

**Perception of Online Banking Customers in Sri Lanka: With Special Reference to the Commercial Banks in Sri Lanka**

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**ABSTRACT**

**Introduction** - In the past few decades, technology has shown rapid growth, and consequently, the internet has become a significant technology component. Most individuals and businesses are paying attention to the technology and internet to make competitive advantages. Banking can be considered as a significant sector that uses this ever-advancing technology for its operations. Banks use internet banking to provide different services to their customers. As a result, internet banking has become a major channel that banks use to serve the customers via websites of the banks. The study aims to explore the factors that affect the customers' perception on internet banking in Sri Lanka and to determine the magnitudes of those factors.

**Design/Methodology/Approach** - A well-structured questionnaire was used to collect the data which was considered as primary data. The researcher selected 212 customers with particular reference to the commercial banks in Sri Lanka using the convenience sampling method. To test the hypothetical relationships between dependent and independent variables, correlation and multiple regression were used using the SPSS software application.

**Findings** - According to the study, results provided sufficient pieces of evidence that there is a significant positive impact on the customer perception towards internet banking by the independent variables of Accessibility, Bank Functions, and Cost Ease and of Use, while Awareness depicts a negative impact on customer perception on internet banking in Sri Lanka. Compared to the globe, in Sri Lanka, internet banking is at the primary stage performing only main banking activities such as checking account balances and transferring funds between accounts. Thus, improving the Awareness of the customers can be considered as a main target to be achieved by banks. The results of the study will be influential for banks to design their strategic marketing and promotional plans in order to expand their internet banking customer base.

**Conclusion** - The study fulfils the existing research gap in the area of perception of internet banking customers in Sri Lanka. These findings will help for future studies relating to factors that affect customer perception towards internet banking in Sri Lanka

**Keywords:** *Customer perception, Internet banking, Partial least square, commercial banks in Sri Lanka.*