

## Factors affecting the usage of Internet Banking

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As a wave of new technology, the internet provides banks a substantial opportunity to expand their customers' attraction beyond traditional boundaries across national borders. Increased competitive pressures and the speed of technological changes lead to the rapid expansion of Internet Banking. Internet banking has emerged as the most crucial form of customer interaction, encompassing the structural changes required for banks to compete in the financial markets. The main objective of this study was to identify the factors affecting the unwillingness of Bank Account Holders (BAH) to use Internet Banking. The study was carried out by selecting a random sample of one hundred and fifty BAH representing both Internet Banking Users (IBU) and Non-Internet Banking Users (NIBU) of Sampath Bank, Hatton National Bank, People's Bank and Bank of Ceylon. The data were collected based on the interview-questionnaire method. A specific composite index construction methodology based on weights on multiple corresponding analysis was applied to measure the Level of People's Technological Knowledge (LPTK), the Level of Relationship with the Bank (LRB) and the Level of Information Technology Driven Banking Solutions Usage (LITDBSU). A T-test was used to compare the means for each of LPTK, LRB and LITDBSU between IBU and NIBU. Further, a Logistic Regression Model (LRM) was developed to identify the factors affecting the unwillingness of BAH for using Internet Banking. Both LPTK and LITDBSU of the BAH were negatively skewed respectively with median values of 55.89 and 54.54 while LRB of the BAH was positively skewed with a median value of 29.80. The means for each of LPTK, LRB and LITDBSU were not equal between IBU and NIBU and the means of IBU for each were higher than the means of NIBU. LRM suggested that the LTPK, LRB, LITDBSU and the age significantly affected the unwillingness of BAH for using Internet Banking. Accordingly, providing more services, strengthening the customer retentions, introducing an internet banking portal facility, organizing promotion campaigns, highlighting the necessity of developing IT infrastructure and enhancing the reliability of the security for using internet banking are identified as the recommendations of the study.

**Keywords:** Internet Banking, Bank account holder, Technological knowledge