

## **Customer-Driven Evaluation of Service Quality in Nepal's Banking Sector**

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### **Abstract**

Service quality is a critical determinant of customer satisfaction in the banking sector, where customers' perceptions of various service attributes directly influence their loyalty and engagement. In Nepal, understanding these perceptions is essential for banks to maintain competitiveness and improve service standards. This study utilized a quantitative approach to assess customer satisfaction across key service attributes in Nepal's banking sector. A structured questionnaire was distributed to 120 respondents, measuring their agreement with statements related to service quality using a Likert scale. Descriptive statistics, including frequency, percentage, and cumulative percent, were employed to analyze customer feedback. The results indicate that while customers largely appreciate the banks' modern facilities, neat-appearing employees, and secure services, there is a notable neutrality regarding the reliability of timely service delivery and problem-solving efforts. Furthermore, many respondents were neutral about the personal attention and enthusiasm provided by bank employees. However, a significant majority of customers expressed satisfaction with the banks' ability to meet their needs, recommending the bank to others and intending to continue using its services. The analysis reveals that Nepalese banks perform well in terms of infrastructure and employee professionalism but have room for improvement in service reliability and responsiveness.

Addressing these gaps can enhance customer satisfaction and loyalty, offering banks valuable direction for maintaining high service standards and improving customer engagement.

**Keywords:** Bank, Customer, Quality, Service

## **Introduction**

The banking history is started in Nepal at the end of 19<sup>th</sup> century. The first commercial bank in Nepal, Nepal Bank limited (NBL) was established in 1994 B.S. After the nineteen years of establishment of NBL, Nepal Rastra Bank (NRB) was established in the year 2013 B.S. Rastra Banijya Bank and Agricultural Development Bank Ltd. were established in the year 2022 and 2024 B.S. respectively. The start of private banking industry in Nepal was established by Nabil Bank in 2041 B.S. In beginning Nepalese banking has faced many obstacles and difficulties. It has faced many political conflict and uncertainty (Dhungana, 2010; Thapa, Pokharel, & Acharya, 2023).

But in today's scenario, it stands more modernized. There are various types of banks working in Nepal. As per the list issued of Nepal Rastra Bank there are 28 Commercial Banks, 33 Development Banks, 25 Finance Companies, and 63 Micro Credit Development Banks. (<https://blog.khalti.com>). A company's products, services, and capabilities determine how good or bad customers feel and say about a particular company and this metric is known as customer satisfaction (R., E., & Jamoralin, 2023; Rai & Dahal, 2024). Main focus of organization must be to satisfy customer.

To measure how well an organization knows the needs of its clients and meets their demands is what service quality is about (Karki, et al., 2024; Binita Lamichhane, 2024). Improving the service quality is the main step to success in any institution. Measuring and improving service quality remains a challenging endeavor. Service quality is highly important since, it positively affects customer satisfaction and loyalty. It attracts the customer about the quality they get from services (Rane, Achari, & Choudhary, 2023).

The economic growth of any nation is highly dependent on the banking sector. Commercial banks serve as financial intermediaries who strive to make money from lending and borrowing funds in a profitable industry and creating several forms of credit instruments (Dipak Mahat, 2023). Consequently, banking system is an important component in any country's process of economic construction (Ghimire & Neupane, 2022). Moreover, the banking also plays a very significant role in developing the national economy wherein it constitutes the backbone of money market in advanced countries (Bhatt, Ahmed, Iqbal, & Ullah, 2022; Aryal, Karki, Mahat, & Neupane, 2024).

In business, customers are royal, and their happiness is a key factor in determining how prosperous the business is. In today's competitive banking environment, customer satisfaction forms an integral part of the bank's strategies (Adhikari, Ghimire, Neupane, & Dhakal, 2018; Mahat, Neupane, & Shrestha, 2024). Therefore, quality dimensions must be recognized by management of banks and better-quality services provided to clients. The banking industry is extremely competitive, with competition among banks themselves and non-banks as well as other financial institutions (Subedi, 2019; Ghimire & Agarwal, 2024). Most developments in

banking products are easy to copy which means that it is only through price and quality that they can differentiate themselves when they provide almost similar services hence customer satisfaction can be an important weapon for banks towards achieving strategic advantage and survival amidst the current growing intensity of competition into financial sector (Cohen, Gan, Yong, & Chong, 2007; Parajuli, Mahat, & Lingden, 2022).

Ever increasing customer expectations and needs are making it necessary for businesses to consider the relationship between service quality and customer satisfaction. Thus, this study aims at investigating the level of customers’ satisfaction on services provided by commercial banks in Nepal.

### Research Methodology

This study employs a descriptive research design to explore customer perceptions of service quality in the Nepalese banking industry. A convenient sampling technique was used to gather data from participants via an online survey. The survey targeted a diverse age group, ranging from individuals below 20 years to those above 40 years. To facilitate data collection, a Google Form was created and distributed to over 200 potential respondents. A total of 132 responses were received, but after removing incomplete or erroneous responses, a final sample of 120 valid responses was used for analysis. The survey questions aimed to capture participants' opinions and experiences regarding the service quality of Nepalese banks. Descriptive statistical tools were employed to analyze the data, and SPSS software was used for the statistical analysis. Prior to data collection, consent was obtained from the participating banks and employees to ensure ethical research practices.

### Results

This information was gathered via a floating questionnaire distribution to the male and female customer of the bank in Nepal. This section describes the demographic profile of the respondents and how the primary data acquired via survey was used to analyze and interpret it. As a result, it will be simpler to comprehend the respondent’s demographic characteristics. The profile of the respondents comprises the respondent’s gender, age, education level.

Table 1: Age Respondents

Age		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 20 years	27	20.5	20.5	20.5
	21-30 years	81	61.4	61.4	81.8
	31-40 years	11	8.3	8.3	90.2
	above 40 years	13	9.8	9.8	100.0
	Total	132	100.0	100.0	

The above table shows the distribution of respondents based on age group. Among the 132 individuals, 20.5% are below 20 years (i.e., 27 individuals), 61.4% are between 21-30 years (i.e., 81 individuals), 8.3% are between 31-40 years (i.e., 11 individuals) and 9.8% are above 40 years (i.e., 13 individuals). This data indicates that there are maximum numbers of individual between age 21-30 years.

Table 2: Gender

<b>Gender</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	61	46.2	46.2	46.2
	Female	71	53.8	53.8	100.0
	Total	132	100.0	100.0	

The above table shows the distribution of respondents based on gender. Among the 132 individuals, 46% are Male (i.e., 61 individuals), 53% are Female (i.e., 71 individuals). This data indicates that there are maximum females who gave the data.

Table 3: Education

<b>Education</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	10+2	35	26.5	26.5	26.5
	Bachelors	76	57.6	57.6	84.1
	Master's	21	15.9	15.9	100.0
	Total	132	100.0	100.0	

The above table shows the distribution of respondents based on education. Among 132 individuals, 26% are 10+2 (i.e., 35 individuals), 57.6% are Bachelors (i.e., 76 individuals) and 15.9% are master's (21 individuals). This data indicates higher percentage of bachelor's individuals and there are no missing or invalid respondents from other educations.

Table 4 The bank has modern looking equipment.

<b>The bank has modern looking equipment.</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	3.0	3.0	3.0
	Disagree	6	4.5	4.5	7.6
	Neutral	54	40.9	40.9	48.5
	Agree	60	45.5	45.5	93.9
	Strongly Agree	8	6.1	6.1	100.0
	Total	132	100.0	100.0	

The above table shows the distribution of the bank has modern looking equipment, between the respondents. Among 132 individuals, 3% strongly disagree with the statement (i.e., 4 individuals). 4.5% disagree with the statement (i.e., 6 individuals). 40.9% feels the statement is neutral (i.e., 54 individuals). 45.5% agree with the statement (i.e., 60 individuals). 6.1% strongly agree with the statement (i.e., 8 individuals). Since, the majority says that the bank has modern looking equipment.

Table 5 The physical facilities in the bank is visually appealing.

The physical facilities in the bank is visually appealing.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	4.5	4.5	4.5
	Disagree	15	11.4	11.4	15.9
	Neutral	60	45.5	45.5	61.4
	Agree	41	31.1	31.1	92.4
	Strongly Agree	10	7.6	7.6	100.0
	Total	132	100.0	100.0	

The above table shows the distribution of the physical facilities in the bank is visually appealing, between the respondents. Among 132 individuals, 4.5% strongly disagree with the statement (i.e., 6 individuals). 11.4% disagree with the statement (i.e., 15 individuals). 45.5% feels the statement is neutral (i.e., 60 individuals). 31.1% agree with the statement (i.e., 41 individuals). 7.6% strongly agree with the statement (i.e., 10 individuals). Since, the majority are on neutral (neither agree nor disagree) for the physical facilities in the bank is visually appealing.

Table 6 Employees at the banks is neat appearing.

Employees at the banks is neat appearing.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	2.3	2.3	2.3
	Disagree	18	6.1	6.1	8.3
	Neutral	35	26.5	26.5	34.8
	Agree	66	50.0	50.0	84.8
	Strongly Agree	20	15.2	15.2	100.0
	Total	132	100.0	100.0	

The above table shows the distribution of the employees at the bank is neat appearing, between the respondents. Among 132 individuals, 2.3% strongly disagree with the statement (i.e., 3 individuals). 6.1% disagree with the statement (i.e., 18 individuals). 26.5% feels the statement is neutral (i.e., 35 individuals). 50% agree with the statement (i.e., 66 individuals). 15.2%

strongly agree with the statement (i.e., 20 individuals). Since, the majority says the employees at the bank is neat appearing.

Table 7 Materials associated with the service (such as pamphlets or statements) is visually appealing at the bank.

Materials associated with the service (such as pamphlets or statements) is visually appealing at the bank.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	4.5	4.5	4.5
	Disagree	15	11.4	11.4	15.9
	Neutral	42	31.8	31.8	47.7
	Agree	59	44.7	44.7	92.4
	Strongly Agree	10	7.6	7.6	100.0
	Total	132	100.0	100.0	

The above table shows the distribution of Materials associated with the service (such as pamphlets or statements) is visually appealing at the bank, between the respondents. Among 132 individuals, 4.5% strongly disagree with the statement (i.e., 6 individuals). 11.4% disagree with the statement (i.e., 15 individuals). 31.8% feels the statement is neutral (i.e., 42 individuals). 44.7% agree with the statement (i.e., 59 individuals). 7.6% strongly agree with the statement (i.e., 10 individuals). Since, the majority says that materials associated with the services is visually appealing at the bank.

Table 8 When the bank promise to do something by a certain time, they do.

When the bank promise to do something by a certain time, they do.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	3.8	3.8	3.8
	Disagree	24	18.2	18.2	22.0
	Neutral	38	28.8	28.8	50.8
	Agree	55	41.7	41.7	92.4
	Strongly Agree	10	7.6	7.6	100.0
	Total	132	100.0	100.0	

The above table shows the distribution of when the bank promise to do something by a certain time, they do, between the respondents. Among 132 individuals, 3.8% strongly disagree with the statement (i.e., 5 individuals). 18.2% disagree with the statement (i.e., 24 individuals). 28.8% feels the statement is neutral (i.e., 38 individuals). 41.7% agree with the statement (i.e., 55 individuals). 7.6% strongly agree with the statement (i.e., 10 individuals). Since, the majority says that when the bank promise to do something by a certain time, they do.

Table 9 When a customer has a problem, the bank shows a sincere interest in solving it.

When a customer has a problem, the bank shows a sincere interest in solving it.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	9	6.8	6.8	6.8
	Disagree	21	15.9	15.9	22.7
	Neutral	33	25.0	25.0	47.7
	Agree	57	43.2	43.2	90.9
	Strongly Agree	12	9.1	9.1	100.0
	Total	132	100.0	100.0	

The above table shows the distribution of when a customer has a problem, the bank shows a sincere interest in solving it, between the respondents. Among 132 individuals, 6.8% strongly disagree with the statement (i.e., 9 individuals). 15.9% disagree with the statement (i.e., 21 individuals). 25% feels the statement is neutral (i.e., 33 individuals). 43.2% agree with the statement (i.e., 57 individuals). 9.1% strongly agree with the statement (i.e., 12 individuals). Since, the majority says that when a customer has a problem, the bank shows a sincere interest in solving it.

Table 10 The bank performs the services right at the first time.

The bank performs the service right at the first time.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	5.3	5.3	5.3
	Disagree	16	12.1	12.1	17.4
	Neutral	43	32.6	32.6	50.0
	Agree	55	41.7	41.7	91.7
	Strongly Agree	11	8.3	8.3	100.0
	Total	132	100.0	100.0	

The above table shows the distribution of the bank performs the service right at the first time, between the respondents. Among 132 individuals, 5.3% strongly disagree with the statement (i.e., 7 individuals). 12.1% disagree with the statement (i.e., 16 individuals). 32.6% feels the statement is neutral (i.e., 43 individuals). 41.7% agree with the statement (i.e., 55 individuals). 8.3% strongly agree with the statement (i.e., 11 individuals). Since, the majority says that the bank performs the services right at the first time.

Table 11 The bank delivers the service as promised to the customers within a given time.

The bank delivers the service as promised to the customers within a given time.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	5.3	5.3	5.3

	Disagree	20	15.2	15.2	20.5
	Neutral	52	39.4	39.4	59.8
	Agree	41	31.1	31.1	90.9
	Strongly Agree	12	9.1	9.1	100.0
	Total	132	100.0	100.0	

The above table shows the distribution of the bank delivers the service as promised to the customers within a given time, between the respondents. Among 132 individuals, 5.3% strongly disagree with the statement (i.e., 7 individuals). 15.2% disagree with the statement (i.e., 20 individuals). 39.4% feels the statement is neutral (i.e., 52 individuals). 31.1% agree with the statement (i.e., 41 individuals). 9.1% strongly agree with the statement (i.e., 12 individuals). Since, the majority are on neutral (neither agree nor disagree) for the bank delivers the service as promised to the customer within a given time.

Table 12 The bank provides secure and accurate service to customers.

The bank provides secure and accurate service to customers.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	3.0	3.0	3.0
	Disagree	7	5.3	5.3	8.3
	Neutral	33	25.0	25.0	33.3
	Agree	67	50.8	50.8	84.1
	Strongly Agree	21	15.9	15.9	100.0
	Total	132	100.0	100.0	

The above table shows the distribution of the bank provides secure and accurate service to customers, between the respondents. Among 132 individuals, 3% strongly disagree with the statement (i.e., 4 individuals). 5.3% disagree with the statement (i.e., 7 individuals). 25% feels the statement is neutral (i.e., 33 individuals). 50.8% agree with the statement (i.e., 67 individuals). 15.9% strongly agree with the statement (i.e., 21 individuals). Since, the majority says that the bank provides secure and accurate services to customers.

Table 13 Employees in the bank tell you exactly when services will be performed.

Employees in the bank tell you exactly when services will be performed.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	3.0	3.0	3.0
	Disagree	21	15.9	15.9	18.9
	Neutral	35	26.5	26.5	45.5
	Agree	64	48.5	48.5	93.9
	Strongly Agree	8	6.1	6.1	100.0
	Total	132	100.0	100.0	



The above table shows the distribution of employees in the bank tell you exactly when services will be performed, between the respondents. Among 132 individuals, 3% strongly disagree with the statement (i.e., 4 individuals). 15.9% disagree with the statement (i.e., 21 individuals). 26.5% feels the statement is neutral (i.e., 35 individuals). 48.5% agree with the statement (i.e., 64 individuals). 6.1% strongly agree with the statement (i.e., 8 individuals). Since, the majority says that employees in the banks tell you exactly when services will be performed.

Table 14 Employees in the bank give prompt(remind) service.

Employees in the bank give prompt(remind) service.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	3.0	3.0	3.0
	Disagree	17	12.9	12.9	15.9
	Neutral	48	36.4	36.4	52.3
	Agree	53	40.2	40.2	92.4
	Strongly Agree	10	7.6	7.6	100.0
	Total	132	100.0	100.0	

The above table shows the distribution of employees in the bank give prompt(remind) service, between the respondents. Among 132 individuals, 3% strongly disagree with the statement (i.e., 4 individuals). 12.9% disagree with the statement (i.e., 17 individuals). 36.4% feels the statement is neutral (i.e., 48 individuals). 40.2% agree with the statement (i.e., 53 individuals). 7.6% strongly agree with the statement (i.e., 10 individuals). Since, the majority says that employees in the bank give prompt(remind) service.

Table 15 Employees in the bank are always willing to help you.

Employees in the bank are always willing to help you.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	5.3	5.3	5.3
	Disagree	23	17.4	17.4	22.7
	Neutral	34	25.8	25.8	48.5
	Agree	64	48.5	48.5	97.0
	Strongly Agree	4	3.0	3.0	100.0
	Total	132	100.0	100.0	

The above table shows the distribution of employees in the bank are always willing to help you, between the respondents. Among 132 individuals, 5.3% strongly disagree with the statement (i.e., 7 individuals). 17.4% disagree with the statement (i.e., 23 individuals). 25.8% feels the statement is neutral (i.e., 34 individuals). 48.5% agree with the statement (i.e., 64 individuals). 3% strongly agree with the statement (i.e., 4 individuals). Since, the majority says that employees in the bank are always willing to help them.

Table 16 Employees in the bank are never too busy to respond to your request.

Employees in the bank are never too busy to respond to your request.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	15	11.4	11.4	11.4
	Disagree	44	33.3	33.3	44.7
	Neutral	49	37.1	37.1	81.8
	Agree	18	13.6	13.6	95.5
	Strongly Agree	6	4.5	4.5	100.0
	Total	132	100.0	100.0	

The above table shows the distribution of the bank delivers the service as promised to the customers within a given time, between the respondents. Among 132 individuals, 11.4% strongly disagree with the statement (i.e., 15 individuals). 33.3% disagree with the statement (i.e., 44 individuals). 37.1% feels the statement is neutral (i.e., 49 individuals). 13.6% agree with the statement (i.e., 18 individuals). 4.5% strongly agree with the statement (i.e., 6 individuals). Since, the majority are on neutral (neither agree nor disagree) for employees in the bank are never too busy to respond to your request.

Table 17 You feel safe in your transactions with the bank.

You feel safe in your transactions with the bank.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	1.5	1.5	1.5
	Disagree	3	2.3	2.3	3.8
	Neutral	21	15.9	15.9	19.7
	Agree	69	52.3	52.3	72.0
	Strongly Agree	37	28.0	28.0	100.0
	Total	132	100.0	100.0	

The above table shows the distribution of you feel safe in your transactions with the bank, between the respondents. Among 132 individuals, 1.5% strongly disagree with the statement (i.e., 2 individuals). 2.3% disagree with the statement (i.e., 3 individuals). 15.9% feels the statement is neutral (i.e., 21 individuals). 52.3% agree with the statement (i.e., 69 individuals). 28% strongly agree with the statement (i.e., 37 individuals). Since, the majority says that they feel safe in their transactions with bank.

Table 18 Bank employee’s behavior will increase customers confident and trust in quality services.

Bank employee’s behavior will increase customers confident and trust in quality services.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	2.3	2.3	2.3
	Disagree	7	5.3	5.3	7.6
	Neutral	17	12.9	12.9	20.5
	Agree	58	43.9	43.9	64.4
	Strongly Agree	47	35.6	35.6	100.0
	Total	132	100.0	100.0	

The above table shows the distribution of bank employee’s behavior will increase customers confident and trust in quality service, between the respondents. Among 132 individuals, 2.3% strongly disagree with the statement (i.e., 3 individuals). 5.3% disagree with the statement (i.e., 7 individuals). 12.9% feels the statement is neutral (i.e., 17 individuals). 43.9% agree with the statement (i.e., 58 individuals). 35.6% strongly agree with the statement (i.e., 47 individuals). Since, the majority says that bank employee’s behavior will increase customer confident and trust in quality services.

Table 19 Bank employees will be regularly courteous with customer queries.

Bank employees will be regularly courteous with customer queries.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	3.8	3.8	3.8
	Disagree	17	12.9	12.9	16.7
	Neutral	46	34.8	34.8	51.5
	Agree	53	40.2	40.2	91.7
	Strongly Agree	11	8.3	8.3	100.0
	Total	132	100.0	100.0	

The above table shows the distribution of bank employees will be regularly courteous with customer queries, between the respondents. Among 132 individuals, 3.8% strongly disagree with the statement (i.e., 5 individuals). 12.9% disagree with the statement (i.e., 17 individuals). 34.8% feels the statement is neutral (i.e., 46 individuals). 40.2% agree with the statement (i.e., 53 individuals). 8.3% strongly agree with the statement (i.e., 11 individuals). Since, the majority says that bank employees will be regularly courteous with customer queries.

Table 20 Bank employees have some knowledge to answer your question.

Bank employees have some knowledge to answer your question.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	3.0	3.0	3.0

	Disagree	15	11.4	11.4	14.4
	Neutral	38	28.8	28.8	43.2
	Agree	66	50.0	50.0	93.2
	Strongly Agree	9	6.8	6.8	100.0
	Total	132	100.0	100.0	

The above table shows the distribution of bank employees have some knowledge to answer your question, between the respondents. Among 132 individuals, 3% strongly disagree with the statement (i.e., 4 individuals). 11.4% disagree with the statement (i.e., 15 individuals). 28.8% feels the statement is neutral (i.e., 38 individuals). 50% agree with the statement (i.e., 66 individuals). 6.8% strongly agree with the statement (i.e., 9 individuals). Since, the majority says that bank employees have some knowledge to answer their question.

Table 21 The bank has operating hours convenient to all its customers.

The bank has operating hours convenient to all its customers.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	9	6.8	6.8	6.8
	Disagree	19	14.4	14.4	21.2
	Neutral	37	28.0	28.0	49.2
	Agree	58	43.9	43.9	93.2
	Strongly Agree	9	6.8	6.8	100.0
	Total	132	100.0	100.0	

The above table shows the distribution of employees in the bank has operating hours convenient to all its customer, between the respondents. Among 132 individuals, 6.8% strongly disagree with the statement (i.e., 9 individuals). 14.4% disagree with the statement (i.e., 19 individuals). 28% feels the statement is neutral (i.e., 37 individuals). 43.9% agree with the statement (i.e., 58 individuals). 6.8% strongly agree with the statement (i.e., 9 individuals). Since, the majority says that the bank has operating hours convenient to all its customers.

Table 22 The bank has employees who give personal attention.

The bank has employees who give personal attention.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	16	12.1	12.1	12.1
	Disagree	30	22.7	22.7	34.8
	Neutral	48	36.4	36.4	71.2
	Agree	33	25.0	25.0	96.2
	Strongly Agree	5	3.8	3.8	100.0
	Total	132	100.0	100.0	

The above table shows the distribution of the bank has employees who give personal attention, between the respondents. Among 132 individuals, 12.1% strongly disagree with the statement (i.e., 16 individuals). 22.7% disagree with the statement (i.e., 30 individuals). 36.4% feels the statement is neutral (i.e., 48 individuals). 25% agree with the statement (i.e., 33 individuals). 3.8% strongly agree with the statement (i.e., 5 individuals). Since, the majority are on neutral (neither agree nor disagree) for the bank has employees who give personal attention.

Table 23 Bank employees have the enthusiasm to understand the customer specific needs.

Bank employees have the enthusiasm to understand the customer specific needs.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	3.8	3.8	3.8
	Disagree	32	24.2	24.2	28.0
	Neutral	38	28.8	28.8	56.8
	Agree	48	36.4	36.4	93.2
	Strongly Agree	9	6.8	6.8	100.0
	Total	132	100.0	100.0	

The above table shows the distribution of bank employees have the enthusiasm to understand the customer specific needs, between the respondents. Among 132 individuals, 3.8% strongly disagree with the statement (i.e., 5 individuals). 24.2% disagree with the statement (i.e., 32 individuals). 28.8% feels the statement is neutral (i.e., 38 individuals). 36.4% agree with the statement (i.e., 48 individuals). 6.8% strongly agree with the statement (i.e., 9 individuals). Since, the majority says that the bank employees have the enthusiasm to understand the customer specific needs.

Table 24 Bank employees consider customer needs in the first place.

Bank employees consider customer needs in the first place.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	4.5	4.5	4.5
	Disagree	26	19.7	19.7	24.2
	Neutral	41	31.1	31.1	55.3
	Agree	53	40.2	40.2	95.5
	Strongly Agree	6	4.5	4.5	100.0
	Total	132	100.0	100.0	

The above table shows the distribution of bank employees consider customer needs in the first place, between the respondents. Among 132 individuals, 4.5% strongly disagree with the statement (i.e., 6 individuals). 19.7% disagree with the statement (i.e., 26 individuals). 31.1% feels the statement is neutral (i.e., 41 individuals). 40.2% agree with the statement (i.e., 53

individuals). 4.5% strongly agree with the statement (i.e., 6 individuals). Since, the majority says that the bank employees consider customer needs in the first place.

Table 25 I would recommend others to open account in this bank.

I would recommend others to open account in this bank.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	3.8	3.8	3.8
	Disagree	11	8.3	8.3	12.1
	Neutral	32	24.2	24.2	36.4
	Agree	68	51.5	51.5	87.9
	Strongly Agree	16	12.1	12.1	100.0
	Total	132	100.0	100.0	

The above table shows the distribution of I would recommend others to open account in this bank, between the respondents. Among 132 individuals, 3.8% strongly disagree with the statement (i.e., 5 individuals). 8.3% disagree with the statement (i.e., 11 individuals). 24.2% feels the statement is neutral (i.e., 32 individuals). 51.5% agree with the statement (i.e., 68 individuals). 12.1% strongly agree with the statement (i.e., 16 individuals). Since, the majority says that they will recommend other to open account in the bank.

Table 26 I will continue to use this bank services.

I will continue to use this bank services.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	2.3	2.3	2.3
	Disagree	2	1.5	1.5	3.8
	Neutral	31	23.5	23.5	27.3
	Agree	80	60.6	60.6	87.9
	Strongly Agree	16	12.1	12.1	100.0
	Total	132	100.0	100.0	

The above table shows the distribution of I will continue to use this bank services, between the respondents. Among 132 individuals, 2.3% strongly disagree with the statement (i.e., 3 individuals). 1.5% disagree with the statement (i.e., 2 individuals). 23.5% feels the statement is neutral (i.e., 31 individuals). 60.6% agree with the statement (i.e., 80 individuals). 12.1% strongly agree with the statement (i.e., 16 individuals). Since, the majority says that they will continue to use this bank services.

Table 27 I speak positive things about my bank to other people.

I speak positive things about my bank to other people.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	3.8	3.8	3.8
	Disagree	6	4.5	4.5	8.3
	Neutral	42	31.8	31.8	40.2
	Agree	64	48.5	48.5	88.6
	Strongly Agree	15	11.4	11.4	100.0
	Total	132	100.0	100.0	

The above table shows the distribution of I speak positive things about my bank to other people, between the respondents. Among 132 individuals, 3.8% strongly disagree with the statement (i.e., 5 individuals). 4.5% disagree with the statement (i.e., 6 individuals). 31.8% feels the statement is neutral (i.e., 42 individuals). 48.5% agree with the statement (i.e., 64 individuals). 11.4% strongly agree with the statement (i.e., 15 individuals). Since, the majority says that they will speak positive things about their bank to other people.

Table 28 I am very satisfied with the services offered by this bank.

I am very satisfied with the services offered by this bank.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	2.3	2.3	2.3
	Disagree	7	5.3	5.3	7.6
	Neutral	43	32.6	32.6	40.2
	Agree	67	50.8	50.8	90.9
	Strongly Agree	12	9.1	9.1	100.0
	Total	132	100.0	100.0	

The above table shows the distribution of I am very satisfied with the service offered by this bank, between the respondents. Among 132 individuals, 2.3% strongly disagree with the statement (i.e., 3 individuals). 5.3% disagree with the statement (i.e., 7 individuals). 32.6% feels the statement is neutral (i.e., 43 individuals). 50.8% agree with the statement (i.e., 67 individuals). 9.1% strongly agree with the statement (i.e., 12 individuals). Since, the majority says that they are very satisfied with the services that the bank offered.

## Conclusion

The customer-driven evaluation of service quality in Nepal's banking sector reveals varied perceptions across multiple service attributes, with mixed but generally positive sentiments. While respondents agreed that banks offer modern facilities, neat-appearing employees, and secure services, a significant portion remained neutral on timely service delivery, problem-solving sincerity, and employees' personal attention and enthusiasm. Despite this, there is

strong agreement that the banks meet customer needs and ensure satisfaction, with many customers willing to recommend the bank to others and continue using its services. These insights highlight strengths in areas like infrastructure and appearance, while pointing to opportunities for improvement in service reliability and responsiveness.

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