

ADAPTING DIGITAL ENTREPRENEURSHIP IN BANKING INDUSTRY TOWARDS DIGITAL ECONOMY IN SRI LANKA

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As one of the developing countries, the banking industry in Sri Lanka is looking for exponential growth. In the evolving service sector, crucial roles performed by digital innovation facilitate digital transformation. Owing to this shift, the banking industry has experienced a constant evolution by transforming the entire banking industry landscape. As a result, banking has produced a much better customer experience, digitized products, services, operations, and ultimately achieves the target of becoming a fully digital bank. This evolution is driven by digital entrepreneurship with the combination of three major factors and theories such as business leadership, digital business strategy, and technology adaptation impact on digital transformation. The researcher further establishes the relevance and value of digital technology-related theoretical concepts relate to innovation, knowledge gap, and SCOT theory perspective. To pursue the research, the researcher extracts data using research questions via interview to build a theoretical framework and new knowledge, an inductive research approach is applied. The researcher adopts a case study strategy with multiple cases to examine the banking industry. The finding suggests a manner that establishing the business in digital space using digital technology innovation radically alters the business activities according to the social environment. There is a need for an alignment between IT strategy and business strategy. Hence digital business strategy drawn from simultaneous development of IT function with resource integration approach to respond to the opportunity arising from the disruptive environment.

Keywords: *Banking and finance; Digital transformation; Digital business model; Digital business strategy; Digital entrepreneurship*
