

Factors affecting customer adoption of internet banking: With special reference to Polonnaruwa district

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Abstract

With the rapid growth of the Internet and wireless technologies, Internet Banking has become an integral part of the banking system which help to easily grasp their customer base. However, as far as Sri Lanka's Internet Banking demand is concerned, it is still relatively low compared to other developing countries. In addition, the researchers reveal that the vast majority of Sri Lankan Internet Banking users do not actually become active users compared to other countries. The general objective of this research was to find the factors affecting to customer adoption of internet banking using the Unified Theory of Acceptance, and Use of Technology 2 model. The population of the study was Internet Banking users in Polonnaruwa district and the sample was 200 customers selected by employing convenient sampling technique. An online distributed structured questionnaire was used for data collection purposes and collected data were analyzed by applying regression and correlation analysis with the help of SPSS version 21. Research findings reveal that adoption of Internet Banking has been significantly influenced by effort expectancy, facilitating conditions, habit and experience, performance expectancy, and the social influence. Additionally, it provides an idea of the feasibility of applying the Unified Theory of Acceptance, and Use of Technology 2 model to analyze the customer adoption of Internet Banking in the Sri Lankan context. However, the findings expose that hedonic motivation and price value do not play an important role in the customer adoption of Internet Banking. This evidence that the bankers should provide an assurance and facilitation to Internet Banking users in order to maintain a long-term relationship with the Internet Banking service. The outcome of this study is important to a variety of stakeholders, such as bankers, internet service providers, prospective researchers and relevant authorities, as well as it can be used to provide an excellent service to banking customers.

Keywords: *Internet banking, customer adoption, unified theory of acceptance, and use of technology 2.*