

## **Factors Affecting Customer Preference for Internet Banking**

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Internet banking is improving at a reasonable level in Sri Lanka compared to other countries. Banks are taking numerous steps to widen this concept among their customers. This study examined the factors affecting customer preferences for internet banking. Sample consisted of hundred and seventy customers of five commercial banks in Sri Lanka. Survey method was used for collecting data. Constructs such as convenience and flexibility, transaction related benefits and service security were taken in aligning with literature. Hence, the study will deepen the understanding of specific factors supporting customer adoption of internet banking in Sri Lanka. According to the findings convenience and flexibility and service security significantly affect customer preference and transaction related benefits are not significant to customer preference. Additionally, it was identified that lack of knowledge on facilities of e-banking compared to traditional banking is one of the prominent reason for less usage of Internet Banking in Sri Lanka. This research provides banking institutions with significant information on various aspects that need to be highlighted in their banking communications strategies to increase the adoption rate of internet banking services. Findings provide valuable insights to the banking industry and also urge upon reshaping their promotional strategy in relation to internet banking services.

**Keywords:** Internet banking, Customer preferences, Convenience, Flexibility, Transaction related benefits, Service security