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Post-Merger Challenges and Their Impact on Customer Satisfaction

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Abstract

Background: The global banking sector, including Nepal, has witnessed significant mergers and acquisitions (M&As) to enhance competitiveness and operational efficiency. These strategic moves, while beneficial for financial stability, often disrupt customer satisfaction, particularly in aspects like service quality, trust, and accessibility. The merger of GBIME Bank and NABIL Bank offers a unique opportunity to explore these dynamics.
Methods: A quantitative research design was employed, utilizing a structured survey of 300 customers stratified by banking channels. Key variables examined included service quality, trust, accessibility, and customer satisfaction. Regression and correlation analyses tested the relationships between these variables.
Results: Findings reveal that service quality ($\beta = 0.42$) and trust ($\beta = 0.48$) positively influence customer satisfaction, while accessibility challenges ($\beta = -0.20$) negatively impact it. High service quality and trust were maintained post-merger, fostering customer loyalty. However, accessibility issues, particularly in rural areas and digital banking platforms, emerged as significant concerns.
Conclusion: The study underscores the importance of maintaining service quality and trust while addressing accessibility challenges during banking mergers. The findings provide

actionable insights for enhancing customer satisfaction and managing post-merger transitions effectively.
Novelty: This research uniquely emphasizes accessibility's dual role—physical and digital—in customer satisfaction, offering targeted strategies for mitigating disruptions during mergers. It extends existing literature by addressing the specific dynamics of Nepal's banking sector.
Keywords: Customer Satisfaction, Service Quality, Trust, Accessibility, Banking Merger

Introduction

The banking sector globally is undergoing profound changes, driven by various factors, including advancements in technology, regulatory shifts, and intensifying market competition. One prominent strategy employed by financial institutions to foster growth, enhance operational efficiency, and remain competitive is mergers and acquisitions (M&As). Mergers enable banks to expand their geographic reach, diversify their offerings, capitalize on economies of scale, and strengthen their financial foundation (DeYoung & Roland, 2001; Lehn & Makhija, 1997). However, such strategic moves often come with challenges, particularly regarding customer satisfaction. The process of merging typically brings about changes in organizational structure, service delivery models, and product offerings, all of which can disrupt customer experiences and erode trust (Dube & Renaghan, 1999).

The merger between prominent commercial banks offers a representative case of these transformations. Such corporate restructuring raises critical questions about how these changes influence key factors such as service quality, trust, and accessibility. While mergers may deliver long-term benefits for institutions, the short-term impact on customer satisfaction is often pronounced. Customers of the newly merged bank may face disruptions in service delivery, alterations in their banking products, and a shift in organizational culture. Such disruptions can cause dissatisfaction, particularly because banking services are closely linked to personal relationships and trust (De Wulf et al., 2001).

In Nepal, the banking sector has experienced significant consolidation in the last decade, driven by regulatory pressures such as the Nepal Rastra Bank's (NRB) capital adequacy requirements and a push for improved financial stability in an increasingly fragmented market (Shrestha & Parajuli, 2020). Nepal's banking industry has traditionally been characterized by numerous small, often regionally focused banks, leading to inefficiencies and vulnerability to market volatility (Adhikari, 2021). To address these issues, the NRB has actively encouraged mergers to form larger, more competitive institutions (Shrestha, 2019). This trend has accelerated in recent years, with several mergers reshaping the country's financial services landscape.

Although mergers provide clear strategic benefits, customer retention remains a significant challenge. Nepal's banking sector places a strong emphasis on personal relationships between customers and their financial institutions. Many customers have long-standing, trust-based relationships with their banks (Shrestha & Parajuli, 2020). Disruptions resulting from mergers—such as changes in banking practices or the adoption of new technologies—can provoke customer dissatisfaction and erode trust (Adhikari, 2021). Notably, changes in

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organizational culture that accompany a merger can alter how employees interact with customers, thereby influencing perceptions of service quality and overall satisfaction (Ghimire & Sharma, 2022). This is particularly pertinent in the context of Nepal, where customer loyalty and trust are often built on face-to-face interactions and long-term relationships.

Given the crucial importance of maintaining positive customer experiences in the banking industry, it was essential to examine how clients perceived the post-merger transition at GBIME Bank and NABIL Bank. This study explored how service quality, trust, and accessibility are key factors influencing customer perceptions were affected by the merger. Service quality, encompassing elements like reliability, responsiveness, and empathy, was crucial for maintaining customer satisfaction. Trust was equally vital, particularly as customers adjusted to new organizational structures and operational systems (Jones & Sasser, 1995). Lastly, accessibility, referring to the ease with which customers accessed banking services—whether through physical branches, online platforms, or mobile banking was a significant factor, particularly in the post-merger context, where service channels experienced temporary disruptions (Bhattarai, 2021).

This study assessed customer satisfaction following the GBIME Bank merger, focusing on how the merger affected service quality, trust, and accessibility. Additionally, the research explored customers' perceptions of changes in the bank's processes, technologies, and organizational culture. The results provided valuable insights to inform strategies for improving customer satisfaction and loyalty in the merged institution. By examining customer perceptions of service quality, trust, and accessibility, the study offered a comprehensive understanding of the factors influencing satisfaction in the post-merger environment. The findings were relevant not only for GBIME Bank but also for other banks in Nepal and abroad undergoing similar transformations (Steiner & Reisinger, 2004).

Conceptual Review

Customer satisfaction is a widely discussed concept, particularly in service industries like banking, where it directly impacts customer loyalty and long-term relationships (Zeithaml et al., 1996). It refers to the degree to which products or services meet or exceed customer expectations (Oliver, 1980). In the banking sector, customer satisfaction is multi-dimensional, encompassing aspects like service quality, ease of access, responsiveness, and trust in the institution. A merger between two banks has the potential to disrupt these dimensions as customers encounter changes in service offerings, communication practices, or the convenience of banking channels (Sweeney & Webb, 2007).

The significance of positive customer experiences is reinforced by research showing their direct impact on loyalty and retention (Fornell, 1992). Banks that effectively sustain or enhance customer satisfaction after a merger are more likely to keep loyal clients and attract new ones. Conversely, those that fail to maintain service standards risk, customer mix and loss of market share (Homburg & Koschate, 2005).

Recent advancements in digital banking and evolving customer expectations had added complexity to the satisfaction equation in post-merger scenarios (Koutsou-Wehling et al., 2021). Technologies like AI-driven chatbots and mobile apps have gained prominence in meeting post-merger customer needs effectively (Gupta & Dev, 2022). Another study emphasized that customer satisfaction directly impacts customer loyalty, retention, and acquisition (Fornell, 1992).

Review of Related Theories

1. **Expectancy Disconfirmation Theory (Oliver, 1980):** This theory suggests satisfaction results from the gap between expected and actual service outcomes. A poorly executed merger can lead to dissatisfaction due to unmet expectations, service quality reductions, or accessibility issues (Tse & Wilton, 1988).
2. **ServQual Model (Parasuraman et al., 1985):** This model identifies the gap between customer expectations and their perceptions of service quality. In mergers, customers evaluate whether the combined bank meets or exceeds the service standards they were accustomed to before the merger. If they perceive a gap, their satisfaction may decline (Zeithaml et al., 1996; Singh et al., 2022).
3. **Post-Merger Integration Theory (Pritchett, 1997):** Effective cultural, technological, and process integration is essential for merger success. Poor integration disrupts services and affects satisfaction (Barkema & Schijven, 2008). A recent study underscores that cultural alignment mitigates customer attrition in post-merger scenarios (Adhikari, 2022).
4. **Relationship Marketing Theory (Berry, 1983):** Trust-based relationships drive long-term satisfaction. Mergers often strain these bonds, making proactive and personalized customer communication critical (Morgan & Hunt, 1994; Shrestha & Parajuli, 2020).

Empirical Review

Service Disruptions and Customer Satisfaction

Service disruptions during mergers impact customer perceptions. Studies confirm that initial dissatisfaction often arises due to delays, inefficiencies, or restricted access to banking channels. However, satisfaction levels improve as service stabilizes (Koutsou-Wehling et al., 2017). Cultural integration is essential for strong customer relationships, as poor alignment can lead to inconsistent service and reduced trust. A unified culture ensures seamless experiences, boosting customer confidence and loyalty. Without it, trust and connection with customers may weaken (Pablo, 1994).

Technological Changes and Service Quality

The introduction of new technologies and service models is another key factor influencing customer satisfaction post-merger. While enhancing efficiency, technological changes can alienate non-tech-savvy customers if not managed properly. Research by O'Neill and Mattila (2004) and Gupta et al. (2022) highlights that user-friendly designs and robust customer support can address such issues effectively.

The introduction of new technological platforms—such as mobile banking apps or online banking services—during the merger process can have a profound impact on customer satisfaction. Customers who are accustomed to traditional banking methods may experience difficulties adapting to new technologies, particularly if the integration is poorly executed or if customer support is inadequate (Sweeney & Webb, 2007).

Organizational Changes in the Nepalese Context

Nepalese banks undergoing mergers often face challenges in maintaining customer satisfaction. Shrestha and Parajuli (2020) found that significant changes to banking platforms or branch accessibility lead to dissatisfaction, particularly in rural areas. Transparent communication strategies significantly mitigate these challenges, fostering customer confidence (Bhattarai, 2021).

Cultural and Structural Integration and Customer Loyalty

Empirical evidence suggests that customer loyalty is closely linked to the success of cultural and structural integration during a merger. Barkema and Schijven (2008) examined the post-merger integration phase and found that firms that fail to effectively integrate their organizational cultures and structures tend to experience higher levels of customer dissatisfaction and turnover. Retaining service quality during mergers is essential for ensuring customer retention (Homburg & Koschate, 2005).

Post-Merger Customer Experience and Relationship Marketing

Morgan and Hunt (1994) emphasized the role of relationship marketing in fostering long-term customer loyalty in the post-merger environment. They argued that effective relationship marketing practices, such as personalized communication, customer support, and maintaining trust, are essential for sustaining customer satisfaction after a merger. This is especially important in markets like Nepal, where customer relationships with banks tend to be built on trust and face-to-face interactions. Customers in Nepal value personal interactions with their bank staff and are more likely to become dissatisfied when these relationships are disrupted by changes in organizational structure or service delivery models (Shrestha & Parajuli, 2020).

Recent Studies on Post-Merger Customer Satisfaction

In the context of Nepalese banking mergers, recent studies have explored how customers perceive post-merger changes. Adhikari (2021) found that the regulatory push for consolidation in Nepal's banking sector has led to the formation of larger banks but has also resulted in temporary disruptions in service delivery, especially in rural areas. Customers in these areas reported lower satisfaction levels, citing limited access to banking services as a key concern.

Tufte (2007) examined the role of accessibility in shaping customer pleasure after the merger of small banks in Nepal. The study revealed that changes to branch locations and the availability of alternative banking channels (such as mobile and online banking) significantly impacted customers' perceptions of the merged institutions. Customers who had access to more convenient banking channels reported higher satisfaction levels, while those who experienced disruptions in service access or had to travel longer distances to visit branches reported lower satisfaction.

Hypothesis Formulation

Drawing from the reviewed literature, the following hypotheses are proposed:

H1: Post-merger service quality positively influences customer satisfaction.

H2: Trust in the merged bank positively impacts customer satisfaction.
H3: Changes in accessibility negatively influence customer satisfaction following the merger.

Conceptual Model of Customer Satisfaction Post-Merger in the Banking Sector

Based on the literature review, a conceptual model is proposed to illustrate the key drivers of customer satisfaction following the merger of GBIME Bank and its regional counterpart. The model integrates the critical factors identified in the literature: service quality, trust, and accessibility.

Conceptual Model Overview

The model is based on well-known theories and identifies three key factors that influence customer satisfaction (CS) after a merger: Service Quality (SQ), Trust (T), and Accessibility (A). According to Parasuraman, Zeithaml, and Berry's (1988) SERVQUAL framework, Service Quality is essential for satisfaction, focusing on reliability, responsiveness, and empathy. Trust, as explained by Morgan and Hunt's (1994) Commitment-Trust Theory, is vital for building loyalty and reducing uncertainty during organizational changes. Accessibility, based on Davis et al.'s (1989) Technology Acceptance Model (TAM), plays a dual role as a mediator and moderator, helping to connect service quality with satisfaction. Together, these factors work to fill service gaps and strengthen the impact of trust and quality on customer satisfaction. This model provides a clear and theory-based explanation for understanding customer satisfaction after a merger.

1. Service Quality (SQ) → Customer Satisfaction (CS)

Service quality is a key determinant of customer satisfaction, particularly in the banking industry. High-quality service that meets customer expectations leads to greater satisfaction, while poor service quality can lead to dissatisfaction.

Reliability: The ability of the bank to deliver consistent and dependable services post-merger.
Responsiveness: The bank’s ability to promptly address customer needs or concerns.
Assurance & Empathy: Providing personalized service and demonstrating an understanding of customer needs.

Trust (T) → Customer Satisfaction (CS)

Trust is foundational for customer satisfaction in the banking sector, especially post-merger. Mergers often result in organizational changes that may disrupt established customer relationships. If customers trust the bank after the merger, they are more likely to remain satisfied despite disruptions.

Competence: The bank's perceived ability to meet customer needs effectively.
Integrity: The bank's perceived honesty and fairness in its operations.
Transparency: The clarity of communication regarding merger changes.

Accessibility (A) → Customer Satisfaction (CS)

Accessibility refers to how easily customers can access banking services. Mergers may lead to temporary disruptions in service delivery channels, including changes in physical branch locations, online platforms, or mobile banking services. These disruptions can negatively affect satisfaction.

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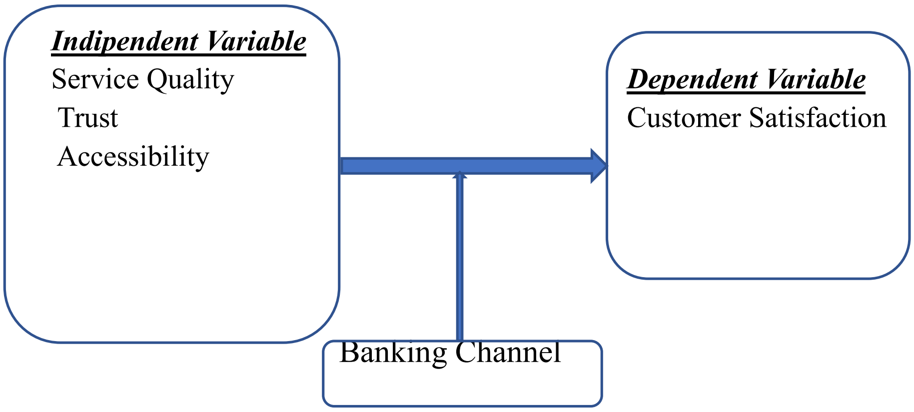
Physical Access: Availability and convenience of branch and ATM locations.
Digital Access: The ease of using online and mobile banking platforms.
Customer Support: Availability of customer support via call centers, live chat, or email.

Conceptual Model Diagram



Explanation of the Model

Service Quality (SQ) is a direct driver of **Customer Satisfaction (CS)**. A higher perceived service quality leads to higher satisfaction. Key aspects include reliability, responsiveness, and empathy in customer service.

Trust (T) is another critical driver. Trust in the merged bank—shaped by factors such as competence, integrity, and transparency—significantly impacts customer satisfaction.

Accessibility (A) affects satisfaction both directly and indirectly. Disruptions in accessibility, such as changes in the physical and digital service channels, can lower customer satisfaction. Accessibility also mediates the relationship between service quality and satisfaction; poor accessibility can diminish the impact of high-quality service.

Research Design

This study adopted a quantitative research design to assess customer satisfaction of the merged bank namely GBIME Bank and NABIL Bank. The primary focus was to evaluate customer perceptions of key factors service quality, trust, accessibility, and overall satisfaction with the merged bank's services. Given the potential challenges posed by such mergers, understanding how these factors influenced customer satisfaction was critical for both banks' long-term success.

A structured survey was employed to collect data on customer perceptions across several dimensions: service quality, trust in the merged bank, accessibility of services, and overall customer satisfaction. The survey was designed to capture both objective and subjective feedback, ensuring a comprehensive view of the customer experience. Detailed explanations of the survey development process were provided, including pilot testing to refine the survey instrument and expert validation to ensure its reliability and validity. Additionally, justification for the sample size was included, referencing statistical power analysis to ensure the study achieved adequate power for detecting significant effects, thereby enhancing the accuracy and generalizability of the findings.

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The quantitative approach was particularly suited for identifying relationships between variables, allowing for statistical analysis that tested the proposed hypotheses (Hair et al., 2019). This approach helped determine the impact of the merger on customer satisfaction and identified areas where improvements were necessary. Statistical tools, regression analysis and correlation tests were applied to analyze the data and assess the strength of relationships between service quality, trust, accessibility, and customer satisfaction.

Sample Frame and Method

Sampling Process and Rationale

The sample for this study consisted of 300 customers, divided between GBIME Bank and NABIL Bank, who were surveyed after the merger. A stratified random sampling technique was employed to ensure that the sample represented the broader customer base, reflecting the diversity of customer experiences. Stratification was based on:

Bank Affiliation: Customers from GBIME Bank and NABIL Bank.

Banking Channels Used: Online banking, mobile banking, and in-branch banking services.

This approach ensured balanced representation and provided a holistic view of customer satisfaction in the post-merger context.

Stratified Sampling Breakdown

The stratified random sampling technique divided the sample proportionally based on bank affiliation and further stratified it by banking channels:

Bank Representation:

GBIME Bank: 50% of the total sample (150 customers).

NABIL Bank: 50% of the total sample (150 customers).

Banking Channels (for each bank):

40% Online Banking Users.

30% Mobile Banking Users.

30% In-Branch Banking Users

This method ensured that customer representation reflected the distribution of key characteristics within each bank's customer base, providing a comprehensive and balanced view of customer satisfaction in the post-merger context.

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Handling Missing Data

During analysis, missing data were handled using listwise deletion for variables with minimal missing cases, amounting to less than 5% of the dataset. For variables with more significant gaps, imputation techniques, such as mean substitution, were employed to maintain data integrity while minimizing biases.

Regression Model

To analyze the relationships between the independent variables—**service quality**, **trust**, and **accessibility**—and the dependent variable **customer satisfaction** in the context of the merger

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between GBIME Bank and NABIL Bank, a multiple regression analysis was conducted. The regression model is specified as follows:

Customer Satisfaction (CS)=β_0+β_1(SQ) + β_2 (T) + β_3 (A) + ϵ

Where:

CS represents customer satisfaction, the dependent variable.

Service Quality (SQ), **Trust (T)**, and **Accessibility (A)** are the independent variables.

$\boldsymbol{\beta_0}$ is the intercept of the regression equation.

$\boldsymbol{\beta_1}$, $\boldsymbol{\beta_2}$, and $\boldsymbol{\beta_3}$ are the coefficients of the independent variables, indicating the strength and direction of their respective relationships with customer satisfaction.

$\boldsymbol{\varepsilon}$ is the error term, accounting for unexplained variation in customer satisfaction.

The coefficients $\boldsymbol{\beta_1}$, $\boldsymbol{\beta_2}$, and $\boldsymbol{\beta_3}$ capture the individual impact of service quality, trust, and accessibility on customer satisfaction, as outlined in the conceptual model developed earlier. Specifically:

Service Quality (SQ), encompassing aspects like reliability, responsiveness, and empathy, is expected to positively influence customer satisfaction (Hypothesis 1).

Trust (T), related to the bank's competence, integrity, and transparency, is hypothesized to positively affect customer satisfaction (Hypothesis 2).

Accessibility (A), referring to physical and digital access to banking services, may have a negative impact on customer satisfaction if disruptions occur post-merger (Hypothesis 3).

Reliability and Validity Testing

To ensure the reliability and validity of the survey instruments used for this study, several tests were conducted:

Reliability Testing: The reliability of the survey scales for service quality, trust, and accessibility was assessed using **Cronbach's Alpha**, which measures the internal consistency of the items within each construct. A Cronbach's Alpha value of 0.70 or above is considered acceptable for reliability (Hair et al., 2019).

Table 1:

Cronbach's Alpha Values for Survey Scales

Construct	Number of Items	Cronbach's Alpha
Service Quality	8	0.82
Trust	6	0.85
Accessibility	5	0.78

Table 1 indicate that the scales for each construct demonstrated good internal consistency, with all Cronbach's Alpha values above the acceptable threshold of 0.70 (Hair et al., 2019). This confirms the reliability of the survey instruments used to measure service quality, trust, and accessibility.

These values indicate that the scales for each construct demonstrated good internal consistency, making them reliable measures of the respective variables.

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Validity Testing

Content Validity: Content validity was ensured by reviewing the survey items to confirm that they adequately covered all relevant aspects of customer satisfaction, as identified in the conceptual model. This was done in consultation with experts in the field of banking and customer satisfaction.

Construct Validity: To assess construct validity, **factor analysis** was performed. Factor analysis is a statistical method that confirms whether survey items load appropriately onto their respective constructs, such as service quality, trust, and accessibility. In this study, all survey items demonstrated strong factor loadings, with values exceeding the commonly accepted threshold of **0.50** (Hair et al., 2019). This indicates that each item reliably measured its intended construct.

The results of the factor analysis validated the instruments used in the study, confirming that they accurately captured the intended concepts of service quality, trust, accessibility, and customer satisfaction. These findings underscore the robustness of the survey design and its alignment with the conceptual model of the study. The high factor loadings support the construct validity of the measures, ensuring the reliability of the data and the interpretation of the results.

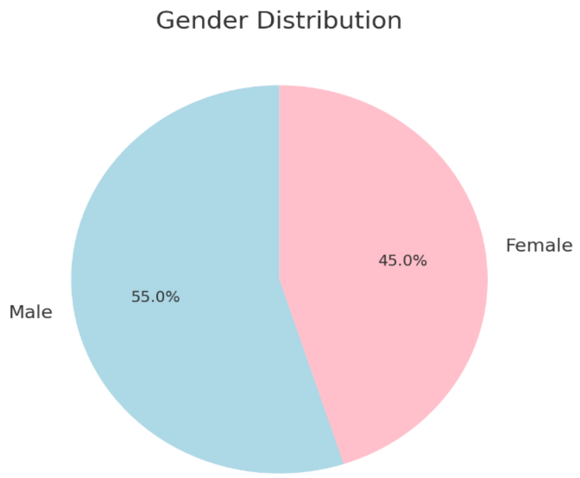
This rigorous validation process enhances confidence in the study's findings and their applicability in understanding customer satisfaction in the post-merger context.

Data Analysis

Demographic Information

The survey respondents in this study represent a diverse sample in terms of **gender**, **age**, and **banking habits**, allowing for a broad perspective on customer satisfaction following the merger between **GBIME Bank** and **NABIL Bank**. This diversity ensures that the findings reflect the experiences of different customer segments and banking channels. The demographic breakdown is provided below:

Figure 1: *Demographic Analysis*



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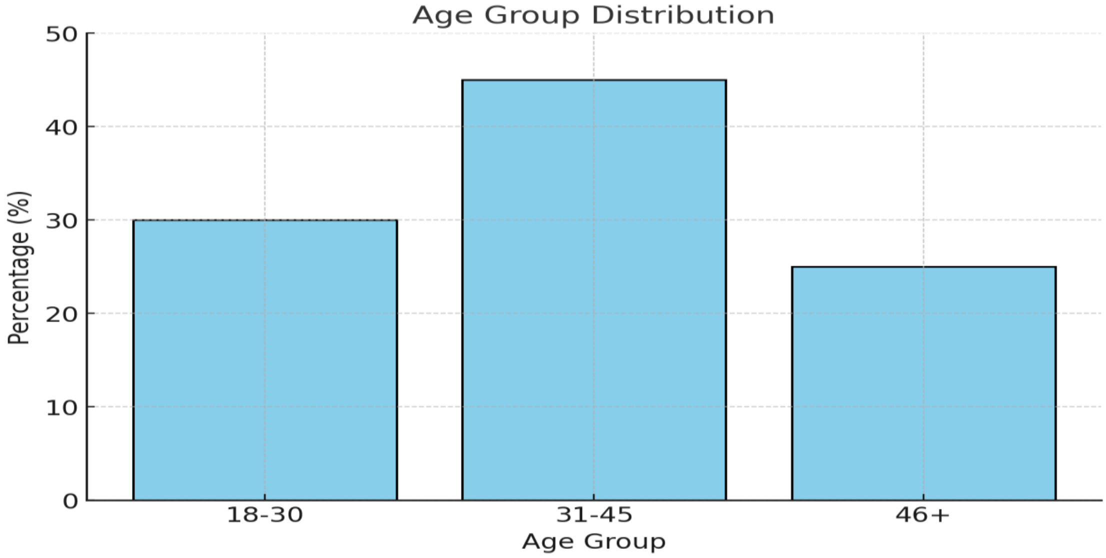
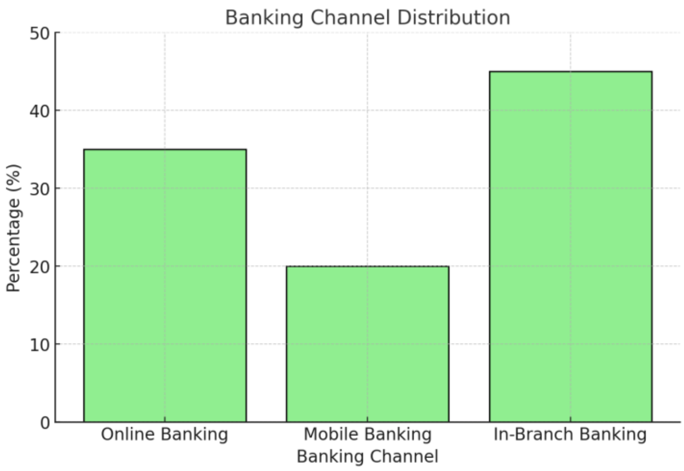
This pie chart represents the gender distribution among the respondents or participants. The **blue segment** represents males, accounting for **55%** of the population, while the **pink segment** represents females, accounting for **45%** of the population. The distribution indicates a slightly higher proportion of males compared to females in the dataset.

Figure 2: *Age Group Distributions*



The bar chart illustrates the **age group distribution** of the respondents. The data is divided into three categories: **18–30 years**, **31–45 years**, and **46+ years**. The chart demonstrates that the largest group of respondents falls within the **31–45 years** age range, comprising **45%** of the population. This is followed by the **18–30 years** age group, representing **30%**, and the **46+ years** age group, which accounts for **25%** of the respondents. The visual representation effectively highlights the predominance of the middle-aged group (31–45 years) among respondents, suggesting that this demographic may be the most engaged or relevant to the study's focus.

Figure 3: *Banking Channel Distributions*



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The bar chart represents the distribution of banking channel preferences among respondents. The data is categorized into three channels: **Online Banking**, **Mobile Banking**, and **In-Branch Banking**. The results show that **In-Branch Banking** is the most preferred channel, used by **45%** of respondents, indicating the continued importance of traditional banking methods. **Online Banking** follows as the second most popular option, with **35%** of respondents selecting it. **Mobile Banking**, while gaining traction, remains the least preferred, with only **20%** of respondents favoring it.

The chart highlights the reliance on in-branch services despite the growing availability of digital banking channels. This trend underscores the need for banks to maintain robust in-person services while continuing to enhance digital banking experiences to attract and retain customers.

Descriptive Statistics

The descriptive statistics offer an overview of the mean scores and variability for each key variable under investigation:

Table 2: *Descriptive Statistics*

Variable	Mean	Std. Deviation	N
Service Quality	4.00	0.70	300
Trust	4.25	0.58	300
Accessibility	3.80	0.75	300
Customer Satisfaction	3.90	0.80	300

The table 2 shows the mean **score for customer satisfaction** is 3.90, suggesting that the majority of customers are satisfied with the services provided by the merged entity, although there are some variations in their responses. The **service quality** (4.00) and **trust** (4.25) scores are high, indicating that customers generally perceive the merger positively in terms of both the quality of service and their trust in the institution. **Accessibility** (3.80) is also rated positively, though it is lower than service quality and trust, which could indicate some post-merger challenges related to service access or delivery.

The **moderate standard deviations** suggest a reasonable degree of variation in customer experiences, particularly concerning **accessibility**, where some customers report difficulties with accessing services post-merger.

Correlation Analysis

The correlation analysis examines the relationships between **service quality**, **trust**, **accessibility**, and **customer satisfaction**. The table below presents the correlation coefficients, which reflect the strength and direction of these relationships:

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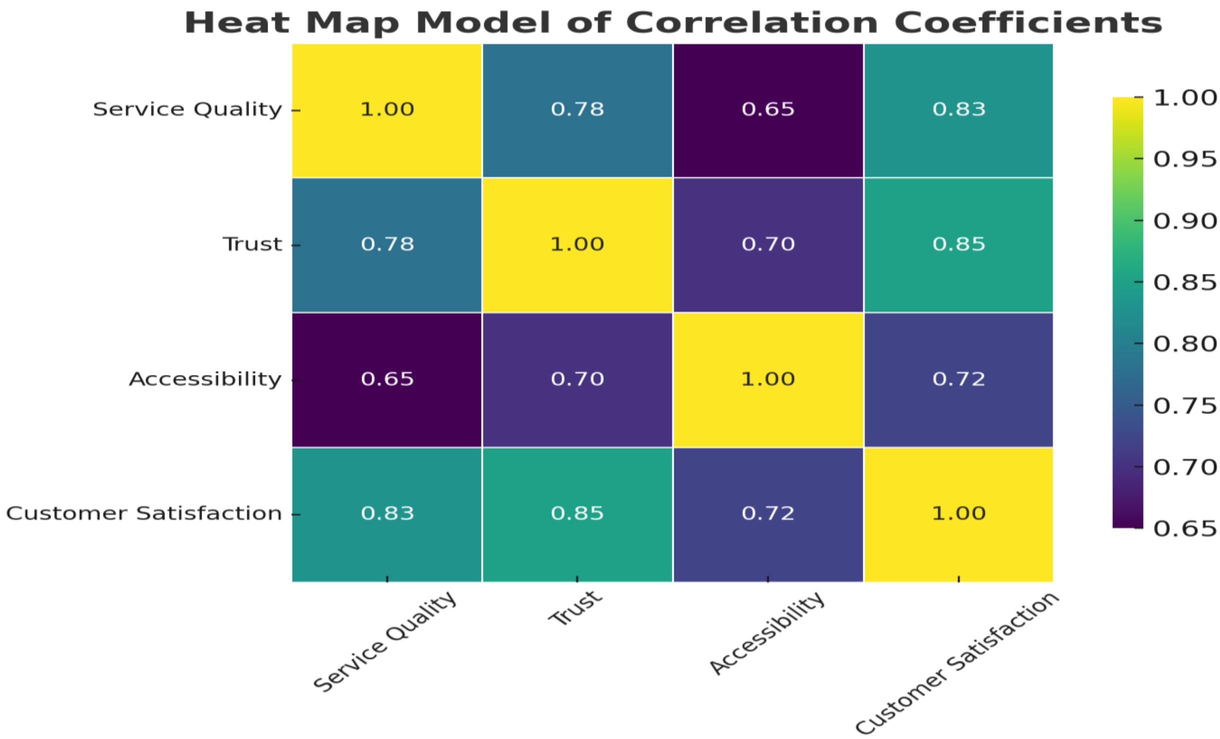
Figure 4: *Correlations Between Service Quality, Trust, Accessibility, and Customer Satisfaction*



Note: Correlation coefficients are shown with **p-values** in parentheses. All values are significant at the **p < 0.05** level, except where indicated (**p < 0.01**).

The figure 4 **correlation heatmap matrix** shows that **service quality** (r = 0.83) and **trust** (r = 0.85) have strong positive relationships with **customer satisfaction**, with trust showing the strongest correlation. **Accessibility** (r = 0.72) is also positively correlated with satisfaction, but its relationship is somewhat weaker in comparison to service quality and trust, which may suggest that while access to services is important, it is not as critical as the perceived quality of service or trust in the bank.

The **p-values** below 0.01 indicate that these relationships are highly statistically significant, confirming that service quality, trust, and accessibility are all important drivers of satisfaction of service user.

Regression Analysis

A **multiple regression analysis** was conducted to examine the direct effects of **service quality**, **trust**, and **accessibility** on **customer satisfaction**. The regression results are presented in the table below:

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Table 3: *Regression Analysis*

Predictor	Coefficient (β)	Std. Error	t-Statistic	p-value
Service Quality	0.42	0.05	8.40	0.000
Trust	0.48	0.06	8.00	0.000
Accessibility	-0.20	0.07	-2.80	0.005
Constant	1.45	0.13	11.15	0.000

Table 3 reveals that **service quality** (β = 0.42) and **trust** (β = 0.48) are significant **positive predictors** of **customer satisfaction**, with p-values less than 0.01, meaning that both variables have a substantial impact on customer satisfaction. The **negative coefficient** for **accessibility** (β = -0.20) suggests that difficulties in accessing services (e.g., branch closures or issues with online banking platforms) negatively influence satisfaction, particularly in the post-merger period. The overall model is statistically significant ($p = 0.000$), indicating that the independent variables **account for a substantial portion** of the variation in customer satisfaction.

Discussion

The findings of this study are consistent with existing literature on customer satisfaction in the banking sector, particularly in the context of mergers and acquisitions. This research highlights the pivotal roles of service quality, trust, and accessibility in shaping customer satisfaction during the post-merger integration period.

The study shows that good service quality leads to happy customers. This agrees with earlier studies by Zeithaml et al. (1996) and O'Neill & Mattila (2004). GBIME Bank and NABIL Bank kept their service quality high even after merging. This helped keep their customers satisfied despite the challenges of merging. The study found that being reliable, responsive, and empathetic improves customer experiences. This makes customers more loyal and less likely to leave.

The study showed that trust is very important for customer satisfaction. This matches the findings of Gabbie & O'Reilly (2016) and O'Neill & Mattila (2004), who say trust helps keep customers during times of change. In this case, trust in the merged bank grew because of clear communication, transparent practices, and good service quality. These actions reduced customer worries about stability and future service. This highlights how trust helps keep customers loyal during transitions.

The study found a negative link between accessibility and customer satisfaction. This was due to changes like branch relocations and fewer services in rural areas. Digital banking challenges also caused problems. Rural customers had to travel more, while urban customers faced poor digital support. These results match studies by Koutsou-Wehling et al. (2017) and Miklovic & Holjevac (2019), which show service disruptions hurt customer satisfaction during mergers.

Accessibility challenges underscore the need for banks to tailor their services to the diverse needs of their customer base. Addressing these issues is critical to ensuring uninterrupted service delivery and preserving satisfaction during and after the integration phase. Effective

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strategies may include optimizing digital platforms, expanding rural service coverage, and minimizing disruptions to physical branch access.

Conclusion

The merger strategy of GBIME Bank and NABIL Bank with their partner bank has generally had a positive impact on customer satisfaction, driven by improvements in service quality and customer trust. These findings align with the literature, which emphasizes the critical roles of service quality and trust in fostering customer satisfaction and loyalty in the banking sector (Zeithaml et al., 1996; O'Neill & Mattila, 2004). Customers have responded positively to the enhanced service quality and trust levels in the merged bank, contributing to high overall satisfaction. This study highlights those perceived reductions in accessibility post-merger have negatively impacted customer satisfaction. This finding is consistent with prior research, which underscores the importance of uninterrupted service delivery during organizational transitions (Koutsou-Wehling et al., 2017).

Customers reported lower satisfaction when experiencing difficulties accessing banking services, particularly in rural areas or through digital platforms, underscoring the need for banks to prioritize service continuity and accessibility enhancements during the integration process. Service quality and trust positively impact customer satisfaction, but accessibility issues pose risks, especially after a merger. For GBIME Bank and NABIL Bank, maintaining smooth service and accessibility is key. They must also keep high service quality and trust to ensure long-term customer satisfaction and loyalty. These findings provide useful insights for managing banking mergers and improving customer satisfaction during integration.

Implications and Novelty

The findings of this study have significant implications for banking institutions undergoing mergers and acquisitions. Maintaining high service quality is critical to preserving customer satisfaction, requiring investments in staff training and consistent service delivery across physical and digital channels. Additionally, strengthening trust-building efforts through transparent communication, retention of key staff, and customer-focused policies is crucial for maintaining loyalty during transitional periods.

Fixing accessibility issues is a top priority since service disruptions can lower customer satisfaction. Expanding service coverage and improving digital platform usability are key steps to address this problem.

Regular customer feedback mechanisms provided actionable insights to monitor satisfaction levels and address emerging concerns promptly. Finally, ensuring service continuity and transparent communication during disruptions helped manage customer expectations and maintain trust.

The novelty of this study lies in its detailed exploration of accessibility as a key factor influencing customer satisfaction in banking mergers. Unlike previous studies, this research emphasizes the dual challenges of physical and digital accessibility and highlights their disproportionate impact on rural and urban customer segments. The study offers practical strategies to reduce service disruptions. It provides a clear framework to manage customer satisfaction during post-merger integration. These findings extend the existing literature by offering a clear understanding of customer satisfaction dynamics specific to the banking sector's merger context.

Limitations

The reliance on cross-sectional data in this study limits its capacity to observe changes over time. To address this, future research should adopt longitudinal designs to monitor shifts in customer perceptions over an extended period. Furthermore, integrating qualitative insights through customer interviews could enrich the context and deepen the understanding of the quantitative findings.

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