



**COMPARATIVE STUDY ON THE USE OF
DIGITAL BANKING
APPLICATIONS BETWEEN YOUNG AND ADULT
GENERATIONS; EVIDENCE FROM ABC BANK**

NAME: A.K.P.A. ATTANAGODA

REGISTRATION NUMBER: MScSM/E/06/03

INDEX NUMBER: MSM/E/481

ABSTRACT

The financial system has undergone significant transformation as a result of information technology advancements. To enhance the client experience and increase their customer base, financial institutions are proactively embracing IT advances like digital banking. The way that banking transactions are conducted has changed as a result of digital banking. The limitations of time and space have been eliminated. Despite these benefits, digital banking acceptance is lower than anticipated. Thus, the study makes use of the popular TAM model and TPB to examine the variables that could affect how young (aged 18 to 45) and adult (aged 46 and above) generations use digital banking services concerning ABC Bank in Sri Lanka. Younger clients are more aware of digital banking applications and their advantages than older ones, according to an analysis of the survey replies of 356 participants. Further, it evaluates the intention to use digital banking for young and adult customers who are positively influenced by perceived usefulness, perceived ease of use, customer cost, customer trust and customer risk. Further, revealed that customer age may not necessarily affect these parameters towards the perceived use of digital banking applications.

Keywords: Use of Perceived Digital Banking Applications, TAM, TPB, Perceived Usefulness, Perceived Ease of Use, Customer Cost, Customer Trust, Customer Risk.

Contents

ACKNOWLEDGEMENT	
ABSTRACT	
List of Tables	
List of Figures	
CHAPTER ONE	1
INTRODUCTION	1
1.1. Background of the Research	1
1.2. Problem Statement	3
1.3 Theoretical Background	4
1.4 Research Questions	4
1.5 Research Objectives	4
1.6 Research Scope and Approach	5
1.7 Significance of the study	5
1.8 Chapter Outline	6
CHAPTER TWO	7
LITERATURE REVIEW	7
2.1 Introduction	7
2.2 Digital Banking	7
2.2. Theory of Technology Acceptance Model (TAM)	8
2.2.1 Perceived Usefulness	8
2.2.1.1 The relationship between PU and the use of DBA	8
2.2.2 Perceived Ease of Use:	9
2.2.2.1 The relationship between PEU and the use of DBA	9
2.3 Theory of Planned Behavior (TPB)	9
2.3.1 Customer Risk	10
2.3.1.1 The relationship between PR and the use of DBA	10
2.3.2 Customer's Trust	10
2.3.2.1 The relationship between CT and the use of DBA	11
2.3.3 Customer Cost	11
2.3.3.1 The relationship between CC and use of DBA	11
2.4 Moderating effect of Customer Age	12
2.5 Research Gap	12
2.6 Chapter Summary	13
CHAPTER THREE	14

RESEARCH METHODOLOGY	14
3.1 Introduction	14
3.1 Research Data	14
3.2 Population and Sampling	14
3.2.1 Population	14
3.2.2 Sampling Design	14
3.3 Conceptual Framework.....	15
3.4 Operationalization of the Variables	16
3.5 Hypothesis Development.....	17
3.5.1 Perceived Usefulness	17
3.5.2 Perceived Ease of Use	18
3.5.3 Customer Cost.....	18
3.5.4 Customer Trust.....	18
3.5.5 Customer Risk	18
3.5.6 Customer Age.....	18
3.6 Statistical Technique of Data Analysis	18
3.6.1 Primary Data Collection Instrument	20
3.6.2 Operationalization of the Questionnaire	20
3.6.3 Reliability and Validity.....	20
3.7 Chapter Summary	20
CHAPTER FOUR	21
DATA ANALYSIS AND INTERPRETATION.....	21
4.1 Descriptive Analysis	21
4.2 Descriptive analysis of Age ranges.....	22
4.3 Reliability Analysis.....	23
4.4 Test of data Normality	23
4.5 Correlation Analysis	24
4.6 Regression analysis	26
4.10 The Moderating effect	32
4.11 Moderating the impact of Customers' Age on the relationship between Perceived Usefulness and use of Perceived Digital Banking Applications	33
4.12 Moderating the impact of Customers' Age on the relationship between PEU and UPDBA.....	34
4.13 Moderating impact of Customer Age on the relationship between CC and UPDBA.....	35
4.14 Moderating impact of Customer Age on the relationship between CT and UPDBA	36
4.15 Moderating impact of Customer Age on the relationship between CR and UPDBA.....	37

4.16 Comparative analysis of Age ranges	38
4.17 Testing of Hypothesis.....	39
4.18 Chapter Summary	42
CHAPTER FIVE	44
DISCUSSION, RECOMMENDATIONS, LIMITATIONS AND CONCLUSION.....	44
5.1 Discussion.....	44
5.2 Recommendations	45
5.3 Limitations.....	46
5.4 Implications.....	47
5.5 Conclusion.....	47
References:	49
Annexure I.....	52
Questionnaire	52
Part 1:.....	52
Part 2.....	54
M. Sc. in Service Management No. 06 (2019 Intake) Supervisory Report.....	57