

Factor Affecting Consumer Trust and Continuous Adoption of Online Financial Service in Kathmandu Valley

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Abstract

The study examines the factor affecting consumer trust and continuous adoption of online financial service in Kathmandu Valley. Consumer trust and continuous adoption are selected as dependent variables. The selected independent variable are website design, reliability, responsiveness, online experience, and personalization. The primary source of data is used to assess the opinions of the respondents regarding website design, reliability, responsiveness, online experience, personalization and adoption of online financial services. The study is based on primary data of 400 respondents. To achieve the purpose of the study, structured questionnaire is prepared. The correlation coefficients and regression models are estimated to test the significance and importance of different factors on consumer trust and continuous adoption of online financial service in Kathmandu Valley.

The study showed that website design has a positive impact on consumer trust and continuous adoption. It means that better website design leads to continuous adoption of financial services. Likewise, reliability has a positive impact on consumer trust and continuous adoption. It shows that increase in reliability leads to continuous adoption of financial services. Furthermore, responsiveness has a positive impact on consumer trust and continuous adoption. It indicates that increase in responsiveness leads to continuous adoption of financial services. In contrast, online experience has a positive impact on consumer trust and continuous adoption. It indicates that better online experience leads to continuous adoption of financial services. Similarly, personalization has a positive impact on consumer trust and continuous adoption. It indicates that better facilities of personalization lead to continuous adoption of financial services.

Keywords: website design, online experience, personalization, reliability, responsiveness, consumer trust, continuous adoption

1. Introduction

Banking has always been a highly information intensive activity that relies heavily on information technology (IT) to acquire, process, and deliver the information to all relevant users. With the rapid diffusion of the Internet, banking in cyberspace is fast becoming an alternative channel to provide banking services and products. Indeed, the emergence of Internet banking has prompted many banks to rethink their IT strategies in order to stay competitive. Customers today are demanding much more from banking services. They want new levels of convenience and flexibility on top of powerful and easy to use financial management tools and products and services that traditional retail

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banking could not offer. In an intensifying competitive environment, superior distribution strategies relating to how to communicate with, and deliver products to, the customer effectively provides a comprehensive advantage to the banking institutions (Kerem *et al.*, 2003). Moreover, customers are also demanding greater convenience and accessibility, as reflected in longer branch opening hours and an increase in the choice of service delivery mechanisms. On a global scale, many banks have started to set in place more cost-effective alternative service delivery systems (Shih and Fang, 2004). The trend has seen the proliferation of multiple service delivery channels through which consumers can interact with banks. Therefore, modern banks provide their consumers with increased channel choice that reaches out to consumers through many different routes. Alternative service delivery systems such as Automated Teller Machines (ATMs), telephone, internet and wireless channels are now available to the consumers to perform their banking transactions in addition to the traditional branch banking. The rapid growth of technologies and innovations in this globalization era makes competition in the business world is more challenging. These innovations play an important role in the sustainability of the company especially in industries that offer similar services like in banking sector. According to Liao *et al.* (2010), innovation has an important role to create and maintain a company's competitive advantage, especially in an era with very intense competition. According to Shqipe *et al.* (2013), this competitive pressure encouraged companies to continue to search for and offer new products and services to improve what the company currently has. Companies cannot succeed just by having a good performance. Companies are not enough to just look for new opportunities, but also must have high innovation (Tajeddini *et al.*, 2006). In a highly competitive era, innovation is the key to a company's long-term success. Companies with the ability to continue to innovate will be able to respond to challenges from outside the company faster and better than companies that do not have the ability to innovate (YuSheng and Ibrahim, 2019).

With the fast growth of the internet, electronic commerce is under rapid development. businesses world-wide are setting up websites to provide online commercial services. While a vast of companies progressively have begun online activities, their business models do vary. Among the online activities, online financial services offer financial transaction activity of immediateness, high-speed, and without geographic limits. For financial transaction activities, time, speed, and accuracy are crucial factors. Therefore, contemporary online financial services are to fulfill the needs of customers. However, due to the lack of confidence in electronic security measures in online financial services,

customers might choose not to use or not to continuously use online financial services. Trust is relatively influential factor of customer behavior in online financial services. Pi et al. (2012) revealed that transaction security is the most important factor that significantly influence on the customers' cognitive trust and affective trust. A financial service website with security mechanisms would give their customers higher confidence and increase cognitive trust and affective trust. A financial service website with security mechanisms would give their customers higher confidence and increase cognitive trust and affective trust. Lee and Kim (2020) investigated the determinants of consumers' intention to adopt or continue to use Internet-only banks based on the benefit-risk framework and network externality theory. The study also examined the difference in the determinants between pre- and postadoption stages of innovation. In both pre- and postadoption stages, the number of services provided and trust had a significant positive impact on consumers' behavioral intentions, while security risks had a negative impact. Critical mass in the preadoption stage and convenience and economic efficiency in the postadoption stage had positive effects on consumer's adoption intention and continuance intention, respectively.

A lot of financial services offered by Internet banking are conducted directly without time and location constraints such as checking accounts, credit and debit cards, funds, loans and treasury bonds, money transfers, bill payment, credit checks, portfolio management, and etc. These services can be exploited for the benefit of customers and banks where customers can access bank services at anytime from anywhere and easily conduct their transactions (Yousafzai et al., 2003). Banks are using Internet banking services to reach more customers and provide them with quality services that are customized to their preferences, and thereby gain competitive advantages (Abu-Shanab and Pearson, 2009). Despite the numerous benefits offered by Internet banking to banks and customers, there are many issues need to be considered by interested banks; trust is one of it. Privacy and security concerns are related with trust issues, and considered as the main factors that affected the acceptance of Internet banking services. Users of Internet banking cannot adopt and carry on about it without reducing their uncertainty (Akhlaq and Ahmed, 2013). Trust plays an important role in creating satisfied and expected outcome as a result of transaction so it is considered as a critical topic especially in financial transactions such as Internet banking services (Roy et al., 2012). Trust is one of the important factors that may influence user's behavior to adopt and accept Internet banking services. Internet banking security concerns are user's concerns about security measures that ensure

confidentiality, authorization, authentication, availability, non-repudiation and fraud detection. The first issues that need to be taken into consideration in online environment transactions are security concerns because it is considered as a critical element for trust to exist (Hernandez-Ortega, 2011). Consumers conducting transactions on Internet banking must feel secured with respect to their personal information, credit card details and so on. Therefore, security can be considered as one of the main requirements for trust (Alam and Yasin, 2010).

The advantages of having loyal customers are enormous. For instance, loyal customers tend to buy more of the bank's product, stay with the bank longer, try new products, cost less to serve and urge others to become customers. As competition becomes fiercer, tightening the bonds of loyalty with existing customers has become more important than ever (Narteh and Kuada, 2014). Building customer loyalty is no longer a choice for retail banks, it has become the only way to build sustainable competitive advantage. If the perceived performance of the product or service exceeds the expectations of the customer, then the result is positive disconfirmation and if the performance of the product is below expectations, it leads to negative disconfirmation (Jamal and Naser, 2002). Positive disconfirmation allows for continuity and growth while negative disconfirmation results in discontinuity and negative word of mouth (Sayani, 2015). Slevitch and Oh (2010) showed a positive association between responsiveness and customer satisfaction. E-banking can provide speedier, faster and reliable services to the customers for which they are relatively happy. E-banking services not only can create new competitive advantages, it can improve its relationships with customers. Five service quality dimensions namely reliability, responsiveness, assurance, empathy, and tangibles have more contribution to satisfy the customers of e-banking in Bangladesh (Nupur, 2010). Iberahim *et al.* (2016) investigated the relationship between the reliability and responsiveness of ATM services with customer satisfaction and verify the determinants for service enhancement. The study revealed that the relationships of three out of four elements of service quality dimensions (consistency, dependability and timeliness) are important to maximizing customer satisfaction.

In the context of Nepal, Bist (2020) examined the perceived e-banking security and consumer satisfaction in Nepalese commercial banks. The study revealed that service quality, ease of use, awareness, responsiveness, trust and privacy have positive impact on the consumer satisfaction in Nepalese commercial banks. Moreover, Khatiwada (2020) assessed the impact of e-banking service quality on consumer satisfaction in Nepalese commercial

banks. The study revealed that internet security, privacy, website design, responsiveness, system availability and reliability have positive impact on the consumer satisfaction in Nepalese commercial banks.

The above discussion reveals that the empirical evidences vary greatly across the studies concerning the factor affecting consumer trust and continuous adoption of online financial services. Though there are above mentioned empirical evidences in the context of other countries and in Nepal, no such findings using more recent data exist in the context of Nepal. Therefore, in order to support one view or the other, this study has been conducted.

The main purpose of this study is to analyze the factor affecting consumer trust and continuous adoption of online financial services in Kathmandu Valley. Specifically, it examines the relationship of website design, reliability, responsiveness, online experience and personalization with consumer trust and continuous adoption of online financial services in Kathmandu Valley.

The remainder of this study is organized as follows. Section two describes the sample, data and methodology. Section three presents the empirical results and the final section draws the conclusion.

2. Methodological aspects

The study is based on the primary data. The data were gathered from 400 respondents through questionnaire. The study used convenience sampling technique to select the sample for the study. The respondents' views were collected on website design, reliability, responsiveness, personalization, online experience, trust and continuous adoption of financial service in Kathmandu Valley. The study is based on descriptive and causal comparative research designs.

The model

The model used in the study assume that customer trust and continuous adoption of online financial services depends upon website design, reliability, responsiveness, personalization, online experience. The dependent variables selected for the study are customer trust and continuous adoption. Therefore, the model takes the following forms:

$$CT = \beta_0 + \beta_1 WD + \beta_2 R + \beta_3 RS + \beta_4 OE + \beta_5 P + e$$

$$CD = \beta_0 + \beta_1 WD + \beta_2 R + \beta_3 RS + \beta_4 OE + \beta_5 P + e$$

Where,

CT= Consumer trust

CD= Continuous adoption

WD= Website design

R= Reliability

R= Responsiveness

OE= Online experience

P= Personalization

Website design was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly disagree and 5 for strongly agree. There are 6 items and sample items include “I prefer website that record my daily transaction and notify me about those transaction”, “The website design helps me in searching the products easily” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ($\alpha = 0.740$).

Reliability was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly disagree and 5 for strongly agree. There are 5 items and sample items include “The online financial service shows sincere interest in solving customer problems”, “I think that information provided on the online sites is accurate” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ($\alpha = 0.861$).

Responsiveness was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly disagree and 5 for strongly agree. There are 5 items and sample items include “I believe the online financial service is never too busy to respond to customer requests”, “I believe the online financial service is always willing to help customers” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ($\alpha = 0.881$).

Personalization was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly disagree and 5 for strongly agree. There are 5 items and sample items include “I receive personal thank you note via email or other SMS media after I withdraw money”, “The online financial service provides my free personal homepage” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ($\alpha = 0.876$).

Online experience was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly disagree and 5 for strongly agree. There are 6 items and sample items include “The online financial services platform is user-friendly and easy to navigate”,

“I am satisfied with the speed and responsiveness of the online financial services platform” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ($\alpha = 0.727$).

Continuous adoption was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly disagree and 5 for strongly agree. There are 5 items and sample items include “The financial services offered have become an essential part of my financial routine”, “I find it easy to incorporate these financial services into my daily life” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ($\alpha = 0.822$).

Customer trust was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly disagree and 5 for strongly agree. There are 5 items and sample items include “I strongly recommend that others use the online financial service”, “I feel it is time and cost saving from online financial service” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ($\alpha = 0.842$).

The following section describes the independent variables used in this study along with hypothesis formulation.

Website design

A well-designed website creates a positive first impression. When users encounter an attractive, professional, and user-friendly website, they are more likely to trust the brand and the service it offers (Cho and Park, 2001). Intuitive navigation and clear layouts make it easy for users to find the information they need and complete tasks, reducing frustration and building trust. An inclusive website design that accommodates different devices, screen sizes, and accessibility needs ensures that a wider range of users can access and trust the service (Dash and Saji, 2006). Well-organized content with clear headings, concise text, and relevant visuals enhances comprehension and trust in the information provided. A fast-loading website design contributes to a positive user experience. Slow-loading pages can frustrate users and negatively impact trust and adoption (Donthu, 2001). Based on it, this study develops the following hypothesis:

H₁: There is positive relationship of website design with customer trust and continuous adoption.

Reliability

Reliability is the ability of the website to fulfill orders correctly, deliver promptly and keep personal information secure (Parasuraman *et al.*, 1988).

Trust is closely linked to the reliability of online financial services (Zhu *et al.*, 2002). Customers need to have confidence that the platform will function correctly and securely. Zhou *et al.* (2009) proved that service quality has significant impact on consumer trust. Downtime, technical glitches, or errors in transactions can erode trust quickly. Reliability includes factors like system uptime, transaction processing speed, and error handling (Shim *et al.*, 2001). Based on it, this study develops the following hypothesis:

H₂: There is positive relationship of reliability with customer trust and continuous adoption.

Personalization

Personalization in online financial services involves tailoring the user experience to individual preferences and needs. This can include personalized recommendations, content, and user interfaces. When users feel that a service understands their unique financial goals and provides relevant suggestions, it can build trust and loyalty. When users receive personalized content, product recommendations, and services that align with their financial goals and preferences, they are more likely to engage with the platform regularly. This increased engagement contributes to continuous adoption (Wolfenbarger and Gilly, 2003). Personalization demonstrates that a financial service understands its customers and cares about their unique needs. When customers feel valued and understood, they are more likely to trust the service and continue using it (Yang and Jun, 2002). Personalization fosters a sense of loyalty and attachment to the service. Customers who receive a high level of personalization are more likely to stick with the platform, reducing the likelihood of churning or switching to competitors (Lee and Park, 2009). Based on it, this study develops the following hypothesis:

H₃: There is a positive relationship of personalization with customer trust and continuous adoption.

Responsiveness

Responsiveness refers to a company's ability to promptly and effectively respond to customer inquiries, concerns, and needs. In the digital age, customers expect quick responses and fast-loading web pages. Responsiveness is crucial, especially for online financial services where timely access to information and transactions is essential. Slow-loading pages or unresponsive interfaces can lead to frustration and distrust (Liao and Cheung, 2002). When customers receive quick responses to their inquiries or issues, it demonstrates that the company values their time and concerns. This can enhance trust in the company's commitment to customer satisfaction (Yang *et al.*, 2004).

Responsiveness in addressing and resolving customer problems or complaints can lead to increased trust. Customers are more likely to trust a company that takes their concerns seriously and provides solutions promptly (Moorman *et al.*, 1993). Based on it, this study develops the following hypothesis:

H₄: There is positive relation between responsiveness with consumer trust and continuous adoption.

Online experience

The overall online experience encompasses various aspects, including the ease of navigation, speed, convenience, and the availability of relevant information. A positive online experience can enhance trust and encourage customers to continue using the service. Conversely, a poor online experience can drive users away. Kim and Lee (2002) revealed that there is a significant relationship between online experience and intention to adoption online service. Kim *et al.* (2010) found that seamless and intuitive online experience, with easy-to-navigate menus and interfaces, reduces user frustration and encourages trust. When users can quickly find what they need and complete tasks without hassle, they are more likely to trust the service. An online experience that prioritizes convenience, such as streamlined account management, simplified transaction processes, and easy access to account information, encourages users to continue using the service (Huang and Lin, 2003). An accessible online experience, accommodating different devices, screen sizes, and accessibility needs, ensures that a broader range of users can trust and adopt the service (Kalaiarasi and Srividya, 2013). Based on it, this study develops the following hypothesis:

H₅: There is positive relation between online experience with consumer trust and continuous adoption.

3. Results and discussion

Correlation analysis

On analysis of data, correlation analysis has been undertaken first and for this purpose, Kendall’s Tau correlation coefficients along with means and standard deviations have been computed and the results are presented in Table 1.

Table 1

Kendall’s Tau correlation coefficient matrix

This table presents Kendall’s Tau correlation coefficients between dependent variable and independent variables. The correlation coefficients are based on 400 observations. The dependent variables are CT (Consumer trust) and CD (Continuous adoption). The independent variables are WD (Website design), R (Reliability), RS (Responsiveness), OE

(Online experience), and P (Personalization).

Variables	Mean	SD	CT	CD	WD	R	RS	OE	P
CT	3.740	0.627	1						
CD	3.759	0.675	0.740**	1					
WD	3.690	0.603	0.618**	0.658**	1				
R	3.632	0.616	0.662**	0.686**	0.694**	1			
RS	3.373	0.786	0.520**	0.557**	0.494**	0.589**	1		
OE	3.677	0.650	0.726**	0.700**	0.603**	0.650**	0.595**	1	
P	3.530	0.632	0.628**	0.621**	0.611**	0.530**	0.524**	0.628**	1

Notes: The asterisk signs (**) and (*) indicate that the results are significant at one percent and five percent level respectively.

Table 1 shows that website design is positively correlated to consumer trust. It means that better website design leads to increase in consumer trust. Likewise, reliability has a positive relationship with consumer trust. It shows that increase in reliability leads to increase in consumer trust. Furthermore, there is a positive relationship between responsiveness and consumer trust. It indicates that increase in responsiveness leads to increase in consumer trust. In contrast, online experience has a positive relationship with consumer trust. It indicates that better online experience leads to increase in consumer trust. Similarly, personalization has a positive relationship with consumer trust. It indicates that better facilities of personalization lead to increase in consumer trust.

Similarly, the result also shows that website design is positively correlated to continuous adoption. It means that better website design leads to continuous adoption of financial services. Likewise, reliability has a positive relationship with continuous adoption. It shows that increase in reliability leads to continuous adoption of financial services. Furthermore, there is a positive relationship between responsiveness and continuous adoption. It indicates that increase in responsiveness leads to continuous adoption of financial services. In contrast, online experience has a positive relationship with continuous adoption. It indicates that better online experience leads to continuous adoption of financial services. Similarly, personalization has a positive relationship with continuous adoption. It indicates that better facilities of personalization lead to continuous adoption of financial services.

Regression analysis

Having analyzed the Kendall’s Tau correlation coefficients matrix, the regression analysis has been carried out and the results are presented in

Table 2 and Table 3. More specifically, Table 2 shows the regression results of website design, reliability, responsiveness, online experience, personalization on consumer trust on online financial services in Kathmandu Valley.

Table 2

Estimated regression results of website design, reliability, responsiveness, online experience, personalization on consumer trust in Kathmandu Valley

The results are based on 400 observations using linear regression model. The linear regression model estimated is $CT = \beta_0 + \beta_1 WD + \beta_2 R + \beta_3 RS + \beta_4 OE + \beta_5 P + e$, where the dependent variable is CT (Consumer trust). The independent variables are WD (Website design), R (Reliability), RS (Responsiveness), OE (Online experience), and P (Personalization).

Model	Intercept	Regression coefficients of					Adj. R_bar2	SEE	F-value
		WD	R	RS	OE	P			
1	1.368 (8.835)**	0.643 (15.151)**					0.380	0.496	240.57
2	1.293 (9.165)**		0.674 (17.612)**				0.438	0.470	311.170
3	2.344 (19.843)**			0.415 (12.137)**			0.268	0.536	147.330
4	1.171 (9.428)**				0.699 (21.120)**		0.526	0.410	100.113
5	1.049 (6.755)**					0.689 (20.130)**	0.439	0.432	441.460
6	0.827 (5.461)**	0.436 (8.596)**					0.492	0.472	340.160
7	0.813 (5.412)**	0.273 (5.050)**	0.377 (6.55)*				0.363	0.449	155.150
8	0.534 (3.895)**	0.267 (4.493)**	0.337 (5.734)*	0.111 (2.897)**			0.453	0.444	129.020
9	0.528 (5.843)**	0.169 (3.428)**	0.204 (3.711)*	0.017 (0.454)		0.46 (9.997)**	0.503	0.302	99.190
10	0.531 (1.082)	0.156 (1.076)	0.215 (0.720)		0.391 (3.480)**	0.251 (4.711)**	0.604	0.397	120.25

Notes:

- i. Figures in parenthesis are t-values
- ii. The asterisk signs (**) and (*) indicate that the results are significant at one per-
cent and five percent level respectively.
- iii. Consumer trust is the dependent variable.

The regression results show that the beta coefficients for online experience are positive with consumer trust. It indicates that online experience has a positive impact on consumer trust. This finding is similar to the findings of Kim *et al.* (2010). Likewise, the beta coefficients for reliability are positive with consumer trust. It reveals that reliability has a positive impact on consumer trust. This finding is consistent with the findings of Zhou *et al.* (2009). Similarly, the beta coefficients for responsiveness are positive with consumer trust. It indicates that responsiveness has a positive impact on consumer trust. This finding is consistent with the findings of Liao and Cheung (2002). The beta coefficients for personalization are positive with consumer trust. It shows that personalization has a positive impact on consumer trust.

This finding is consistent with the findings of Lee and Park (2009).

The estimated regression results of estimated regression results of website design, reliability, responsiveness, online experience, personalization on continuous adoption of online financial services in Kathmandu Valley in Table 3.

Table 3

Estimated regression results of website design, reliability, responsiveness, online experience, personalization on continuous adoption of online financial services in Kathmandu Valley

The results are based on 400 observations using linear regression model. The linear regression model estimated is $CA = \beta_0 + \beta_1 WD + \beta_2 R + \beta_3 RS + \beta_4 OE + \beta_5 P + e$, where the dependent variable is CA (Continuous adoption). The independent variables are WD (Website design), R (Reliability), RS (Responsiveness), OE (Online experience), and P (Personalization).

Model	Intercept	Regression coefficients of					Adj. R_bar2	SEE	F-value
		WD	R	RS	OE	P			
1	1.037 (6.493)**	0.738 (17.259)**					0.430	0.513	297.860
2	0.55 (3.503)**		0.674 (17.612)**				0.438	0.474	207.316
3	0.762 (4.975)**			0.415 (12.137)**			0.505	0.477	145.325
4	0.398 (2.691)**				0.699 (21.120)**		0.579	0.410	100.113
5	0.633 (4.058)**					0.689 (20.130)**	0.439	0.476	225.650
6	0.420 (2.748)**	0.476 (9.388)**					0.512	0.472	271.170
7	0.401 (2.665)**	0.33 (5.859)**	0.238 (4.669)*				0.550	0.474	207.135
8	0.182 (1.254)	0.312 (5.783)**	0.331 (5.730)*	0.175 (3.254)**			0.568	0.450	165.780
9	0.173 (2.760)**	0.236 (4.539)**	0.131 (3.425)*	0.152 (3.113)*		0.45 (9.997)**	0.503	0.457	130.195
10	0.532 (1.083)	0.163 (1.078)	0.229 (4.048)*		0.46 (9.997)*	0.235 (4.711)**	0.617	0.420	150.540

- Notes:
- i. Figures in parenthesis are t-values
 - ii. The asterisk signs (**) and (*) indicate that the results are significant at one percent and five percent level respectively.
 - iii. Continuous adoption is the dependent variable.

The regression results show that the beta coefficients for online experience are positive with continuous adoption of financial services. It indicates that online experience has a positive impact on continuous adoption of financial services. This finding is similar to the findings of Kalaiarasi and Srividya (2013). Likewise, the beta coefficients for reliability are positive with continuous adoption of financial services. It reveals that reliability has a positive impact on continuous adoption of financial services. This finding is consistent with the findings of Zhu *et al.* (2002). Similarly, the beta coefficients

for responsiveness are positive with continuous adoption of financial services. It indicates that responsiveness has a positive impact on continuous adoption of financial services. This finding is consistent with the findings of Moorman *et al.* (1993). The beta coefficients for personalization are positive with continuous adoption of financial services. It shows that personalization has a positive impact on continuous adoption of financial services. This finding is consistent with the findings of Wolfinbarger and Gilly (2003).

4. Summary and conclusion

The advantages of having loyal customers are enormous. For instance, loyal customers tend to buy more of the bank's product, stay with the bank longer, try new products, cost less to serve and urge others to become customers. As competition becomes fiercer, tightening the bonds of loyalty with existing customers has become more important than ever. Building customer loyalty is no longer a choice for retail banks, it has become the only way to build sustainable competitive advantage. Innovation plays a key role in the success of businesses the world over. Consumer trust and continuous adoption of online financial services are critical factors in the success and growth of the digital finance industry. Building and maintaining trust in online financial services is an ongoing process. Companies must be proactive in addressing user concerns and adapting to an evolving landscape to ensure continuous adoption and satisfaction among their customer base.

This study attempts to examine the factor affecting consumer trust and continuous adoption of online financial services in Kathmandu Valley. The study is based on primary data with 400 respondents.

The study showed that website design, reliability, responsiveness, online experience and personalization have positive effect on customer trust and continuous adoption of online financial services in Kathmandu Valley. The study also showed that a clean, intuitive, and user-friendly design enhances the overall user experience and can make customers feel more comfortable and confident in using the platform. A cluttered or confusing website design can have the opposite effect, undermining trust. Responsiveness is crucial, especially for online financial services where timely access to information and transactions is essential. Slow-loading pages or unresponsive interfaces can lead to frustration and distrust. The study concluded that when users feel that a service understands their unique financial goals and provides relevant suggestions, it can build trust and loyalty. The overall online experience encompasses various aspects, including the ease of navigation, speed, convenience, and the availability of relevant information. The study also

concluded that a positive online experience can enhance trust and encourage customers to continue using the service. Conversely, a poor online experience can drive users away.

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