

Factors Influencing on Customer Adaption Towards Internet Banking of Commercial Banks in Sri Lanka

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ABSTRACT

Introduction - With the rapid technological advancement, it can be seen that internet banking plays a major role in banking field. Internet banking is a delivery channel that was introduced to customers to perform their transactions electronically via bank's web sites. As a result of interpreting the experience, customer adaption is formed. Exploring the factors influencing on customer adaption towards internet banking in Sri Lanka is the objective of this study.

Design/Methodology/Approach - A structured questionnaire was used for collecting primary data from internet banking users. Researcher selected 200 customers' responses of different commercial banks in Sri Lanka using purposive sampling method. Factor Analysis, Cronbach's alpha, Descriptive Statistics and Multiple Linear Regression were used as data analysis techniques.

Findings - The study conclude that perceived usefulness, perceived ease of use, perceived security, and social influence have significant positive effect on customer adaption towards the internet banking. However, perceived ease of use variable has higher significant effect on customer adaption towards internet banking.

Conclusion – The study emphasized the importance of developing internet banking activities by banks. Increasing the knowledge of customers, by conducting programs about the benefits they can obtain from internet banking services and providing more facilities regarding the internet banking could be recognized as improvement plans that could be used by banks. Results of this study will be instrumental for banks to design marketing and promotional strategies in order to develop their Internet Banking portfolio.

Keywords: *Internet Banking, TAM, Customer Adaption, Perceived Usefulness, Perceived Ease of Use*