

Customer's Perspective on Dynamics of Digital Transformation in the Bank Industry of Sri Lanka

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Abstract

Digital transformation has changed the entire banking system, making it accessible, competitive, and improving effectiveness and efficiency. Most local banks in Sri Lanka are now moving towards technology-driven and internet-based banking services. However, in Sri Lanka relatively little empirical research has been carried out to examine the dynamics of digital transformation. Hence, there is a growing need to identify the relevant customer perspective on the dynamic of digital transformations. Therefore, this research aims to identify and explore the factors behind customers' perspectives on the dynamics of digital transformation in the bank industry of Sri Lanka. A general qualitative approach was used with in-depth interviews to achieve the purpose of the research. The research data were analysed using thematic analysis with a combination of theoretically derived themes and indigenous themes from the research findings. Finally, the researcher used both Unified Theory of Acceptance and Use of Technology and Theory of Recent Action commonly to build an empirically supported model. From the data analysis, the participants cited eleven major themes as answers to the two research questions, namely fitness for lifestyle, personal image and social standards, maturity of product or service, ease, usefulness, security, social factors, cost, time benefit, and reliability. As implications for bankers, it is found that when launching a marketing campaign for new digital products and services, it is essential to demonstrate the usage of digital technology to increase public awareness. This research helps understand customer perception, and banks can identify more personalized product models to motivate customers to access digital products and services further.

Keywords: *Banking industry, Customers' perception, Digital transformation*