

An Empirical Study on Investigating the Factors That Influence on Customer Adoption of Virtual Banking (With Special Reference to Western Province)

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In the current era, banking sector plays a vital role when providing financial services and managing financial assets. Due to the development of technological advancements, the invention of internet banking helps deliver traditional banking products in a more advanced way. The banking sector in Sri Lanka has undergone a rapid transformation with the adoption of Information Communication Technology (ICT) based banking solutions. However, no many studies investigated the factors that may help the bankers to design virtual banking services which are suitable for and adoptable by virtual banking customers. This study fills this gap and examines several factors affecting virtual banking adoption by customers. It is very clear that the potential value of web-based service adoption by customers depends not only on the benefits but also on overcoming several barriers. The present study is focused to find the determinants that influence the customer adoption of virtual banking in the western province. 400 questionnaires were administrated to collect primary data. Stratified random sampling method was used to select the sample size. Both descriptive and inferential techniques were used. With respect to inferential, Exploratory factor analysis was used to find the most significant determinant that influence on virtual banking adoption. SPSS was used to analyze the data. Results indicated the demographic profile of virtual banking users and the most significant factors that influence virtual banking adoption. According to the results of the study some valuable suggestions and management implications provided to the virtual banking service providers for gaining competitive advantage by enhancing the service quality and eradicating the service barriers that can promote or motivate banking users to adopt technology-based virtual banking facilities.

Keywords: Virtual banking, Adoption, Technology, Financial, Customer