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ABSTRACTS

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Factors Affecting the Usage of Internet Banking: A Multivariate Approach

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Nowadays, Information and Communication Technology (ICT) has been playing a significant role in facilitating to enhance the financial services. This has especially contributed to the transition of banking sector to be more customer friendly than other financial providers. ICT has impacted to the Banking Industry mainly in form of Internet Banking (IB), which has now been replacing the traditional banking practice. The main objective of this study is to identify the hidden factors affected to both usage of IB and non-usage of IB by the Bank Account Holders (BAH). The study was carried out selecting a random sample of 150 BAH representing Sampath Bank, Hatton National Bank, Peoples Bank and Bank of Ceylon. The data were gathered based on interviewed questionnaire method. Factor analysis technique was performed to identify factors affecting to usage of IB and non-usage of IB. Reliability and Validity of five level Likert scaled data relevant to the 18 dimensions for usage of IB and 14 dimensions for non-usage of IB were in satisfied level with Cronbach-alpha 0.8012, 0.8631 and Chi-Squared Value 242.283, 168.08 respectively. Hidden factors effect to usage of IB are Utility Transaction, Convenience Saving and Security which were explaining 82.1 percent of total variance while Complicated Bank System, Technological Barriers, Personal Attitudes, Website Problem and Security effect to non-usage which were explaining 86.3 percent of total variance. Offering more services, introducing IB-portal facility, organizing promotion campaigns, Necessity of developing IT infrastructure and enhancing the reliability of the security for using IB are can be suggested as recommendations.

Key Words: *Internet Banking, Bank Account Holder, Security*