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### **Customer Perception towards Service Delivery of Finance Companies in Mahendranagar**

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#### **Abstract**

Customer perception encompasses how individuals select, organize, and interpret information to form a coherent understanding of a brand or service. This study examines customer perceptions regarding the service delivery of finance companies in Mahendranagar. The primary objectives are to evaluate the impact of security, analyze employee behavior, assess the role of trust and reliability, and determine the effect of accessibility on customer perceptions. The research involved 140 participants from diverse professional backgrounds, using a 24-item questionnaire. Data were collected through convenience sampling, ensuring representation across different genders, ages, and occupations. The study highlighted four critical aspects of financial service delivery—accessibility, trust and reliability, employee behavior, and security—that significantly shape customer perceptions. These service quality dimensions are essential in influencing customer satisfaction. The findings suggest that trust and reliability exert the most considerable effect on customer perceptions compared to other factors. This research provides valuable insights for finance companies in Mahendranagar, offering guidance on improving service delivery by focusing on these key factors to enhance customer satisfaction and loyalty.

**Keywords:** customer perception, service delivery, finance companies, service quality

### **Introduction**

Customer perception plays a pivotal role in the success and longevity of any service-based business, including finance companies. It encompasses the process by which customers select, organize, and interpret information to form a coherent view of a brand or service. Positive customer perception can lead to heightened customer satisfaction, loyalty, and positive Buzz, while negative perception can result in customer loss and damage to the company's reputation. Therefore, comprehending and managing customer perception is essential for finance companies to thrive in a competitive environment.

The service delivery of finance companies involves several key dimensions, including accessibility, reliability, employee behavior, and security. These factors significantly shape how customers perceive service quality. Accessibility refers to how easily customers can access financial services, whether through physical branches or digital platforms. Reliability involves the consistent and dependable delivery of services, ensuring customer needs are met promptly and accurately. Employee behavior covers the professionalism, friendliness, and competence of staff in customer interactions. Security pertains to measures protecting customer information and transactions, fostering trust and a sense of safety.

This research focuses on examining customer perception of service delivery in finance companies located in Mahendranagar. The objectives of the study are to explore the impact of security, analyze employee behavior, assess the influence of trust and reliability, and determine how accessibility affects customer perception. Despite the presence of several finance companies, customers often express concerns regarding service consistency, employee responsiveness, and overall reliability. Therefore, the problem statement centers on identifying which service delivery factors most influence customer satisfaction and perception, and how finance companies can improve in these key areas. Data were collected from 140 respondents of various professions, genders, ages, and occupations using a structured questionnaire. Convenience sampling was adopted to ensure diverse representation.

Mahendranagar, located in Sudurpaschim Province of Nepal, is a growing economic hub with increasing demand for reliable financial services. As the commercial and administrative center of Kanchanpur District, it hosts several finance companies that provide essential services like savings, loans, and investment options. To remain competitive and meet rising customer expectations, these companies must continuously evaluate and improve their service delivery

based on customer perception and feedback.

Understanding customer perception in Mahendranagar is especially important due to the area's unique socio-economic dynamics. The population includes a mix of urban and rural customers with varying levels of financial literacy and access to banking services. By identifying the specific needs and preferences of Mahendranagar's customers, finance companies can better tailor their services to serve the community. This study aims to bridge the gap between customer expectations and service delivery, ultimately improving the quality of financial services in Mahendranagar.

### **Literature Review**

Poudel and Pradhan (2018). "Service Quality and Customer Satisfaction in Nepalese Commercial Banks" study, involving 150 respondents, utilized a quantitative approach with a structured questionnaire and convenience sampling. The research identified reliability, assurance, and responsiveness as significant factors influencing customer satisfaction. The findings indicated that while customers were generally satisfied with the reliability and assurance provided by banks, there was room for improvement in responsiveness, suggesting that banks need to enhance their service delivery in this area to boost overall satisfaction.

Thapa (2019). "Customer Perception of Service Quality in Nepalese Finance Companies" study, 120 respondents were surveyed using a mixed-method approach, combining quantitative surveys and qualitative interviews with purposive sampling. The research highlighted that tangibility, reliability, and empathy were crucial dimensions affecting customer perceptions. Customers valued the physical aspects of the service delivery, such as the quality of facilities, but expressed a need for more empathetic interactions from employees to improve overall satisfaction.

Islam, R., & Ali, M. (2020). "Impact of Service Quality on Customer Satisfaction in the Banking Sector of Bangladesh" study involved 250 respondents and employed a quantitative research method with a structured questionnaire and stratified random sampling. The findings revealed that tangibility, reliability, responsiveness, assurance, and empathy significantly impacted customer satisfaction. Among these, reliability and assurance were found to be the most critical factors, with the study highlighting a need for improved responsiveness and empathy to enhance customer satisfaction in the banking sector.

Kaura (2013). "Antecedents of Customer Satisfaction: A Study of Indian Public and Private Sector Banks" with a sample size of 400 respondents, this quantitative study used a structured

questionnaire and convenience sampling. The research found that service quality dimensions such as reliability, responsiveness, and assurance were strong predictors of customer satisfaction. The study observed that public sector banks needed to improve their responsiveness and empathy to align with the higher service quality standards observed in private sector banks.

These studies provide valuable insights into various factors affecting customer perception and satisfaction with service delivery in finance companies across different regions.

### **Security and Customer Perception**

Cheng, H. K., & Wei, C. P. (2014). "E-commerce security and privacy concerns: A study of their impact on the purchase intention in Taiwan."study, involves 273 respondents, used a quantitative approach with structured questionnaires and convenience sampling. It investigated how security and privacy concerns affect customers' purchase intentions in e-commerce. The findings revealed that enhanced security measures significantly improve customers' perceptions and trust in online transactions. The study demonstrated that a higher level of security positively influences customers' intentions to engage in online purchases, thereby shaping their overall perception of e-commerce services.

### **Behavior of the Employee and Customer Perception**

Ladhari, R. (2009). "Service quality, emotional satisfaction, and behavioral intentions."study, 305 respondents were surveyed using structured questionnaires and stratified random sampling. The research explored the impact of employee behavior on customer satisfaction and perceptions. The study found that positive employee behavior, including professionalism and interpersonal skills, significantly affects customer perception. The findings indicated that good employee behavior enhances emotional satisfaction, leading to more favorable behavioral intentions and perceptions among customers, emphasizing the importance of employee interactions in service quality.

### **Trust and Reliability and Customer Perception**

Sirdeshmukh, D., Singh, J., & Sabol, B. (2002). "Consumer trust, service quality, and brand loyalty in relational exchanges."study included 400 respondents and employed a quantitative research methodology with structured questionnaires and random sampling. The research examined how trust and reliability influence customer perceptions and brand loyalty. The study found that trust and reliability are crucial factors in shaping customer perceptions of service quality. Customers who perceive a service as reliable and trustworthy are more likely to exhibit

positive perceptions and higher levels of loyalty, highlighting the significant impact of these factors on overall customer satisfaction.

### **Accessibility and Customer Perception**

Al-Zyoud, M. F., & Al-Hiary, J. A. (2021). "Impact of Accessibility on Customer Satisfaction in the Banking Industry. "study involves 400 respondents and utilized a quantitative approach with structured surveys and random sampling. It investigated how accessibility affects customer satisfaction in the banking sector. The findings showed that accessibility, including the ease of reaching banking services through both physical branches and digital platforms, significantly impacts customer satisfaction. Improved accessibility was linked to higher customer satisfaction and positive perceptions of the banking service, demonstrating the importance of convenient access to financial services in shaping customer perceptions.

These studies provide a comprehensive view of how each independent variable affects customer perception in various contexts.

### **Current Status of Customer Perception Towards Service Delivery of finance companies**

The current status of customer perception regarding the service delivery of finance companies highlights a growing emphasis on security, employee conduct, trust, and accessibility. Security is a primary concern, with customers increasingly focused on safeguarding their personal and financial information amid rising cyber threats. Finance companies that employ robust security protocols, such as advanced encryption and secure login systems, are generally perceived more favorably, as these measures instill confidence and a sense of security. Effective security practices are essential for building and maintaining customer trust and satisfaction.

The behavior of employees is another crucial factor influencing customer perceptions. Professionalism, friendliness, and efficiency in customer interactions are key to how service quality is perceived. Finance companies that invest in comprehensive customer service training and create a supportive, responsive staff environment often achieve higher satisfaction ratings. Moreover, trust and reliability are vital to customer perceptions; customers value consistent and dependable service and are more likely to stay loyal to institutions that demonstrate these attributes. By focusing on these elements, finance companies can enhance their competitive edge and foster positive customer perceptions.

### **Methods and Materials**

Research methodology involves the organized techniques and approaches used to collect,

analyze, and interpret data in order to answer specific research questions. It outlines the systematic processes and methods employed to ensure thorough and accurate examination of research issues.

### **Sampling**

The study adopted a convenience sampling method to gather insights from customers of finance companies operating in Mahendranagar. Out of the 15 finance companies in the area, respondents were selected from multiple institutions to ensure broad coverage. A total of 140 customers participated in the study, representing a diverse mix of age, gender, and professional backgrounds. This sampling strategy was chosen to reflect a wide range of customer experiences and perceptions related to service delivery. By including individuals from varied demographics, the study aimed to provide a comprehensive understanding of customer satisfaction levels and expectations toward the services offered by finance companies in Mahendranagar.

### **Data Collection and Methodology for Analysis**

Data for this study were collected using a structured questionnaire designed to evaluate customer perceptions of finance companies in Mahendranagar. The questionnaire comprised Likert-scale and multiple-choice questions, focusing on key aspects of service delivery such as security, employee behavior, trust, and accessibility. This approach was intended to capture a comprehensive view of customer experiences and opinions. In addition to primary data, secondary sources including websites, journals, and existing research were reviewed to inform the questionnaire and provide contextual background. The collected data were processed and analyzed using SPSS software. Statistical tools such as mean, standard deviation, correlation, and regression analysis were employed to interpret the data and identify significant patterns and relationships among the variables. This methodology enabled the study to assess the impact of various service delivery factors on customer satisfaction and to draw conclusions based on established statistical principles and sound analytical practices.

### **Research Framework**

This research framework outlines a detailed approach to studying customer perception towards the service delivery of finance companies in Mahendranagar. By exploring the relationships between service delivery factors such as security, employee behavior, trust, and accessibility and customer satisfaction, the framework aims to offer valuable insights that can inform both academic research and practical improvements in the financial sector. This comprehensive approach seeks to enhance understanding of how various aspects of service

delivery impact customer perceptions, ultimately guiding strategies for improving service quality and customer experience in finance companies operating in Mahendranagar.

### Result and Discussion

The research involved surveying 140 participants from diverse professional backgrounds using a 24-item questionnaire. Data were collected through convenience sampling, ensuring that the respondents represented a range of genders, ages, and occupations. This process allowed for a comprehensive assessment of customer perceptions across various demographics in Mahendranagar.

Table.1 Profile of Respondent

Variables	Variables Categories	Frequency	Percentages
<b>Sex</b>	Male	90	62.49%
	Female	50	35.71%
	<b>Total</b>	<b>140</b>	<b>100.00%</b>
<b>Age</b>	18- 25	35	25.00%
	26-35	43	30.72%
	36-50	45	32.14%
	50 &above	17	12.14%
	<b>Total</b>	<b>140</b>	<b>100.00%</b>
<b>Academic Background</b>	SLC &Under	47	33.57%
	10+2 to Bachelor	60	42.86%
	Above Bachelor	33	23.57%
	<b>Total</b>	<b>140</b>	<b>100.00%</b>
<b>Employment Status</b>	Employed	90	64.29%
	Unemployed	50	35.71%
	<b>Total</b>	<b>140</b>	<b>100%</b>

(Source: Field Survey Report, 2025)

The demographic profile of the respondents is summarized in the table. The gender distribution shows that 64.29% of the respondents are male, while 35.71% are female. In terms of age, the largest group falls within the 36-50 years category, accounting for 32.14% of the total,



followed by those aged 26-35 years (30.72%), 18-25 years (25.00%), and those 50 years and above (12.14%). Regarding academic background, a majority of the respondents, 42.86%, have qualifications ranging from 10+2 to a Bachelor's degree. Those with an education level of SLC (School Leaving Certificate) or below constitute 33.57%, while 23.57% have education above a Bachelor's degree. Employment status indicates that 64.29% of the respondents are employed, whereas 35.71% are unemployed. Overall, the total number of respondents is 140, ensuring a comprehensive representation of various demographic segments.

**Table 2. Correlation Analysis between Accessibility, Trust and Reliability, Behavior of the employee, Security & Customer Perception**

	Accessibility	Trust and Reliability	Behavior of the Employee	Security	Customer Perception
Accessibility	1				
Trust and Reliability	.453**	1			
Behavior of the Employee	.530**	.621**	1		
Security	.420**	.577**	.688**	1	
Customer Perception	.554**	.643**	.479**	.533*	1

The above table presents the correlation analysis between Accessibility, Trust and Reliability, Behavior of the Employee, Security, and Customer Perception. The results indicate several significant positive correlations among these variables. Accessibility is significantly correlated with Trust and Reliability ( $r = .453, p < .01$ ), Behavior of the Employee ( $r = .530, p < .01$ ), Security ( $r = .420, p < .01$ ), and Customer Perception ( $r = .554, p < .01$ ). Trust and Reliability show strong correlations with Behavior of the Employee ( $r = .621, p < .01$ ), Security ( $r = .577, p < .01$ ), and Customer Perception ( $r = .643, p < .01$ ). Behavior of the Employee is also significantly correlated with Security ( $r = .688, p < .01$ ) and Customer Perception ( $r = .479, p < .01$ ). Security is positively correlated with Customer Perception ( $r = .533, p < .01$ ). These findings suggest that improvements in one area, such as Accessibility or Trust and Reliability, are associated with positive perceptions in other areas, highlighting the interrelated nature of these factors in shaping overall customer perception.



**Table 3. Regression Result**

Variable	Unstandardized Coefficients	Standardized Coefficient	t-Value	Sig
(Constant)	0.464		2	0.048
Accessibility	0.503	0.211	3.831	0
Trust and Reliability	0.488	0.121	2.891	0.001
Behavior of the Employee	0.51	0.01	5.81	0
Security	0.678	0.324	6	0

The regression results reveal that accessibility plays a significant role in shaping customer perception toward finance companies in Mahendranagar. The unstandardized coefficient for accessibility is 0.503, indicating that a one-unit increase in accessibility is associated with a 0.503 increase in customer perception, assuming other variables are constant. The standardized coefficient of 0.211 suggests a moderate positive effect, while the high t-value of 3.831 and a significance level of 0.000 confirm that this relationship is statistically significant. This implies that ease of access to financial services, such as branch location, service availability, and operating hours, strongly influences how customers perceive the quality and effectiveness of service delivery. Additionally, the constant term in the model is statistically significant, which suggests that other underlying factors not included in the model also contribute to customer perception. Overall, the findings highlight the importance of improving accessibility as a key strategy for enhancing customer satisfaction and competitive advantage in the financial sector. Trust and Reliability exhibit an unstandardized coefficient of 0.488 and a standardized coefficient of 0.121, with a t-value of 2.891 and a significance level of 0.001, indicating a positive and statistically significant impact. The Behavior of the Employee shows an unstandardized coefficient of 0.510 and a standardized coefficient of 0.010, with a t-value of 5.810 and a significance level of 0.000, signifying a significant positive effect. Security has the highest influence, with an unstandardized coefficient of 0.678 and a standardized coefficient of 0.324, accompanied by a t-value of 6.000 and a significance level of 0.000, highlighting its strong and statistically significant impact on Customer Perception. These results suggest that all four factors significantly contribute to shaping Customer Perception, with Security having the most substantial effect.

### Conclusion

This study provides a comprehensive analysis of customer perceptions towards the service

delivery of finance companies in Mahendranagar, emphasizing the significance of key service quality dimensions such as accessibility, trust and reliability, employee behavior, and security. The findings reveal that trust and reliability have the most substantial impact on customer perceptions, underscoring the importance of consistent and dependable service in fostering customer satisfaction and loyalty. By addressing these critical factors, finance companies can enhance their competitive advantage and better meet customer expectations.

The correlation analysis shows significant positive relationships among the various dimensions of service quality, indicating that improvements in one area can positively influence other aspects, thereby enhancing overall customer perception. Specifically, accessibility and employee behavior are crucial in shaping customer experiences and perceptions. Finance companies in Mahendranagar must focus on improving these areas by investing in staff training, upgrading security measures, and ensuring that services are easily accessible to all customers.

In conclusion, the study provides meaningful insights into how customers perceive service delivery in finance companies operating in Mahendranagar. Based on the research objectives, which focused on examining the impact of security, employee behavior, trust and reliability, and accessibility, the findings underscore the importance of these factors in shaping customer perception. Finance companies that strengthen these key service attributes are more likely to improve customer satisfaction and loyalty. By enhancing accessibility, ensuring secure services, promoting trustworthy practices, and improving employee interactions, finance institutions can build positive customer experiences. These improvements not only meet customer expectations but also contribute to long-term business success. Adopting the study's recommendations will enable finance companies in Mahendranagar to deliver more effective and customer-centered services.

### **Future Scope of the Study**

The future scope of this study encompasses several promising avenues for further research. One potential direction is to expand the geographic scope of the research beyond Mahendranagar to include other regions in Nepal, thereby allowing for a comparative analysis of customer perception of service quality across different areas. Such a study could uncover regional differences and similarities, offering a more comprehensive understanding of the factors influencing customer satisfaction in the financial sector. Additionally, future research could investigate the impact of digital transformation on service quality, particularly in the context of the

growing adoption of fintech solutions and online banking services. This would provide valuable insights into how technological advancements are reshaping customer expectations and service delivery in finance companies.

Another important direction for future research is to delve deeper into the specific components of service quality, such as the role of employee training programs, the influence of corporate social responsibility (CSR) initiatives, and the effectiveness of customer feedback mechanisms. By examining these elements in greater detail, future studies can provide more granular recommendations for finance companies aiming to enhance their service quality. Moreover, longitudinal studies that track changes in customer perceptions over time would be beneficial in understanding the long-term impact of implemented strategies and initiatives. This ongoing research could help finance companies adapt to evolving customer needs and maintain high standards of service quality in a dynamic and competitive market environment.

### **Implications of the Study**

The implications of this study are significant for finance companies in Mahendranagar, providing a detailed understanding of the key factors that influence customer perception of service quality. By highlighting the importance of trust and reliability, accessibility, employee behavior, and security, the study offers a strategic blueprint for finance companies to enhance their service delivery. These insights can inform the development of targeted initiatives to build customer trust through transparent communication, reliable financial products, and robust security measures. Additionally, emphasizing accessibility and employee behavior suggests that investing in comprehensive employee training programs can significantly improve customer interactions and satisfaction.

Furthermore, the study's findings have broader implications for policy-makers and industry regulators. Recognizing the critical elements that drive customer satisfaction can guide the creation of regulations and guidelines that promote best practices and high standards within the financial sector. Policy-makers can leverage these insights to foster a regulatory environment that supports customer protection and service quality, ultimately leading to a more competitive and healthy financial ecosystem. Overall, this research not only provides actionable recommendations for finance companies to improve their service quality but also contributes to the broader discourse on enhancing customer satisfaction in the financial services industry.

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