



**AN INVESTIGATION ON FACTORS AFFECTING THE ADOPTION OF
ONLINE/DIGITAL BANKING PRODUCTS IN SRI LANKA**

Sri Lanka Institute of Information Technology

This dissertation is submitted as a partial fulfilment of the requirements of the
degree of Master of Business Administration.

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ABSTRACT

The purpose of this study is to analyze the factors affecting the adoption of online/digital banking products in Sri Lanka. It sets the light on why the public is reluctant in the adoption of online/digital banking products even during the pandemic. The research was conducted from a deductive approach. Hypotheses were designed based on rigorous review of literature. The study adopted deductive approach having the stratified random sample from the districts of Colombo, Gampaha and Kandy. The data obtained from the survey was analyzed through binary logistic regression to identify the impact of the variable on adoption of online/digital banking products. The study concludes that computer and internet literacy, perceived usefulness and awareness were the most influencing factors of adoption of online/digital banking products. However, contrary to literature, surprisingly perceived ease of use and perceived risk, security and privacy concerns were not found to be significantly impacting the adoption. All previous studies referred in this study have been carried out in the pre-COVID19 environment. The present study is also significant since the study also takes the effects of the pandemic into consideration. The study argues that the contradictory nature observed in perceived ease of use and perceived risk, security and privacy concerns which were well established in previous studies is caused by the pandemic. The study was also significant since computer and internet literacy has not been tested in the Sri Lankan context in near past and leads for recommendations which would enhance banking operations on online/digital banking products.

Keywords: Online/digital Banking, Internet Baking, Sri Lanka, Adoption, Reluctance

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LIST OF ABBREVIATIONS

ATM	Automated Teller Machine
CBSL	Central bank of Sri Lanka
H	Hypothesis
IBM	International Business Machines
NFC	Near Field Communication
QR	Quick Response
SPSS	Statistical Product and Service Solutions
TAM	Technology Acceptance Model
TRCSL	Telecommunications Regulatory Commission of Sri Lanka
VIF	Variance Inflation Factor