

## **CUSTOMER ADOPTION OF ONLINE BANKING: A SPECIAL REFERENCE FROM ISLAMIC AND CONVENTIONAL BANKS IN SRI LANKA**

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### ***Abstract***

This research tries to explain the factors that influence Islamic and conventional bank customers' use of online internet banking services in Sri Lanka. This study employs Rogers' Diffusion of Innovation, which includes awareness and understanding, compatibility, relative advantage, complexity, uncertainty, observability, and service quality to examine related hypotheses stated. The study took a quantitative approach, with data collected from 321 clients of Islamic and conventional banks in Sri Lanka using a self-administered questionnaire. According to the data, bank clients' knowledge of several Islamic banking principles was below average. This study contributes to the current information about the adoption of internet Islamic banking. The researchers predicted that awareness and understanding, complexity, relative advantage, uncertainty, service quality, and observability had a positive impact on the adoption of online Islamic banking services, while compatibility had a negative impact on the adoption of Islamic banking services, using Partial Least Square Modelling as the data analysis method. In terms of application, particularly this paper gives Islamic banks' management advice and strategies for encouraging their consumers to adopt online internet banking.

***Keywords:*** *Online Banking, Customer Adoption, Diffusion of Innovation, PLS Model, Sri Lanka*