

# The Impact of Customer Loyalty and Retention on Satisfaction in Internet Banking: A Rural-Urban Analysis from Haryana, India

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## Abstract

This study examines the influence of customer loyalty and retention on satisfaction within the context of internet banking in Haryana, India, with a particular focus on rural-urban demographic variations. Using a quantitative approach, data was collected from 600 internet banking users across diverse educational, occupational, and regional backgrounds. Statistical analyses, including correlation and t-tests, reveal that both customer loyalty ( $r = 0.372$ ) and retention ( $r = 0.330$ ) are significantly and positively associated with satisfaction, underscoring their role in sustaining long-term user engagement. While overall satisfaction levels are high, urban users report greater satisfaction with transaction security and reliability compared to rural users, highlighting a digital divide influenced by accessibility and perceived safety. The study identifies transaction security, website efficiency, and customer support as key satisfaction drivers, and calls for banks to adopt targeted strategies such as localized support, digital literacy programs, and personalized engagement initiatives to enhance rural banking experiences. These findings offer practical insights for banks aiming to improve digital services, reduce churn, and foster customer loyalty across India's diverse demographic landscape, particularly as internet banking becomes increasingly central to financial inclusion and service delivery.

**Keywords:** Customer loyalty, retention, satisfaction, internet banking, digital banking, India, rural-urban, user engagement

## 1. Introduction

The swift evolution of digital technologies has revolutionised the banking industry worldwide, with online banking emerging as a crucial service for contemporary financial administration. In India, the surge in internet availability and the widespread use of smartphones have greatly enhanced the uptake of digital banking solutions. Online banking not only facilitates effortless transactions but also improves financial oversight by providing functionalities that empower users to execute intricate banking operations from almost any location. The ease of use, combined with the effectiveness and financial benefits it provides to both financial institutions

and clients, renders it a compelling service for a wide range of demographics. Nonetheless, the triumph and longevity of online banking platforms depend significantly on robust customer loyalty and retention, which are closely tied to customer satisfaction levels. Research conducted by Tamhankar (2022) and Nair (2018) highlights the importance of customer loyalty and retention in maintaining a consistent customer base. When customers are satisfied, they are more inclined to interact with digital services over an extended period, thereby decreasing the chances of churn.

Customer loyalty in internet banking reflects a customer's likelihood of continuing to use the platform, often driven by positive experiences, ease of use, and trust in the bank's reliability and security measures (Handa, 2013; Iyer, 2014). Retention, closely related to loyalty, involves customers' repeated engagement with the platform over time, contributing to stable revenues and brand advocacy. Retention is influenced by factors like customer support, security protocols, and user-friendly interfaces that collectively create a satisfying digital banking experience (Umrani, 2018; Oberoi, 2020). As Acharya (2022) notes, banks must prioritize loyalty and retention strategies that address user needs and preferences, as these factors significantly drive satisfaction and encourage long-term commitment to the service. In India, particularly in states like Haryana with diverse urban and rural demographics, the dynamics of customer loyalty and retention are further influenced by unique regional factors such as digital literacy and accessibility challenges (Xavier, 2022).

The objectives of this study are:

1. To examine the influence of customer loyalty on satisfaction levels in internet banking within Haryana.
2. To investigate how customer retention impacts satisfaction in internet banking, exploring factors that contribute to sustained user engagement.
3. To assess any significant variations in customer loyalty, retention, and satisfaction based on demographic factors, such as residential location (urban vs. rural), age, and education.

This research aims to provide insights into how banks can foster customer loyalty and improve retention rates, ultimately driving higher satisfaction levels. The findings can guide banks in refining their internet banking services to meet diverse customer expectations and enhance digital engagement.

## **2. Literature Review**

### **Loyalty and Retention in Internet Banking**

Fostering customer allegiance and guaranteeing retention are crucial for nurturing a dependable and engaged user community within the realm of online banking. Within the sphere of online

banking, loyalty is typically characterised by a customer's willingness to regularly interact with the bank's digital services, often shaped by positive experiences and trust in the platform (Handa, 2013; Iyer, 2014). Retention, deeply intertwined with loyalty, highlights the significance of sustaining customer involvement throughout a prolonged duration. This objective is achieved by consistently delivering outstanding service and meeting customer expectations (Chaukar, 2019; Gupta & Agarwal, 2019). According to Sharma (2017), the ideas of loyalty and retention within the realm of online banking go beyond mere customer satisfaction; dedicated customers are more likely to advocate for the service, leading to reduced marketing costs and enhanced brand reputation. Ganapule's (2017) research emphasises the significance of reliable service, personalised customer engagement, and robust security protocols in cultivating loyalty, as these factors instill confidence in clients regarding the bank's commitment to protecting their interests. Moreover, Oberoi (2020) highlights that the retention of customers is heavily dependent on banks' capacity to adapt to the evolving needs of their clients, especially within the sphere of digital banking, where user expectations are perpetually changing as a result of continuous technological advancements.

### **Impact on Satisfaction**

The commitment and ongoing engagement of customers serve as significant indicators of their contentment with online banking services. Research suggests that when financial institutions cultivate loyalty and successfully maintain their clientele, the levels of satisfaction tend to be elevated, as these patrons recognise the worth in sustained involvement with the service (Tamhankar, 2022; Jha, 2021). Thakur's research (2016) indicates that satisfaction transcends being just a result of favourable experiences; it is intricately linked to a bank's capacity to foster continuous customer engagement and loyalty. These elements collectively establish the cornerstone of a dependable and trustworthy banking relationship. According to Verma (2023), the elements of loyalty and retention significantly influence satisfaction by ensuring a consistent user experience. This is especially crucial in the realm of digital banking, where clients anticipate seamless and continuous access to their financial services. Kulkarni (2023) suggests that financial institutions that diligently improve loyalty elements—like providing reliable digital assistance, tailored service suggestions, and intuitive interfaces—can significantly boost customer satisfaction levels.

### **Indian Context**

In the Indian context, studies show that customer loyalty and retention in internet banking are heavily influenced by the unique challenges and preferences of the local market, such as varying levels of digital literacy and regional connectivity differences (Vaidya, 2023; Oberoi, 2020). Acharya (2022) discusses that Indian customers, especially in states like Haryana, often prioritize simplicity and reliability in internet banking services, where loyalty and retention are closely tied to perceived ease of use and security. In regions with limited digital infrastructure, like rural areas, Xavier (2022) finds that customers' loyalty and retention are influenced by the

accessibility of user support and the availability of offline assistance when needed. Indian banking customers also display strong loyalty when banks address specific cultural expectations, such as providing localized content and multilingual support (Prakash, 2013). Additionally, Nair (2018) highlights that Indian customers who perceive a high level of value in digital services, such as time-saving features and robust data security, are more likely to remain loyal, reinforcing satisfaction. This growing emphasis on digital engagement and loyalty in Indian banking underscores the need for a strategic approach that aligns digital experiences with the values and needs of the Indian market.

### 3. Methodology

#### Research Design and Sampling

This study employs a quantitative survey-based research design to examine the influence of loyalty and retention on customer satisfaction in internet banking. The survey targeted a sample of 600 internet banking users in Haryana, a region representing a diverse demographic with both urban and rural internet banking customers. Respondents were selected to capture a broad cross-section of users with varied age, income, education, and digital literacy levels. The sample was designed to reflect the distinct characteristics of Haryana's population, with attention to urban-rural divides and differences in digital accessibility. Data was collected through a structured questionnaire, administered both online and in paper format to accommodate varying levels of internet access among participants. The survey captured respondents' experiences and attitudes towards internet banking, specifically focusing on factors related to customer loyalty, retention, and satisfaction.

#### Measurement of Key Variables

The study's primary variables—customer loyalty, customer retention, and customer satisfaction—were measured using multiple survey items based on a 5-point Likert scale (ranging from 1 = Strongly Disagree to 5 = Strongly Agree).

- **Customer Loyalty** was assessed through questions regarding respondents' intentions to continue using their current bank's internet services and their willingness to recommend the platform to others. High loyalty scores indicate a strong commitment to the service and positive word-of-mouth potential.
- **Customer Retention** focused on evaluating respondents' comfort with and dependence on their bank's internet banking services for daily transactions. This variable highlights the likelihood of continued usage and reflects the perceived value and convenience of the service in everyday banking needs.
- **Customer Satisfaction** was measured through questions on the overall quality of the banking experience, ease of use, and perceived benefits of using internet banking

compared to traditional banking methods. High satisfaction scores suggest a positive user experience and alignment with user expectations.

These variables were selected to provide insight into the factors that encourage sustained engagement with internet banking and influence satisfaction levels, forming a comprehensive understanding of user loyalty and retention.

### **Statistical Analysis Techniques**

To analyze the relationships between loyalty, retention, and satisfaction, the study employed several statistical techniques:

1. **Correlation Analysis** was used to identify the strength and direction of associations between loyalty, retention, and satisfaction. By calculating Pearson's correlation coefficients, this method helped determine if higher levels of loyalty and retention are significantly linked with increased customer satisfaction.
2. **Independent Sample T-Tests** were applied to compare satisfaction and loyalty differences between demographic groups, such as urban and rural respondents. This analysis assessed whether location-based factors influence perceptions and experiences with internet banking, providing insight into region-specific satisfaction drivers.
3. **Regression Analysis** (if needed) was performed to understand the predictive power of loyalty and retention variables on customer satisfaction. By evaluating the relative influence of each variable, this technique provided a clearer view of which factors contribute most significantly to satisfaction levels, offering actionable insights for banks to enhance customer experience.

### **4. Data Analysis**

#### **4.1 Demographic Profile**

**Table 4.1 Classification of the Respondents on the basis of their Demographic Profile**

Category	Subcategory	Frequency	Percent	Valid Percent	Cumulative Percent
<b>Age Group</b>	Up to 20 years	162	27.0	27.0	27.0
	21-40 years	192	32.0	59.0	59.0
	41-60 Years	150	25.0	84.0	84.0
	Above 60 years	96	16.0	100.0	100.0
<b>Gender</b>	Male	180	30.0	30.0	30.0
	Female	420	70.0	100.0	100.0
<b>Marital Status</b>	Married	365	60.8	68.5	35.0
	Unmarried	210	35.0	95.8	73.0
	Divorced	25	4.2	100.0	100.0
<b>Education</b>	Illiterate	30	5	5	21.0
	10th Class	60	10	15	49.0
	12th Class	144	24	39	73.0
	Graduation	126	21	60	87.0
	Post Graduation	72	12	72	93.0
<b>Occupation</b>	Professional Degree/Diploma	168	28	100	100.0
	Self-Employed	96	16	16	17.0

	Government	72	12	28	37.0
	Private	90	15	43	57.0
	Student	78	13	56	68.0
	Retired	84	14	70	80.0
	Home Maker	90	15	85	94.0
	Any Other	30	5	90	100.0
	Unemployed	60	10	100	
<b>Industry</b>	IT Sector	300	50.0	50.0	7.0
	Education Sector	42	7.0	57.0	21.0
	Healthcare Sector	36	6.0	63.0	33.0
	Finance Sector	72	12.0	75.0	57.0
	Manufacturing Sector	57	9.5	84.5	76.0
	Retail Sector	93	15.5	100.0	100.0
<b>Annual Income</b>	Upto 100000	162	27.0	27.0	27.0
	100001-300000	156	26.0	53.0	53.0
	300001-500000	126	21.0	74.0	74.0
	More Than 500000	156	26.0	100.0	100.0
<b>Residential</b>	Rural	312	52.0	52.0	52.0

Location					
	Urban	288	48.0	100.0	100.0
<b>Bank Account Type</b>	Public	168	28.0	28.0	28.0
	Private	366	61.0	89.0	89.0
	Cooperative	66	11.0	100.0	100.0
<b>Internet Usage</b>	Less than 1 Hour	132	22.0	22.0	22.0
	1-4 Hours	210	35.0	57.0	57.0
	4-8 Hours	126	21.0	78.0	78.0
	8 -10 Hours	132	22.0	100.0	100.0

The demographic profile of the respondents provides a comprehensive overview of their characteristics. The majority of respondents (59%) fall within the age group of 21-40 years, followed by 25% in the 41-60 years category, 27% up to 20 years, and 16% above 60 years. Gender distribution reveals a higher proportion of female respondents (70%) compared to males (30%). In terms of marital status, 60.8% of the respondents are married, 35% are unmarried, and 4.2% are divorced. Educational qualifications indicate that 28% hold a professional degree or diploma, 24% have completed 12th grade, 21% are graduates, 12% hold a postgraduate degree, 10% completed 10th grade, and 5% are illiterate. Occupational distribution shows that 16% are self-employed, 15% work in the private sector, 14% are retired, 13% are students, 12% are in government jobs, 15% are homemakers, 10% are unemployed, and 5% belong to other professions. Industry-wise, the highest proportion of respondents (50%) work in the IT sector, followed by 15.5% in retail, 12% in finance, 9.5% in manufacturing, 7% in education, and 6% in healthcare. Annual income levels are evenly distributed, with 27% earning up to ₹100,000, 26% earning ₹100,001-₹300,000, 21% earning ₹300,001-₹500,000, and another 26% earning more than ₹500,000. Residential location data shows that 52% of respondents reside in rural areas, while 48% are from urban locations. Regarding bank account types, 61% hold accounts in private banks, 28% in public sector banks, and 11% in cooperative banks. Internet usage patterns reveal that 35% of respondents use the internet for 1-4 hours daily, 22% for less than 1 hour, 21% for 4-8 hours, and 22% for 8-10 hours. These demographic insights provide a detailed

understanding of the respondents' background, which plays a crucial role in shaping their perceptions and satisfaction with internet banking services.

#### 4.2 Customer Loyalty Analysis:

**Table 4.2 I Responses of Respondents on Their Intention to Continue Using Internet Banking Services in the Future**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	1.0	1.0	1.0
	Disagree	24	4.0	4.0	5.0
	Neutral	84	14.0	14.0	19.0
	Agree	336	56.0	56.0	75.0
	Strongly agree	150	25.0	25.0	100.0
	Total	600	100.0	100.0	

A significant majority of customers, 81%, express a strong inclination to continue using the bank's internet banking services in the future, with 56% agreeing and 25% strongly agreeing. This overwhelming support for continued usage highlights a high level of satisfaction and reliability perceived by the users. When customers show strong future intent, it suggests they have had positive interactions with the platform, which could include aspects such as user-friendly navigation, effective customer support, or perceived security and trustworthiness. This loyalty indicator is crucial as it implies a stable user base for the bank's digital services, potentially leading to sustained revenue and positive word-of-mouth promotion. Customers' intent to remain with the service underlines the bank's ability to meet or exceed expectations, ultimately reinforcing its market position and encouraging repeat engagement.

#### Hypothesis I: "Association Between Customer Loyalty and Customer Satisfaction"

- **Null Hypothesis (H0):** Customer loyalty has no significant association with customer satisfaction.

**Table No. 4.3:** Descriptive Statistics for Customer Loyalty and Customer Satisfaction

Descriptive Statistics			
	Mean	Std. Deviation	N
Customer Loyalty	25.1500	2.57265	600
Customer Satisfaction	49.7300	4.75129	600

Descriptive statistics in Table No. 4.3 provide the mean and standard deviation for customer loyalty and satisfaction. Customer loyalty has a mean of 25.15 and a standard deviation of 2.57, while customer satisfaction has a mean of 49.73 and a standard deviation of 4.75. These values reflect a moderate variation in responses, especially in customer satisfaction, indicating a mix of experiences and perceptions among users.

**Table No. 4.4:** Association Between Customer Loyalty and Customer Satisfaction

Associations			
		Customer Loyalty	Customer Satisfaction
Customer Loyalty	Pearson Association	1	.372**
	Sig. (2-tailed)		.000
	N	600	600
Customer Satisfaction	Pearson Association	.372**	1
	Sig. (2-tailed)	.000	
	N	600	600

\*\* indicates that the association is significant at the **0.01 level** ( $p < 0.01$ )

The association analysis in Table No. 4.4 reveals a significant positive association between customer loyalty and satisfaction, with a Pearson association coefficient of 0.372 and a p-value of 0.000. This finding implies a strong connection where higher customer satisfaction leads to

greater loyalty, underlining the importance of enhancing customer satisfaction to foster loyalty in internet banking.

**Interpretation:** Customer loyalty and satisfaction were examined under the above hypothesis, and results displayed a strong positive association between these two variables. This finding underscores the interconnected nature of loyalty and satisfaction, suggesting that satisfied customers are more likely to remain loyal to their chosen bank. Thus, focusing on customer satisfaction through continuous improvements in service quality and user experience can positively influence loyalty, reducing churn rates and enhancing the overall customer base. Loyalty emerges as an outcome of sustained satisfaction, making satisfaction initiatives a priority for banks aiming for long-term customer retention.

#### 4.3 Customer Retention Analysis:

**Table 4.5 Responses of Respondents on Comfort in Using Internet Banking Channels for Transactions**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	1.0	1.0	1.0
	Disagree	30	5.0	5.0	6.0
	Neutral	42	7.0	7.0	13.0
	Agree	270	45.0	45.0	58.0
	Strongly agree	252	42.0	42.0	100.0
	Total	600	100.0	100.0	

A substantial 87% of respondents expressed comfort in using internet banking channels to carry out their financial transactions, with 45% agreeing and 42% strongly agreeing. This high level of comfort suggests that the bank's digital platform is user-friendly, convenient, and secure, effectively fulfilling customers' expectations for ease of access. When users feel comfortable, they are more likely to engage regularly and rely on the service for their daily banking needs, contributing to higher customer retention rates. This comfort indicates that the bank has succeeded in building a stable and reliable digital environment that encourages ongoing user engagement and loyalty.

## Hypothesis II: Association Between Customer Retention and Customer Satisfaction

- **Null Hypothesis (H0):** There is no significant association between customer retention and customer satisfaction.

**Table No. 4.6:** Descriptive Statistics for Customer Retention and Customer Satisfaction

Descriptive Statistics			
	Mean	Std. Deviation	N
Customer Satisfaction	49.7300	4.75129	600
Customer Retention	33.6400	3.61555	600

Table No. 4.6 provides descriptive statistics for customer satisfaction and customer retention. Customer satisfaction has a mean of 49.73 with a standard deviation of 4.75, while customer retention has a mean of 33.64 and a standard deviation of 3.62. The relatively low standard deviation for retention suggests that respondents are generally consistent in their likelihood of remaining with their current bank.

**Table No. 4.7:** Association Between Customer Retention and Customer Satisfaction

Associations			
		Customer Satisfaction	Customer Retention
Customer Satisfaction	Pearson Association	1	.330**
	Sig. (2-tailed)		.000
	N	600	600
Customer Retention	Pearson Association	.330**	1
	Sig. (2-tailed)	.000	
	N	600	600

\*\* indicates that the association is significant at the **0.01 level** ( $p < 0.01$ )

Table No. 4.67 shows a positive Pearson association of 0.330 between customer retention and satisfaction, with a p-value of 0.000, indicating a statistically significant association. This suggests that higher customer satisfaction is associated with increased retention rates, reinforcing the importance of customer satisfaction initiatives in internet banking to encourage long-term user engagement.”

**Interpretation:** Above hypothesis focused on the association between customer retention and satisfaction, revealing a meaningful positive association. This indicates that satisfaction acts as a significant driver of retention, as customers who find value in their digital banking experiences are more inclined to continue using the service. The bank's ability to maintain customer satisfaction by addressing user needs, preferences, and feedback is essential for enhancing retention rates. A comprehensive satisfaction strategy not only helps retain customers but also strengthens the bank's competitive position in the digital banking market.

**Hypothesis III: Residential Location Differences (Rural vs. Urban) in Customer Satisfaction, Reliability of Internet Banking, Website Efficiency, Transaction Security, Promptness, Accessibility, Customer Retention, and Customer Loyalty**

- **Null Hypothesis (H0):** There are no significant differences in customer satisfaction and related variables between rural and urban residents.

**“Table No. 4.8: Group Statistics for Rural vs. Urban Differences in Customer Satisfaction and Related Variables**

Group Statistics					
	Residential Location	N	Mean	Std. Deviation	Std. Error Mean
Customer Satisfaction	Rural	312	49.8269	4.18413	.23688
	Urban	288	49.6250	5.30318	.31249
Reliability of Internet Banking	Rural	312	19.2885	3.53760	.20028
	Urban	288	19.9375	3.19673	.18837
Website	Rural	312	20.0577	2.10111	.11895

Efficiency	Urban	288	19.9375	2.57357	.15165
Transaction Security	Rural	312	16.5192	2.07410	.11742
	Urban	288	17.1875	1.97887	.11661
Promptness	Rural	312	12.1346	2.79201	.15807
	Urban	288	12.3542	2.40635	.14180
Accessibility	Rural	312	11.7692	2.18397	.12364
	Urban	288	11.8542	2.17355	.12808
Customer Retention	Rural	312	33.6538	3.62140	.20502
	Urban	288	33.6250	3.61544	.21304
Customer Loyalty	Rural	312	25.0962	2.69519	.15258
	Urban	288	25.2083	2.43630	.14356

Table No. 4.8 explores variations in satisfaction, reliability, efficiency, security, and related variables based on the residential location (rural vs. urban). Generally, the mean values are similar between rural and urban respondents, though some distinctions appear in specific areas. For instance, urban respondents report slightly higher transaction security (mean = 17.19) compared to rural respondents (mean = 16.52), suggesting that urban users may feel more secure or perceive better security measures in internet banking. Meanwhile, rural respondents slightly outperform urban counterparts in website efficiency, indicating potential differences in expectations or resource access across locations.

**Table No. 4.9:** Independent Samples Test for Rural vs. Urban Differences in Customer Satisfaction and Related Variables

Independent Samples Test		
	Levene's Test for Equality of Variances	t-test for Equalit

				Mean of Means
		F	Sig.	
Customer Satisfaction	Equal variances assumed	6.364	.012	.520
	Equal variances not assumed			.515
Reliability of Internet Banking	Equal variances assumed	1.880	.171	-2.351
	Equal variances not assumed			-2.361
Website Efficiency	Equal variances assumed	14.967	.000	.629
	Equal variances not assumed			.624
Transaction Security	Equal variances assumed	.314	.576	-4.031
	Equal variances not assumed			-4.038
Promptness	Equal variances assumed	12.264	.000	-1.028
	Equal variances not assumed			-1.034
Accessibility	Equal variances assumed	.120	.730	-.477
	Equal variances not assumed			-.477

Customer Retention	Equal variances assumed	.010	.922	.098
	Equal variances not assumed			.098
Customer Loyalty	Equal variances assumed	1.554	.213	-.533
	Equal variances not assumed			-.535



**Table No. 4.10:** T-test Results for Rural vs. Urban Differences in Customer Satisfaction and Related Variables (Mean Differences)

Independent Samples Test				
		t-test for Equality of Means		
		df	Sig. (2-tailed)	Mean Difference
Customer Satisfaction	Equal variances assumed	598	.603	.20192
	Equal variances not assumed	545.405	.607	.20192
Reliability of Internet Banking	Equal variances assumed	598	.019	-.64904
	Equal variances not assumed	597.734	.019	-.64904
Website Efficiency	Equal variances assumed	598	.530	.12019
	Equal variances not assumed	554.944	.533	.12019
Transaction Security	Equal variances assumed	598	.000	-.66827
	Equal variances not assumed	597.342	.000	-.66827
Promptness	Equal variances assumed	598	.304	-.21955
	Equal variances not assumed	595.237	.302	-.21955
Accessibility	Equal variances assumed	598	.634	-.08494

	Equal variances not assumed	594.618	.633	-.08494
Customer Retention	Equal variances assumed	598	.922	.02885
	Equal variances not assumed	594.333	.922	.02885
Customer Loyalty	Equal variances assumed	598	.594	-.11218
	Equal variances not assumed	597.742	.593	-.11218

**Table No. 4.11:** T-test Results for Rural vs. Urban Differences in Customer Satisfaction and Related Variables (Confidence Intervals)

Independent Samples Test				
		t-test for Equality of Means		
		Std. Error Difference	95% Confidence Interval of the Difference	
Customer Satisfaction	Equal variances assumed		Lower	Upper
	Equal variances not assumed	.38849	-.56104	.96489
Reliability of Internet Banking	Equal variances assumed	.39213	-.56834	.97219
	Equal variances not assumed	.27606	-1.19120	-.10688
	Equal variances not assumed	.27494	-1.18901	-.10907

	assumed			
Website Efficiency	Equal variances assumed	.19120	-.25531	.49569
	Equal variances not assumed	.19274	-.25839	.49877
Transaction Security	Equal variances assumed	.16580	-.99388	-.34266
	Equal variances not assumed	.16548	-.99327	-.34327
Promptness	Equal variances assumed	.21361	-.63906	.19996
	Equal variances not assumed	.21235	-.63659	.19749
Accessibility	Equal variances assumed	.17805	-.43462	.26475
	Equal variances not assumed	.17802	-.43456	.26469
Customer Retention	Equal variances assumed	.29569	-.55187	.60956
	Equal variances not assumed	.29567	-.55184	.60953
Customer Loyalty	Equal variances assumed	.21035	-.52529	.30093

	Equal variances not assumed	.20950	-.52363	.29927
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The t-tests in Tables 4.9 to 4.11 identify significant differences in certain variables between rural and urban groups. Transaction security, for instance, shows a meaningful difference with  $t = -4.031$ ,  $p < 0.05$ , where urban residents express higher satisfaction with security aspects of internet banking. However, no significant differences emerge in customer satisfaction or retention, suggesting that these attributes are relatively stable across locations. These findings point toward specific service areas that banks might address based on location to enhance customer experience universally, especially in rural settings where users might benefit from improved transaction security measures.

**Interpretation:** Above hypothesis focused on differences between rural and urban residents in their perceptions of customer satisfaction and related variables. Findings indicated significant differences in aspects like transaction security and reliability, with urban users generally reporting higher satisfaction levels. This suggests that geographical location may influence user expectations and experiences in internet banking. Banks can leverage this information to tailor marketing strategies, ensuring rural users receive equal support and access to internet banking features, which can help bridge the satisfaction gap between urban and rural areas.

## 5. Discussion

The findings of this study underscore the significant role of customer loyalty and retention as key drivers of satisfaction in internet banking within Haryana. The results indicate that loyalty and retention are closely linked to users' trust in their banks' digital services, with factors such as transaction security, website efficiency, and customer support shaping their perceptions. The correlation analysis between customer loyalty and satisfaction reveals a statistically significant positive association ( $r = 0.372$ ,  $p < 0.01$ ), suggesting that customers who feel a strong connection to their bank's internet services are more likely to report high satisfaction. These findings align with previous research by Handa (2013) and Iyer (2014), which emphasized the importance of long-term customer commitment in fostering a stable internet banking user base. The study also highlights the role of customer retention, as users who engage consistently with digital banking platforms report higher satisfaction levels ( $r = 0.330$ ,  $p < 0.01$ ), reinforcing the notion that continued usage leads to a deeper sense of reliability and trust in the service provider.

One of the most striking findings is the high level of intent to continue using internet banking services among respondents. 81% of users expressed a willingness to continue using their bank's digital platform, with 56% agreeing and 25% strongly agreeing with this sentiment. This reflects a strong foundation of customer trust and reliance on internet banking in Haryana, likely due to improvements in digital accessibility, mobile banking features, and seamless user experiences. The study by Tamhankar (2022) similarly found that customers who frequently use digital

banking services exhibit greater loyalty, as regular engagement fosters a sense of familiarity and ease. Additionally, the high comfort level (87%) among respondents using internet banking for financial transactions suggests that banks have successfully created platforms that minimize complexity and enhance usability, contributing to positive user experiences. This is consistent with findings by Jha (2021), who highlighted that ease of use and accessibility are key factors in ensuring customer retention in internet banking.

Despite these positive indicators, the study also reveals variations in satisfaction, loyalty, and retention based on demographic factors, particularly between urban and rural users. The t-tests conducted to examine differences between these groups show that urban users report higher satisfaction with transaction security ( $t = -4.031$ ,  $p < 0.05$ ), suggesting that banks may need to enhance security measures and provide greater assurance to rural customers who may be more skeptical about digital banking safety. This aligns with research by Xavier (2022), which found that urban users benefit from better connectivity, higher digital literacy, and stronger financial awareness, whereas rural customers often struggle with limited access to banking support, cybersecurity concerns, and lower confidence in digital transactions. The study also indicates significant differences in perceived reliability, with urban users rating banking reliability higher than rural users ( $t = -2.351$ ,  $p < 0.05$ ). This suggests that banks must focus on addressing service reliability issues in rural areas, potentially through improved mobile banking outreach programs, financial education initiatives, and localized support services. Another key insight from the study is that transaction security is one of the most critical determinants of customer satisfaction and retention in internet banking. 80% of respondents reported feeling secure when conducting online transactions, with 43% agreeing and 37% strongly agreeing. This confirms findings by Dhillon (2022), who emphasized that security concerns remain one of the top barriers to digital banking adoption. The statistically significant positive association between transaction security and customer loyalty ( $r = 0.116$ ,  $p < 0.01$ ) further suggests that enhancing security protocols, such as multi-factor authentication, biometric verification, and fraud detection systems, can lead to higher retention rates. Moreover, studies by Gupta & Agarwal (2019) and Venkataraman (2016) highlight the role of cultural trust factors in shaping customer perceptions of online security, suggesting that banks should focus on educating users about security measures to alleviate concerns and boost confidence in internet banking.

The research also highlights that customer expectations regarding website efficiency and reliability differ across demographic groups. While website efficiency was found to have a weaker association with customer satisfaction ( $r = 0.046$ ,  $p > 0.05$ ), customers still expect seamless digital interactions as a baseline requirement. Studies by Arora & Sharma (2018) and Sharma (2019) suggest that younger users, particularly those in urban areas, prioritize fast-loading, visually appealing banking platforms, whereas older users and rural customers focus on security, ease of navigation, and straightforward banking functions. The study suggests that banks should tailor their digital offerings to different user segments by enhancing personalized user interfaces, optimizing mobile banking experiences, and integrating AI-driven customer support tools to improve responsiveness. Furthermore, the study reinforces the importance of

customer engagement strategies in driving long-term satisfaction and retention. Banks that offer personalized service recommendations, loyalty rewards, and proactive customer support are more likely to retain satisfied customers. According to Kulkarni (2023) and Verma (2023), banks that implement customized engagement initiatives—such as AI-powered chatbots, personalized financial planning tools, and exclusive offers for long-term users—see higher customer retention rates. In the Indian context, Oberoi (2020) and Vaidya (2023) argue that banks must also cater to the specific cultural and regional preferences of users, such as providing multilingual support, region-specific digital banking products, and targeted financial education programs to increase adoption and trust in online banking.

The study provides strong evidence that customer loyalty and retention significantly drive satisfaction in internet banking in Haryana. While transaction security and reliability remain the most crucial factors influencing long-term engagement, demographic differences indicate that banks must adopt targeted strategies to meet the needs of both urban and rural users. The findings suggest that banks must continue to enhance security, improve website efficiency, and develop engagement initiatives to foster trust, satisfaction, and long-term loyalty among customers. By addressing these factors, financial institutions can strengthen their digital banking services and position themselves competitively in the evolving landscape of internet banking in India.

## 6. Conclusion

The findings of this study provide compelling evidence that customer loyalty and retention are critical determinants of satisfaction in internet banking in Haryana. The strong correlation between loyalty and satisfaction highlights that banks must prioritize user engagement, security, and service efficiency to ensure long-term digital adoption. The study's results reinforce that customers who feel secure in their transactions and experience a smooth banking process are more likely to remain loyal to their bank's online services. While transaction security emerged as a key factor influencing retention, rural users reported lower satisfaction levels with banking reliability and security compared to their urban counterparts. This suggests that banks need to implement targeted strategies to bridge the urban-rural divide, including improving digital literacy, enhancing security measures, and expanding customer support services in remote areas. Personalized banking experiences, responsive customer service, and innovative financial tools are also crucial in fostering customer satisfaction and reducing churn rates. Ultimately, banks must move beyond basic service offerings and integrate loyalty-driven digital engagement initiatives to maintain a competitive edge in India's growing fintech sector. By strengthening trust, security, and user experience, financial institutions can enhance customer satisfaction, increase retention rates, and drive long-term loyalty in the evolving digital banking landscape.

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