

INVESTIGATING CUSTOMER ADOPTION TO DIGITAL BANKING PLATFORMS IN THE POST COVID –19 PANDEMIC IN SRI LANKA

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INTRODUCTION

Digital banking can be defined as using a secure website provided by the bank to conduct transactions or other financial services. Digital banking can access the activity from a laptop, desktop computer, or mobile phone. Many businesses today are conscious of their competition by incorporating e-commerce into some of their company strategies (Omar Ali et al., 2020). From both the end user and organizational perspectives, the banking industry is one of the sectors that saw a technological revolution. The proliferation of technology, fierce competition among banking institutions, and the globalization of the economy have compelled banks to look for new markets and cutting-edge financial services. Routine banking activities have been shifted to online banking because of the banking industry's use of the Internet as an online business tool. Information technology has revolutionized the sector and boosted performance. Additionally, internet banking has revolutionized the banking sector globally. Managers and policymakers have been interested in digitalization and the adoption of technology, and it has made headlines in publications like newspapers, magazines, and conferences for practitioners.

Different businesses are under pressure from new opportunities brought on by digitization to reevaluate their current business models and operational procedures or to concentrate on finding future market opportunities (Bastari et al., 2020). Digitalization is thought to offer substantial efficiency when routines and business procedures are altered to suit the potential efficiency gains. On the other hand, the typical work patterns and methods will undoubtedly change because of digitization strategies. The implementation of digitalization could also result in internal opposition that raises worries that have a negative impact and indirect cost issues that the company must bear. Sri Lanka's central bank has designated 2020 as the year of digital transactions. Therefore, the nation's banking industry must adopt this trend to effectively reach all its residents in urban and rural areas (Rajapaksha, 2021). The authors of this study primarily concentrate on the adoption of digital banking practices by rural and urban clients as well as the challenges that prohibit customers from using digital banking platforms during the COVID- 19 pandemic. Further, this study is elaborated based on digital banking platforms such as ATM (Automated Teller Machine), Electronic fund transfers, SWIFT transfers, Bank credit and debit cards, Internet transactions, Digital wallets, and E-vouchers. Research on the use of digital banking during the COVID-19 pandemic in Sri Lanka is highly uncommon. By acquiring primary data through Google questionnaires and interviews, our study fills this research gap by offering unambiguous evidence of proof.

The general objective of this study is to investigate customer adaption to digital banking platforms during the post COVID-19 pandemic in Sri Lanka. Moreover, the authors have subdivided this general objective into four sub-objectives to investigate the relationship between customer perceptions towards customer adoption of digital banking platforms during the post COVID-19 pandemic in Sri Lanka and to investigate the impact of customer perceptions toward customer adoption of digital banking platforms during the post COVID - 19 pandemic in Sri Lanka, to compare the customer adoption of digital banking platforms among customers of public and private banks during the post COVID-19 pandemic in Sri Lanka, and to discover the challenges faced by the customers in using banking practices during the post COVID-19 pandemic in Sri Lanka.

METHODOLOGY

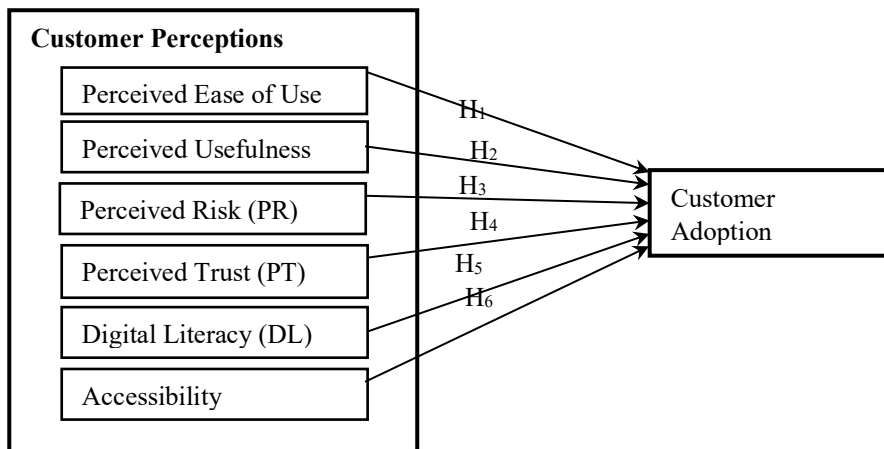


Figure 1 Conceptual Framework

The above conceptual framework has elaborated with six independent variables, which derive the critical idea of the research to test whether each independent variable has an impact on customer adoption. The main idea carrying with to test alternative is to test whether there is an impact of Perceived ease of use (PEOU) in customer adoption and null hypothesis as there is no impact of PEOU on customer adoption. These hypotheses were implicit with the acceptability or rejection of the null or alternative hypothesis flow with the research. In scholarly research, Mano et al. (2020) have collected both quantitative and qualitative mixed method approach data, and secondary data has been utilized to identify the factors that influence electronic banking. To achieve the goals, they used quantitative research using a questionnaire. Additionally, in the Statistical Package for Social Sciences (SPSS), descriptive and multiple linear regression analyses were conducted to test the objectives. So, in the present study authors conducted the research with mix method approach.

These hypotheses were implicit with the acceptability or rejection of the null or alternative hypothesis flow with the research. The inaugural objective which is to find the relationship

between customer perceptions on the adoption of digital banking (DB) platforms, correlation analysis has been conducted with Statistical Package for the Social Sciences 26 versions was utilized with the second objective which is to investigate the impact towards customer perceptions on adoption to DB platforms, researchers analyzed through multiple linear regression (MLR) with Statistical Package for the Social Sciences. Intentionally the study heightens the statistical oversimplification of the main route along academic constructs using descriptive statistics. The essential procedure involves data cleaning and data purification with maintaining the steadfastness and the validity of data by amputating the outliers with coding errors with missing values included with the responses containing logical inconsistency levels grounded with the specification. Four hundred eighty-one responses were collected, layering all 14 Sri Lanka districts with precise responses representing 88.73% of the responses which were collected.

The reliability test was mainly conducted with Cronbach’s Alpha with an overall reliability level of 0.904 for overall questions, which indicates the elevated internal consistency value, which is higher than the value of Cronbach’s alpha 0.904, indicating all questions in the questionnaire exist in the same paradigm. Through KMO and Bartlett's Measure of sampling, Adequacy results obtained the results of 0.881 as this value attains in the range of 0.8 above the results considered highly acceptable and exceptional. From 0.881 significant results obtained, the model is highly acceptable and exceptional. 0.881 significant results were revealed as the result of concluding the sample size is satisfactory along with the responses. Two hundred eighty five respondents from overall results in urban areas mentioned they use DB platforms, while 36 responded they are not using DB platforms. For respondents in rural areas, 74 mentioned they are using DB platforms, while 26 responded that they are not using DB platforms. Cloud-based analysis was conducted to measure how customers were utilizing DB platforms. Mentioned Figure 2 emphasizes the platform usage variation.



Figure 2 Digital Banking platform usage variation

The above word cloud shows the frequency of DB platform usage. The significant texts indicate the highest frequency of DB platform usage, and the small texts indicate the lowest. Normality test results showed that the sample distribution is expected according to the measurement scales. The central tendency measurements mean median and mode values are amassed from the results from descriptive statistics output (not tabulated). From the mean value of 8.05 for PEOU value and 8.49 for Perceived Usefulness (PU) and the dependent variable 7.66 designating the standards obtained by dividing the total answered frequency by the number of respondents who have retorted standardly according to the Likert scale.

Two-tailed Pearson correlation was conducted in the correlation analysis of the first objective of investing the relationship between the independent variables towards customer adoption and the results are indicated below in Table 1.

Table 1 Correlation Results

	PEOU	PU	Accessibility	PT	PR	DL
CA to Digital Banking	1	0.850 **	0.773 **	0.748**	0.481**	0.672**

** Correlation is significant at the 0.05 level (2-tailed).

The Pearson correlation values which are above 0.7 signifies the strong positive relationship between each independent variable towards customer adoption, which indicates the results PEOU, PU, Perceived Trust (PT) and Accessibility has a strong positive relationship concerning customer adoption for DB platforms. In contrast, Perceived Risk (PR) and DL provides a moderate positive relationship towards CA (Customer Adoption).

Table 2 Results of Model Summary

R ²	Adjusted R ²	Std. error in the Estimate	Change Statistics		
			R Square Change	F Change	Sig. F Change
0.972	0.971	0.314	0.624	694.953	0.000

Table 2 shows the model summary that indicates the addition of each independent variable for the model summary starting from 0.624 value; the R² change varies to the value of 0.972 as an example for Perceived ease of use, 0.624 meaning 62.4% of the variation for the customer adoption. F change indicates the F test to determine the significance of the R² change. Above Table 2, it implies a significant F change meaning that added variables significantly improve the model prediction. As in the explanation of the F change, each variable is significant at a p-value of 0.00. Which provides the meaning that all of the variables have an impact on customer adoption. The adjusted R² value of 97.1 indicates that 97.1% of customer adoption for DB platforms is represented by all the independent variables of PEOU, PU, PT, PR, Digital Literacy and Accessibility.

Table 3 Results of Multiple Regression Analysis

Model	Coefficients	Significance	Tolerance	VIF
Constant	-0.450	0.000		
Perceived Ease of Use	0.067	0.000	0.208	4.818
Perceived Usefulness	0.005	0.755	0.248	4.036
Accessibility	0.856	0.000	0.117	8.573
Perceived Trust	0.025	0.061	0.383	2.613
Perceived Risk	0.002	0.890	0.696	1.437
Digital Literacy	0.115	0.000	0.171	5.859
R ² : 0.0917				

Multiple regression is used to investigate the impact of customer perceptions towards customer adoption, and through the results of PEOU, accessibility and DL have been standard with the significant level of 0.05 compared to PU, PR, & PT, providing the P value lesser the standard threshold of 0.05 critiquing PU, PR, PT does not have an impact for customer adoption for the dependent variable.

CONCLUSIONS AND IMPLICATIONS

The central concept, PEOU, PT and the knowledge about internet banking has provoked customers with the primary intention of customers adopting DB platforms; a study by Premarathne and Gunatilake (2016) gives a wide range of ideas on the concepts for DB platforms. Their study developed the study with trustworthiness and the primary usefulness how which ultimately heightened the usage of internet banking which has tremendously involved for DB platform increment So these study's authors have systematically proven if customers did not have the trustworthiness combined with knowledge factor, customers would enable to manage the services. They would not adopt DB platforms. So, the authors in the present study have gone with the systemic implication to provide suggestions and negotiations for banks, certain factors affecting DB platform adoption, and which contributing bankers to improve their services at the next level.

Keywords: Banking platforms; customer adoption; customer perception; digital banking; post COVID -19 pandemic

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