

# **Factors affecting adoption of online banking services in Polonnaruwa district customers of Sri Lanka**

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## **Abstract**

The Internet has enabled banks to practice new generations of banking services without investing on physical bank branches. Furthermore, the internet banking has contributed to reduce the operating costs and to improve the level of banking services. Sri Lanka also adopted the concept in the late 1980s by networking bank branches, introducing electronic cards, and facilitating the banking in all geographically dispersed branches from one place. Although it offers more relative advantages, it was reported that less than 1% of bank customers generally use online banking, mobile banking, telephone banking and the internet payment gateways. The purpose of this study was to examine the factors affecting adoption of online banking services in Polonnaruwa district customers of Sri Lanka. Usefulness, ease of use, security, information quality, and compatibility were identified as the independent variables and the online banking adoption was the depended variable. The study was based on stratified random sampling method and 50 customers have been selected for the study. Data were collected using a structured questionnaire and the analysis was conducted by using SPSS. Frequencies, descriptive, correlation, and regression analyses were conducted. The final results revealed that there is a relationship between usefulness, ease of use, security, compatibility, and information quality and online banking adoption.

***Keywords:*** *Compatibility, ease of use, information quality, online banking adoption, security, usefulness*