

Perceived Trust of E-Services, Perceived Usefulness and Adoption of E-Banking in the Context of Sri Lankan Private Sector Banks: A Relational Study

D.A. Gayan Nayanajith¹, D.M.R. Dissanayake², R.A.S. Weerasiri³, K.A. Damunupola⁴

The primary objective of the study is to examine the relationship of perceived usefulness and perceived trust of e-services on adoption of e-banking in Sri Lankan context. Sample was drawn from the students of University of Kelaniya, those who are possessing e-banking facilities of private banks. Sample was selected out of the university students in view of the time constraints. Respondents were selected using simple random sampling as per registration numbers. Initially 500 questionnaires were distributed and 305 duly completed questionnaires were considered for the final data analysis process. Determinant factors on perceived trust of e-services were identified by conducting principal component analysis. TAM has been extended by using the perceived trust of e-services variable. In order to test the hypotheses correlation analysis followed by multiple regression analysis using hierarchical method along with diagnosis tests for outliers, residuals, influential cases, were performed whilst supplementary statistical tests, such as trend analysis and contrast test of ANOVA were also used for further analysis of demographic characteristics. The empirical evidences supported first and second hypotheses indicating the positive relationships of perceived trust of e-services and perceived usefulness variables towards e-banking adoption. Furthermore, it was revealed that there are differences between socio-demographic characteristics; namely, age, education, occupation, banking experience and e-banking adoption. Third hypothesis stating the existence of differences in adoption of e-banking between lower income category customers and higher income category, was also supported. Constrained sample selection and time restrictions are limitations of the present study. Nevertheless, extending of TAM in relation to present research context, could be recognized as the originality of the research. Findings would be beneficial for Sri Lankan bankers and banking application developers in view of promoting e-banking adoption level in Sri Lanka. In conclusion, future researches could be conducted in varied contexts in the field of technology adoption in search of novel findings.

Keywords: E-banking; PCA; perceived trust; perceived usefulness; socio-demographic variables

¹ University of Kelaniya, Sri Lanka, *dagnsrilanka@gmail.com*

² University of Kelaniya, Sri Lanka

³ University of Kelaniya, Sri Lanka

⁴ Uwa Wellassa University, Sri Lanka