FACTORS AFFECTING MILLENNIALS' LOYALTY TOWARDS VIRTUAL BANKING: EVIDENCED FROM A STATE UNIVERSITY IN SRI LANKA

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Abstract

The rapid spread of technology has undoubtedly made the Internet the most promising channel for providing banking services. However, despite its potential, several studies have revealed that the internet adoption rate in Sri Lanka remains at an inadequate level. This research study examines the factors influencing millennial loyalty towards virtual banking with reference to a state university in Sri Lanka. The study employed a self-administered questionnaire survey to collect data, with 204 university students participating. The research primarily utilized regression analysis to empirically test the hypotheses. The study revealed that "usability," "perceived risk," "commitment/satisfaction," and "trust" significantly influenced millennials' loyalty towards virtual banking adoption, demonstrating a positive relationship with customer loyalty. However, perceived enjoyment showed no significant relationship. The findings have both short-term and long-term implications, benefiting bank managers, marketing professionals, and technical experts. Thus, as the implications suggest, those stakeholders can think of usability, perceived risk, commitment/satisfaction, and trust as the most powerful considerations that customers expect when using the virtual platform and design the virtual platform by including those features as per customer expectations. Furthermore, the study lays the foundation for future research, especially for technical personnel in banks engaged in developing innovations to meet the expectations of millennial users in virtual platforms.

Keywords: Customer Loyalty, Millennial, Technology Acceptance Model, Virtual Banking.

1. Introduction

1.1. Background of the Study

Technological advancements have significantly reshaped various sectors of the economy, including the retail banking sector. The shift from physical branches to online transactions has transformed the retail banking sector into sales points and personal advisory offices. Self-service technology plays a major role in creating strong interactions between banks and customers. Initially, ATMs and credit cards replaced introductory technological innovations in the banking sector (Galdolage, 2022). However, online and mobile banking have transformed the entire banking system into a digital platform. Mobile banking has made routine banking errands accessible at anytime and anywhere, making customers less cash-dependent and enabling 24-hour banking services. Technological advancements have also reached into other areas, such as magnetic link character recognition codes, electronic clearing service schemes, electronic fund transfer schemes, centralized fund management schemes, RTGS, and computerized settlement of clearing transactions (Fernando & Dinesha, 2019). These advancements have made Sri Lankan bankers more responsive to digital-based apps, software, and other forms of advancement to cater to digitalized customer needs. Banks are selling valuable services to their valuable customers, and retaining a strong, loyal customer base is crucial for success. Virtual banking platforms are key platforms for providing a digitalized banking experience. Customers who intend to use these platforms should have competencies in handling electronic transactions.

The millennial generation, born between 1980 and 2000, is the current generation that has grown up with information technology, internet access, and social media (Accenture, 2015). As a result, virtual banking advancements introduced by banks are quickly adapted and used by them to perform transactions effectively and beneficially. According to Accenture (2015), millennials are not as loyal to their banks as previous generations. As there are numerous banks in the Sri Lankan banking industry, customers can easily switch among banks if they are unsatisfied with the services offered. To retain and create a strong, loyal customer base, banks must consider factors and strategies that can be adapted to become competitive in the banking sector. Currently, almost all banks are trying to adapt virtual banking platforms against traditional banking services. In the post-COVID-19 era, more banks are moving towards virtual banking platforms. The banking industry is facing a critical financial situation, and there is a lack of paper for paper-based transactions. To achieve customer loyalty, banks must be alert to customer expectations and factors affecting customer loyalty towards virtual banking. Further research is needed to fully understand what drives customer loyalty towards virtual banking adaptation within this generation.

1.2. Problem Statement

This research study conducted a pilot survey among 40 university students using a questionnaire to assess the satisfaction of virtual banking users with their virtual banking platform. The survey included 22 questions, with most respondents selecting 2 and 3 on the Likert scale, validating that the majority of virtual banking users are not satisfied with the service that they receive by using virtual banking platforms. The Cronbach's Alpha values for the variables were above 0.7, indicating the internal consistency of the questionnaire. In this context, the virtual platform can be identified as an indispensable tool in the banking industry in the near future. The millennial generation represents the future important banking customers since they will represent the major income source for banks in the near future. Despite this, they are the people who are highly engaged with advanced technology, and, therefore, who can be most familiar with virtual platforms. Accordingly, it is vital to identify their loyalty level in relation to virtual platforms. Most importantly, it is also essential to identify whether they are actually satisfied with the virtual platform. Thus, the research problem is to identify the factors affecting loyalty among millennial virtual banking customers in Sri Lanka. The study aims to inform banks on the relative importance of these factors and develop further developments in virtual banking platforms. Therefore, the research problem of this study is **"Which factors affect loyalty among millennial virtual banking customers in Sri Lanka?**

1.3. Objectives of the Study

1.3.1. Primary objective

- To examine the factors affecting loyalty among millennial virtual banking customers in Sri Lanka

1.3.2. Secondary Objectives

- To identify the level of influence of 'usability' on millennial customers' loyalty towards adaptation of virtual banking
- To identify the level of influence of 'perceived risk' on millennial customers' loyalty towards adaptation of virtual banking
- To identify the level of influence of 'perceived enjoyment' on millennial customers' loyalty towards adaptation of virtual banking
- To identify the level of influence of 'commitment/satisfaction' on millennial customers' loyalty towards adaptation of virtual banking

- To identify the level of influence of 'trust' on millennial customers' loyalty towards adaptation of virtual banking

1.4. Significance of the Study

Technological advancement is a continuous process, and the Sri Lankan banking industry is adapting to new technologies to stay competitive. This study contributes to understanding factors that create loyalty towards virtual banking and the qualities expected by the millennial generation. It also helps banks identify their influence on loyalty and innovative solutions to gain a competitive advantage. This study serves as a literature review for future research, allowing researchers to sharpen their critical thinking and analytical skills, expand their understanding, and develop existing theories in this field.

1.5. Limitations of the Study

The study has limitations, including a small sample size and an online questionnaire for data collection. Further, the sample is limited to university students in the millennial generation, who are clearly identified as belonging to this group. The study's applicability to the entire population is also limited, as it only focuses on highly-educated millennials, which may hinder generalization to the entire millennial generation in Sri Lanka. Future research opportunities in this area could be created to address these limitations.

2. Literature Review

2.1. Customer Loyalty

The dependent variable of this study is customer loyalty. Customer loyalty has been defined as the unique sort of client attitude towards the association. It is somewhat future forecast about the intention of the client to work with the firm (Zeithaml, Berry, & Parasuraman, 1996).

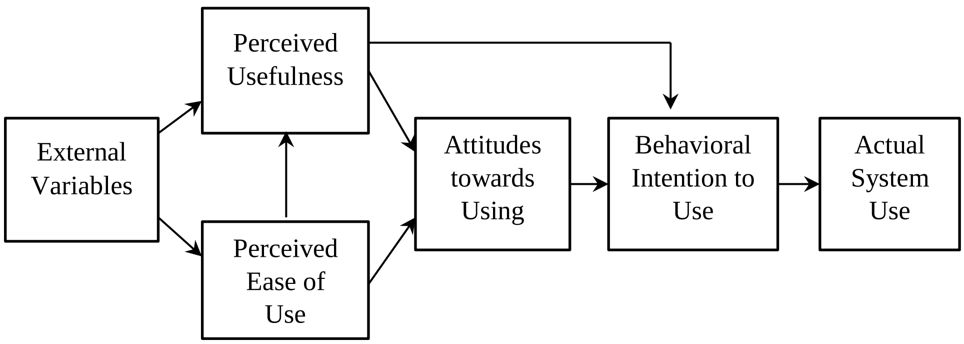
When it comes to loyalty within the banking sector, numerous studies have been conducted by various researchers, and they have found different aspects of customer loyalty in the banking sector. Bloemer (1998) defines bank loyalty as the purposive (i.e. non-random and evaluating) continuous commitment that customers show towards one bank out of a set of banks that exist over a period of time. Loyalty to a bank can be considered as a continuing process of patronage over time. The degree of loyalty can be caught by tracking customer accounts over defined time periods and being alert to the degree of continuity in patronage (Yi & Jeon, 2003). For the purpose of this research study, customer loyalty refers to the customers having favorable attitudes towards their bank of choice and the services they are providing, which would be reflected within their recommendation of the particular bank. According to a study conducted in

America, Tesfom & Birch (2011) reveal that bank switching barriers are experienced differently across different age groups, where older people experience higher switching barriers than younger people. Thus, as the millennial young generation has more flexibility to switch among banks if they are not satisfied with the service that they receive, inducing them is a must by banks and therefore, Tesfom & Birch (2011) argue that banks need to offer more meaningful incentives to younger customers if they wish to retain them.

2.2. Usability

When considering usability, to understand, determine and explain the underlying factors of computer and information systems acceptance, as well as explain user behavior within the same area, the Technology Acceptance Model (TAM) has been developed by Davis (1986) as provided by Bondeson (2018). The theoretical background was supplemented to the TAM by the theory of reasoned action to explain human behavior, whereas the TAM model was focused on computer usage behavior. When applying this model to the context of virtual banking, several researchers have argued about the relative importance of the two determining variables of perceived usefulness and perceived ease of use, and most of them have argued that perceived usefulness is more important than perceived ease of use. Yousafzai, Foxall, & Pallister (2010) reveal that perceived usefulness is the variable with the biggest impact on acceptance of online banking, where perceived ease of use can have an indirect impact on perceived usefulness. On the contrary, Chau & Ngai (2010) finds that both perceived usefulness and ease of use have the same impact on acceptance when studying young Internet banking consumers (16-29 years). However, Chau & Ngai (2010) also argue that this contrasting relationship could be described by demographical factors, where younger consumers have higher technological acceptance and experience than older generations.

Figure 4: Technology Acceptance Model



2.3. Perceived Risk

Perceived risk can be identified as a key factor influencing the customers' intention to use technology-based applications. Especially when it comes to virtual banking, Perceived Risk and its different constructs have been found as one of the factors affecting the acceptance and adoption of new technologies. (Martins, et al., 2014; Pikkarainen, et al., 2004; Chen, 2013; Arcand, et al., 2017; Lee, 2009; Wessels & Drennan, 2010)

When it comes to virtual banking, as it is connected with wireless connections and technology-based appliances, the privacy risk is applicable to a huge extent. Lee (2009) states that, in the case of online banking, this risk could occur when, e.g. servers break down, or connectivity is lost, which causes problems in carrying out banking services.

2.4. Perceived Enjoyment

When it comes to technology acceptance by customers, perceived enjoyment acts as another key dimension to create some sort of positive thoughts among customers regarding technology-based platforms. As a hedonic variable, enjoyment refers to the Perceived Enjoyment user experiences while using new technology instead of looking at the gained performance or user-friendliness (Heijden, 2004). Arcand et al. (2017) have found that perceived enjoyment is one of the factors that affect commitment/satisfaction in mobile banking mostly, which is why it is important to consider this factor in the development of mobile banking technologies. Further, Pikkarainen et al. (2004) have included Perceived Enjoyment while studying acceptance of online banking and found that enjoyment has some effect on acceptance of online banking; however, it is not statistically significant.

2.5. Relationship Quality and Its Effect on Loyalty

Being a service industry, it is vital for banks to develop and maintain strong relationships with customers to attract and retain a loyal customer base. Accordingly, Relationship Quality can be conceptualized as the overall assessment of the strength of a relationship (Garbarino & Johnson, 1999; Smith, 1998). When it comes to the dimensions that are coming under the relationship quality, various authors have found various dimensions relating to relationship quality. Accordingly, it was found that the relationship quality consists of three dimensions: commitment, satisfaction and trust. (Wulf, et al., 2001; Palmatier, 2008; Vesel & Zabkar, 2010; Brun, et al., 2014)

2.5.1. Commitment

Moorman et al. (1992) define commitment as an enduring willingness of customers to maintain a valued relationship. Morgan & Hunt (1994) and Eastlick et al. (2006) state that when there is a commitment, the consumer is prepared to invest resources into the relationship and make significant efforts to maintain it.

When we apply the dimension of commitment to the banking context, Bloemer et al. (1998) found that commitment is crucial for the development of true bank loyalty, i.e. loyalty based on absolute commitment.

Vatanasombut et al. (2008) indicate that affective commitment has a strong impact on customer retention in the online banking industry. Therefore, affective commitment was used in this research study.

2.5.2. Satisfaction

According to the research conducted by various researchers, it is considered to be a positive relationship between satisfaction and customer loyalty. A study about satisfaction conducted by Gruen (1995) defines satisfaction as "the extent to which benefits actually received meet or exceed the perceived equitable level of benefits".

However, when we look at this from a banking perspective, Thakur (2014) defines satisfaction as an effective customer condition that results from a global evaluation of all the aspects that create the relationship between the customer and the service provider rather than being a transaction-specific phenomenon.

Further, though commitment and satisfaction are treated as two separate constructs when measured, they have proven to be hard to distinguish for respondents (Wulf et al., 2001; and Arcand et al., 2017). Therefore, in this study, commitment and satisfaction are considered as one variable.

2.5.3. Trust

Trust is obviously a factor that affects toward making positive thoughts among customers. It has been found trust is vital for companies when they are building and maintaining strong relationships with their valuable customers (Geyskens et al., 1996; Rousseau et al., 1998; Singh & Sirdeshmukh, 2000).

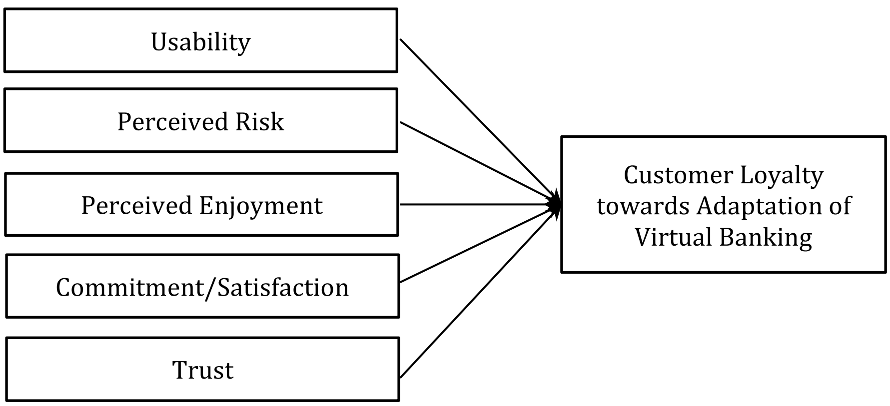
When it comes to the banking perspective, Esteric-Plasmeijer & Raaij (2017) and Arcand et al. (2017) found that competence (sometimes referred to as expertise) and integrity appear to be most relevant in the banking sector.

3. Methodology

The current research study adopted the deductive research approach since this research study is a quantitative one and is prone to testing some theories by formulating hypotheses. Since the current research study intends to investigate and explain the underlying factors and their relative importance while answering the research question of "Which factors affect loyalty among millennial virtual banking customers?" this study has adopted a quantitative explanatory research design. Accordingly, in this research study, primary source was mainly used to gather data where a self-administered questionnaire in the form of a Google form was distributed via online platforms like e-mail, WhatsApp, LinkedIn, and Facebook to collect the primary data from respondents and some secondary source also was used which were collected from company websites, annual reports, books, articles and documents as appropriate. The population was considered to be all undergraduates in Sabaragamuwa University, whereas the sample amounted to 250 undergraduates in Sabaragamuwa University out of the entire population selected by using a simple random sampling method. Accordingly, the self-administered questionnaire was distributed among 250 university students, from which only 204 responses were received; therefore, the sample of this study was considered to be 204 university students. For the purpose of analyzing data, regression analysis was carried out to test the hypotheses developed, whereas the reliability test, validity test, normality test, correlation analysis and multiple regression analysis were mainly used as the data analytical tools.

3.1. Conceptual Framework

Figure 2: Conceptual Framework



Source: Empirical Sources

3.2. Variables

Usability - Usability can be defined as the degree to which a person believes that using a particular system will lead to enhancing his or her job performance (Davis, 1989).

Perceived Risk - The concept of perceived risk can be seen as a grouping of several risk components, and one of the most common ways to group the concept of perceived risk includes a list of five components, which are financial risk, performance risk, psychological risk, social risk, and physical risk (Jacoby & Kaplan, 1972).

Perceived Enjoyment - Perceived Enjoyment refers to the enjoyment that the user experiences while using new technology instead of looking at the gained performance or user-friendliness (Heijden, 2004).

Commitment/Satisfaction - Commitment is defined as the situation where the consumer is prepared to invest resources into the relationship and make significant efforts to maintain it. An emotional reaction to a consumer experience is referred to as satisfaction (Morgan & Hunt, 1994; Oliver, 1997).

Trust - Trust is defined as the confidence that a consumer has towards a retailer's reliability and integrity (Morgan & Hunt, 1994).

Customer Loyalty - Banking customer loyalty is defined as the purposive decision to commit one bank out of a set of banks over a defined time frame (Bloemer et al., 1998).

3.3. Preparation of Questionnaire

Variable	Questions
Usability	Virtual banking enables me to utilize banking services more quickly
	The effectiveness of my banking activity is enhanced by virtual banking
	Overall, virtual banking is useful for me to utilize banking services
	I find it easy to do what I want using virtual banking
	My interaction with virtual banking is clear and understandable
	Overall, I find virtual banking is easy to use

Perceived Risk	I think that my privacy is protected by using mobile banking
	I trust the technology (the app) the bank is using
	I think that transactions carried out in mobile banking are secure
	Matters of security influence my usage of mobile banking
Perceived Enjoyment	Using mobile banking is fun
	Using mobile banking is pleasant
	Using mobile banking is enjoyable
Commitment/ Satisfaction	I am committed to the relationship with my bank
	I intend to maintain the relationship with my bank
	Doing business with my bank makes me satisfied
	Overall, I am satisfied with my bank
Trust	My bank is trustworthy
	My bank is competent in its field

3.4. Hypotheses Development

Hypotheses were as follows;

H_{1A}: Usability has a significant positive impact on the virtual banking loyalty of millennials in Sri Lanka.

H_{1B}: A sense of low perceived risk has a significant positive impact on the virtual banking loyalty of millennials in Sri Lanka.

H_{1C}: Perceived enjoyment has a significant positive impact on the virtual banking loyalty of millennials in Sri Lanka.

H_{1D}: Commitment/Satisfaction has a significant positive impact on the virtual banking loyalty of millennials in Sri Lanka.

H_{1E}: Trust has a significant positive impact on the virtual banking loyalty of millennials in Sri Lanka.

3.5. Model Specification

The following multiple linear regression model has been developed in order to analyze the relationship between independent variables and dependent variables of the current research study.

When considering independent variables and the dependent variable of this research study, customer loyalty (CL) towards adaptation of virtual banking can be considered as a function of five other explanatory variables, namely, usability (US), perceived risk (PR), perceived enjoyment (PE), commitment /satisfaction (CS) and trust (TR). Therefore, the following model has been developed as the model for the purpose of the current research study.

$$CL = \beta_0 + \beta_1 US + \beta_2 PR + \beta_3 PE + \beta_4 CS + \beta_5 TR + \varepsilon \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (1)$$

4. Data Analysis and Discussion

4.1. Data Analysis

As the first step of data analysis, data were prepared for the analysis by presenting the response rate, missing value analysis, and outlier analysis. Accordingly, the response rate was presented by using a self-administered serial number to identify all respondents. According to the results, both the response rate and the sample's effective response rate were 79.2%. After that, for the purpose of doing missing value analysis, all the responses were checked by using univariate statistics, and there were no missing values that could be found in the data set. As the final part of the preparation of data for the analysis, the data set of the current study was screened to identify outliers by using box-plots. According to the results, seven observations were found to have outliers, and they all were removed from the final data set before going for further analysis.

After preparing data for the analysis, a reliability test was run, and according to the results, Cronbach's Alpha values of all the construct varied from 0.642 to 0.954, which indicates that all the items in the construct are reliable and have significantly contributed to conceptualizing constructs. Further, according to the results of the validity test, all the KMO values of all the variables were greater than 0.5 and also, at the same time, the significant values of all the variables were less than 0.05, which means that the sample of the study is enough in the current study and validate the validity test to proceed with further analysis.

Before going for the regression analysis for hypothesis testing, the data set was tested for multivariate assumptions using linearity, statistical independence, homoscedasticity, normality and multicollinearity. Accordingly, linearity was tested by using a scatterplot for all the variables and according to the results obtained, all the scatterplots showed a linear relationship among variables by way of the automatic lines drawn in the scatterplot, validating the linear relationship among the variables. Statistical independence was tested by using autocorrelation analysis, and according to the results shown, the Durbin-Watson value of the current study is 2.016, which is in the range ranging from 1.5 to 2.5, validating that there is no statistically significant autocorrelation in the residuals. Homoscedasticity was tested using a scatterplot, and according to the scatter plot obtained, the residual plots in the current study show a random pattern and no curvilinear component, validating the homoscedasticity assumption. Normality was tested by using Skewness and Kurtosis tests where the skewness and kurtosis values of all the independent and dependent variables are within the range of -1 and +1, which provides enough evidence to conclude that the data set for all the independent and dependent variables in the current study are normally distributed. Finally, multicollinearity was tested using tolerance and VIF for each independent variable. Accordingly, the tolerance values for all the independent variables were greater than the 0.1 threshold, and the VIF values of each independent variable are less than 10, which satisfies the precondition, and therefore it can be concluded that the model is free from multicollinearity issues.

Before going for regression analysis, correlation analysis was done using the Pearson correlation test, which showed a positive correlation between independent and dependent variable with a Sig. (2-tailed) value less than 0.05 at a 95% confidence level. The independent variables had a high degree of correlation with customer loyalty towards virtual banking, the dependent variable.

Table 1: Correlation Statistics

		CL	US	PR	PE	TR
US	Pearson Correlation	.795**				
	Sig. (2-tailed)	.000				
PR	Pearson Correlation	.813**	.851**			
	Sig. (2-tailed)	.000	.000			
PE	Pearson Correlation	.675**	.651**	.680**		
	Sig. (2-tailed)	.000	.000	.000		
TR	Pearson Correlation	.738**	.719**	.689**	.674**	
	Sig. (2-tailed)	.000	.000	.000	.000	

CS	Pearson Correlation	.805**	.777**	.756**	.715**	.785**
	Sig. (2-tailed)	.000	.000	.000	.000	.000
**. Correlation is significant at the 0.01 level (2-tailed).						

Source: SPSS Output

Finally, regression analysis was done to test the hypotheses, and the results shown are as follows (Appendix N, O, P);

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.873	0.763	0.756	0.718

Source: SPSS Output

Table 3: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	306.642	5	61.328	118.896	0.000
	Residual	95.426	185	0.516		
	Total	402.067	190			

Source: SPSS Output

Table 4: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.725	0.253		2.863	0.005
	US	0.161	0.078	0.155	2.063	0.041
	PR	0.363	0.079	0.336	4.601	0.000
	PE	0.054	0.065	0.046	0.838	0.403
	TR	0.177	0.081	0.134	2.177	0.031
	CS	0.415	0.100	0.293	4.161	0.000

Source: SPSS Output

Accordingly, the results of the multiple linear regression indicate usability, perceived risk, trust, and commitment/satisfaction as the best-fitting factors for predicting customer loyalty towards virtual banking. These factors were statistically significant, and the regression equation can be drawn as follows.

$$CL = 0.725 + 0.161\ US + 0.363\ PR + 0.177\ TR + 0.415\ CS + \varepsilon \ldots\ldots\ldots(2)$$

Where CL is the Customer Loyalty towards the adaptation of virtual banking, US is the Usability, PR is the low sense of Perceived Risk, TR is the Trust, CS is the Commitment/Satisfaction, and Ɛ is the Error Term.

4.2. Discussion

The main objective of this study was to analyze factors affecting millennial loyalty towards virtual banking evidenced by a state university in Sri Lanka. When analyzing the relationship between usability and customer loyalty towards the adaptation of virtual banking, results showed a significant positive relationship between usability and customer loyalty towards virtual banking adaptation. This finding aligns with previous research showing usability directly impacts loyalty (Thakur, 2014). The study focused on customers who have already adopted virtual banking applications, but findings from Pikkarainen (2004) and Laukkanen (2016) also showed the significance of usability in the acceptance and adaptation of new technology. Overall, usability plays a vital role in both the pre and post-adoption phases of virtual banking.

The regression analysis revealed that perceived risk has the second highest impact on millennial loyalty towards virtual banking adaptation supporting the hypothesis that a low sense of perceived risk has a significant positive relationship with millennials' loyalty towards the adaptation of virtual banking. This finding aligns with previous research by Chen (2013) and Wessels & Drennan (2010), which found high perceived risk negatively impacted customer intention and attitudes towards mobile banking services. The study also supports the idea that perceived risk is a strong predictor of customer loyalty in online banking, making low perceived risk a vital factor in virtual banking adoption.

The study found no significant relationship between perceived enjoyment and customer loyalty towards virtual banking adaptation. This contradicts Bondeson's (2018) and Pikkarainen's (2004) findings, which suggest no significant impact on customer acceptance of online banking services. Therefore, the study concludes that perceived enjoyment does not affect millennial loyalty towards virtual banking adaptation in the post-adoption phase.

Trust showed a significant positive relationship with customer loyalty towards virtual banking adaptation, consistent with several researches showing it as an important antecedent of loyalty (Reichheld & Schefter, 2000; Pavlou, 2003; Van Esteric-Plasmeijer & Van Raaij, 2017). This conclusion suggests that trust is a crucial factor in determining millennial loyalty in the post-adoption phase of virtual banking adoption.

The study found a significant positive relationship between commitment/satisfaction and millennial loyalty towards virtual banking adaptation. This aligns with previous research by Cater & Zabkar (2009), Oliver (2009), and Bondeson (2018), supporting the positive relationship between commitment/satisfaction and customer loyalty. This conclusion suggests that commitment/satisfaction is a crucial factor in determining millennials' loyalty towards virtual banking adoption in the post-adoption phase.

5. Conclusion

This study examined factors affecting millennial loyalty towards virtual banking at a state university in Sri Lanka. Multiple linear regression was used to identify the relationship between independent factors and the dependent variable. The results showed a positive relationship between usability, perceived risk, commitment/satisfaction, and trust with millennials' loyalty towards virtual banking adaptation. However, perceived enjoyment was statistically insignificant. The lower level of influence on the dependent variable was from usability, while commitment/satisfaction was the most significant factor. Banks should focus on improving commitment/satisfaction in developing virtual banking applications while focusing on other variables, such as usability, perceived risk, and trust, which were also statistically significant.

This research study explores customer loyalty among millennials towards virtual banking adoption, focusing on relationship quality rather than acceptance. It tests variables of commitment/satisfaction and trust, indicating that relationship quality is a good indicator for predicting customer loyalty. The findings provide insights into Sri Lankan banks' needs for developing virtual banking applications, focusing on factors such as commitment/satisfaction and trust. By focusing on these factors, banks can create better applications that meet millennial expectations and improve their overall experience with virtual banking.

6. Future Research

Future research could examine factors affecting millennial loyalty towards virtual banking, considering different age groups and educational levels. The study focused on 14200 undergraduates from a state university in Sri Lanka, but extending to other age groups and educational levels could provide more generalized results. Additionally, future studies could investigate how banks utilize digital services to improve customer relationships, specifically focusing on commitment/satisfaction and trust. This could lead to different results for the banking sector.

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