceptual framework guides the entire observation. The conceptual framework serves as a "map" for achieving the study's objectives or intent. In other words, the conceptual framework represents the researcher's understanding of how the specific variables in his or her study relate to one another. Thus, it identifies the variables needed for the investigation. It is the researcher's "map" for pursuing the investigation framework, also known as the theoretical framework. The latter is supported by time-tested theories that incorporate the findings of numerous researchers into why and how a specific phenomenon occurs. The study used dependent variables such as customer satisfaction and independent variables such as communication, convenience, time-saving, and security to assess the factors influencing customer satisfaction with mobile banking services provided by commercial banks in Nepal.
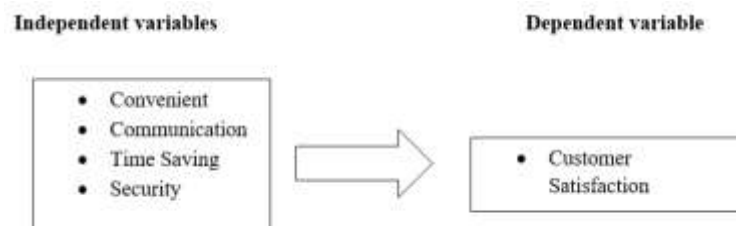
Customer Satisfaction

Customer satisfaction means the measurement of the determinants that provide happiness to the customer after using the services provided by the organizations. Solimuna and Fernandes (2018) discovered that the higher the level of customer satisfaction with the purchase of products/services, the greater the level of loyalty. Furthermore, it is stated that, in addition to its role as a mediator of the effect of service quality on loyalty, customer satisfaction can also act as a moderator in the relationship between the two. Similarly, Hamza and Shamsudin (2020) discovered that dissatisfied customers share far more information about their experience than routinely satisfied customers. Furthermore, customers discovered that the bank's response to customer problems can be critical; data from the technical assistance research program revealed that 63% of customers who do take the time to complain are dissatisfied with the bank's response to their problems. And the study discovered that adequate problem/complaint/resolution/service recovery leads to increased customer loyalty, with newly satisfied customers becoming active advocates for the company.

Convenient

Duarte et al. (2018) define search convenience as the speed and ease with which consumers identify and choose products to purchase. The study discovered that a more convenient service increased perceived value, resulting in higher satisfaction. The study also discovered

that Convenience has a significant relationship with customer satisfaction. Online banking is thought to be convenient in every way. The study found that people do not want to spend too much time on anything, including online banking. So, banks should update their systems in order to provide the most convenient and stress-free banking experience for their customers. The ease of performing all online banking tasks such as transactions within and with external banks, bill payments, loan facilities, and complaint filing are also important factors to consider.

H1: There is a significant relationship between convenient and customer satisfaction.

Communication

Hovland (1953) defined communication as the process by which one person (the communicator) communicates stimuli (typically verbal) to influence the behavior of others. Similarly, De Vito (2007) defined communication as the act of sending and receiving messages between two or a small group of people, with some impact and immediate feedback. W. A. (2018) contends that communication is where Customer Service determines whether the services provided are well received by customers and receives positive or negative feedback. According to Yoon et al. (2016), communication significantly influences how clients evaluate service providers in the service industry.

Effective communication between service providers and their clients has also been linked to high customer satisfaction rates. Musanto (2005) observed that communication is an important component in developing corporate relationships that can influence customer satisfaction. Furthermore, good communication has been shown to increase customer loyalty by Alawni et al. (2015), who discovered a significant and positive effect of communication on customer satisfaction.

H2: There is a significant relationship between Communication and customer satisfaction.

Time-Saving

Time constraints can cause drivers to reduce their safety margins (Hulst et al., 2001). According to Svenson (2007), the "time is money" perspective values time gains and losses in monetary terms, attractiveness, or utility. According to Zhanag and Kim (2020), there is a positive correlation between mobile banking efficiency and increased customer satisfaction. Time-saving features are associated with increased user loyalty and experience, as well as higher rates of mobile banking app adoption. The study's findings indicate a strong positive correlation between time-saving features and customer satisfaction with mobile banking. Customers place a high value on the ability to complete transactions quickly, check account balances easily, and access financial information from anywhere. So, the study identifies time-saving features that have a significant impact on customer satisfaction.

H3: There is a significant relationship between time-saving and customer satisfaction.

Security

According to Miyazakia and Krishnamurthy (2002), security in the context of internet banking is critical because website guarantees increase consumer trust in their transactions. Similarly, Saleem and Rashid (2011) argue that customers are more concerned about the

security, authenticity, and reliability of technology, which has a positive impact on customer satisfaction. According to Prajapati (2014), there is a strong positive correlation between ease of use, efficiency, and security in Nepalese commercial banks and customer satisfaction. Security has a significant impact on overall satisfaction and use of the services provided by banks to customers.

H4: There is a significant relationship between Security and customer satisfaction.

3. RESEARCH METHODOLOGY

The goal of this chapter is to outline the methods and sequential steps used in analyzing the problem in order to achieve the previously stated objectives. There are numerous research methodologies available to address the problem and provide the first solution in the study. A research methodology is a scientific and systematic approach to data collection and analysis that leads to a satisfactory solution. The primary goals of this chapter are to design and discuss the framework for the research. It provides a comprehensive description of the research design, the various types of data collected, the source of data, the sampling method, and an account of the methods and procedures used for data presentation, analysis, and interpretation. Similarly, the study design was developed only after conducting a thorough review of the relevant literature from global and regional studies. This chapter discussed the research design, sampling methods, data sources, questionnaires, data collection procedures, population and sampling, instrumentation, and provided an overview of the analysis plan. It then examines the method of data collection and how this data will be collected and analyzed. The primary goal of this chapter is to demonstrate the methods and procedures used to obtain the most accurate results following the selection of the research topic.

Research Plan and Design

This study used descriptive and causal-comparative research designs to address the fundamental issues surrounding the factors influencing customer satisfaction with mobile banking services in Nepalese commercial banks. The descriptive research design was used to gather facts and information about customer satisfaction with mobile banking services in Nepal's commercial banks. The causal comparative research design aids in the investigation of potential causes influencing customer satisfaction with mobile banking services in Nepalese commercial banks. This research design is used to determine the cause-and-effect relationship between independent variables and the customer satisfaction. The correlation analysis demonstrates the direction of the relationship between the variables, whereas the regression analysis used in the study reveals both the magnitude and direction of the relationship.

Population and Sample Size

The study's population consists of mobile banking users from various commercial banks. The research population consists of customers from various banks and financial institutions. Data is collected from a variety of mobile banking users at various banks. A sample of 172 responses was collected from random mobile banking users of various commercial banks, which is assumed to meet the sample size standards for academic research as stated by Hair et

al. (2014), which states that the minimum sample size for models with up to seven constructs, as in this study, must be 150. The questionnaire was administered at random using the convenience sampling method.

Data Collection Procedure
The purpose of this study was to learn about respondents' perspectives on the factors that influence customer satisfaction with mobile banking services in Nepalese commercial banks. The primary data was collected using a questionnaire survey. As a result, questionnaires were used as the primary data collection method, and respondents were selected at random from commercial banks' mobile banking services.

Statistical Tools for Analysis
Statistical tools are used to analyze the data. Primary data is edited and processed during data presentation and analysis. In this study, simple percentages, mean, standard deviation, and regression are used to present and analyze data. The Statistical Package for Social Sciences (SPSS) is used for data analysis.

4. RESULTS AND DISCUSSION

Respondents' Demographic Profile
Table 1 shows the demographic profile of the respondents, which includes their gender, age group, marital status, qualification, and profession. Male respondents constituted 69.2% of the total, while female respondents made up 30.8%. Similarly, 33.1% of respondents were between the ages of 16 and 25, 33.1% between the ages of 25 and 35, 4.1% between the ages of 35 and 45, and only 3.5% were older than 45. Similarly, 62.2% and 23.3% of total respondents have incomes of less than $30000 and $30000-60000, respectively. Similarly, respondents' qualifications range from high school to intermediate, up to bachelors, master's, and above, with 33.7%, 13.4%, 43%, and 9.9%, respectively. Similarly, 50% of respondents are students, 14% are business owners, 2.3% are farmers, and 33.7% are in the service industry. Respondents' reasons for viewing balance include 23.3%, 4.7% for viewing recent transactions, 27.3% for making bill payments, and 44.8% for transferring funds, with 29.7% viewing once a week, 50% viewing twice a week, and 20.3% viewing rarely in a month.

Respondents' Demographic Profile

Table No. 1 Gender

	Frequency	**Percentage**
Male	53	30.8
Female	119	69.2
Total	172	100

Table no. 2 Age

	Frequency	**Percentage**
16-25	102	59.3
25-35	57	33.1

35-45	7	4.1
45 and above	6	3.5
Total	172	100

Table no. 3 Income

	Frequency	Percentage
Less than 30000	107	62.2
30000-60000	40	23.3
60000-90000	12	7
More than 90000	13	7.6
Total	172	100

Table no. 4 Education

	Frequency	Percentage
High School	58	33.7
Intermediate	23	13.4
Bachelor	74	43
Master and above	17	9.9
Total	172	100

Table no. 5 Occupation

	Frequency	Percentage
High School	58	33.7
Intermediate	23	13.4
Bachelor	74	43
Master and above	17	9.9
Total	172	100

Table no. 6 Reason

	Frequency	Percentage
View balance	40	23.3
View decent transaction	8	4.7
Make bill payment	47	27.3
Transfer	77	44.8
Total	172	100

Table no. 7 Frequency

	Frequency	Percentage
Once in a week	51	29.7
Twice in a week	86	50
Seldom	35	20.3
Total	172	100

Descriptive Statistics

This section contains a descriptive analysis of the data collected through questionnaires during the research process. Descriptive statistics is the quantitative description of the main characteristics of a set of data. Descriptive statistics aid in summarizing the sample and observations. It helps to simplify large amounts of data associated with these variables in a way that is appropriate for the study. For this purpose, respondents were asked "Five Point Likert Scale" questions ranging from strongly disagree, disagree, neither disagree nor agree, agree, and strongly agree, ranked from 1 to 5.

Table no. 8

Particulars	Mean	Std. Deviation	Minimum	Maximum
Convenient	3.75	0.78080	1.50	5.00
Communication	3.3953	0.79469	1.00	5.00
Time saving	3.8198	0.66738	1.50	5.00
Security	3.1323	0.78240	1.50	5.00
Customer	3.8445	0.75375	1.00	5.00

Table no. 9. Correlation Analysis

	Convenient	Communication	Time Saving	Security
Customer Satisfaction	0.640	0.593	0.648	0.240
Convenient	1	0.547**	0.666	0.226**
Communication		1	0.569**	0.296**
Time Saving			1	0.278**

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

Table no. 10 Regression Analysis

Model	Beta	T- value	P-value	VIF
(Constant)	-0.606	2.373	0.019	
Convenient	0.287	4.058	0.000	1.942
Communication	0.242	3.796	0.000	1.644
Time saving	0.340	4.025	0.000	2.038
Security	-0.013	-0.242	0.809	1.118

R- Square = 0.529, F=49.038, P-value= 0.000

On the basis of the above findings, the following regression has been developed:
CS = 0.606+0.287C+0.242CN+0.340TS-0.013S
Where, C = Convenient, CN = Communication, TS = Time Saving, S = Security.
CS = Customer Satisfaction.

The coefficient analysis in the table demonstrates the relationship between the dependent and each independent variable. According to significant value, Convenient, Communication, and Time-saving have a significant correlation with customer satisfaction. The regression

coefficient of Convenient (C) has a regression coefficient of 0.287, indicating that increasing Convenient by one unit will result in an increase in average customer satisfaction with mobile banking services of 0.287 units. Convenient contributes significantly to customer satisfaction with mobile banking services ($p < 0.05$). It is thus concluded that convenience has a significant impact on customer satisfaction with mobile banking services. The Regression coefficient of Communication (CN) in the regression coefficient analysis is 0.242, indicating that increasing Communication by one unit will result in an increase of 0.242 units in average customer satisfaction with mobile banking services. Communication significantly impacts customer satisfaction with mobile banking services at 0.001 ($p<0.05$). It is thus concluded that communication has a significant impact on customer satisfaction with mobile banking services. The regression coefficient of Time-saving (TS) in the regression coefficient analysis is 0.340, indicating that increasing Time-saving by one unit will result in an increase in average customer satisfaction with mobile banking services of 0.340 units. Customers are more satisfied with mobile banking services when they save time (p-value < 0.05). It is thus concluded that time savings have a significant impact on customer satisfaction with mobile banking services. The Regression coefficient of Security (S) in the regression coefficient analysis is -0.013, indicating that increasing security by one unit reduces customer satisfaction with mobile banking services by 0.013 units. Security does not have a significant impact on customer satisfaction with mobile banking services (0.809, $p>0.05$). It is thus concluded that security has no significant impact on customer satisfaction with mobile banking services.

Major Findings

The study's major findings are summarized based on data analysis as follows:

- The highest proportion of respondents who had transferred funds was 44.8%. Half of those who used mobile banking did so twice a week.
- The descriptive analysis of Convenient, Communication, Time Saving, Time Saving, and Customer Satisfaction yields overall mean values of 3.7500, 3.3953, 3.8198, 3.1323, and 3.8445, respectively. These indicate that respondents' opinions on various factors were near agreement or strongly agreed upon, and their mean responses on customer satisfaction also show that consumers are highly satisfied.
- The correlation coefficients for all four independent variables (convenience, communication, time savings, and security) are positive. The correlation coefficients for Communication, Time Saving, and Time Saving are 0.640, 0.593, 0.648, and 0.240, respectively. Whereas, time- savings had a high correlation, security had a low correlation with customer satisfaction.
- The regression analysis results revealed that Convenient, Communication, and Time Saving had positive beta coefficients, while Security had negative beta coefficients. It indicates that increasing these variables will result in increased customer satisfaction and security issues. The analysis shows that the VIF values for four independent variables (convenient, communication, time saving, and security) are less than ten.

5. CONCLUSION

The study found that all four independent variables are significant, but only security has an insignificant relationship with customer satisfaction with mobile banking services. Respondents frequently complained about not receiving proper notifications when mobile banking services failed or were modified. The primary finding of this study is that the convenience, communication, and time-saving independent variables of mobile banking services have a significant relationship with customer satisfaction. The security concept of mobile banking services was also found to be extremely unsatisfactory. The majority of users found mobile banking services to be convenient, communication, and time-saving.

6. REFERENCE

1. Alreck, P. L., DiBartolo, G. R., Diriker, M., Dover, H. F., Passyn, K. A., & Settle, R. B. (2009). Time pressure, time-saving and online shopping: exploring a contradiction. Journal of Applied Business Research (JABR), 25(5).
2. Bolton, R. N., & Drew, J. H. (1991). A multistage model of customers' assessments of service quality and value. Journal of consumer research, 17(4), 375-384
3. Duarte, P., e Silva, S. C., & Ferreira, M. B. (2018). How convenient is it? Delivering online shopping convenience to enhance customer satisfaction and encourage e-WOM. Journal of Retailing and Consumer Services, 44, 161-169.
4. Hamzah, A. A., &Shamsudin, M. F. (2020). Why customer satisfaction is important to
5. Business? Journal of Undergraduate Social Science and Technology, 1(1).
6. Harun, A.,Ashraff, M. N. S., Martin, D., Jusoh, N. A. Q., & Rashid, U. K. (2018). The influence of service branding perception on customer satisfaction of low-cost airlines: Air Asia and Malindo Air Journal of Technology Management and Business, 5(3).
7. Miyazaki, A.D., and S. Krishnamurthy (2002). Internet seals of approval: Effects on online privacy policies and consumer perceptions. The Journal of Consumer Affairs, 36(1), 28-49.
8. Oliver Richard, L. (1997). Satisfaction: A behavioral perspective on the consumer. New York ' NY: Irwin-McGraw-Hill.
9. Prajapati, D. R. (2014). Effects of various factors for achieving environmental performance in manufacturing industry: A review. International Journal of Productivity and Quality Management, 15(1), 72-107.
10. Saleem, Z. and K. Rashid (2011), Relationship between customer satisfaction and mobile banking adoption in Pakistan. International Journal of Trade, Economics and Finance, 2(6), 537-544.
11. Solimun, S., &Fernandes, A. A. R. (2018).The mediation effect of customer satisfaction in the relationship between service quality, service orientation, and marketing mix strategy to customer loyalty. Journal of Management Development.
12. Svenson, O. (2008). Decisions among time saving options: When intuition is strong and wrong. Actapsychologica, 127(2), 501-509.
13. Swaddling, D. C., & Miller, C. (2002). Don't measure customer satisfaction. Quality Progress, 35(5), 62-67.

14. WA, N. A. (2018). The impact of interpersonal communication toward customer satisfaction: the case of customer service of sari asih hospital. In MATEC Web of Conferences (Vol. 150, p. 05087).EDP Sciences.