

Impact of Banking Technology on Deposit Mobilization in Sri Lanka

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Deposit mobilization is the collection of cash or funds by financial institutions from the public through its current, savings and fixed accounts and other specialized schemes. Technology of banks can be identified as the main factor affecting for deposit mobilization. Nowadays, banks and other financial institutions extensively use Information and Communication Technology as a medium of meeting customer expectations. Therefore, to assess the impact of banking technology on deposit mobilization, the main objective of the present study is to investigate the impact of banking technology on deposit mobilization. One hundred and twenty people were selected as the sample by following stratified random sampling method and Dutugemunu Street, Dehiwala (urban area), Mandawala-kirindiwela (rural area) and Ihala Biyanwila, Kadawatha (semi-urban area) were selected as the sample areas. The research was based on primary data and secondary data. Questionnaires were employed to obtain primary data and secondary data were obtained from Central Bank of Sri Lanka. Data were analyzed using Descriptive statistics, Mean comparison and Regression analysis. Study reveals that, there is a positive strong correlation between two variables (0.819) and. value of the independent variable is 2414.34 and it indicates, any type of technology improvement affects to increase deposit amount (Dependent Variable) by Rs. 2414.34 and it is significant by the 5% significant level. Among demographic variables, gender, occupation, education level and income significantly affect for deposit mobilization ($P < 0.05$). According to the Mean comparison, respondents in both rural and semi-urban area believe that centralized system of depositing and withdrawing money is the most important sub factor and respondents in urban areas, rank the sub factor: internet and mobile banking facilities as the most important. Therefore, it is necessary to concern more on rural and semi-rural areas when implementing strategies to increase deposit mobilization and enable more strategies to develop technology of the banks.

Key words: *Banking technology, Deposits, Deposit mobilization, Sri Lanka*