CHAPTER FIVE

CUSTOMER ADAPTATION OF INTERNET BANKING SERVICES WITH SPECIAL REFERANCE TO PEOPLE'S BANK - RATHNAPURA BRANCH

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Abstract

This study identifies the factors affecting the customer adaptation of internet banking in the People's bank Rathnapura branch. In order to comply with the objectives, eight hypotheses were developed based on the selected variables and tested. A survey was conducted to collect primary data by using a self-administered questionnaire. The population of this study was registered internet banking customers of the People's Bank Rathnapura branch. A sample of 130 customers was used to gather data on five selected Demographic Characteristics (Age, Gender, Occupation, Education, and Marital Status) and other three variables (Perceived ease of use, Perceived usefulness and Perceived security). Demographic Characteristics were analyzed using chi-square analysis, and other variables were analyzed using multiple regression analysis. The chi-square analysis proved that there are significant relationships between age and marital status on adaptation of Internet banking services. Regression analysis emphasized that perceived ease of use; perceived usefulness and perceived security have significant impacts on the customer adaptation of Internet banking services in People's bank Rathnapura branch. Policymakers are advised to monitor customer attitudes (perceived ease of use, perceived usefulness and perceived security) towards the internet banking system regularly. .

Keywords: Internet banking, Peoples' Bank, Perceived ease of use, Perceived security, Perceived usefulness.

1. Background of the Study

The banking sector in Sri Lanka plays a vital role in the financial sector. In the conventional banking system, customers prefer carrying out the banking services by physically visiting the bank and all the banking transactions take place manually. Manual transactions are time consuming and cost to both customers as well as the bank. And also, there are some problems such as limited working hours and personalized services.

In traditional banking, a greater amount of capital investment is required to maintain the in-house operating system. Therefore, the operating cost of traditional banks is relatively high compared to internet banking because internet banking uses the internet as the medium, which is deemed the cheapest distribution channel (Polasik & Wisniewski, 2008). In addition, traditional banks allocate capital for labor and infrastructure costs. On the other hand, internet banking acquires savings that allows them to offer higher interest rates and lower lending rates and service charges. Recently, the trend for traditional banks is to encourage their customers to do their banking online.

Internet banking is catching the banking industry by doing banking activities from web-based online systems. In electronic banking, customers take banking transactions electronically. E-banking may include ATMs, wire transfers, telephone banking, electronic funds transfers and debit cards (Mobarek, 2007). Customers do not want to physically access the bank and customer gets the bank account ID, password and can check account, pay bills and print receipt through personal computers connected with internet.

Sri Lankans are now enjoying internet banking services, where it was first introduced in Sri Lanka in March 1999 (Jayamaha, 2008). Internet Banking is steadily growing in Sri Lanka and now, many banks in Sri Lanka have applied internet technology services to delivering Internet Banking services to customers. Customers are demanding more banking services which are new levels of convenience and flexibility facilities on top of that it is powerful and easy to use.

Even though this improvement of new technology, recent findings in Sri Lanka demonstrate that consumers were more resistant to adopting such technology even if it has more relative advantages. Generally, less than 1% of total bank customers, use online banking, mobile banking, internet banking, telephone banking and internet payment gateway. Although ATM services are broadly used, the usage of other IT-driven services

such as online banking, mobile banking, internet payment gateway and telebanking is almost insignificant (Suraweera *et al*. 2011).

Even though most of the customers in the country were aware of internet banking, they still pay bills, withdraw money, check balances and deposit cheques from bank counters as the traditional way. Even though there is a growth of Internet Banking usage, the usage of Internet Banking seems to be low, relatively to total customers who use banking services in Sri Lanka. So, banks must develop required actions to increase customer adaptation of internet banking.

A study finds internet banking facilities in the People's Bank by looking at customer adaptation of internet banking. People's Bank's Internet banking facilities allow to do a wide range of financial transactional facilities such as real-time, 24/7, making banking more convenient for customers located anywhere in the country. The bank's internet and mobile banking customer base grew by 53.2% compared to 2015. And also, there were Rs.2.3 million valued internet based payments in 2016 and considering 2017, the customer adaptation internet banking facility was raised as Rs.3.8 million (People's Bank Annual Report, 2016).

The following graph (Figure 1) shows the growth of customer adaptation of internet banking facilities in People's Bank.

Figure 1; Registered customers of internet banking at People's Bank-Rathnapura branch
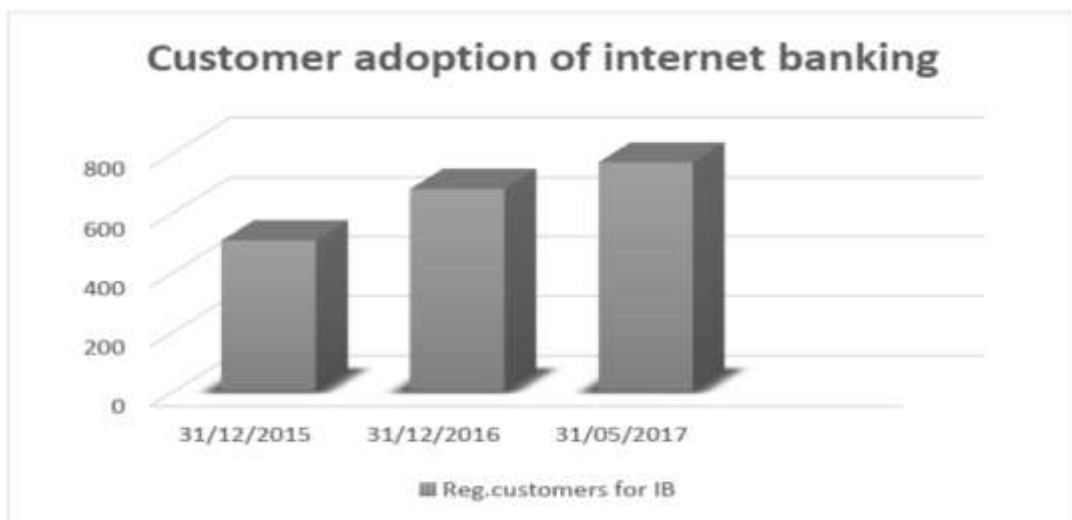
Source: 2015 to 2017 registered internet banking customer list of People's Bank-Rathnapura branch

According to the figure 1, 2015 to 2017, 767 registered consumers use the internet banking services in Rathnapura People's bank. And also, there is a significant increase in the customer adaptation of internet banking in all branches of the People's Bank. But usage of Internet Banking seems to be low relative to the customers who use banking services. It means, there are 8467 customers of the People's bank-Rathnapura branch, but only 767 customers are using Internet banking facilities. According to that, registered internet banking customers are less than 10%, from all the People's bank-Rathnapura branch customers. So, the customer adaption for Internet banking rate is low in relation to the bank customers.

This study observes the factors influencing the adaptation of internet banking facilities by customers of the People's bank-Rathnapura branch. Awareness programmes of the factors that affect internet banking adaptation is required to increase the customer adaptation of Internet Banking.

Today, most Sri Lankan banks offer internet banking services. Both banks and the customers are benefited from Internet Banking. The customers gain profits by cost and time saving, convenience and anytime accessibility of internet banking services. And also, the bank gains benefits such as cost savings, reaching new segments of the population, increased efficiency and better customer service satisfaction.

Internet Banking is a rapidly growing trend in the People's Bank. This study is an effort to come up with a solution to the major research problem which can be titled as factors affecting customer adaptation of the internet banking services specially provided by People's Bank-Rathnapura branch.

2. Literature Review

Various theories are recognized in relation to the customer adaptation of Internet Banking. Based on those theories, several studies have been explored by academics and published their opinions to the world. Technology Acceptance Model (TAM) and Theory of Perceived Risks (TPR) are the two major theories primarily used in literature.

Technology Acceptance Model (TAM)

Davis (1989) was first to introduce the Technology Acceptance Model (TAM), where he assumes that perceived usefulness and perceived ease of use are the major determinants of Internet Banking. Perceived usefulness was defined as "the degree to which a person believes that using a particular system would enhance his/her job performance", and perceived ease of use is defined as "the degree to which a person believes that using a particular system would be free of physical and mental effort" (Davis, 1989). The TAM has been successfully applied to accept technologies such as the personal computer, mobile devices and other IT related applications (Davis, 1989). It has also been applied to consumers' attitudes towards the use of e-commerce or mobile commerce (Gefen, Karahanna, & Straub, 2003).

According to TAM, if a user perceives a specific technology as useful, user will trust in a positive use-performance relationship. Since effort is a limited resource, a user is likely to accept an application when she or he is perceiving it as more straightforward to use than an alternative. Consequently, educational technology with a high level of perceived usefulness and perceived ease of use is more likely to encourage positive perceptions.

Several authors have analyzed the website's features as determinants of the perceived usefulness and perceived ease of use. According to Davis (1989), system information and service quality determine the perceived usefulness and perceived ease of use of web retail. While perceived usefulness directly affects attitude and use, perceived ease of use impacts attitude and use indirectly through perceived usefulness. TAM proposes that users communicate a positive attitude toward the technology when they perceive it to be useful and easy to use (Davis, 1989).

Theory of Perceived Risks (TPR)

The theory of Perceived Risks (TPR) model proposed a theoretical model which is unfavorably affected for the adaptation of internet banking by the security risk, financial risk, time risk, social risk, physical risk and performance risk. It defined the adverse influence on intent to the usage of internet banking. Six forms of perceived risk have been defined as security, financial, physical, performance, social and time risk (Jacoby and Kaplan, 1972; Kaplan *et al*., 1974; Roselius, 1971). According to Reavley (2005), the security risk refers as a potential loss due to fraud or a hacker compromising the security

of an online bank user. Financial risk is defined as the potential for monetary loss due to transaction error or bank account misuse. (Kuisma *et al.*, 2007). Performance risk is defined as losses incurred by deficiencies or malfunctions of online banking websites (Kuisma *et al.*, 2007). Lee (2009) stated that social risk of using online banking may result in disapproval of one's friends, family and work group. Moreover, Forsythe and Shi (2003) define time risk as the loss of the time and inconvenience incurred due to the delays of receiving the payment or the difficulty in navigation

Empirical Review

Commercial internet connectivity was introduced to Sri Lanka in 1995 and it was the first time of introducing internet among Asian countries. Sri Lankan commercial banking sector is steadily developing online banking services by providing a wide range of products to their customer (Jayasiri & Weerathunga, 2008).

Internet technology had a steady growth in Sri Lanka. Now, many banks in Sri Lanka have implemented internet technology in their services by providing Internet Banking facilities to their customers. Even though many internet users and many banks are with fully fledged Internet banking services, yet the number of Internet Banking users is less amongst the internet users (Zarook, 2010).

Although the banking professionals interviewed by the researchers themselves are not pleased with this situation, they appear to be contented with the status quo (Suraweera *et al*, 2011). Though now internet banking is expanding its position from desktop PC to the mobile phonet, there is still a resistance with the Sri Lankans to get adapted to internet banking which is becoming a huge problem.

Hernandez *et al* (2007) found that system adaptation is determined by the perceived usefulness and perceived ease of use, which are related to attitude and thereby to actual use. According to Lee and Allaway (2002), the adaptation of electronic banking depends on the service firm's resource management lowering delivery costs and by releasing service personnel to provide better and more varied service.

Demographic variables are the most popular basis for distinguishing customers. Individual differences in consumer behavior have been theorized and associated with the acceptance of new information technology, such as Internet banking (Karjaluoto *et al.*, 2002; Mattila *et al.*, 2003; Sathye, 1999). Consumer's demographic characteristics have been widely used

to distinguish the difference between segments of customers (Kottler, 2003). The researcher denoted those demographic characteristics as age, sex, income, occupation, education, race, religion, nationality, family size and family life cycle.

Zeithaml *et al*. (2002) stated that the degree to which an innovation is easy to understand or use could be considered as perceived ease of use. The perceived ease of use is the consumer's perception that banking on the internet will involve a minimum of effort. Similarly, Consult (2002) noted that perceived ease of use refers to the ability of consumers to experiment with innovation and evaluate its benefits easily (Mathieson, 1991).

At first, Rogers (1962) that affirmed perceived ease of use is the term that represents the degree to which an innovation is perceived not to be challenging to understand, learn or operate. He further stated that perceived ease of use is the degree to which consumers perceive a new product or service as better than its substitutes (Rogers, 1983). Also, Davis (1989) stated that perceived ease of use could influence the perceived usefulness because the other things being equal easier the technology is to use the more useful it can be. In the context of internet banking, research shows that perceived ease of use (PEU) has a positive and significant effect on the perceived usefulness. Thus, customers are more likely to accept and involve in internet banking services if there is the ease of use in the operation process, which can be instrumental to the utilization of technology and contribute to the individual by reducing transfer costs and improving work performance. Information technologies that are easy to use will be less threatening to the individual (Moon & Kim, 2001).

Suganthi & Balachandran, (2001) highlighted that one of their dimensions "ease of use" showing its effect on internet banking adaptation. Therefore, the more the consumer perceives internet banking as easy to use, the more they are likely to the involvement in internet banking.

According to the Technology Acceptance Model, perceived usefulness is the degree to which a person believes that using a particular system would enhance their job performance. According to Davis *et al*. (1992), perceived usefulness refers to the consumers' perceptions regarding the outcome of the experience. Davis (1993) defined perceived usefulness as the individual's perception that using the new technology will enhance or improve their performance.

And also, according to Davis (1989), perceived usefulness (PU) is a significant factor in customer retention in internet banking. PU is defined as the degree to which a person believes that using a particular technology will enhance his performance. In the context of user acceptance of internet banking services, perceived usefulness could be because of transaction like online request for cheque, demand draft, sending monthly E statement online payments, etc. that improves performance, save time and increase the effectiveness of service or some or several add-on benefits such as bill payments, mobile recharge, etc. These benefits are also expected to be further enhanced over time through technological advancement or breakthroughs.

However, Gerrard and Cunningham (2003) noted that the perceived usefulness depends on the banking services offered such as checking bank balances, applying for a loan, paying utility bills, transferring money abroad, and obtaining information on mutual funds. Tan and Teo (2000) suggested that the perceived usefulness is an important factor in determining the adaptation of innovations.

Issues related to security have always been a concern when dealing with technologies related to online transactions, such as e-banking (Chang, 2007). Perceived security is defined as the customers' perception of the degree of protection against the abovementioned threats. Thus, the security of internet based banking transactions can be secured with adequate security measures like encryption, digital signatures, and firewalls (Bhimani, 1996).

Bauer (1960) defined risk in terms of uncertainty and consequences associated with a consumer's actions. Perceived risk increase with uncertainty and/or the magnitude of associated negative consequence (Hsi-Peng *et al*, 2005). Security risk is defined as "a potential loss due to fraud or a hacker compromising the security of an online bank User" (Reavley, 2005). Security in e-commerce is defined as a threat that creates the 'circumstance, condition, or event with the potential to cause economic hardship to data or network resources in the form of destruction, disclosure, modification of data, fraud, and abuse (Kalakota & Whinston, 1997). Wadie (2011) concluded that convenience and security perception positively affect on consumer adaptation of internet banking.

All the theories and research studies pave the ways to select the better variables to consider when developing a model to identify the impact of those selected variables on the adaptation of internet banking services.

3. Methodology

3.1. Conceptualization

The researcher selected the customer adaptation for Internet banking services as the dependent variable of the research, which is primarily interested. Customer adaptation of Internet banking affects by several independent variables. The conceptual model derived from the literature survey for this research is shown in below. The study focused on how the demographic factors, perceived ease of use, perceived usefulness and perceived security affect the customer adaptation of internet banking.
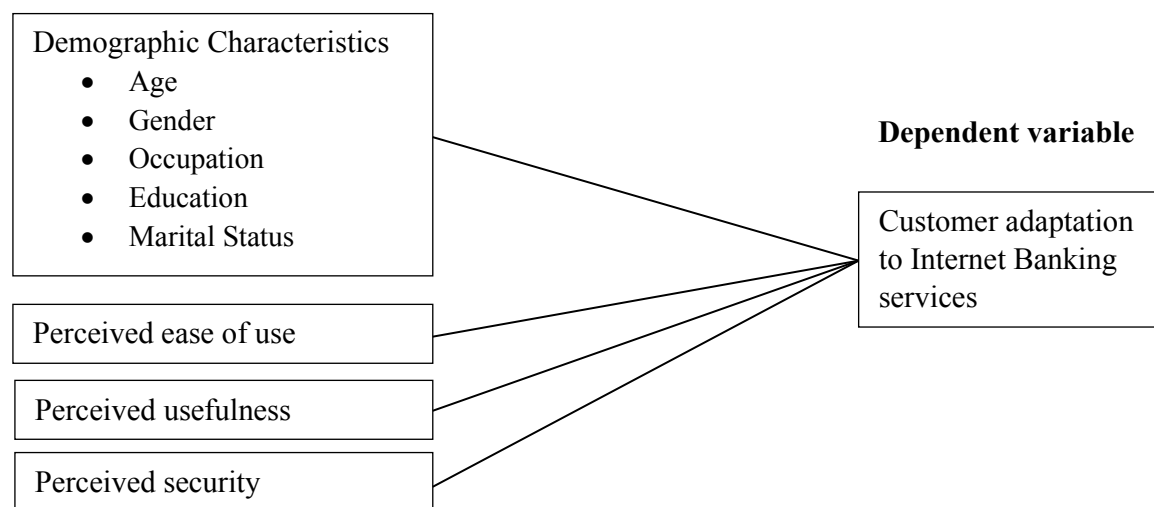
Independent variables

Dependent variable

Demographic Characteristics
- Age
- Gender
- Occupation
- Education
- Marital Status

Perceived ease of use

Perceived usefulness

Perceived security

Customer adaptation to Internet Banking services

Figure 2: Conceptual Framework (developed by researcher)

3.2 Population and Sample of the Research

Both primary and secondary data were utilized to enhance the objectives of this study and structured questionnaire was used to collect primary data. Moreover, Secondary data were gathered from the data published by the People's bank. Questionnaires were distributed among customers of the People's bank-Rathnapura branch. The questionnaire comprises questions on selected eight factors that affect customer adaptation to Internet banking.

The population includes the entire group of people, events or things of interest that the researcher wishes to investigate. The study attempted to examine the impact of demographic factors, perceived usefulness, perceived ease of use and perceived security on customer adaptation to internet banking in the People's bank-Rathnapura branch. Therefore, the population of this study is the current internet banking customers of the

People's bank-Rathnapura branch. There are 767 registered customers of Internet banking in Rathnapura branch. Sample size was determined according to the recommended sample size of Green's (1991). He recommended using one of the two formulas as N> or = 50 + 8m or N> or = 104 + m (where m= number of independent variables). The second formula is 114 (104+8). According to this formula, the sample size of this study was 114 respondents. However, the researcher has increased the sample size to 130. According to that, the researcher selected 130 registered internet banking customers as the sample size.

The sampling method used in the research was convenience sampling which is one of the non-Probability sampling methods.

3.3 Data Analysis Tools

The study uses different statistical methods to analyze the data including reliability, validity, normality, correlation and regression model. Kurtosis and skewness were used to measure the normality of the data set. And also, correlation was used to measure the association between dependent and independent variables. Finally, a regression model was used to test the impact of independent variables on the dependent variable.

4. Results and Discussion

Gender, age, marital status, education level and occupation of customers were used as the demographic variables of this study. Perceived ease of use, Perceived usefulness and Perceived security were used as other independent variables that impact customer adaptation to Internet banking services.

Relationship between Customer adaptation of Internet Banking and gender of customers

According to the research objectives, to identify the association between gender and customer adaptation t theo internet banking, the Chi-squared test was used. The result shows that the Pearson Chi-Square value is 17.305 whose p-value is not significantly different from zero (p=0.240).

Hypothesis;

H_{0A}: There is no significant relationship between customer adaptation to internet banking and the gender of the customers.

H_{1A}: There is a significant relationship between customer adaptation to Internet banking and the gender of the customers.

There is no enough evidence to reject the null hypothesis at 95% confidence level. Therefore, it can be concluded that there is no any significant relationship between the customer adaptation to internet banking and the gender of the customers.

Relationship between the Customer adaptation to Internet Banking and the age of the customers

The results imply that Pearson Chi-Square value is 58.697 whose p-value is significantly different from zero (p=0.045).

Hypothesis;

H_{0B}: There is no any significant relationship between the customer adaptation to internet banking and the age of the customers.

H_{1B}: There is a significant relationship between the customer adaptation to internet banking and age of the customers.

If the p-value is less than 0.05 there are enough evidences to reject the null hypothesis. Therefore, there is a significant relationship between the age of the customers and the customer adaptation to internet banking.

Relationship between the Customer adaptation to Internet Banking and marital status of the customers

The analysis result shows that Pearson Chi-Square value is 25.231 whose p value is significantly different from zero (p=0.032).

Hypothesis;

H_{0C}: There is no any significant relationship between the customer adaptation to internet banking and marital status of the customers.

H_{1C}: There is a significant relationship between the customer adaptation toi nternet banking and the marital status of the customers.

Being p-value is less than 0.05, there are enough evidences to reject null hypothesis. Therefore, it can be concluded that there is a significant relationship between the marital status of the customers and the customer adaptation to internet banking.

Relationship between the Customer adaptation to Internet Banking and the educational level of the customers

The results indicate that Pearson Chi-Square value is 30.317 whose p value is not significantly different from zero (p=0.910).

Hypothesis;

H_{0D}: There is no any significant relationship between the customer adaptation to internet banking and the educational level of the customers.

H_{1D}: There is a significant relationship between the customer adaptation to internet banking and the educational level of the customers.

According to the P-value of the Chi-Square test, there is no enough evidence to reject null hypothesis at 95% confidence level. Therefore, it can be concluded that there is no relationship between the customer adaptation to internet banking and the educational level of the customers.

Relationship between the Customer adaptation to Internet Banking and the occupation of the customers

The Pearson Chi-Square value is 36.390 whose p value is not significantly different from zero (p=0.715).

Hypothesis;

H_{0E}: There is no any significant relationship between the customer adaptation to internet banking and the occupation of the customers.

H_{0E}: There is a significant relationship between the customer adaptation to internet banking and the occupation of the customers.

Since P-value (0.715) is greater than the critical P-value (0.05), there are no enough evidence to reject null hypothesis at 95% confidence level. Therefore, it can be concluded that there is no relationship between customer adaptation of Internet banking and the occupation of customers.

4.2. Descriptive Analysis

Table 1; Descriptive Statistics of Variables

	Mean	Std. Deviation	Minimum	Maximum
Perceived ease of use	3.7596	0.5458	2.25	5.00
Perceived usefulness	3.9250	0.5233	2.25	5.00
Perceived security	3.8500	0.5397	2.00	5.00
Customer Adaptation	3.8815	0.4833	2.20	5.00

The mean value of each variable represents the level of the responses of customers on each variable. Table 1 shows descriptive statistics calculated for three independent variables and the dependent variable. 5 point Likert scale questioner was used and point 1 is given to the customer who strongly disagrees while point 5 is given to the customer who strongly agrees. Mean value and standard deviation are calculated to understand the current level of each variable. Here, the mid-point value is 3 on a 5-point Likert scale, and the decisions criteria is, all mean values are close to 4, indicating an agreeable situation for each question.

4.3 Reliability and validity

Table 2; Reliability of data

	Cronbach's Alpha Value	Comment
Perceived ease of use	0.812	Accepted
Perceived usefulness	0.860	Accepted
Perceived security	0.816	Accepted

The reliability coefficient indicates how well the item in asset positively correlated to one another (Sekaram & Bougie, 2012). In order to determine the reliability of the questionnaire, the researcher used Cronbach's Alpha value. The alpha value can range from 0 to 1. If the Cronbach's Alpha value is greater than 0.70, it indicates that the questionnaire is reliable. According to Table 2, Cronbach's alpha value for all these three variables exceeds 0.7. It can be concluded that the set of questions that are used for each variable were reliable.

Table 3; Results of KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.680
Bartlett's Test of Sphericity	Approx. Chi-Square	284.819
Degree of freedom		6
Significance		0.000

Keiser–Meyer–Olkin (KMO) measure of sampling adequacy and Bartlett's test of Sphericity were used to test the construct validity. KMO values should be greater than 0.5. KMO measure of sampling adequacy is greater than 0.5 (0.680). Sample of questions is valid to interpret each variable.

4.4. Normality test

Table 4; Skewness and Kurtosis of each variable

	Skewness	Kurtosis
Perceived ease of use	- 0.054	- 0.065
Perceived usefulness	- 0.433	0.791
Perceived security	- 0.709	0.726
Customer adaptation	- 0.817	1.983

Skewness and Kurtosis were used to measure the normal distribution of the collected data. Values of Skewness should be near to Zero and Kurtosis should be between +2 to –2 to conclude as the data set is normally distributed. Table 4 shows that the data obtained from the sample is approximately normally distributed and sufficient to conduct parametric test.

4.5. Correlation Analysis

Table 5; Results of Correlation Analysis

	Correlation coefficient	P-Value
Perceived ease of use	0.689	0.000
Perceived usefulness	0.757	0.000
Perceived security	0.694	0.000

The researcher has used Correlation Coefficient Analysis to measure the relationship between dependent and independent variables. Correlation Analysis is a statistical technique that indicates the relationship between two or more variables in a linear

approach. According to table 5, Pearson's coefficient of correlation between customer adaptation to internet banking and perceived ease of use was 0.689 whose p-value is significantly different from zero. There is a strong positive correlation between the customer adaptation to internet banking and the perceived ease of use.

The correlation coefficient between the customer adaptation to the internet banking and the perceived usefulness was 0.757, and it is significantly different from zero. There is a strong positive correlation between the customer adaptation to internet banking and the perceived usefulness. Same time, Pearson's coefficient of correlation between customer adaptation to internet banking and the perceived security was 0.694 and whose p-value was significantly different from zero. There is a strong positive relationship between the customer adaptation to internet banking and the perceived security.

4.6. Significance of the model

The results of ANOVA is summarized in table 6. The results verify that fitted regression model is statistically significant to model the variables.

Table 6; Analysis of Variance (ANOVA)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	24.060	3	8.020	166.339	0.000
Residual	6.075	123	0.048		
Total	30.136	126			

4.7. Multi co-linearity analysis

Multi co-linearity is a problem that occurs with regression analysis when there is a high correlation of at least one independent variable with a combination of the other independent variables. When variables are highly correlated in a multiple regression analysis, it is difficult to identify the unique contribution of each variable in predicting the dependent variable because the highly correlated variables are predicting the same variance in the dependent variable. In this situation, the overall p-value may be significant, but the p-value for each predictor may not be significant. Multi co-linearity exists when the Tolerance value is below 0.1 and VIF is greater than 10 (Sekaran, 2010).

Table 7; Multi co-linearity Analysis of Variables

	Tolerance	VIF
Perceived ease of use	0.627	1.596
Perceived usefulness	0.632	1.582
Perceived security	0.790	1.265

Table 7 indicates the tolerance values greater than 0.1 and VIF values less than 10 for all independent variables. Therefore, there is no multi co-linearity problem between the above independent variables.

4.8. Model Summary

Table 8; The Model Summery of the regression analysis

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
0.894	0.798	0.794	0.219	1.790

According to Table 8, R^2 value is 0.794, indicating that variables will explain 79.4% of the total variability of the dependent variable. The line of best fit is important that researchers assess how well this line fits the actual data can be defined as goodness of fits of the model (Field, 2009).

Adjusted R Square (R^2) shows how far model is best. Due to R^2 is 79.4% , it describes the fraction of variation in dependent variable customer adaptation to internet banking is explained by the other independent variables such as perceived ease of use, perceived usefulness and perceived security. And also, 20.6% of the variation in customer adaptation to internet banking cannot be described by these three variables alone.

According to Chan (2004), Durbin-Watson value can be used to test the independency of the data. It ranges from 0-4 and values near to 0 indicate strong positive and near to 4 indicates a strong negative relationship. Value is near to 2 shows that data points are independent. Since the value of the Durbin- Watson estimate in this study is 1.790, the independency assumption is not violated.

4.9. Regression Analysis

The multiple linear regression analysis was carried out to investigate the significant dimensions of the dependent variable (customer adaptation of Internet banking) with the independent variables, while multi co-linearity analysis was conducted as above to identify the inter correlation exists among independent variables. The researcher used the multiple linear regression method to measure the impact of the perceived ease of use, perceived usefulness and perceived security on customer adaptation to internet banking.

Table 9; Significance of the Variables

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)		-0.002	0.175	-0.009	0.993
Perceived Ease of use	0.237	0.045	0.268	5.305	0.000
Perceived usefulness	0.404	0.046	0.438	8.698	0.000
Perceived security	0.365	0.040	0.407	9.051	0.000

Table 9 shows the coefficient table of the regression analysis. Beta values of the table represent the extent to which the dependent variable can be affected by a certain independent variable while the other independent variables remain constant. P-values of the selected three variables were significantly different from zero, indicating all the selected independent variables significantly impacted for the adaptation to the internet banking of the customers.

The following regression model was developed through the multiple linear regression analysis to explain the factors of customer adaptation to internet banking.

$Y_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon_i$

$Y = -0.002 + 0.237\ X_1 + 0.404\ X_2 + 0.365\ X_3 + \varepsilon_i$

Where,

Y= Customer adaptation of internet banking

X1= Perceived ease of use

X2= Perceived usefulness

X3= Perceived security

ε = Error term

To test the stated research hypotheses, P-value (Sig. level) is performed. With the aid of these statistical techniques, conclusions are drawn with regard to the sample and decisions are made with respect to the research hypotheses.

H_{1F}- Perceived ease of use has a significant impact on the customer adaptation to Internet Banking.

H_{0F}- Perceived ease of use does not have any significant impact on the customer adaptation to Internet Banking.

H_{1G}- Perceived usefulness has a significant impact on the customer adaptation to Internet Banking.

H_{0G}- Perceived usefulness does not have any significant impact on the customer adaptation to Internet Banking.

H_{1H}- Perceived security has a significant impact on the customer adaptation to Internet Banking.

H_{0H}- Perceived security does not have any significant impact on the customer adaptation to Internet Banking.

According to Table 9, P-value for all three variables reported as 0.000. Since it is less than 0.05 there are enough evidences to reject the null hypothesis. Therefore, it can be concluded that the perceived ease of use, perceived usefulness and perceived security have significant effects on the customer adaptation to the internet banking in the People's bank-Rathnapura branch.

5. Conclusion

This study focuses on investigating the factors influencing the customer adaptation to internet banking services in the People's Bank-Rathnapura branch. According to the previous literature it was found that the three main factors influencing customer adaptation to internet banking services are perceived ease of use, perceived usefulness and perceived security. In addition to that, demographic variables of respondents were also taken into consideration as variables which have impacts on the adaptation to the internet banking services of customers.

The study used two statistical tools (Chi-squared test and multiple regression method) to analyze the collected data for enhancing the research objectives. According to the Chi-squared test, there is a relationship between the customer adaptation to internet banking of the People's bank with the age and marital status as P-value is less than critical P-value

(0.05). And also, it proved that there is no association between the gender, educational level and occupation with the customer adaptation to internet banking services of the People's bank-Rathnapura branch.

According to the regression output, perceived ease of use, perceived usefulness and perceived security had a positive influence on the customer adaptation to internet banking services as P-values being less than 0.05. This study proved that the independent variables as age, marital status, perceived ease of use, perceived usefulness and perceived security were significantly associated with the customer adaptation to internet banking of the People's bank-Rathnapura branch.

Managers are advised to provide more potential information to the customers about internet banking through the bank assistants at the branch. The information may include references to usefulness, time saving, convenience anywhere, low cost, high security and information availability. The internet banking service providers are suggested to offer smart packages for the users to motivate and enhance the usage of internet banking services. Customer-friendly systems should be introduced for the ease of use.

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