

Factors Influencing on User Acceptance of Mobile Payment Channels in Sri Lanka; with Special Reference to Virtual Wallet

M.C.K.H. Mallika^{1*} and H.M.N.N. Herath²

¹ Faculty of Management and Finance, University of Ruhuna, Sri Lanka

² Faculty of Technology, University of Ruhuna, Sri Lanka

* madhurachinthaka1990@gmail.com

Abstract

The financial landscape in Sri Lanka is undergoing a significant transformation as institutions increasingly adopt cashless payment methods. This shift aims to reduce reliance on physical cash within the economy and implement new regulatory frameworks, profoundly affecting cultural practices. Cashless payment systems provide users with enhanced convenience, security, and efficiency, appealing particularly to Generation X and Generation Y, who are moving away from traditional paper currency. Furthermore, global economies are also adopting cashless policies to streamline their financial ecosystems. This study investigates the influence of perceived ease of use, perceived usefulness, perceived trust, and perceived user mobility on the adoption of mobile wallets (M wallets) as a preferred mobile payment channel. Data were collected via a questionnaire from a sample of 128 respondents selected through simple random sampling. Analysis conducted with IBM SPSS 25.0 revealed that all examined factors demonstrate a moderate positive relationship with customer adoption of M wallets. However, this research has limitations, including a relatively small sample size that may not fully represent the broader population and reliance on self-reported data, which could introduce bias. Future research should explore barriers to adoption in rural areas, conduct longitudinal studies to assess changes over time and examine the impact of government policies on cashless payment adoption to enhance digital financial inclusion in Sri Lanka. The findings provide valuable insights for M wallet providers, enabling them to evaluate potential returns on future investments in this sector.

Keywords: *M wallet, perceived ease of use, perceived usefulness, perceived trust, perceived user mobility*

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