

## **The Factors Influencing the Smart Banking Application: A Study of the Banking Industry in South Eastern Region, Sri Lanka**

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### **ABSTRACT**

**Purpose:** This study examines the factors influencing the adoption and use of smart banking applications in the banking industry in the South Eastern region of Sri Lanka. It seeks to identify key determinants, including technological, behavioral, and environmental factors, that contribute to the successful implementation of smart banking solutions. The research highlights the role of user perception, trust, security, and the convenience offered by such applications in driving their adoption.

**Design:** The study employs a mixed-method approach, combining quantitative data gathered through structured surveys distributed among customers and qualitative insights obtained through interviews with banking professionals. The Technology Acceptance Model (TAM) framework is applied to analyze the data. Statistical tools, such as regression analysis and correlation analysis are used to determine the significance of various factors.

**Findings:** The findings reveal that ease of use, perceived usefulness, and trust significantly influence customer adoption of smart banking applications. Additionally, factors such as the availability of robust security measures, compatibility with user needs, and the role of banking staff in promoting these technologies are critical. The study highlights that socioeconomic and cultural elements unique to the South Eastern region also play a pivotal role.

**Practical Implications:** The results provide actionable insights for banks to enhance the adoption of smart banking applications. Recommendations include investing in customer education programs, strengthening security protocols, and designing user-friendly applications tailored to local needs. This research also highlights the need for policy support to encourage technological advancements in the banking sector.

**Originality Value:** This study contributes to the limited literature on smart banking application adoption in Sri Lanka, mainly focusing on the South Eastern region. It offers a comprehensive understanding of both customer and institutional perspectives, addressing a significant gap in regional research and providing a foundation for future studies.

**Keywords:** *Smart Banking, Technology Adoption, Customer Behavior, Security, Banking Industry, Sri Lanka.*