

**A COMPARATIVE STUDY OF FACTORS AFFECTING THE
CUSTOMER ACCEPTANCE OF INTERNET BANKING:
SPECIAL REFERENCE TO THE STATE AND PRIVATE BANKS
IN KALUWANCHIKUDY**

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ABSTRACT

The main aim of the research is to measure the level of Customer Acceptance on Internet Banking in the banking sector with reference to State Bank and the Private Bank of Sri Lanka. Moreover, it tries to investigate whether there are any differences in the Customer Acceptance between State Bank and Private Bank customers. Primary data has been collected from the bank customers in Kaluwanchikudy. Simple random sampling method was used to obtain 100 responses from State Bank customers and 100 responses from Private Bank customers. Primary data was based on questionnaire with each bank customers and secondary data was based on relevant websites.

The result reveals that the important elements of Perceived Usefulness, Perceived Ease of Use, Perceived Credibility, Perceived Enjoyment and Social Norm. Customer Acceptance on Internet Banking in banking sector are at moderate level for all the important elements in State Banks whereas high level is perceived for all the elements in Private Banks. Among them, Perceived Usefulness, Perceived Enjoyment and Social Norm satisfy most of the State Bank customers as they are perceived at more level than other elements while perceived usefulness, perceived ease of use, perceived enjoyment and social norms satisfy most of the private bank customers as they are perceived at more level than other elements. Finally, differences between State bank and Private bank Customer Acceptance were confirmed by the analysis in this research. Recommendations were given for State Bank to give more concern to the effective and quick service, and technology improvements. Implications of this research for Internet Banking (IB) concept and practice are discussed.

Key words: Customer Acceptance, Internet Banking.

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