

FACTORS AFFECTING MILLENNIAL'S LOYALTY TOWARDS VIRTUAL BANKING: EVIDENCE FROM A STATE UNIVERSITY IN SRI LANKA

Navodya, D.M.R.^{1*} and Amarasinghe, A.A.M.D.²

^{1,2}Department of Accountancy & Finance, Faculty of Management Studies,
Sabaragamuwa University of Sri Lanka, Belihuloya, Sri Lanka

[*d.m.r.navodya@gmail.com](mailto:d.m.r.navodya@gmail.com)

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*