



**AN INVESTIGATION ON FACTORS
AFFECTING THE ADOPTION OF E-COMMERCE FOR SMALL
BUSINESSES IN SRI LANKA**

This dissertation is submitted as a partial fulfilment of the
degree of Master of Business Administration.

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ABSTRACT

This research focuses on investigating the factors affecting the E-Commerce adoption for small businesses in Sri Lanka which is very important during the current COVID 19 pandemic. Main objectives of the research are to identify the factors and to identify the level of impact from each identified factor for the E-Commerce adoption for small businesses in Sri Lanka. Data gathering of the research done through a questionnaire distributed online among the participants and using phone calls due to the pandemic situation. The Observed data was analyzed to obtain results using Multiple Linear Regression model. As per the results, Computer/internet skills, Willingness of the owner and Customer Readiness identified as major factors affecting the Ecommerce adoption for small businesses in Sri Lanka. All three factors showed positive relationship with the dependent variable. Adoption Cost and Security risks of online transactions didn't identify as major factors for E-Commerce adoption and the significance levels of those factors were not satisfactory. The findings obtained through the research shall be used by the government or relevant authorities to promote E-Commerce for small businesses in Sri Lanka and the factors identified shall be addressed by formulating strategies, national level policies and Ecommerce adoption roadmaps. As the Ecommerce has become the best way of doing business in many countries throughout the globe, Sri Lanka shall strengthen their economy by moving the small businesses sector to adopt E-Commerce since their contribution to the economy is high and the survival of the small businesses during a pandemic situation like this shall be ensured .

Keywords: Ecommerce adoption, Small businesses, Multiple Regression, Computer/Internet skills, Adoption cost, Security risks, Willingness of the owner, Customer readiness

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LIST OF ABBREVIATIONS

BBC	- British Broadcasting Corporation
E-Commerce	- Electronic Commerce
IBM	- International Business Machines
IT	- Information Technology
MLR	- Multiple linear regression
SME	- Small and Medium sized Enterprises
SPSS	- Statistical Package for the Social Sciences
UNTCAD	- United Nations Conference on Trade and Development
USD	- United States Dollar