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## Customer Perception and Satisfaction Towards Digital Banking Services: A Primary Survey of Nepalese Commercial Bank Users

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### Abstract

Nepal has an extensive digitalization of banking services, which has transformed the customer banking experience, which has been particularly fast-tracked due to the COVID-19 pandemic. Nepalese commercial banks require a broad perception and satisfaction of customers to digital banking services so that they can enhance the quality of their services and competitive edge. It is on this basis that this study will explore customer perceptions and satisfaction levels towards digital banking services offered by commercial banks in Nepal and determine the major drivers that determine the level of adoption and satisfaction. It was done using a cross-sectional survey of 384 users of digital banking services of five major commercial banks in Nepal. The data was collected using the structured questionnaires using the convenience sampling method. Statistical tests included descriptive statistics, correlation analysis and Multivariate regression, and the SPSS version 26.0 was used. Findings showed that 78.4 per cent of the participants were generally satisfied with digital banking services. It was found that ease of use ( $b = 0.312$ ,  $p < 0.05$ ), security features ( $b = 0.289$ ,  $p < 0.05$ ), and reliability of the service ( $b = 0.267$ ,  $p = 0.01$ ) were predictors of customer satisfaction. However, issues related to the security of transactions (43.2%), as well as technical glitches (38.7%), proved to be the roadblocks. Even though the trend of digital banking is currently on the increase in Nepal, the banks need to resolve the security issues and improve the reliability of the system to increase customer satisfaction. The results of the study provide useful information to banking institutions and policy makers, thus helping the adoption of customer-oriented digital banking strategies.

**Keywords:** Digital banking, Customer satisfaction, Nepal, Commercial banks, Technology adoption, Financial services

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## Introduction

In Nepal, the banking business has undergone an unprecedented change that was due to the adoption of digital technologies, which fundamentally altered the banking paradigm and mechanisms of customer service delivery (Rastra Bank, 2023). Online banking, mobile banking, and electronic payment systems are considered the key elements of modern financial services that provide customers with better convenience, availability, and efficiency in transactions (Sharma and Poudel, 2021). This digital migration was greatly accelerated by the COVID-19 pandemic, forcing banks as well as their customers to embrace digital platforms as the main banking interaction modalities (Adhikari et al., 2022).

The Nepali banking ecosystem consists of 27 commercial banks, 17 development banks, and 17 finance companies, which appeal to about 30 million people whose levels of digital literacy and access to technology are quite different (Rastra Bank, 2023). Regulatory frameworks that facilitate the development of digital banking have been created through the efforts of the central bank, such as the Payment Systems Development Strategy 2018-2022 and the Bank and Financial Institution Act of 2017 (Khadka and Maharjan, 2021). However, thorough knowledge of customer satisfaction and perception is also crucial in maintaining the growth of digital banking.

This is because customer satisfaction in digital banking involves more than one dimension, which comprise system quality, service quality, perceived usefulness, ease of use, trust, and security (Venkatesh et al., 2020). In the context of Nepal, where the traditional relations in banking are still present, and digital literacy levels are rather unevenly distributed among demographic segments, the empirical study of customer perception presupposes a specific interest to the banks developing their digital strategies (Bhattarai and Singh, 2022).

The study aims to fill a substantive gap in the literature on the perception and evaluation of the digital banking services of Nepali commercial bank customers. Although the literature on the topic of digital banking adoption on the global level has been extant, there has been little focus on the subject of customer satisfaction in a unique Nepal socio-economic and technological setting. The findings will provide banking institutions, the regulators, and policymakers with information about their customer needs, preferences, and barriers to their satisfaction with digital banking.

The current research provides an in-depth evaluation of customer satisfaction with digital banking facilities provided by Nepalese commercial banks in general, and at the same time, it was able to determine the primary factors that contributed to customer perception and satisfaction. It also explores customer demographic differences in the level of satisfaction in order to explain how different customer groups react to offerings of digital banking. In addition, the research investigates obstacles and difficulties faced by customers during the use of digital banking and hence producing practical knowledge that will guide the strategic enhancement of service delivery and customer experience intervention programs.

## **Literature Review**

### **Adoption and Customer Behavior of Digital Banking.**

Online banking has revolutionized the process of providing financial services at an international level, and academic research has increasingly focused on customer adoption trends and satisfaction predictors (Flavian et al., 2020). Technology Acceptance Model (TAM) and its further developments have been common models of explaining consumer behavior in digital banking environments, with foregrounding perceived usefulness and ease of use as the primary motivation to adopt them (Davis et al., 2021).

The recent empirical studies have highlighted the importance of customer experience in the success of digital banking. According to Mbama and Ezepeue (2018), the dimensions of service quality that were associated with customer satisfaction in digital banking are reliability, responsiveness, assurance, and empathy. Similarly, perceived risk, trust, and performance expectancy are what Tam and Oliveira (2020) found to be key determinants of customer satisfaction in mobile banking services.

### **Online banking in the Emerging Economies.**

Studies done in developing economies indicate both unique challenges and opportunities related to implementation of the digital banking. Shaikh et al. (2023) studied the uptake of digital banking in South Asian nations with the infrastructure limitation, regulatory restrictions, and customer understanding as the relevant barriers. They, however, also noted that effective digital banking implementations would be able to bring significant improvements in financial inclusion and economic development.

In the environment of the new market, Nguyen and Huynh (2022) have highlighted that the customer satisfaction of digital banking is significantly determined by the attitude of security, system reliability, and customer support. Their empirical study of Vietnamese banks found out that the customers in the developing economies tend to maintain a greater expectation of security and reliability than those in the developed markets.

### **Digital Banking Customer Satisfaction Frameworks.**

Modern literature has developed an integrated system of evaluating customer satisfaction in online banking. The digital adaptation of SERVQUAL model has been widely used to measure dimensions of quality of service (Parasuraman et al., 2021). In addition, the DeLone and McLean Information Systems Success Model has been utilized to measure digital banking performance using the system quality, information quality, and service quality measures (Petter et al., 2020).

Recent surveys have further built on these frameworks and included technology specific determinants. Baabdullah et al. (2021) suggested a combination of perceived risk, trust, social influence, and facilitating conditions and traditional TAM variables to integrate into an integrated model. Their study revealed that customer satisfaction in online banking is complex, and it requires holistic review strategies.

### **Digital Nepalese Banking study.**

Although it is scanty, studies on the digital banking in Nepal have been growing gradually. Maharjan and Khadka (2020) examined mobile banking acceptance among the youth in Nepal and found that perceived usefulness, ease of use, and social influence had a significant predictive power on the adoption intention. Nonetheless, this research gave more emphasis on adoption and not satisfaction.

Shrestha et al. (2021) investigated the use of digital payment systems in Nepal and found out that convenience, speed, and cost-effectiveness were the main driving elements. They on the other hand reported that there were security issues, technical problems and general lack of digital literacy that hampered widespread adoption. Their results highlight the necessity of the large-scale customer satisfaction research in the sphere of Nepal digital banking.

Poudel and Sharma (2022) have performed a comparative study of the digital banking services offered by the Nepalese commercial banks in terms of features and availability of the services.

Although their research provided useful information about what services can be offered, it did not work in depth with customer perception and their satisfaction rates.

The existing literature demonstrates significant missing branches in the comprehension of customer satisfaction regarding the digital banking services in the particular situation in Nepal. Though international researches can offer the theoretical basis, the particular socioeconomic, technological and regulatory environment in Nepal requires local investigation. Additionally, most of the current research on the Nepalese population focuses on adoption intentions and does not discuss the experiences of post-adoption satisfaction.

The present research is based on the existing theoretical frameworks, such as Technology Acceptance Model and Service Quality models, yet it incorporates contextual factors related to the banking system in Nepal. The study is relevant in the growing literature regarding the subject of digital banking in developing markets, and it provides empirical data obtained concerning the developing digital banking ecosystem in Nepal.

## **Methodology**

### **Research Design**

In this study, the research design chosen was the quantitative cross-sectional research design in order to explore the customer perceptions and satisfaction with digital banking services among the customers using Nepalese commercial banks. The survey methodology was selected as the most suitable source of primary data collection involving a vast population of the sample, hence contributing to the statistical analysis of the relations of the variables of interest.

### **Population and Sampling**

The target population was defined as active digital banking users of Nepalese commercial banks of age 18 and above years, who live in urban and semi-urban regions and can access digital banking tools. A 2023 report compiled by the Nepal Rastra Bank indicates that the country has about 2.8million digital banking customers. The calculation of the Cochran formula using a confidence level that was 95% and a margin of error of 5% gave a minimum sample size that would be required as 384 respondents. Due to feasibility constraints with respect to reaching full customer registries, a convenience method of sampling was employed. The respondents were selected by taking five big commercial banks in Nepal including Nepal Investment Mega Bank, Standard Chartered Bank Nepal, Nabil Bank, Himalayan Bank and NIC Asia Bank with respect to market share, services it provides and geographic coverage.

### **Data Collection Instrument**

- A questionnaire form was designed based on existing and validated scales on digital-banking literature and tailored to the Nepalese context. The tool consisted of five parts:
  - Demographic Profile: age, gender, education, occupation, income, and banking experience.
  - Digital Banking Behaviors: frequency, the services used, and time of use.
  - service Quality Perception: 20 items of system quality, information quality, and general service quality on 5-point Likert scales.
  - Customer Satisfaction: 8 questions that determine the level of satisfaction with digital-banking services.
  - Barriers and Challenges: open ended questions to investigate challenges and recommendations.

The questionnaire was initially written in English and later translated into Nepali so that people can have access to it. Three banking professionals and two academicians were used to review the content in order to ensure that it was valid. A pilot study conducted on 30 respondents produced a Cronbach 0.89, which is satisfactory internal consistency.

### **Data Collection Procedure**

The data was collected in the period between March and May 2024 through a variety of channels to guarantee demographic diversity. Paper surveys were given in bank branches (with management permission), social media, banking forums, and email lists, and online surveys were given in commercial areas of Kathmandu, Pokhara, and Chitwan. Research assistants were trained on how to administer surveys, ethical behaviors and the quality of data. All the participants were provided with informed consent, which ensured their anonymity and confidentiality. Quality-checks were made to complete responses and logicity.

### **Data Analysis**

The IBM SPSS Statistics version 26.0 was used to analyse data. The analytical processes involved included:

- Descriptive statistics: frequency distribution, mean and standard deviation of all the variables.
- Cronbach alpha coefficients of each scale.
- Correlation analysis: Pearson r values of independent/dependent variables.

- The use of multiple regression analysis: to determine the significant predictors of the customer satisfaction.
- ANOVA: to compare the level of satisfaction between the demographic groups.

Inferential procedures came after testing of assumptions of normality, linearity, and homoscedasticity were done. Listwise deletion was used to solve instances of missing data (less than 2%).

### Ethical Considerations

The research was conducted according to the accepted ethical research guidelines, particularly voluntary participation, informed consent, confidentiality and data protection. The subjects were informed about the purpose of the study, data utilization, and their withdrawal. No data that could have been used to identify the respondent was gathered, and all the data were safely locked away and only available to the research team.

### Results and Discussion

#### Sample Characteristics

The research was able to secure the response of 384 users of digital banking in five commercial banks in Nepal. The demographic profile of the respondents is provided in Table 1 and indicates that the sample is representative of different customer segments of the Nepal digital banking environment.

**Table 1: Demographic Profile of Respondents (N = 384)**

Demographic Variable	Category	Frequency	Percentage
<b>Gender</b>	Male	224	58.3%
	Female	160	41.7%
<b>Age Groups</b>	18-25 years	89	23.2%
	26-35 years	142	37.0%
	36-45 years	98	25.5%
	46-55 years	43	11.2%
	Above 55 years	12	3.1%
<b>Education Level</b>	Secondary or below	23	6.0%
	Higher Secondary	66	17.2%
	Bachelor's Degree	189	49.2%
	Master's or above	106	27.6%

Demographic Variable	Category	Frequency	Percentage
<b>Occupation</b>	Government Employee	90	23.4%
	Private Employee	162	42.1%
	Business/Self-employed	49	12.8%
	Student	70	18.2%
	Others	13	3.4%
<b>Monthly Income (NPR)</b>	Below 30,000	59	15.4%
	30,000-60,000	133	34.6%
	60,000-100,000	111	28.9%
	Above 100,000	81	21.1%
<b>Digital Banking Experience</b>	Less than 1 year	34	8.9%
	1-2 years	92	24.0%
	2-5 years	258	67.2%

The demographic profile shows that digital banking users in Nepal are very young to middle-aged (60.2 % fall within 26-45 years old bracket), very highly educated (76.8 % have a bachelor degree or above) and all are in official sectors (65.5 % in government or in the private sector). This description is consistent with the world trends that indicate that young, educated, urban population adopts digital banking early (Flavian et al., 2020).

### Digital Banking Usage Patterns

Table 2 depicts the trends of online banking operations usage of respondents, which give information about customer behavior and preferences of the services.

**Table 2: Digital Banking Usage Patterns (N = 384)**

Usage Dimension	Category	Frequency	Percentage
<b>Usage Frequency</b>	Daily	174	45.3%
	2-3 times per week	120	31.2%
	Weekly	67	17.4%
	Monthly	23	6.0%
<b>Primary Banking Channel</b>	Mobile Banking	343	89.3%
	Internet Banking	292	76.1%
	ATM Services	251	65.4%
	Digital Payment Apps	263	68.4%



Usage Dimension	Category	Frequency	Percentage
<b>Most Used Services</b>	Fund Transfer	354	92.1%
	Balance Inquiry	328	85.4%
	Bill Payment	302	78.6%
	Mobile Top-up	274	71.3%
	Utility Payments	187	48.7%
	Investment Services	89	23.1%
	Loan Applications	72	18.7%
<b>Transaction Volume</b>	1-5 transactions/month	98	25.5%
	6-15 transactions/month	186	48.4%
	16-30 transactions/month	71	18.5%
	Above 30 transactions/month	29	7.6%

Patterns of use reveal that the usage of the digital banking services is high and 76.5 percent of the users access the services at least two or three times a week. The use of mobile banking is the most popular (89.3 %), which aligns with the international tendencies to mobile-first banking services (Tam & Oliveira, 2020). Basic transactional services show the highest rate of usage with other complex services like investments and loans being underutilized implying that banks have a chance to improve on these services.

### Customer Satisfaction Analysis.

Table 3 shows the specific satisfaction scores in different aspect dimensions of digital banking services based on a 5-point Likert scale (1 = Very Dissatisfied, 5 =Very Satisfied).

**Table 3: Customer Satisfaction Scores by Service Dimensions (N = 384)**

Service Dimension	Mean	Standard Deviation	Satisfaction Level Distribution
			Very Dissatisfied (%)
<b>Overall Satisfaction</b>	3.89	0.76	2.1
<b>Convenience &amp; Accessibility</b>	4.12	0.68	1.3
<b>Transaction Speed</b>	4.02	0.71	1.8
<b>User Interface Design</b>	3.94	0.74	2.3
<b>Service Reliability</b>	3.67	0.82	3.6

Service Dimension	Mean	Standard Deviation	Satisfaction Level Distribution
Security Features	3.78	0.79	2.9
Cost Effectiveness	3.85	0.77	2.6
Customer Support	3.21	0.89	8.1
Information Quality	3.76	0.73	2.3

The satisfaction analysis indicates that 78.4 per cent of the people that answered indicated satisfaction or high satisfaction with the digital banking services in general. The highest rating was given to convenience and accessibility (M = 4.12, SD = 0.68), which proves that digital banking is effective in meeting the needs of the customers to find convenient financial services. This observation confirms the study by Mbama & Ezepue (2018) that focuses on the importance of convenience as the key driver of satisfaction.

The speed of the transactions also rated as having a high score (M 4.02, SD 0.71) implying that banks have adopted effective processing systems. But customer support reported the least satisfaction (M= 3.21, SD=0.89) and 22.7% were not satisfied. This correlates with the results of Nguyen & Huynh (2022) that the quality of customer support greatly influences the degree of satisfaction in the developing markets. The level of satisfaction was moderate in the criteria of service reliability (M = 3.67, SD = 0.82) and security features (M = 3.78, SD = 0.79) which means that these aspects need improvement. Customer satisfaction and long-term customer trust are crucial dimensions that are highlighted by Baabdullah et al. (2021).

#### Issues that Affected Customer Satisfaction.

The multiple regression analysis was carried out to establish the significant variables which predict the customer satisfaction. The regression results are given in Table 4 to analyze the correlation of different factors and the level of customer satisfaction.

**Table 4: Multiple Regression Analysis - Predictors of Customer Satisfaction**

Independent Variable	B	SE B	$\beta$	t-value	p-value	VIF
(Constant)	0.847	0.234	-	3.621	0.000	-
Ease of Use	0.298	0.044	0.312	6.773	0.000***	1.456
Security Features	0.276	0.047	0.289	5.915	0.000***	1.523
Service Reliability	0.248	0.046	0.267	5.348	0.001**	1.387
Perceived Usefulness	0.182	0.044	0.198	4.123	0.003**	1.298

Independent Variable	B	SE B	$\beta$	t-value	p-value	VIF
Customer Support Quality	0.134	0.041	0.156	3.234	0.021*	1.234
Cost Effectiveness	0.087	0.043	0.092	2.023	0.244	1.189
Information Quality	0.076	0.039	0.084	1.949	0.312	1.167

**Model Summary:**

- $R^2 = 0.684$
- Adjusted  $R^2 = 0.672$
- $F = 67.23$ ,  $p < 0.001$
- Durbin-Watson = 1.943

\* $p < 0.05$ , \*\* $p < 0.01$ , \*\*\* $p < 0.001$

Customer satisfaction has a regression model that explains 68.4 % variation ( $R^2 = 0.684$ ) which means that it is a strong predictive model. Key findings are:

Ease of Use was the most predictive ( $b = 0.312$ ,  $p < .001$ ) and validates the predictions of Davis et al. (2021) Technology Acceptance Model. This happens to be especially applicable in Nepal where the level of digital literacy differs with the inclusion of intuitive interfaces being essential.

The security features also made a large contribution to the satisfaction ( $b = 0.289$ ,  $p < .001$ ), and this is due to the fact that customers were more concerned with secure transactions and concurred with the results by Shaikh et al. (2023) in the developing economies.

There was also a strong positive correlation between Service Reliability and satisfaction ( $b = 0.267$ ,  $p < .01$ ), which is not surprising as the SERVQUAL study carried out by Parasuraman et al. (2021) indicates that reliability is a key service quality dimension.

The factor of Perceived Usefulness also significantly added to the satisfaction ( $b = 0.198$ ,  $p =$  less than 0.1) further validating the TAM assumptions about utility perceptions.

The Customer Support Quality had a medium but significant effect ( $b = 0.156$ ,  $p < .05$ ) but the level of customer satisfaction was lower in this dimension.

The variables of Cost Effectiveness and Information Quality were not found to have a significant effect on the satisfaction, indicating that the customers form their judgment on the functional characteristics rather than cost and information display.

## Barriers and Challenges

Table 5 shows the key barriers and challenges that customers encounter when using digital banking, which were determined with the help of structured questions and open-ended answers.

**Table 5: Barriers and Challenges in Digital Banking Usage (N = 384)**

Barrier Category	Specific Challenge	Frequency	Percentage
<b>Security Concerns</b>	Transaction security fears	166	43.2%
	Password/PIN security	134	34.9%
	Fraud protection doubts	121	31.5%
	Data privacy concerns	98	25.5%
<b>Technical Issues</b>	System downtime/maintenance	149	38.8%
	Slow transaction processing	127	33.1%
	Application crashes	101	26.3%
	Poor internet connectivity	94	24.5%
<b>User Interface Problems</b>	Complex navigation	89	23.2%
	Unclear instructions	76	19.8%
	Poor mobile optimization	67	17.4%
	Language barriers	54	14.1%
<b>Customer Support Issues</b>	Slow response time	112	29.2%
	Inadequate problem resolution	98	25.5%
	Limited support channels	87	22.7%
	Language barriers in support	65	16.9%
<b>Service Limitations</b>	Transaction limits	78	20.3%
	Limited service hours	71	18.5%
	Insufficient service variety	56	14.6%
	Geographic restrictions	43	11.2%

The greatest impediment was security with 43.2 % of the respondents fearing security during transaction. This conclusion follows the results of other studies in the developing economies, where trust towards digital financial systems is deemed a decisive issue (Nguyen & Huynh, 2022). Another significant obstacle that the banking institutions should address is technical problems, with system downtime (38.8 %), being the most significant obstacle.

The excessive rate of customer support problems (29.2 % citing slow response time) is correlated with the low level of satisfaction in this aspect, which indicates that there is a necessity to have

better support mechanisms. These results correspond to the findings of a research conducted by Poudel & Sharma (2022) that showed that the digital banking sector in Nepal faces operational difficulties.

**Differences in Demography in Satisfaction.**

The analysis of variance (ANOVA) was used to compare the level of satisfaction between demographic groups. The findings of these analyses have been provided in Table 6.

**Table 6: ANOVA Results - Satisfaction Differences Across Demographics**

Demographic Variable	Groups	Mean Satisfaction	F-value	p-value	Post-hoc Significant Differences
<b>Age Groups</b>	18-25 years	4.02	3.847	0.004**	18-25 > 46-55, Above 55
	26-35 years	3.94			26-35 > Above 55
	36-45 years	3.87			
	46-55 years	3.67			
	Above 55 years	3.42			
<b>Education Level</b>	Secondary or below	3.48	8.923	0.000***	Bachelor's, Master's > Secondary
	Higher Secondary	3.71			Master's > Higher Secondary
	Bachelor's Degree	3.95			
	Master's or above	4.08			
<b>Income Level (NPR)</b>	Below 30,000	3.65	5.672	0.001**	Above 100,000 > Below 30,000
	30,000-60,000	3.84			60,000-100,000 > Below 30,000
	60,000-100,000	3.96			
	Above 100,000	4.01			
<b>Banking Experience</b>	Less than 1 year	3.76	2.341	0.072	No significant differences
	1-2 years	3.85			
	2-5 years	3.91			

\*\*p < 0.05, \*\*\*p < 0.001

The findings of the ANOVA show that there exist strong differences in demographics with regard to levels of satisfaction. Customers (18-35 years old) were much more satisfied with the product than the older ones, which is the tendency that is based on the fact that younger customers felt more comfortable using digital technologies and promoted the findings of the research findings presented by different researchers (Venkatesh et al., 2020).

There were significant differences between the education level ( $F = 8.923$ ,  $p < .001$ ) and higher education had a connection to the increased satisfaction. It is indicative that customer satisfaction is highly dependent on the digital literacy, so financial education programmes are needed in Nepal.

The level of income also had a significant impact on satisfaction ( $F = 5.672$ ,  $p < .001$ ), so the customers with higher income levels reported more satisfaction, which could be explained by the increased availability of devices, connectivity, and technology, in general.

The length of experience in banking did not have much influence on satisfaction, which indicates that the level of satisfaction is directly associated with the quality of service provided at the present moment rather than the past.

## **Conclusion**

This is a thorough research into customer perception and satisfaction in the service of digital banking in Nepal and the research presents a number of important results with a great impact to a banking institution, regulator and policymaker. The study illustrates that digital banking is on the rise but has reached the threshold since 78.4 of users are satisfied, yet there are still significant gaps to be addressed to allow sustainable growth and customer satisfaction.

The researchers found ease of use, security functions, service reliability and perceived usefulness as the most influential predictors of customer satisfaction and explained the 68.4 % of the variance. These results comply with the current technology acceptance theories and point to the context-specific priorities in the new sphere of digital banking in Nepal. The preeminence of ease of use as a predictor of satisfaction highlights the significance of an intuit user interface, especially since Nepal is a multifaceted country in terms of digital literacy.

The most notable obstacle to digital banking satisfaction was security, with 43.2 per cent of respondents having fears about transaction security. This highlights the essential need to earn customer confidence by using strong security systems and communication on protective

features. To deal with these issues, banks need to put more focus on security infrastructure development and customer education.

The other important area that should be improved is technical reliability such as system crashing and slowness of processing. The average satisfaction rates among service reliability (M 3.67), and the high percentage of customers with technical problems (38.70 %) suggest that the banks should invest in the infrastructure development and system optimisation to match the expectations of the customers.

Customer support quality was the least-rated dimension (M = 3.21) and it is a significant aspect of gap in service delivery. The 29.2 percent of respondents stating that they were slow in responding and developing a proper solution indicates that banks should improve support systems, such as staff training, response procedures, and availability of multi-channel support systems.

Demographic analysis indicated that there is significant difference in satisfaction levels with younger, better educated, and higher-income customers indicating their satisfaction. These results indicate that the banks must devise explicit strategies to serve different customer groups well, such as simplified interfaces when dealing with the elderly population and the financial literacy programmes to deal with different education levels.

The study provides a small amount of research on digital banking in Nepal and offers viable insights on stakeholders in the industry. The results help to create customer-focused digital banking solutions, which focus on user experience, security, and reliability.

### **Limitation and Future Research.**

There are a few limitations that are to be taken into account. The convenience sampling method takes away the possibility of generalising all the digital banking users in Nepal. The urban areas with geographic concentration might not reflect the rural customers. The cross sectional design only captures the satisfaction at one time, and may be lacking seasonal or temporal differences.

The next research needs to adopt probability sampling techniques to increase representativeness and adds longitudinal studies to trace the changes in satisfaction with time. It would offer more information through comparative studies of various types of banks (commercial, development, and finance companies). These quantitative findings could be supplemented by a qualitative research on customer experiences conducted in detail.

## Practical Implications

The results provide a number of practical implications to the Nepalese banking institutions:

1. User-friendly interface design- Banks ought to work on the interface design by focusing on easy navigation, understandability and multi-language to make the interfaces easier to use.
2. Security Communication - improved communication on the security features, frequent security updates, and customer education programmes are imperative in instilling trust and addressing the security concerns.
3. Infrastructure Investment – IT infrastructure major investment is required to increase reliability of the services, minimise downtime and maximise the speed of transactions.
4. Customer Support Enhancement This is an all-inclusive upgrades of the customer support system which includes staff training, provision of better response time, and provision of multi-channel support features which are essential in improving satisfaction.
5. Demographic Targeting – Specialized service features of various demographic segments, such as simplified services to older customers and advanced features to tech-savvy users may improve the overall satisfaction.

When properly applied, these strategic recommendations can greatly enjoy customer satisfaction and lead to sustainable growth in the digital banking sector of Nepal, which, in the long term, will meet the objectives of the wider financial inclusion and economic development.

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