

**FACTORS INFLUENCING THE INTENTION OF DIGITAL PAYMENT ADOPTION
AMONG GENERATION Z: SPECIAL REFERENCE TO KURUNEGALA
DISTRICT, SRI LANKA**

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ABSTRACT

Digital payment systems are essential in modern economies, streamlining financial transactions and facilitating the exchange of value. Globally, there has been a marked shift towards digital payments driven by new consumer behaviors and the widespread use of mobile devices. However, despite these advancements, Sri Lanka remains largely cash-dependent, with over 90% of retail transactions being conducted in cash. This indicates a significant research gap in understanding the low adoption of digital payments, particularly among Generation Z, who are digitally natives with high Internet readiness. In regions such as Kurunegala, a commercial hub with a growing digital infrastructure, the adoption of digital payments remains relatively low compared to other Southeast Asian countries. This study seeks to address this gap by investigating the factors influencing Generation Z's intention to adopt digital payment systems in the Kurunegala District. Utilizing a quantitative, cross-sectional design and a deductive approach, the study applied the Onion Model framework. A sample of 333 Generation Z respondents was identified using convenience sampling. The data were analyzed to examine the impact of Perceived Ease of Use, Perceived Usefulness, Perceived Risk, Trust, and Facilitating Conditions on digital payment adoption. The findings revealed that Perceived Ease of Use, Perceived Usefulness, Perceived Risk, and Facilitating Conditions significantly influenced the intention to adopt digital payments. However, Trust was not found to be a significant factor in this context. Future research should further explore the role of trust in different regional settings and conduct longitudinal studies to observe evolving digital payment behaviours among Generation Z.

Keywords: Digital payment adoption, facilitating conditions, generation z, perceived ease of use, perceived usefulness, perceived risk