

**FACTORS AFFECTING ADOPTION OF DIGITAL BANKING SERVICES: WITH
SPECIAL REFERENCE TO YOUTH CONSUMERS IN WESTERN PROVINCE,
SRI LANKA**

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ABSTRACT

The banking industry plays a pivotal role in modern economies by overseeing financial assets and by offering digital banking services to customers. Technological developments have significantly transformed banking with the advent of the Internet, leading to the emergence of online banking in the 1990s. In Sri Lanka, digital banking has become highly popular, particularly among youth, who are the key drivers of technological adoption. Despite the growing use of digital banking services by Sri Lankan youth, there is a limited understanding of the factors influencing their adoption. This study aims to address this knowledge gap by identifying the key factors affecting the adoption of digital banking services among young people in the Western Province of Sri Lanka and providing strategic insights for service providers. This is an explanatory research with a deductive approach and a quantitative nature. The study population comprised 1,244,638 youth, with a sample size of 384, determined through convenience sampling. Data were collected using a structured questionnaire and analyzed using SPSS, employing both descriptive and inferential statistics. The study highlighted that perceived usefulness, perceived ease of use, trust, and awareness significantly impact digital banking adoption among youth in Western Province, with trust emerging as the most influential factor. Despite the comprehensive analysis, limitations, such as sample size and data collection methods, were noted. This study recommends targeted strategies to boost digital banking adoption rates among youth in the Western Province of Sri Lanka.

Keywords: Awareness, digital banking adoption, perceived usefulness, perceived ease of use, trust, youth