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Factors Affecting Online Customer Loyalty in the Banking Industry in Sri Lanka

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Abstract

Despite the rapid digitalization of the Sri Lankan banking sector, little empirical research has explored the antecedents of customer e-loyalty, leaving a notable research gap in understanding how digital service attributes influence customer retention. This study looks at the elements that influence e-loyalty among banking clients, with a focus on the roles of corporate image, website quality, trust, perceived social presence, and internet familiarity. Data were gathered adopting questionnaires from a sample of 403 banking customers using a convenience sampling technique and examined with SPSS. Multiple regression analysis found that corporate image was the significant predictor of e-loyalty, followed by website quality, perceived social presence, and internet familiarity, all of which had statistically significant positive effects. Trust further indicated a favorable link. However, it was marginally significant. Importantly, all the study's hypotheses were accepted, suggesting that each component influences the formation of e-loyalty in digital banking environments. These findings illustrate the significance of both technical (website quality and internet familiarity) and relational (business image and social presence) factors in establishing and sustaining consumer loyalty online. The study has practical implications for banking institutions, arguing that improving digital engagement, brand image, and user experience are essential initiatives. Limitations include the cross-sectional methodology and limited generalizability, while future research must inquire into longitudinal techniques, new influencing variables, and the role of evolving technologies in influencing digital consumer loyalty.

Keywords: *Corporate image, E-loyalty, Internet familiarity, Perceived social presence, Trust, Website quality.*

1.Introduction

The Sri Lankan banking industry is undergoing rapid transformation amid intense competition among indigenous, foreign, state-owned, and private institutions. The sector is regulated by the Central Bank of Sri Lanka (CBSL) under the Monetary Law Act No. 58 of 1949 and Banking Act No. 30 of 1988, which govern three main categories of deposit-taking institutions: Licensed Commercial Banks (LCBs), Licensed Specialized Banks (LSBs), and Registered Finance Companies (RFCs) (Musthafa et al., 2024; Seelanatha, 2010; Wimalasuriya, 2011). Currently, there are 26 LCBs (including 14 international banks), 6 LSBs, and 45 RFCs, alongside a network of cooperative banks, leasing firms, insurance companies, and pension funds (Jayasuriya & Lakmali, 2025; Rathnasiri, 2024)

In recent years, digital transformation has significantly reshaped the banking landscape. The rise of artificial intelligence and machine learning in 2022 allowed banks to automate processes and improve productivity while reducing headcount (Adewumi et al., 2024). Meanwhile, consumer demand has shifted towards mobile and internet banking, driven by a preference for convenience and speed (Munira, 2025). According to Digital 2022 Sri Lanka, there were 11.34 million internet users, reflecting an internet penetration rate of 52.6% (Kashyap et al., 2024; Tennakoon, 2024). However, despite a growing digital presence, nearly 47.4% of the population remained offline at the start of 2022, amounting to 10.2 million non-users (Zelalem Jembre et al., 2022)

Sri Lankan banks are investing heavily in digital infrastructure, yet customer adoption remains limited. Leading platforms such as FriMi by Nations Trust Bank and Flash by Commercial Bank exemplify progress, but fragmented app development and low user engagement hinder progress (Arshard & Imthiyas, 2024; Jayasundara & Wickramarachchi, 2024). Nevertheless, the growth of fintech and the emergence of virtual banks offer promising solutions, particularly for underbanked segments, by providing affordable, inclusive services without minimum balance requirements (Ashiq & Hussain, 2024).

In this digital context, the concept of e-loyalty defined as customer loyalty within online environments has gained importance. Scholars identify three key dimensions: behavioral loyalty (repeat usage), attitudinal loyalty (emotional commitment), and integrative loyalty (a combination of both) (Oliver, 1999; Valvi & Fragkos, 2012). More recent interpretations emphasize repurchase intention and website dedication (Afsar et al., 2013; Semeijn et al., 2005) Investigating online customer loyalty in Sri Lanka's banking sector is therefore both timely and essential, especially as banks continue adapting to post-COVID digital service demands.

The increasing digitalization of society, coupled with rapid internet penetration, has significantly transformed the banking sector globally, and in Sri Lanka. With 52.6% of the Sri Lankan population using the internet and a reported growth of 528,000 users between 2021 and 2022 (Erangi & Stecenko, 2024; Jayasundara & Wickramarachchi, 2024), banks are progressively shifting from traditional in-person services to digital platforms. This transition is driven by the need to provide 24/7 customer access and reduce operational costs (Adewumi et al., 2024; Munira, 2025). However, as banks invest heavily in digital infrastructure, customer e-loyalty defined as the intention to continue using online banking platforms has emerged as a crucial determinant of long-term success in the virtual environment (Afsar et al., 2013; Valvi & Fragkos, 2012)

Despite the growing relevance of digital banking in Sri Lanka’s financial landscape, scholarly research exploring the antecedents of e-loyalty remains sparse (Bernarto et al., 2020;

Wu et al., 2011). Specifically, there is limited empirical evidence examining how factors such as online service quality, corporate image, trust, perceived social presence, and internet familiarity contribute to e-loyalty among Sri Lankan banking customers (Ashiq & Hussain, 2024; Kalim et al., 2024). Only one study was found to directly address this topic in the Sri Lankan context (Dushyenthan, 2024), highlighting a significant research gap.

Therefore, there is a compelling need to investigate the impact of digital service attributes on e-loyalty in Sri Lanka's banking sector. Understanding these dynamics will not only contribute to the academic discourse on digital consumer behavior in developing economies but also provide strategic insights for banks aiming to enhance customer retention through digital channels.

2. Literature Review

2.1 E-loyalty

Customer loyalty is broadly defined as a strong, consistent desire to repurchase or continue using a preferred product or service, even when faced with competing alternatives (Oliver, 1999). This definition also extends to the online environment, forming the basis of e-loyalty (Ashiq & Hussain, 2024). Loyalty encompasses both behavioral aspects, such as repeat purchases, and attitudinal components like word-of-mouth advocacy (Boulding et al., 1993; Ranaweera & Prabhu, 2003)

E-loyalty reflects a favorable psychological state and commitment to a digital service, demonstrated through consistent user behavior (Mägi, 1999). It is not automatically generated by customer satisfaction alone; rather, it develops through meaningful interactions and relationship-building between the customer and the bank (Afsar et al., 2013). In the digital context, e-loyalty aims to build long-term trust and value via technology and online customer care, a concept extensively examined in existing literature (Dam & Dam, 2021; Dushyenthan, 2024; Lynch et al., 2001).

2.2 Website quality

Unlike traditional banking, online customers cannot communicate with bank officials (Maraqa et al., 2018). They engage with an online bank via a customer interface, which allows the user to complete the transaction based on their needs and preferences. As a result, clients can access and complete transactions on websites with highly desirable attributes whenever they choose analytics (Ūsas et al., 2023). A website's quality indicates that it is lucrative, user-friendly, and easily accessible, in addition to giving relevant and reliable information, offering, and a visual look to satisfy the user's wants and expectations (Arifin, 2018). A beneficial website includes seven main components: goal and clarity, usability, user-focused navigation, appearance, ease of updates, content management, search engine operations, and analytics (Ūsas et al., 2023).

Furthermore, website quality is defined as the degree to which a website enables efficient and successful shopping, purchasing, or banking. Floh and Treiblmaier (2006) examined the relevance and causes of e-loyalty in the financial services business and found that website quality had a beneficial impact on consumer loyalty. E-service quality and e-loyalty are mutually reinforcing (Ting et al., 2016). Previous research (Jiang et al., 2016; Olaleye et al., 2021) has demonstrated that when clients receive high-quality e-services online, they are more likely to build feelings of trust and contentment. This favorable experience boosts consumer e-loyalty to businesses, potentially leading to more frequent buying and brand engagement. Recent studies support this (Quan et al., 2020; Wells et al., 2011), indicated that the quality of e-services on e-commerce websites has a beneficial impact on consumer loyalty. Thus, it is hypothesized:

H_1: Website quality significantly influences customer e-loyalty of online banking.

2.3 Corporate image

Corporate identity in business conveys a corporate image to the general public, including all stakeholders. An organization's corporate image accurately represents its true nature. It must be positioned in the minds of stakeholders (Aslam et al., 2023). Corporate image is an asset that plays a part in communicating the message to clients and assuring them that they buy the best from the finest source (Fosu et al., 2024).

Awang (2010) has stated that corporate image acts as a filter, influencing clients views of how financial businesses operate. Corporate image can be regarded as a factor that should be developed initially, before customers pay attention (Richard & Zhang, 2012). Customers' perception of the organization is shaped by its corporate image. Kotler (1994) explains that company image and customer satisfaction are inextricably linked, which can be described as the halo effect on consumer satisfaction. Andreassen and Lindestad (1998) It is stated that when one characteristic of a person or thing is used to form an overall opinion about that person or thing. Nguyen and Leblanc (2001) discusses how the company image has a direct and positive impact on consumer happiness.

Corporate image is a highly crucial aspect for assessing the degree of loyalty, because corporate image substantially affects the loyalty of the customer towards the specific website (Awang, 2010). In light of this phenomena, the researcher believes that company image also influences client loyalty to online banking. In a nutshell, corporate image refers to everything that the organization's method of providing services has positioned in the minds of its customers since its start. This helps attract or distract clients (Richard & Zhang, 2012).

Furthermore, the impact of corporate image on consumer loyalty is enormous, fostering trust, loyalty, and emotional attachment to the brand (Aslam et al., 2023). In the banking industry, a strong and consistent corporate image ensures clients that the brand will continue to provide outstanding services and additional value (Dam & Dam, 2021). Establishing a positive business image requires demonstrating a commitment to brand values, providing consistent customer experiences, and communicating openly (Bernarto et al., 2020; Kosasih et al., 2024; Wu et al., 2011).

H_2: Corporate image significantly influences customer e-loyalty of online banking.

2.4 Trust

Trust is the conviction that someone is good and honest and will not hurt you, or that something is safe and dependable (Oppong et al., 2021). Unlike in the physical world, establishing confidence in a virtual framework has unique challenges. In such an open internet world, many chemicals are physically separated and are likely to be complete outsiders (Bernarto et al., 2020). Some entities on the web use actual names, and some have physical stores (Ashiq & Hussain, 2024). In most cases, this is not the case. compounds are typically not physically identifiable, and there are numerous unexplained compounds. In addition, the Internet, like the real world, contains many spaces with varying requirements. The requirements of a domain must be examined in order to establish trust in that place. The belief foundation to prepare for internet interactions requires thinking about the necessities for varied organizations (Kalim et al., 2024).

The establishment of religion has additional challenges in an internet-based operating environment. In such an open online world, many entities are physically separated and may be complete strangers. Some entities on the internet use genuine names, while others have physical stores (Oppong et al., 2021). However, this is not always true. Entities are rarely physically identified, and there are numerous anonymous entities. Furthermore, the internet, like the actual world, has multiple domains with varying requirements. To develop confidence in a domain, its criteria must be evaluated. The trust formation process for internet interactions needs to consider the conditions for trust (Ranaweera & Prabhu, 2003).

For instance, Dhurup et al. (2018) Trust in e-commerce websites is defined as consumers views of the level of trust mechanisms provided by an online shop. Similarly, Ginting et al. (2023) e-trust is a mechanism for reducing social complexity and increasing customers' willingness to interact with a single source. These preceding definitions suggest that trust is a question of perception. Based on this, a recent study by Wu et al. (2018) suggested that trust can be defined as the belief, sentiment, expectation, and confidence that customers have in an e-commerce website when making an online purchase. Customers rely on the website's capacity to provide a secure and enjoyable buying experience (Ashiq & Hussain, 2024).

Trust in online platforms is crucial in driving e-loyalty among clients (Akoglu & Özbek, 2022). Previous studies demonstrated a considerable positive association between e-trust and e-loyalty (Bernarto et al., 2020; Kalim et al., 2024; Oppong et al., 2021). These studies' findings support the concept that higher trust can lead to improved e-loyalty among customers. Customers who trust online platforms develop a sense of happiness, which can positively affect their e-loyalty (Ginting et al., 2023), benefiting businesses through improved sales and advocacy. Thus, the following hypothesis is developed:

H_3: Trust significantly influences customer e-loyalty of online banking.

2.5 Perceived social presence

Social presence is the degree to which a medium enables users to sense the psychological presence of others (Nowak, 2001). A medium can be regarded as social presence in its capability to generate human warmth; hence, a medium is perceived to be warm if it creates a sensation of human interaction, sociability, and sensitivity (Yoo & Alavi, 2001). According to Gunawardena and Zittle (1997), the social presence provided by a computer-mediated conferencing environment is a potent result of the overall source of enjoyment.

Hassanein and Head (2005) noted that customer views of social presence on a website offering appraisal led to increased trust in the online vendor. As a result, the researcher anticipates that consumer perceptions of social presence will influence their happiness and trust in online banking. Building consumer loyalty has become a significant problem for merchants (Aslam et al., 2023) because of distance and mistrust (Gunawardena & Zittle, 1997). As a result, websites rich in information and visible social presence are more likely to encourage buying (Nowak, 2001).

Yoo and Alavi (2001) argue that a "warm," friendly, and sociable website fosters a favorable psychological tie with the customer, resulting in a sense of personal connection. This encourages consumer happiness, which is essential for developing trust and loyalty (Kalim et al., 2024). Akoglu and Özbek (2022) claimed that information richness and social presence are closely related ideas, and that information-rich, consumer-oriented websites should assist minimize ambiguity, boost trust/risk reduction, and encourage users to make purchases with lower degrees of consumer dissonance. Several studies (Ashiq & Hussain, 2024; Hassanein & Head, 2005; Yoo & Alavi, 2001) have demonstrated a good, direct association between social status and loyalty. Thus, the following hypothesis is formulated:

H_4: Perceived social presence significantly influences customer e-loyalty of online banking

2.6 Internet familiarity

Online banking, often known as internet banking, allows users to complete different financial transactions via the bank's website. Using the internet banking feature, clients can simply do basic financial transactions such as paying bills, transferring funds between accounts, and checking balances at a time convenient for them as 24 hours, 7 days a week (Kashyap et al., 2024). The customer must be familiar with basic information technology applications. Customers who are unfamiliar with using the internet do not require this service. Using and maintaining an internet banking facility is a very involved operation. Customers who are unfamiliar with the internet are distracted from online banking due to its complexity. Individual knowledge of the internet minimizes clients' complexity when using banking websites, enhancing the trust that is described (Gefen, 2000). The younger generation is more interested in internet banking than grownups. Adults prefer coming to the bank branch and doing their transactions with a human touch (Park et al., 2024).

Furthermore, familiarity reflects the direct and indirect knowledge about a product or service that is offered to an individual (Gazibara et al., 2024). According to Casaló et al. (2008), familiarity extends beyond product use (internal sources) to encompass information received from advertisements and word-of-mouth (external sources). Website familiarity refers to an individual's knowledge of a website, including its functionality, services, and values. Website familiarity indicates the diversity of experiences in the product and service category in terms of a website's purchased items, services, and consumption situations (Rajaobelina et al., 2021). Therefore, when consumers are highly familiar with a site's usability, which directly influences loyalty, it has an influence. Therefore, website familiarity may influence e-loyalty. Thus, this study can be hypothesized as:

H_5: Internet familiarity significantly influences customer e-loyalty of online banking.

2.7 Technology Acceptance Model (TAM) and Conceptual Framework

The Technology Acceptance Model (TAM), developed by Davis (1989), is one of the most widely used frameworks for explaining user acceptance of information systems. TAM posits that two key beliefs, perceived usefulness (PU) and perceived ease of use (PEOU), influence a user’s behavioral intention to adopt a technology, which ultimately predicts actual system usage. TAM has been extensively applied in digital banking research to explain users’ acceptance of online platforms (Alalwan et al., 2018; Martins et al., 2014).

In the context of this study, TAM provides the foundation for including variables such as trust and internet familiarity. Trust is theorized to facilitate user acceptance by reducing perceived risk and uncertainty during online banking interactions (Gefen et al., 2003). Similarly, internet familiarity contributes to PEOU, as users with more experience tend to perceive digital services as more accessible and less complex (Hernandez et al., 2009). Both constructs are therefore crucial in understanding the formation of e-loyalty, a more advanced stage in the user adoption continuum.

DeLone and McLean's Information Systems (IS) Success Model (1992; updated 2003) serves as a comprehensive framework for assessing the impact of information systems through interrelated constructs, including system quality, information quality, service quality, user satisfaction, and net benefits. The model suggests that high-quality IS attributes contribute to greater user satisfaction and a higher likelihood of continued usage or loyalty.

This study draws on the service quality, system quality, and user satisfaction components of the IS success model to justify the inclusion of online service quality, perceived social presence, and corporate image. Online service quality, aligned with the "service quality" dimension, reflects users' assessment of the banking platform's functionality, efficiency, and responsiveness (Parasuraman et al., 2005). Perceived social presence enhances users' sense of human warmth and connection during digital interactions (Gefen & Straub, 2003), which affects satisfaction and repeat use. Corporate image, although not part of the original IS Success Model, is aligned with the "net benefits" dimension, as it contributes to users' confidence in the overall value and legitimacy of the service provider (Nguyen & LeBlanc, 1998).

Together, the TAM and IS success model establish a complementary theoretical base that connects the behavioral intention and service evaluation perspectives of e-loyalty in digital banking. These models provide a structured framework for understanding how system attributes and user perceptions jointly influence long-term customer engagement in a virtual service environment. Thus, Based on the TAM model the conceptual framework of this study was developed as illustrated in figure 1.

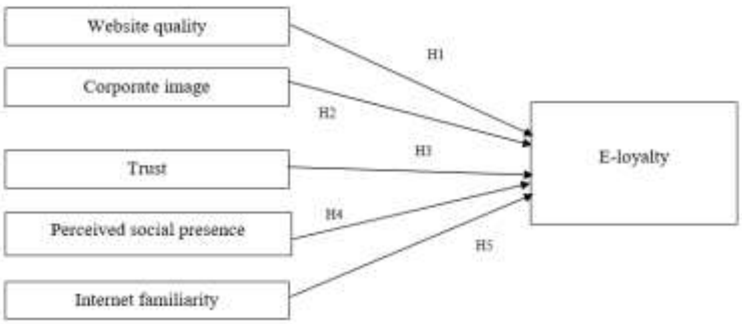

Figure 1. Conceptual framework

3. Methodology

Due to the large population of online banking users in Sri Lanka, conducting a census was not feasible for this study. Therefore, sampling was required. While probability sampling is commonly used in quantitative research (Saunders et al., 2019), its application was impractical in this context due to the absence of a complete sampling frame, limited access to user data, and privacy concerns (Bainbridge et al., 2017).

As a result, non-probability sampling was deemed appropriate. Non-probability sampling allows researchers to select respondents based on subjective judgment or convenience, making it suitable for studies with practical constraints (Saunders et al., 2019). Landers and Behrend (2015) support this approach, noting that convenience sampling is frequently used in social sciences, including studies in marketing management, organizational behavior, and industrial psychology, due to similar challenges. They argue that while such samples are not considered "gold standard," they offer practical access to relevant respondents.

Prior studies (e.g., Ekrot et al., 2018; Jayakody & Sanjeewani, 2006; Reio Jr & Ghosh, 2009; Yousaf et al., 2018) have also relied on convenience sampling by prioritizing respondent availability and willingness to participate. These precedents justify the use of non-probability convenience sampling in the current study (Bainbridge et al., 2017; Ekrot et al., 2018).

Accordingly, 450 online banking consumers from across all districts of Sri Lanka were approached, yielding 408 valid responses. Data were collected using a structured questionnaire comprising two parts: (1) demographic details of the respondents, and (2) items measuring the study constructs. Each item was rated on a 5-point Likert scale (1 = strongly disagree, 5 = strongly agree). To ensure clarity and face validity, the questionnaire was pilot-tested with five respondents who were excluded from the final sample.

Descriptive statistics were used to analyze respondents' demographic profiles. Pearson's correlation and multiple regression analyses were conducted to examine relationships between variables and test hypotheses. Data were processed using SPSS software (version 23), consistent with statistical procedures in similar quantitative research.

4. Results

This study reported a quantitative investigation to quantify the relationship between independent and dependent variables. The study used Cronbach's Alpha to assess dependability. Demographic parameters addressed by the study included respondents' bank distribution, gender, age, education level, profession, income level, and civil status.

As shown in Table 1, all six constructs demonstrated acceptable to excellent reliability, with Cronbach's alpha values ranging from 0.705 to 0.951. Specifically, trust and internet familiarity exhibited outstanding levels of reliability with coefficients of 0.951 and 0.949 respectively, while corporate image ($\alpha = 0.915$) and website quality ($\alpha = 0.903$) also showed excellent internal consistency. The constructs e-loyalty ($\alpha = 0.729$) and perceived social presence ($\alpha = 0.705$) met the minimum acceptable threshold of 0.7, indicating satisfactory reliability. Overall, these results suggest that the measurement items used for each construct were reliable and suitable for further analysis.

Table 1. Cronbach's Alpha values of variables

Constracts	Cronbach's Alpha
Website quality	0.903
Corporate image	0.915
Trust	0.951
Perceived social presence	0.705
Internet familiarity	0.949
E-loyalty	0.729

A multiple regression analysis was conducted to examine the influence of website quality, corporate image, trust, perceived social presence, and internet familiarity on e-loyalty. Table 2 presents model summary of regression analysis. Ccordingly, the model demonstrate a strong fit, with an R value of 0.917, indicating a high degree of correlation between the predictors and the dependent variable. The R Square (R^2) value of 0.841 suggests that approximately 84.1% of the variance in e-loyalty can be explained by the combined effects of the five independent variables. The Adjusted R Square of 0.838 further supports the model's explanatory strength, adjusting for the number of predictors included. The standard error of the estimate was 0.4963, indicating that the observed values deviate only slightly from the predicted values generated by the model. These findings highlight the substantial role of the selected predictors in shaping e-loyalty among respondents.

Table 2. Model Summary of e-loyalty

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.917	.841	.838	.496

Dependent Variable: Mean e-loyalty; Predictors: (Constant), Website quality, corporate image, trust, perceived social presence, internet familiarity.

The results of the Analysis of Variance (ANOVA) for the regression model are presented in Table 3. The regression model was found to be statistically significant, $F(4, 295) = 388.930$, $p < .001$, indicating that the combination of predictors, such as website quality, corporate image, trust, perceived social presence, and internet familiarity, significantly explains variance in e-loyalty. The regression sum of squares was 383.253, accounting for the majority of the variation in the dependent variable, while the residual sum of squares was 72.674. The high F-value and the associated p-value of .000 confirm that the model provides a significantly better fit than a model without predictors. These results affirm the strength and relevance of the selected independent variables in predicting e-loyalty within the sample.

Table 3. ANOVA of e-loyalty

Model	Sum of squares	df	Mean Square	F	P values
Regression	383.253	4	95.813	388.930	.000
Residual	72.674	295	.246		
Total	455.927	299			

Dependent Variable: Mean e-loyalty; Predictors: (Constant), Website quality, corporate image, trust, perceived social presence, internet familiarity

Table 4 presents the results of the multiple linear regression analysis conducted to examine the influence of website quality, corporate image, trust, perceived social presence, and internet familiarity on e-loyalty. The constant term (intercept) is 0.295, indicating the predicted value of e-loyalty when all independent variables are held at zero.

Among the predictors, corporate image ($B = 0.275$, $p < .001$) and website quality ($B = 0.215$, $p < .001$) emerged as the most influential factors, with significant positive effects on e-loyalty. This suggests that improvements in a company's image and website quality are strongly associated with increased customer loyalty. Perceived social presence ($B = 0.253$, $p = .014$) and internet familiarity ($B = 0.135$, $p = .003$) also showed significant positive effects, indicating that users who feel a stronger social connection online and are more familiar with using the internet are more likely to exhibit loyalty. In contrast, trust ($B = 0.146$, $p = .055$) did not reach conventional levels of statistical significance ($p < .05$), although its positive coefficient suggests a directional relationship that may warrant further investigation in future studies.

These findings underscore the significance of both functional (e.g., website quality, familiarity) and emotional (e.g., corporate image, social presence) dimensions in promoting customer loyalty in an online environment.

Table 4. Coefficients of e-loyalty

Model	Unstandardized		Standardized Beta	t	P values
	B	Std. Error			
(Constant)	.295	.081		3.717	.000
Website quality	.215	.042	.220	5.095	.000
Corporate image	.275	.062	.317	4.742	.000
Trust	.146	.076	.152	1.925	.055
Perceived social presence	.253	.102	.274	2.471	.014
Internet familiarity	.135	.031	.143	2.947	.003

Dependent Variable: Mean e-loyalty

5. Disscussion

This study aimed to investigate the determinants of e-loyalty among banking customers in Sri Lanka, focusing on website quality, corporate image, trust, perceived social presence, and internet familiarity. The regression analysis revealed that all five independent variables positively influenced e-loyalty, although their relative strengths varied. Corporate image emerged as the strongest predictor of e-loyalty, aligning with past research that highlights the role of brand perception in fostering customer loyalty in digital contexts (Nguyen & Leblanc, 2001; Patel et al., 2024). This suggests that customers continue to anchor their online loyalty on the broader reputational cues of the bank, even in virtual settings where physical interaction is limited.

Website quality was also found to be a significant driver of e-loyalty, supporting studies by Cyr (2008), Aladwani and Palvia (2002) and Kathuria and Bakshi (2024), who argue that ease of navigation, visual appeal, and system reliability enhance user satisfaction and loyalty. The significance of this variable supports the argument that functional and aesthetic dimensions are crucial in shaping digital experiences.

The influence of perceived social presence though less emphasized in prior banking research is notable. It confirms findings by Gefen and Straub (2004) and Jin et al. (2025) who showed that humanlike cues in electronic environments can increase engagement and perceived warmth. However, this result also suggests that banks need to rethink the impersonal nature of their digital channels by incorporating features such as online chat support or personalized notifications to enhance the feeling of “being attended to” in the digital space.

Internet familiarity had a positive, albeit relatively modest, effect on e-loyalty. This suggests that familiarity with online environments facilitates smoother interactions, ultimately leading to higher loyalty levels. Yet this variable may also reflect broader socio-digital inequalities, where less tech-savvy users may experience barriers, thus raising concerns about inclusivity in online service delivery (Gazibara et al., 2024).

Notably, trust displayed only marginal significance, contrasting with numerous studies that position trust as central to online loyalty (Flavián & Guinalíu, 2006; Khamitov et al., 2024). One possible explanation is that trust may act as a threshold variable—once a basic level of trust is established, other factors, such as usability or brand reputation, take precedence in shaping loyalty. Alternatively, this finding may suggest that in the modern banking context, customers already assume a minimum level of trustworthiness from regulated financial institutions, diminishing its relative impact.

Overall, these results both confirm and extend prior knowledge, while also inviting alternative interpretations. The dominance of corporate image and website quality may suggest a shift from relational to perceptual and functional determinants of loyalty in the digital age.

6. Conclusion

This study offers insights into the multifaceted nature of e-loyalty in digital banking, showing that corporate image, website quality, perceived social presence, and internet familiarity play significant roles in shaping customer loyalty online. While the findings affirm the importance of both functional and perceptual dimensions, they also highlight the complex and evolving nature of loyalty in a digital context.

However, several methodological limitations temper the conclusions. The use of non-probability sampling, self-reported data, and exclusion of potential mediating or moderating variables suggest that the findings should be interpreted with caution. Future research could incorporate qualitative insights or experimental designs to deepen understanding of the causal mechanisms at play. Additionally, cross-cultural studies could explore whether these patterns hold in other markets or among less digitally saturated populations.

From a theoretical perspective, the findings extend the application of Social Exchange Theory to digital banking by showing how both relational and perceptual factors contribute to loyalty. Practically, banks should not only invest in brand-building and website optimization but also support digital literacy and incorporate social elements into their digital touchpoints.

In conclusion, while this study broadens our understanding of e-loyalty antecedents in the Sri Lankan banking sector, it also underscores the need for more nuanced, context-sensitive research to address the dynamic nature of customer behavior in digital environments.

7. Recommendations

Based on the study’s findings, several strategic recommendations are proposed to strengthen e-loyalty in banking. First, banks should focus on enhancing their corporate image, the most influential factor driving e-loyalty. This can be achieved through transparent communication, social responsibility, consistent service delivery, and robust reputation management. Second, banks must improve website quality by ensuring security, ease of navigation, responsiveness, fast loading, mobile compatibility, and personalized features, all of which contribute to a smoother user experience and increased customer retention. Third, enhancing perceived social presence through live chat, chatbots, personalized messages, and interactive communication can create a more engaging and humanized digital environment, encouraging emotional connection and loyalty. Fourth, banks should address digital inclusion by improving internet familiarity among less tech-savvy customers through training, tutorials, and simplified interfaces. Finally, although trust was not statistically significant, its positive influence suggests it remains vital; thus, banks should continue prioritizing data security, transparency, and ethical practices to reinforce long-term customer confidence.

Future research on e-loyalty in digital banking should consider adopting longitudinal designs to examine how loyalty develops and changes over time, particularly in response to improvements in digital services, shifting customer expectations, or market dynamics. Incorporating additional variables such as customer satisfaction, perceived ease of use, service quality, mobile app usability, digital trust, and perceived value could enrich the conceptual framework and offer a more comprehensive understanding of customer behavior. These factors may also interact with or mediate the effects of website quality, corporate image, and perceived social presence.

Moreover, exploring the moderating roles of demographic and psychographic characteristics such as age, digital literacy, income level, personality traits, and cultural orientation could help segment customers more effectively and inform the development of targeted digital strategies. Comparative studies across different types of banks (e.g., state-owned vs. private, local vs. international) or regions would further enhance the generalizability of findings by identifying how institutional or cultural differences shape e-loyalty. Finally, with the rapid adoption of artificial intelligence and fintech innovations in the banking sector, future studies should investigate the influence of emerging technologies like chatbots, AI-driven personalization, and blockchain on customer trust, engagement, and long-term loyalty.

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