

Key Factors Effecting the Customer Adoption to Internet Banking: A Case Study on a Private Banks

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Banking industry in Sri Lanka plays a vigorous role in managing financials assets of the country. This conventional type of banking consumed a considerable amount of time of the customers as well as the bank. The cost involved in conventional banking is much higher than the digital banking. Internet banking is now catching the banking industry at a rapid phase by eliminating and transforming the conventional banking activities to a web based online system. The increased of competitive gravities and the speed of the technology changers are leading to a speedy growth of internet banking. As to face the competitiveness of the bank, it introduced customer's internet banking service. However, adoption of internet banking shows a low user rate. The objective of the study was to identify key factors that effecting customer adoption of internet banking and the relationship between each of the factors. Through literature review five factors identified they are customer perception and conduct, technology readiness marketing and promotions, service quality and risk. Due to several limitations research was conducted among the internal and external customers users and nonusers of the internet banking. To cover the entire country Colombo region, North region, Greater Colombo, Central Colombo, Southern regions were selected. 100 questionnaire was posted and 60 complete response were gathered from the above region. The method used for the study is the quantitative method questionnaire survey was posted. The finding done through a structured questionnaire and results were analyzed through SPSS software. The results shows that customer perception and technology readiness were not significant and it had a weak relationship with internet banking marketing promotions, service quality have moderate positive relationship with internet banking and risk had moderate negative relationship. Banks should make more attention to improve customer perception and conduct and technology readiness to have a relationship with internet banking, awareness programmers should be introduced for customer about the benefits of internet banking, bank should implement proper customer inquiries promptly, security plays a major role in internet banking and dual password should be introduced. The study further revels when the risk is low adoption of internet banking is high because it had a negative relationship.

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