

# THE IMPACT OF ELECTRONIC FINANCIAL SERVICES QUALITY ON CUSTOMER RETENTION IN THE SRI LANKAN COMMERCIAL BANKING SECTOR (WITH SPECIAL REFERENCE TO KURUNEGALA DISTRICT PRIVATE COMMERCIAL BANKS)

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## Abstract

The purpose of this research was to determine the impact of electronic financial services quality on customer retention in the Sri Lankan commercial banking sector. The study will examine whether a customer gets reliable, secure and privacy, responsiveness and service excellence from a bank through electronic banking. The target population of the study was e-banking users from ten private banks in Sri Lanka's Kurunegala district. 384 customers were randomly selected from a sampling frame of more than 100,000 customers. The data collection instrument was a structured questionnaire, and the respondent's perspectives were coded and analysed using the SPSS software package. According to Pearson's correlation coefficient, a significant positive correlation exists between each independent and dependent variable. Privacy and security, responsiveness, reliability, and assurance all have a positive significant effect on customer retention and the suggested methodology can help with the development of initiatives meant to boost customer satisfaction. By addressing these issues and launching initiatives to improve fundamental services as well as privacy and security, bank management may increase adoption and satisfaction.

### Article Information

Article history:

Received: 10 January 2022

Reviewed: 15 March 2022

Accepted: 20 April 2022

### JEL Classification:

G21, G22, G3

Journal of Insurance and Finance

Volume 2 Issue I, 2022

PP 1- 22

eISSN: 2773-7276

pISSN: 2673-1258

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Wayamba University of Sri Lanka

**Keywords:** Commercial Banks, Customer Retention, Electronic Financial Services, Kurunegala District, Service Quality

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## **1. INTRODUCTION**

### **1.1 Background of the Study**

In the barter system, buyers and sellers physically swap things while the transaction is taking place. The most straightforward electronic payment method is now possible thanks to communication technology. Societies have relied on gold, silver, and other precious metals as a medium of exchange throughout history (Allen, 2001). Electronic banking is one of the more recent distribution channels to be utilized by financial services organizations. It was created in the mid-1990s and has since grown in importance. The banking sector and its environment in the twenty-first century are increasingly complex and competitive, necessitating information technology.

Information technology has increased company efficiency and service quality, attracting and retaining clients. E-banking is essential to banks' transformation efforts in product and service offerings and client delivery. It is regarded as a vital and effective instrument for the development, growth, promotion of innovation, and enhancement of banks' competitiveness. It means that consumers may do business throughout the country and within small distances. Online banking has considerably enhanced the processes for transferring cash, accessing and checking savings account balances, paying mortgages, paying bills, and acquiring financial instruments.

Internet banking is rapidly overtaking the financial sector, weakening and converting traditional banking operations into a web-based online system. Despite this advancement of new technology, a recent study in Sri Lanka demonstrates that consumers have a greater resistance to adopting such technology, even when it offers significant relative benefits. While ATM services are widely used, the use of other IT-driven banking services such as online banking and mobile banking is almost non-existent, according to a study carried out by the Confederation of British Banks (CBB) for the BBC World News programme Money Super Market (Suraweera, et al., 2011). In Sri Lanka, Commercial banks introduced online banking in the 1998s. Today state banks and private banks used online banking services in a wider range. They offered, Online banking, Mobile banking, E-Statements, and Bill payments to provide convenient ways for customers to access bank services & facilities.

### **1.2 Problem Statement**

The majority of Sri Lankans are reluctant to use internet banking services, according to a recent survey conducted by the Sri Lankan Banking Association (SLBA). The findings of this study will be useful to professionals in the banking sector, particularly developers of such information systems and strategy makers.

Businesses are attempting to implement different methods that will increase client retention. Companies must provide outstanding customer service and develop a portfolio of loyal consumers who can ensure repeat purchases in order to ensure the long-term success of the company. The private banking sector in the Kurunagala district comprises 10 private commercial banks. Frequent system failures, particularly on ATMs, have been a cause of discomfort for customers. Despite significant improvements in the bank's internal business culture, frequent system failures continue to cause discomfort (Rogers, 1983).

Despite their capacity to acquire customers, banks have struggled to keep the majority of them, as shown by a large number of reduced customers. Additionally, complaints have been lodged about problems at Point-of-Sale terminals in shops when access to the host bank fails, resulting in consumer inconvenience. A rise in consumer complaints about the quality of electronic banking services requires this research. The paper examines the impact of electronic financial services quality on customer retention in the Sri Lankan commercial banking sector in the Kurunagala district.

### **1.3 Objectives of the Study**

The primary objective of this study is to evaluate the impact of electronic financial services quality on customer retention in the Sri Lankan commercial banking sector. The secondary objectives of the study are,

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- ❖ To examine the relationship that exists between responsiveness in electronic financial services quality and customer retention?
- ❖ To evaluate the impact of electronic financial services quality affects customer privacy and security in the banking industry.
- ❖ To examine the electronic financial services quality affects customer assurance in the banking industry.
- ❖ To evaluate the electronic financial services quality, affect the reliability in the banking industry

## **1.4 Significance of the Study**

The study will explain the relationship between electronic financial services quality and the retention of customers. It will identify whether the customer gets reliable, secure and privacy, responsive and service excellence from the bank through electronic banking. The study will be fitted to the commercial banking sector to mitigate the drawbacks of internet banking.

## **2. LITERATURE REVIEW**

### **2.1 Theoretical Review**

#### **2.1.1 Digital Transformation**

The world has changed since the turn of the century due to technological growth. The introduction of the Internet sparked a profound wave of cultural upheaval. Technologies have advanced exponentially everywhere. Businesses that are less adaptable than others experience instability as a result of this dynamic. In order to explain what was happening, Gordon Moore even came up with a brand-new law, which states that human activity will increase exponentially over time. Innovations are challenging our ingrained ways of thinking and acting. The idea behind Moore's law is that computers' technological prowess and processing speed double every 18 months. It will produce enormous volumes of data, known as "Big Data," which companies will need to analyze in order to find additional value (Babinet, 2016; Ducrey & Vivier 2017).

It is predicated on the merging of digital, biological, and physical technology. This will have a profound effect on social, economic, and environmental variables over the next few decades (Maynard, 2015).

#### **2.2 Digitization impact on the Companies**

Digitization enables businesses to swiftly expand their user base. Three distinct methods enable an organization to expand rapidly. Data-driven operations, immediate release, and speedy transformation are the key drivers for rapid user growth at a company's core. They also shorten the time between concept and implementation by doing rapid revisions (Huang, et al., 2017).

### **2.3 Concepts and Evolution of Internet Banking System**

#### **2.3.1 Electronic Banking**

E-banking is a system that enables financial institution customers, individuals or businesses, to access accounts, transact business, or obtain information on financial products and services through the Internet. Customers can buy goods by placing orders from the net, and the products are delivered to their destination (DanielE., 1999).

Phone banking was a revolutionary concept in banking since it made banking accessible from anywhere as long as phones were available. With the successful diffusion of mobile phones, phone banking is moving into the next phase of development. e-banking is the most substantial change in banking technology (Geffen, 2004).

#### **2.3.2 Consumer Satisfaction**

A product or service's ability to meet or exceed a customer's expectations is measured by their level of customer satisfaction. It consists of many tactics intended to maintain, fulfil, or surpass consumers'

expectations in a highly competitive market like the banking sector (Saha & Zhao, 2005). It is the outcome of a cognitive and efficient evaluation in which the actual perceived performance is contrasted with some consumption standard. Customers will therefore be unsatisfied if the performance is thought to be lower than expected, while they will be delighted if the performance is viewed to be higher than expected, which will result in positive actions or results (Saha & Zhao, 2005; Yau, 2007). The bank must comprehend client satisfaction levels since, in consumer situations, attitudes and thoughts about the results of purchases constitute contentment. Emotions that accompany purchase results and related events are also linked to satisfaction. An assessment of pleasurable levels of consumption-related fulfilment, including degrees of under-fulfilment or over-fulfilment, is what Price, Arnould, and Zinkhan (2002) refer to as satisfaction.

#### **2.4 E-banking adoption and Financial Service Quality**

Zeithaml, Parasuraman, and Malhotra (2002) label a number of e-service quality (E-SQ) measurements as being "ad-hoc." These constructions include components that encourage satisfaction with a website and/or repeat visits to the same one. They have sought to measure E-SQ mostly in terms of the design and quality of websites (Zeithaml, et al., 2002).

Comparison of pricing and products has been impressively facilitated by the Internet, which makes it simpler for customers to make informed judgments. Additionally, this has made consumers pickier and more aware; they now have little patience for poor internet services. Therefore, in order to get a competitive edge, it is crucial for providers of automated or e-services to offer a high-quality e-service (Fassnacht & Koese, 2006).

E-service quality is significantly assisting in achieving corporate objectives and aims in the contemporary business climate for effective and improved client relationships while attracting a sizable consumer base (Zeithaml, et al., 2002).

#### **2.5 Customer Retention**

According to the industrial method, multidimensional relationships made up of financial, social, and structural bonds help retain clients. Social links, according to Turnbull and Wilson (1989), are satisfying personal connections between the buyer and the seller.

Although they did not explicitly define structural bonds, they inferred through their use of examples that structural bonds refer to a partnership that is based on shared investments that are irrecoverably lost in the event of a breakup. This might be a result of how complicated the relationship is and how expensive it would be to switch suppliers. By avoiding the costs of retraining employees or making new investments with a different supplier, structural bonds have generally added value for the customers.

#### **2.6 Empirical Review**

Gupta (2006) asserts that as more banks switch to electronic banking, worries about security and abuse of the system have grown in India. Hacking is a crime under Section 66 of the Indian Information Technology Act of 2000, which is a framework law. Hacking is a sort of information security breach that is implicitly acknowledged as a criminal offence. Any "computer," "computer system," or "computer network" may be declared a protected system by the "relevant authority" (central/state). In essence, banks are required by law to provide information to users of their networks, whether over the Internet or an ATM card, with reasonable care and competence. As there is no applicable legislation in India, a bank's obligation will be determined by the terms of the transaction. Contractual responsibility implies that the bank has a duty to protect the privacy of its clients under the terms of the agreement. In the event of a security breach involving transactions conducted over an open network, such as the Internet, an Internet service provider (ISP) in addition to the bank may be held responsible.

### **3. METHODOLOGY**

The proportionate simple random sampling approach was used as the sampling criteria for the current study.

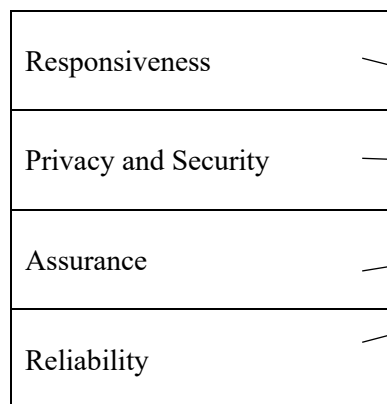
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The sample size was determined by the sampling criteria adopted which are known as “Morgen” criteria which are popular among scholars for selecting accurate samples. Data are the opinions of the respondents that were gathered by distributing a standardized questionnaire. Since the questionnaire was straightforward and self-administered, it was deemed more convenient to get the necessary data from respondents through the respective heads of companies. The questionnaires were distributed to the respondents through the respective heads of different companies. The survey used in this study has a five-point Likert scale. The research's construct variables were Responsiveness, Privacy and Security, Assurance and Reliability as well as its questionnaire's format was established in accordance with the conceptual framework for the study.

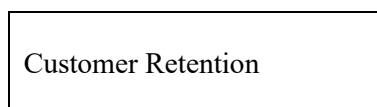
Using the appropriate scales, views were transformed into numeric data, which was then input into the computer data sheet. The spreadsheet was created with the help of the SPSS software suite.

**Independent Variable**

**Service Quality**



**Dependent Variable**



*Figure 1: Conceptual Framework*

*Source: The researcher Constructed*

The hypotheses are generated by considering the dependent and independent variables of the above conceptual model.

Privacy and security and Customer Retention

H1. There is a relationship between Privacy and security and Customer Retention.

Responsiveness and Customer Retention

H2. There is a relationship between Responsiveness and Customer Retention.

Reliability and Customer Retention

H3. There is a relationship between Reliability and Customer Retention.

Assurance and Customer Retention

H4. There is a relationship between Assurance and Customer Retention.

Data were analysed using inferential statistical techniques: Pearson’s correlation coefficient analysis and linear regression analysis.

#### 4. RESULTS AND DISCUSSION

Data are presented and analysed using the IBM-SPSS statistical package. Respondents' profile describes the demographic features of respondents such as age, gender, education level, experience, and marital status. Mean values and the stranded deviation values were used to describe the views of respondents on the impact of independent variables on the dependent variable of the respondents. Inferential data analysis, Correlation analysis and linear regression analysis were used to analyse data and test the research hypotheses.

##### 4.1 Respondents' Demographic Profile

The 21-30 age range represents 26% of the total participants, 31-40 represents 28.9%, the 41-50 age range represents 15.1%, and 51+ consists of 9.2%. Most of the customers are in the age group of 31-40. Further, 72.9 per cent out of 384 of the population are male and 27.1 per cent of the overall sample are female customers. The male participants are also 45 per cent higher than the female participant. 49.5% of the customers remain single and 31.3% are married. Also, 19.2% of the participants are divorced. There are 33.7% are within the below 5 years and 6-10 years experience category 7.8%, the 11-20 years experience category 44.4%, and 11.8% of the selected sample is within the 21-30 years experience category. Finally, there are 2.3% over 31 years experience category.

##### 4.2 Descriptive Analysis

##### 4.2.1 Service Quality – Privacy and Security

*Table 1: Service Quality – Privacy and Security*

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Internet banking is trustworthy and safe enough to utilize.	384	1.00	5.00	4.3932	.84214
Account information is kept private, as mandated by privacy rules.	384	2.00	5.00	4.2578	.75007
The website incorporates security components, and the consumer is made aware of them.	384	1.00	5.00	3.7031	.86739
The risk of unauthorized online access to customers' records is well prevented.	384	2.00	5.00	4.0703	.72821
Valid N (list-wise)	384				

*Source: Survey Data*

According to the descriptive study, the majority of respondents approved of the degree of electronic banking services provided by private commercial banks. The range of the mean values is between 3.7 and 4.3. This indicates that private commercial banks have fully protected client privacy and security for every transaction made through online banking services. Because the standard deviation numbers are always less than one, the opinions of the respondents are statistically significant.

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**4.2.2 Service Quality – Responsiveness**

*Table 2: Service Quality – Responsiveness*

<b>Descriptive Statistics</b>					
	N	Minimum	Maximum	Mean	Std. Deviation
Customers must wait a long time to receive relevant digital instructions.	384	2.00	5.00	3.9922	.85956
When customers have problems with their logins, do the officers assist them in resolving the issue?	384	1.00	5.00	4.0078	1.01036
Are they offering tailored services to consumers in terms of inter-bank transfers, transfer restrictions, and so on for their convenience?	384	2.00	5.00	3.9427	.78288
It enables financial transactions to be completed even beyond usual banking hours.	384	2.00	5.00	4.3828	.75915
Valid N (listwise)	384				

*Source: Survey Data*

The descriptive statistics reveal that the mean values range from 3.9 to 4.3. The highest meaning value earned for the statement of it allows for the completion of financial transactions even after regular banking hours. Do the officers help the clients who are having login issues in addressing the issue statement earned a mean value of 4.0? These numbers show that customers received comprehensive information regarding the responsiveness variable, and the standard deviation values always fall below one, indicating that respondents' opinions are statistically significant.

**4.2.3 Service Quality – Assurance**

*Table 3: Service Quality – Assurance*

<b>Descriptive Statistics</b>					
	N	Minimum	Maximum	Mean	Std. Deviation
Are the banking staff always kind to the customers?	384	1.00	5.00	3.7760	.91512
Do all of the staff have sufficient expertise to address all of the client's questions concerning the offerings and their operations?	384	1.00	5.00	4.0234	.80597
Do customers trust employees in the customer care department of banks?	384	1.00	5.00	3.8698	.84811

The mechanism for Internet Banking is error-free.	384	1.00	5.00	3.6927	.83921
Valid N (listwise)	384				

Source: Survey Data

The descriptive statistics reveal that the mean values range from 3.6 to 4.0. The declaration that the entire staff has the necessary knowledge to answer all of the client's inquiries about the offerings and their operations has the greatest mean value earned. Customers' trust in bank workers who work in the customer service division increased, with a mean value of 3.8. Additionally, the assertion that the banking staff is always polite to the customers has a mean score of 3.7. These numbers show that customers received comprehensive information regarding the assurance variable, and the standard deviation values always fall below one, indicating that respondents' opinions are statistically significant

#### 4.3.4 Service Quality – Reliability

Table 4: Service Quality – Reliability

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Within the time frame specified, the customer support department provides appropriate job delivery and other information.	384	1.00	5.00	3.9818	.77976
The customer service department provides the promised services in a timely and efficient manner.	384	1.00	5.00	3.8281	.89771
The staff in the Customer Service section are efficient and quick in processing complaints.	384	1.00	5.00	3.9141	.86439
Officers in the Customer Service Department keep accurate records of their customers.	384	1.00	5.00	3.9427	.86526
Valid N (listwise)	384				

Source: Survey Data

The descriptive statistics reveal that the mean values range between 3.8 and 3.98. The customer support division delivers relevant work and other information within the time range specified, resulting in the largest implies value gained for the statement. Additionally, the personnel in the customer service department handles complaints quickly and efficiently, as evidenced by the statement's mean score of 3.91. As the standard deviation values are always less than one, these numbers show that customers have received complete knowledge about the reliability variable and that respondents' opinions are statistically significant.



#### 4.3.5 Customer Retention

*Table 5: Customer Retention*

<b>Descriptive Statistics</b>					
	N	Minimum	Maximum	Mean	Std. Deviation
Officers and workers of the financing organization that provides financial services are always courteous and helpful.	384	1.00	5.00	3.8880	.99632
Customers are delighted since they are given an adequate number of physical amenities such as parking, a lobby space, and other customer facilities.	384	1.00	5.00	4.0234	.84394
The company's financial services are incredibly dependable.	384	1.00	5.00	3.7917	.85095
Customers are given complete certainty by companies that provide financial services to them.	152	2.00	5.00	4.0526	.77022
Valid N (list-wise)	152				

*Source: Survey Data*

The descriptive statistics show that the mean values range from 3.7 to 4.0. Companies that provide financial services to customers guarantee their statements with the greatest possible mean value. Additionally, the fact that consumers are provided with an acceptable quantity of physical amenities, such as parking, a lobby, and other customer facilities, has led to a rise in the mean value of remarks about how happy customers are. Additionally, the assertion of the company's financial services' mean value acquired of 3.7 is highly trustworthy. These numbers show that customers have received complete knowledge regarding the customer retention variable, and the standard deviation values always fall below one, indicating that respondents' opinions are statistically significant.

#### 4.3 Simple Regression

##### 4.3.1 Privacy and Security

**H1.** There is a relationship between Privacy and security and Customer Retention.

*Table 6: Coefficients table - Privacy and Security*

<b>Coefficients<sup>a</sup></b>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.086	.177		.486	.628

	Total_ privacy security	.973	.044	.876	22.268	.000
a. Dependent Variable: Total_ Customer retention						

Source: Survey Data

As per the above table, the correlation coefficient between Privacy and security and Customer Retention is 0.876, the P-value is less than 0.05 within 5% which is a significant level.

Table 7: Coefficients table - Privacy and Security

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.876 <sup>a</sup>	.768	.766	.33616
a. Predictors: (Constant), Total_ privacy security				
b. Dependent Variable: Total_ Customer retention				

Source: Survey Data

As per the above table, R Square is 0.766, which is strong enough to say that the Privacy and security of the service offered by the private banks positively influenced customer retention.

Table 8: ANOVA table - Privacy and Security

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	56.035	1	56.035	495.871	.000 <sup>b</sup>
	Residual	16.950	150	.113		
	Total	72.985	151			
a. Dependent Variable: Total_ Customer retention						
b. Predictors: (Constant), Total_ privacy security						

Source: Survey Data

As per the above ANOVA table, the F statistic (F= 495.871) is statistically significant at P value is less than 0.01 (P = .000<sup>b</sup>).

#### 4.3.2 Responsiveness

**H2.** There is a relationship between Responsiveness and Customer Retention.

Table 9: Coefficients table – Responsiveness

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.482	.109		4.429	.000
	Total_ responsiveness	.878	.027	.937	32.763	.000
a. Dependent Variable: Total_ Customer retention						

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Source: Survey Data

As per the above table, the correlation coefficient between Responsiveness and Customer Retention is 0.937, the P-value is less than 0.05 within 5% which is a significant level.

Table 10: Model Summary – Responsiveness

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.937 <sup>a</sup>	.877	.877	.24425
a. Predictors: (Constant), Total responsiveness				
b. Dependent Variable: Total Customer retention				

Source: Survey Data

As per the above table, R Square is 0.877, which is strong enough to say that the Responsiveness of the service offered by the private banks been positively influenced customer retention.

Table 11: ANOVA table – Responsiveness

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	64.037	1	64.037	1073.401	.000 <sup>b</sup>
	Residual	8.949	150	.060		
	Total	72.985	151			
a. Dependent Variable: Total Customer retention						
b. Predictors: (Constant), Total responsiveness						

Source: Survey Data

As per the above ANOVA table, the F statistic (F= 1073.401) is statistically significant at P value is less than 0.01 (P = .000<sup>b</sup>).

### 4.3.3 Reliability

**H3.** There is a relationship between Reliability and Customer Retention.

Table 12: Coefficients table – Reliability

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.814	.187		9.694	.000
	Total reliability	.553	.046	.697	11.915	.000
a. Dependent Variable: Total Customer retention						

Source: Survey Data

As per the above table, the correlation coefficient between Reliability and Customer Retention is 0.697, the

P-value is less than 0.05 within 5% which is a significant level.

Table 13: Model Summary – Reliability

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.697 <sup>a</sup>	.486	.483	.49998
a. Predictors: (Constant), Total_reliability				
b. Dependent Variable: Total_Customer retention				

Source: Survey Data

As per the above table, R Square is 0.483, which is strong enough to say that the Reliability of the service offered by the private banks been positively influenced customer retention.

Table 14: ANOVA table – Reliability

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	35.488	1	35.488	141.959	.000 <sup>b</sup>
	Residual	37.498	150	.250		
	Total	72.985	151			
a. Dependent Variable: Total_Customer retention						
b. Predictors: (Constant), Total_reliability						

Source: Survey Data

As per the above ANOVA table, the F statistic (F= 141.959) is statistically significant at P value is less than 0.01 (P = .000<sup>b</sup>).

#### 4.3.4 Assurance

**H4.** There is a relationship between Assurance and Customer Retention.

Table 15: Coefficients table – Assurance

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.390	.159		8.728	.000
	Total_assurance	.714	.043	.806	16.697	.000
a. Dependent Variable: Total_Customer retention						

Source: Survey Data

As per the above table, the correlation coefficient between Assurance and Customer Retention is 0.806, the P-value is less than 0.05 within 5% which is a significant level.

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*Table 16: Model Summary – Assurance*

<b>Model Summary</b>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.806 <sup>a</sup>	.650	.648	.41256
a. Predictors: (Constant), Total_ assurance				
b. Dependent Variable: Total_ Customer retention				

*Source: Survey Data*

As per the above table, R Square is 0.648, which is strong enough to say that Assurance of the service offered by the private banks been positively influenced customer retention.

*Table 17: ANOVA table – Assurance*

<b>ANOVA<sup>a</sup></b>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	47.454	1	47.454	278.803	.000 <sup>b</sup>
	Residual	25.531	150	.170		
	Total	72.985	151			
a. Dependent Variable: Total_ Customer retention						
b. Predictors: (Constant), Total_ assurance						

*Source: Survey Data*

As per the above ANOVA table, the F statistic (F= 278.803) is statistically significant at P value is less than 0.01 (P = .000<sup>b</sup>).

#### 4.4 Multiple correlation analysis

##### 4.4.1 Correlation between service quality and Customer Retention

*Table 18: Multiple Correlations*

<b>Correlations</b>						
		Total_ privacy security	Total_ responsiveness	Total_ assurance	Total_ reliability	Total_ Customer retention
Total_ privacy security	Pearson Correlation	1	.830 <sup>**</sup>	.764 <sup>**</sup>	.727 <sup>**</sup>	.876 <sup>**</sup>
	Sig. (2-tailed)		.000	.000	.000	.000
	N	384	384	384	384	152
Total_ responsiveness	Pearson Correlation	.830 <sup>**</sup>	1	.822 <sup>**</sup>	.783 <sup>**</sup>	.937 <sup>**</sup>
	Sig. (2-tailed)	.000		.000	.000	.000
	N	384	384	384	384	152
Total_ assurance	Pearson Correlation	.764 <sup>**</sup>	.822 <sup>**</sup>	1	.785 <sup>**</sup>	.806 <sup>**</sup>
	Sig. (2-tailed)	.000	.000		.000	.000

	N	384	384	384	384	152
Total_reliability	Pearson Correlation	.727**	.783**	.785**	1	.697**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	384	384	384	384	152
Total_Customer retention	Pearson Correlation	.876**	.937**	.806**	.697**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	152	152	152	152	152
**. Correlation is significant at the 0.01 level (2-tailed).						

Source: Survey Data

The multiple correlations between each variable, as shown in the above table, are positive and strong, with a correlation level exceeding 0.5. The aforementioned hypotheses can be accepted because all P values are less than 0.05, which is significant at the level of 5%.

#### 4.4.2 Coefficients between service quality and Customer retention

Table 19: Multiple regression Coefficients Table

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error			
1	(Constant)	.088	.112		.784	.435
	Total privacy security	.327	.055	.294	6.000	.000
	Total responsiveness	.610	.046	.651	13.247	.000
	Total assurance	.084	.043	.095	1.944	.054
	Total reliability	-.039	.033	-.050	-1.201	.232
a. Dependent Variable: Total Customer retention						

Source: Survey Data

As per the above table, the Present study was capable to identify the most critical variable as responsiveness (0.610) which is significant and strong enough to influence customer retention variables selected in this study and according to present research.

#### 4.4.3 Model Summary for Multiple Regressions

Table 20: Multiple regression model summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.954 <sup>a</sup>	.910	.907	.21145
a. Predictors: (Constant), Total_reliability, Total_responsiveness, Total_assurance, Total_privacy security				

Source: Survey Data

This implies that a 90.7% variance in service satisfaction has been explained by the regression model.

#### 4.4.4 ANOVA for Multiple Regressions

*Table 21: Multiple regression Anova table*

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	66.413	4	16.603	371.343	.000 <sup>b</sup>
	Residual	6.573	147	.045		
	Total	72.985	151			
a. Dependent Variable: Total Customer retention						
b. Predictors: (Constant), Total_reliability, Total_responsiveness, Total_assurance, Total_privacy security						

*Source: Survey Data*

Following the above table, Regression has explained the variance of the regression coefficient. The F-value of 371.343 is significant because the P-value = .000<sup>b</sup>, which is less than 0.05.

## 5. CONCLUSION AND RECOMMENDATION

The majority of respondents agreed that e-banking services offered by private banks are at the expected level of privacy and security, as mandated by privacy rules and the website incorporates security components. Views of respondents are statistically significant as the standard deviation values are always less than one.

The majority of respondents found the private banks' e-banking services to be responsive and of satisfactory service quality. According to the respondent and supported by numerous statistical analyses, banks that offer specialized services to customers in the form of interbank transfers, transfer restrictions, and other conveniences allow for the completion of financial transactions even outside of regular banking hours. When customers experience login issues, officers help them to resolve the problem. Because the standard deviation numbers are always less than one, the opinions of the respondents are statistically significant.

The majority of respondents were satisfied with the dependability and level of service quality in the private banks' e-banking services. According to the statistical summary, the customer support department delivers appropriate work and other information within the time frame specified, the customer service department delivers the promised services in a timely and efficient manner, and the employees in the customer service section are effective and prompt in handling complaints. Because the standard deviation numbers are always less than one, the opinions of the respondents are statistically significant.

The vast majority of respondents concur that the private banks' promise of the quality of their e-banking services is up to par. The average values are found to range from 3.6 to 4.0. Customers claim that the banking staff always treats them kindly, that all employees have the necessary knowledge to answer all of the client's inquiries about the services and how they work, and that the Internet Banking system is error-free. Because the standard deviation numbers are always less than one, the opinions of the respondents are statistically significant.

This study found that account access, account control, account use or transaction, ease of use, privacy, and security are all significant predictors of customers' satisfaction with internet banking. The proposed model can aid in the planning of efforts aimed at increasing consumer satisfaction. Bank management can increase

adoption and satisfaction by addressing these factors and initiating measures to enhance basic services and enhance privacy and security. This will improve business transactions and increase overall customer satisfaction and retention.

Customer demand for internet banking services is growing, but this has not gone unnoticed by those wishing to defraud. As a financial institution, one of its most important responsibilities and commitments is to ensure the security of internet banking. Technology is an important component in the prevention of fraud, but making customers aware of the importance of internet banking security is an effective strategy. Critical infrastructure such as power, security, and telecommunications should be strengthened to ensure the successful implementation of electronic e-Banking and maximum customer satisfaction and retention. To ensure that their employees keep up with the rapid changes in information technology, banks should train and retrain them regularly. This will help to raise the standard of living for the general public while also stimulating economic growth and development.

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