

# **Analysis of Investor’s Contentment towards Service Attribute of Dematerialized (DEMAT) Account of Nepal**

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## **ABSTRACT**

The intent of the study is to examine how content investors are with the attributes of service offered by Nepal’s dematerialized accounts. The term “Dematerialized Account” (abbreviated as “DEMAT account”) refers to a paperless or digital method of purchasing and selling stocks and other financial assets. Analysis of investor satisfaction with Nepal’s Dematerialized (DEMAT) Account Service Quality was the study’s primary goal. The study’s descriptive research design was utilized to gauge participant satisfaction with the level of service quality. The study discovered that the tangible component significantly affects investor satisfaction. Accordingly, the depository units should concentrate on the tangible aspect of service quality to ensure that investors are as satisfied as possible.

**Keywords:** DEMAT, Reliability, Responsiveness, Assurance, Empathy, Tangible

# 1. INTRODUCTION

The process of archiving actual (paper) share certificates in an electronic system is known as DEMAT. It entails the dematerialization of the actual stock certificates. The beneficiary's electronic account with the central depository firm through the depository participants (DP) is known as a DEMAT account. A DEMAT account functions exactly like a bank account in that it stores shares in electronic form. The introduction of DEMAT has accelerated share trading in Nepal. Investors no longer have to worry about carrying, shredding, rotting, or losing their certificates thanks to the dematerialization of shares.

After the official launch of CDS and Clearing on Chaitra 17, 2067, the dematerialization of shares in Nepal began gradually. One can go to a business that has received approval from the Securities Board of Nepal (SEBON) for Depository Participant (DP) service to open a DEMAT account in Nepal. Currently, such services are being provided with the board's approval by stock brokers, banks and other financial institutions, merchant bankers, and other organizations. Two passport-size pictures and a photocopy of one's citizenship are required. (Investpaper, n.d.).

The Nepal Stock Exchange (NEPSE) is the country's sole secondary stock market. Fewer people in Nepal were interested in engaging in the stock market due to the significant documentation needed for market trading. But as more brokering offices have opened, mutual funds and credit rating organizations have entered the market, merchant bankers have grown in number, manufacturer have entered the market, and investor presence in the primary market has increased, our stock market has undergone shifts as time passes (Shrestha, 2016).

The authors of the paper, "Financial Performance Evaluation of Depositories in India (A Comparative Study of NSDL & CDSL)," Bhatt and Bhatt (2012), look at how the pace of digitization, notably Dematerialization, has made it possible the Indian capital market to rule the world and escalating to levels that were previously unthinkable. The stock market in India has grown considerably. Both depositories have advanced substantially in terms of DEMAT accounts, DEMAT value and volume, settling value and volume, and the proportion of depository registrants, according to a study of the economic growth of NSDL and CDSL. Both depositories have generated profits over the past six fiscal years, according to their analysis.

Study made by Cheng, Lam and Yeung (2006) contributes to the literature by formulating and validating TAM to predict IB adoption, and its findings provide useful information for bank management in formulating IB marketing strategies.

The assurance dimension was cited by Upadhyay (2020) as the most significant indicator

of investor happiness and that consumers were happy with the various DEMAT account features.

In Nepal, the move toward conducting share trades electronically is growing. However, the dematerialization project is still in its infancy, and Nepal’s depository units desperately need upgrading. Such improvements are closely related to investor pleasure. In determining the investor’s pleasure, this study article focuses on the dependability, responsiveness, assurance, empathy, and tangible component of service quality.

**1.1 Objectives of the study**

The main intent of this research is to assess how DEMAT account service quality affects investors contentment.

**1.2 Theoretical Framework**

For the study, five service attribute dimensions from the SERVQUAL model have been chosen. The attributes for the study are Reliability, Responsiveness, Assurance, Empathy and Tangible.



**Figure 1 Theoretical Framework**

**1.3 Hypothesis**

The study undertakes five service attributes of service quality. The five service attributes are defined below along with the hypothesis:

Reliability is the capacity of a company to consistently and accurately provide the promised service. It comprises services delivered on time, problem-solving, and services delivered as promised. According to Parasuman, Zeithaml, and Berry (1985), reliability displays one’s capacity to supply services accurately, quickly, and convincingly.

*H1: Reliability has profound effect on investor’s contentment.*

Responsiveness is the ability of a business to assist customers and offer prompt service. This parameter considers an employee’s ability to deal with problems swiftly, successfully handle grievances from clients, and show a desire to work with customers to meet their demands (Parasuman, 1985).

*H2: Responsiveness has profound effect on investor’s contentment.*

Employee assurance is an individual’s ability to foster trust and confidence via competence

and demeanor. This component's capacity to build credibility and trust, which is accomplished through professional services, exceptional expertise in the field, an approachable demeanor, and good interpersonal ability, allows customers to have faith in the level of the company's offerings.

*H3: Assurance has profound effect on investor's contentment.*

Giving consumers customized care and attention is empathy. Empathy is the finest preparation for consumers, as it makes them feel cared for, taken into consideration, and always welcome wherever they are.

*H4: Empathy has profound effect on investor's contentment.*

The term "tangible" refers to things like buildings, machinery, and staff look. There are tangible representations of the bank's buildings, equipment, staff attitudes, supplies, directions, and information systems. (1985; Parasuman, Zeithaml, and Berry).

*H5: Tangibles has profound effect on investor's contentment.*

#### **1.4 Limitations of the Study**

The following is the limitation:

Only 124 responders were included in the sample, therefore a convenient method of sampling was applied. Since the sample size is so petite, generalization is not possible.

## **2. LITERATURE REVIEW**

A rising corpus of literature that has been published in recent years contends that satisfying customers is the key to a company's success (Gronroos, 1990; Eriksson & Vaghult, 2000). Client contentment is calculated by creating models of consumer satisfaction in a broad sense.

The securities market, which is a part of the larger financial market, is where securities from different economic sectors can be bought and sold according to supply and demand. The word "securities markets" refers to the equities, bond, and derivatives markets where experts and amateurs alike can transact at set prices. The primary purpose of the security market is to draw a boundary between investment and saving, which promotes the generation of new wealth. The stock market can be divided into the following two categories. Primary markets serve as the venue for the issuance of new securities, while secondary markets facilitate the purchase and sale of pre-existing securities (Upreti, 2017).

Ruby and Narsis (2020) argues that making investments is crucial for everyone's ability to meet their financial needs in the future. Everyone saves money for different reasons. Not all depositors hold investments. Investors have different attitudes toward investing. It is a crucial factor in determining how people behave. The strategy produces a specific behavior or intended action. People pick up attitudes from a variety of sources, thus having an understanding of investments does not necessarily come from birth. Direct experience with the family, social circle, community, financial standing, line of work, and mass media

is a crucial foundation for acquiring the attitudes. Thus, a fixed way of thinking might be described as an attitude. They could be directed in a favorable or negative way towards specific individuals, groups, organizations, or services.

According to research by Singh and Goyal (2011), the majority of investors believe that a some of the factors that affect their decision-making when using the depository system include the narrower resolution period, the safeguarding of their securities with the depositories, the approach of individuals working at the DPs, prompt services from the DPs to investors, a decrease in transaction costs, and the ability to repatriate the proceeds from the sale of their shares and debentures. Prior to other factors like employment, age, etc., the degree of education of the investors is significant in the course of making choices, where the investors' diverse points of view are often thought to be relevant.

In the course of study "Online Trading & DEMAT account in India - Some Issues," Olekar and Talwar (2013) reported that banks often impose lower service fees than other deposit players. They discovered that the volume of users online has an impact on transaction speed. In his work "Impact of Internet Growth on the Online Stock Trading in India," Srivastava (2016) notes that the internet has reduced geographical boundaries for clients and increased their knowledge of monetary products and services. This research paper's main goal is to examine how the expansion of the internet has affected stock market trades. The current condition of internet trading in India, in particular the size of the online trading market there, is also covered in the study.

Shrestha and Subedi (2014) mentioned that investors who speculate are starting to lose faith in the performing of shares as a result of the dishonest and dishonorable activities carried out by a handful of advertising fraudsters. The vast majority of speculators and the general public are still unsure about the money-related advertising that dominates the Nepalese capital market. In this manner, the advancement of the Nepalese stock market is constrained by the necessity to provide enough information to financial experts, display clutter, regulate expenses, fraudulent share showcase activities, etc.

The Nepalese stock market is further defined by a low volume of trading, inexperienced brokers, an early stage of expansion, limited share price growth, and little information available to financial experts. Speculators are confused about which stocks are good and which stocks are bad due to the necessity for various essential facts. They are adding to offers arbitrarily, failing to "beat" the right moment," to purchase or sell the shares.

Fin et. Al (2000) stated that together with conventional TAM components, a feeling of confidence, safety, and confidentiality have an impact on e-investors. Underwriters must contend with potential participants' conflicting motives to be truthful while disclosing what is confidential during the pre-marketing period in order to gather data relevant for IPO

pricing. The only underwriters prepared to sell their stakes at the average price are those of inferior quality. Regulating the less anticipated underpricing brought on by the covert agreement. The basics of societal life are altering as a result of the Internet revolution. It alters the way that transactions and interactions take place. As the term “online trading” is used, it moves ever-closer to new operating environments and important information sources. It gives users the tools to communicate openly with focused on service computer systems created to meet their individual requirements, empowering them to act in the most beneficial way. They characterize trading over the internet in the following way, using two websites that are engaged in the trading industry: purchasing and selling stocks through the internet, or to a lesser extent using a broker’s own software, is a growingly common practice. The study done by Nguyen, Pham, Williamson (2020) demonstrates that in Vietnam’s online trading setting, perceived trust has positive impacts on perceived ease of use and perceived usefulness; perceived ease of use has a positive impact on perceived usefulness; perceived trust and perceived usefulness have positive impacts on satisfaction; and finally, customer satisfaction has a positive impact on customer loyalty.

High standards of service is a requirement for an edge over rivals in the services industry. According to Ismail et al. (2006), Aydin and zer (2005), and Parasuraman et al. (1988), customers’ degree of contentment are impacted by how well they judge the quality of the services rendered and how much they trust the supplier. Businesses may improve customers’ views of service quality by providing them with higher-quality services.

There is no doubting that trading via the web provided traders with trading accessibility and lower costs, according to Walia and Kumar’s (2007) study article, which came out in the Indian Journal of Marketing. Indian investors, however, still do not completely understand the value of adopting innovations in the trading of securities. The study’s key conclusions are that Indian investors tend to be more cautious and don’t switch brokers while trading, whereas net traders prefer trading through the internet due to their openness and total control over their trading account.

According to Garg (2016), in context of capital raised from the market, the extent of stock exchanges and brokers, the lots of registered stocks, market capitalization, and quantity of trading, conversion on stock exchanges, and purchaser populace, the Indian capital market has expanded substantially as a result of dematerialization. In India’s economy, the depository system has many advantages. The market’s efficiency has increased with the advent of depositories.

Investor’s loyalty is one of the most important factors determining the sustainable development and success of a service provider (Pham et al., 2019). Investor’s loyalty involves investors’ intentional behaviors towards continuing and enhancing transactions

with the service provider (Jiang et al., 2015). Customer loyalty is also expressed via the tendency to introduce the company and its services to others (Jun et al., 2004). In general, satisfied customers tend to have a higher level of use of the services provided by the company than dissatisfied customers (Parasuraman et al., 2005). Satisfied customers have a higher repurchase intention and are more likely to recommend the company's products and services to their relatives and friends (Pham et al., 2018).

According to Shiji and Parvathi (2019) majority of the respondents are satisfied with online share trading transparency, diversification, professionally managed, return potentially, access to stock and online share trading return and risk and the respondents are neutrally satisfied with capital appreciation provided by the online share trading.

A study by Shah and Sardar (2023) has revealed that investor satisfaction in broking agencies is highly influenced by attributes of services and the way in which these services are delivered to the investor's. It was found in the study that investor's perceived significantly differently many of the services provided by the broking agencies.

### **3. METHODOLOGY**

#### **3.1 Research Design**

The study's methodology was based on the descriptive research design. In order to evaluate the link between the service attributes of DEMAT accounts and investor happiness, the study also used an exploratory research approach.

#### **3.2 Population and Sample**

The population for the study was the people using DEMAT account. The sample for the study was 124 respondents having DEMAT account which was selected through convenient sampling method.

#### **3.3 Sources of Data**

The primary data for this study was gathered utilizing structured questionnaires through an online survey, while secondary data was used for the literature review, hypotheses, and questions. The SERVQUAL Model's questionnaire was employed to assess the parameters. Google Docs was used to disseminate the survey.

#### **3.4 Data Analysis Tools**

SERVQUAL model is used. Using the Statistical Package for Social Scientists (SPSS), a regression analysis model has been used to assess the association between independent variables (factors impacting the standard of service) and dependent variables (investor contentment).

## 4. RESULTS AND DISCUSSION

### 4.1 Alpha Test

**Table 1 Cronbach Alpha Test**

Cronbach's Alpha	N of Items
.905	6

Cronbach Alpha test has been used for the study, the result of Cronbach's Alpha test are valid and reliable.

### 4.2 Respondent's Profile

**Table 2 Respondent's Profile**

Gender	Frequency	Percentage
Male	56	45.16
Female	68	54.84
Age	Frequency	Percentage
16-25	84	67.74
26-35	30	24.19
36-45	6	4.84
Above 45	4	3.23
Occupation	Frequency	Percentage
Business	11	8.87
Student	86	69.35
Service	19	15.32
Others	8	6.46
Years of Investment	Frequency	Percentage
Below 1 year	61	49.19
1-5 years	55	44.35
Above 5 years	8	6.46
Trading Frequency	Frequency	Percentage
Frequently	39	31.45
Occasionally	68	54.84
Rarely	17	13.71
Dematerialization of shares	Frequency	Percentage
Yes	104	83.87
No	20	16.13

The respondent's profile can be seen in Table 2. The table shows that out of 124 respondents, 56 were male respondents, making up 45.16 percent of them, and 68 were female



respondents, making up 54.84 percent. 84 respondents, or 67.74 percent, were between the ages of 16 and 25, followed by 30 respondents between the ages of 26 and 35, who made up 24.19 percent, 6 respondents between the ages of 36 and 45, who made up 4.84 percent, and 4 respondents over the age of 45, who made up 3.23 percent. Business respondents made up 11 respondents, or 8.87 percent, students made up 86 respondents, or 69.35 percent, service respondents made up 19 respondents, or 15.32 percent, and other respondents made up 8 respondents, or 6.46 percent.

Out of 124 respondents, 61 respondents (or 49.19 percent) have made investments lasting less than a year, 55 respondents (or 44.35 percent) have made investments lasting between one and five years, and 8 respondents (or 6.46 percent) have made investments lasting more than five years. Similar to this, 31.45 percent or 39 respondents traded frequently in the stock market, 54.84 percent or 68 respondents traded occasionally, and 13.71 percent or 17 respondents rarely traded. Additionally, 104 respondents—representing 83.87 percent of the 124 respondents—have dematerialized the shares, whereas 20 respondents have not yet done so, representing 16.13 percent.

### 4.3 Descriptive Analysis

**Table 3 Descriptive Analysis of Reliability**

Declarations	N	Minimum	Maximum	Mean	Std. Deviation
The services are provided as promised	124	1	5	3.47	1.006
Customer's problem are solved sincerely	124	1	5	3.30	0.909
Services are carried out rightfully the first time.	124	1	5	3.17	1.045
The services is not hindered	124	1	5	3.16	1.117
Records are kept precisely	124	1	5	3.63	0.967
Reliability				3.346	1.008

The descriptive statistics for the reliability dimension of service attribute are depicted in Table 3. The overall average is more than 3. The greatest mean is 3.63 with a deviance of 0.967 for the declaration "Records are kept precisely," whilst the least mean is 3.16 with

a variance of 1.117 for the declaration “The services is not hindered.” All dependability statements have an average mean of 3.346 and a deviance of 1.008. Since the average rating is greater than three, reliability is considered to be efficient.

**Table 4 Descriptive analysis of Responsiveness**

Declarations	N	Minimum	Maximum	Mean	Std. Deviation
Customers are given easy information access	124	1	5	3.55	0.923
Customers receive prompt services	124	1	5	3.33	1.031
The staff is always eager to assist clients	124	1	5	3.31	1.091
Employees are never too preoccupied to handle customers’ requirements	124	1	5	3.08	1.166
<b>Responsiveness</b>				<b>3.32</b>	<b>1.053</b>

The descriptive data for the responsiveness component of service attributes are depicted in Table 4. The average across all assertions is 3. While the declaration “Employees are never too preoccupied to handle customers’ requirements” has the least mean (3.08 with deviance 1.166), the assertion “Customers are given easy information access” has the greatest mean (3.55 with deviance 0.923). All responsiveness statements have an average mean of 3.32 and a deviance of 1.053. As a result, the average rating is greater than three, indicating that responsiveness is seen as adequate and good.

**Table 5 Descriptive Statistics of Assurance**

Declarations	N	Minimum	Maximum	Mean	Std. Deviation
Behavior of service provider instill confidence in customers	124	1	5	3.44	1.008
Customers feel safe in their transactions with the depository	124	1	5	3.74	0.954

Employees are polite to the customers	124	1	5	3.38	0.982
Employees have knowledge to answer customer's inquires	124	1	5	3.63	0.967
Assurance				3.55	0.97775

The assurance dimension of service quality's descriptive statistics is shown in Table 5. The average across all assertions is 3, The assertion "Customers feel safe in their transactions with the depository" has a mean score of 3.74 and a deviance of 0.954, whilst the declaration "Behavior of service provider instills confidence in customers" and "Employees are polite to the customers" have mean scores of 3.44 and 3.38 and deviance of 1.008 and 0.982 respectively. All assertions of assurance have an average mean of 3.55 and a deviance of 0.97775. As a result, the average rating is greater than three, indicating that assurance is viewed as satisfactory and positive.

**Table 6 Descriptive Statistics of Empathy**

Declarations	N	Minimum	Maximum	Mean	Std. Deviation
Depository participant's employees give individualized attention to the customers.	124	1	5	3.15	1.041
Operating hours are convenient to the customers	124	1	5	3.30	1.028
It has customer's best interest at heart	124	1	5	3.27	.955
Depository understand the specific needs of their customers	124	1	5	3.31	1.015
Empathy				3.26	1.010

The descriptive information for the empathy component of service attributes are depicted in Table 6. The average across all declarations is 3. The declaration "Depository participant's employees give individualized attention to the customers" has the least mean (3.15), whilst

the declaration “Depository understand the specific needs of their customers” has the greatest mean (3.31), with a variance of 1.015. All assertions of empathy have an average mean of 3.26 and a standard variance of 1.010. Since an average rating is more than three, it may be concluded that empathy is regarded as positive and satisfying.

**Table 7 Descriptive Statistics of Tangible**

Statements	N	Minimum	Maximum	Mean	Std. Deviation
Physical infrastructure of the depository are appealing	124	1	5	3.18	1.026
Employees are well dressed and appear neat	124	1	5	3.52	1.007
Depository have updated equipment and services	124	1	5	3.44	0.956
<b>Tangible</b>				<b>3.38</b>	<b>0.996</b>

Table 7 shows the descriptive statistics of tangible dimension of service attribute. The average of all statements are 3. The declaration “Employees are well dressed and appear neat” has the highest mean 3.52 with deviance 1.007, whilst the declaration, “Physical infrastructure of the depository are appealing” has the least mean 3.18 with deviance 1.026. The average rating across all tangible declarations is 3.38, with a deviance of 0.996. Thus the average rating is greater than three which means tangible is perceived positive and satisfactory.

**Table 8 Descriptive Statistics of Investors Contentment**

Statements	N	Minimum	Maximum	Mean	Std. Deviation
The cost levied by the depository is reasonable	124	1	5	3.32	1.000
You are pleased with the periodic reporting service the depository offers	124	1	5	3.59	0.950
<b>Investors Contentment</b>				<b>3.455</b>	<b>0.975</b>

The descriptive information for the level of contentment of investors included in the research

paper are shown in Table 8. Two declarations relate to the investor’s happiness with their DEMAT account. Regarding many aspects of the DEMAT account service quality offered by its depository members, participants were questioned. The overall average is more than 3. The declaration “The cost levied by the depository is reasonable” offers the smallest average 3.32 with a variability of 1.000, whilst the declaration “You are pleased with the periodic reporting service the depository offers” has the greatest mean 3.59 with a deviance of 0.950. The mean rating score is more than three, indicating that investors are generally satisfied.

#### 4.4 Independent T-Test and Correlation

**Table 9 Independent Sample T-Test between Gender and Investor’s Contentment**

	Levene’s Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference Lower	Std. Error Difference	95% Confidence Interval of the Difference	
							Upper		
Investor’s Contentment	.474	.478	.718	122	.465	.10846	.14933	-.1780	.4026
		.714	110.5	.468	.10846	.15168	-.1926	.4071	

It appears to be seen from Table 9 that the significance level is higher than 0.05. Therefore, there is no discernible average variance between investors’ contentment and gender. In terms of contentment, it is clear that there is no difference between how satisfied men and women are.

**Table 10 Correlation Analysis of Investors Contentment and Independent Variables**

		Reliability attribute	Responsiveness attribute	Assurance attribute	Empathy attribute	Tangible attribute	Investor’s Contentment
Reliability services	Pearson Correlation	1					
	Sig. (2-tailed)	0.00					
	N	124					

Re- spon- sive- ness	Pearson Correla- tion Sig. (2-tailed)	.769**	1				
ser- vices	N	124	124				
Assur- ance	Pearson Correla- tion Sig. (2-tailed)	.744**	.760**	1			
ser- vices	N	124	124	124			
Empa- thy ser- vices	Pearson Correla- tion Sig. (2-tailed)	.653**	.706**	.642**	1		
	N	124	124	124	124		
Tan- gible	Pearson Correla- tion Sig. (2-tailed)	.614**	.583**	.566**	.576**	1	
ser- vices	N	124	124	124	124	124	
Inves- tor's	Pearson Correla- tion Sig. (2-tailed)	.547**	.525**	.531**	.483**	.560**	1
Satis- faction	N	124	124	124	124	124	

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

The Pearson’s correlation coefficient between Investor Happiness (Dependent Variable) and Service Attributes (Independent Variable) is displayed in Table 10 as a result. A substantial relationship exists between the independent and dependent variables.

Investor contentment has the strongest correlation coefficient with tangible variables, which is 0.560. In compared to other variables, it suggests that increasing the tangible nature of the service would raise investor happiness. Similar to this, other factors are as powerful.

As a result, it can be concluded that the tangible component (r= 0.560) has the largest positive correlation with investor satisfaction, followed by the depository unit’s reliability (r= 0.547), assurance (r= 0.531), responsiveness (r= 0.525), and empathy (r= 0.483).

## 4.5 Regression Analysis

**Table 11 Multiple Regression Analysis**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.722 <sup>a</sup>	.460	.427	.6752

An overview of the regression model is presented in Table 11. This model’s R square is 0.460, which indicates that 46% of the variance in the dependent variable can be accounted for by the independent variable.

**Table 12 ANOVA Table of Regression**

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	33.403	5	6.681	16.793	.000 <sup>b</sup>
Residual	50.119	118	.425		
Total	83.522	123			

Table 12 affirms that the model’s fitness is significant at an F-value of 16.793. The model fits better when the F - Statistics value is substantial.

**Table 13 Regression Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Constant	.843		.304	2.687	.000
Reliability attribute	.334		.142	.223	.089
Responsiveness attribute	.004		.126	.004	.978
Assurance attribute	.232		.132	.168	.196
Empathy attribute	.043		.107	.044	.667
Tangible attribute	.432		.100	.408	.004

The results of the regression analysis demonstrate that at the 5% level of significance, tangible has a P value that is smaller than alpha. We may thus draw the conclusion that the tangible parameter has an optimistic and noteworthy influence on the investor's pleasure. However, reliability, responsiveness, assurance, and empathy have P values alpha at greater than 5% significance threshold, which suggests that they are negligible and have no discernible effect on the happiness of investors. Thus the hypothesis H1, H2, H3, H4 is rejected as there is no significant on the investor's satisfaction. followed by "Non receipt of interest/bonus/dividend/rights with mean of 2.79, followed by unauthorized.

#### **4.6 Major Findings**

The above analysis shows that investors are satisfied with different service qualities provided by the depository units of Nepal. Tangible factor is the major factor for the investor's satisfaction. Similar to the independent t-test, it may be inferred that there isn't any distinction between male and female satisfaction levels.

The investors were satisfied by the periodic statement facility provided by the depository units of Nepal. In the same way, investor also agreed that the prices charged by the depository unit were affordable. The study also shows that the main demotivating factors for investor's satisfaction is the delay done by depository units in Nepal and the least important factor is the DEMAT charges were high.

#### **4.7 Discussion**

The findings of this study reveal strong positive and significant relation between the combination of perceived service quality dimensions and investor satisfaction. This implies that the dimension of service quality: reliability, responsiveness, assurance, empathy and tangible led to higher investor satisfaction. The result is consistent with Upadhyay (2020) which shows positive relation between the service qualities and investor's satisfaction.

However, tangibles dimension has significant impact on investors' satisfaction. The most important predictor of investor satisfaction in this study is tangible dimension. The other dimension like reliability, responsiveness, assurance and empathy does not have significant impact on investor's satisfaction.

## **5. CONCLUSION AND IMPLICATIONS**

### **5.1 Conclusions**

The study was carried out to analyze the investor's satisfaction towards the service quality of Dematerialized (DEMAT) accounts of Nepal. The study used descriptive research design to describe the research findings. A SERVQUAL model was used to form the questionnaire



regarding the service qualities. The service quality included five main factor and that is reliability, responsiveness, assurance, empathy and tangible.

The finding shows that among the five factors, tangible factor/services had a significant impact on investor's satisfaction. The result also shows that the service qualities rendered by the depository units of Nepal are good and satisfactory and investors are satisfied with it. Similarly, the main reason for investor satisfaction was the periodic statement facility provided by the depository units of Nepal.

The study also involved ranking of demotivating factors. It was found that the major reason for investor dissatisfaction was the delay in the DEMAT shares done by the depository units.

## **5.2 Implications**

Through this study, the impact of service quality of DEMAT account on investor's satisfaction can be understood. The result illustrated that the tangible factor is given greater importance than other service qualities dimension. It would be best if the depository units started to improve their service in terms of tangible dimension. Depository units should focus on updated equipment and technology these services. The research finding is different from the one carried out by Dr. Jitendra Upadhyay, which shows that responsiveness, reliability and assurance have a major impact in investors satisfaction.

Similarly, a larger sample can be taken for the study to know more about which factor or dimension is more important to determine the investor's satisfaction towards the depository units of Nepal.

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