

FACTORS INFLUENCING CUSTOMER PERCEPTION OF DIGITAL BANKING SERVICES: A STUDY OF BANKING CUSTOMERS IN THE ANURADHAPURA DISTRICT, SRI LANKA

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ABSTRACT

Banking practices have changed significantly over time. Initially, customers had to visit physical bank branches, wait in long queues, and conduct transactions in person. However, with the advancement of technology, traditional banking methods have transformed into more digital and convenient approaches. Digital banking enables customers to manage accounts, conduct transactions, and access online financial services. Despite the advantages of digital banking, its adoption in some regions of Sri Lanka has remained limited. Although the banking sector in Sri Lanka was one of the first to adopt information and communication technology, the use of digital banking services remains relatively low. In Sri Lanka, particularly in the Anuradhapura District, digital banking adoption is hindered by low computer literacy rates and a lack of awareness among customers. This reluctance to embrace digital banking highlights a gap in understanding the factors that affect customer perceptions and slow adoption of digital banking services. Therefore, this study aims to investigate the factors influencing customer perceptions of digital banking services, specifically focusing on banking customers in the Anuradhapura District of Sri Lanka. The study employed a quantitative research approach with a sample size of 384 banking customers from the Anuradhapura District. Primary data were gathered using a structured questionnaire distributed via convenience sampling. Data analysis was conducted using SPSS, focusing on descriptive, correlation, and regression analyses to identify the factors influencing customer perceptions of digital banking. The findings indicate that security and privacy, website design, trust, transaction speed, and connectivity significantly influence customers' perceptions of digital banking. Key suggestions for this study include expanding the sample size, incorporating qualitative methods, considering regional variations, and extending the research timeframe.

Keywords: Banking sector, customer perception, digital banking