

**BARRIERS IN ADOPTING E – COMMERCE BY SMALL AND MEDIUM  
ENTERPRISES IN BATTICALOA**



**BY**

**PAKKER MOHAIDEEN MOHAMMED ASHAR**

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## ABSTRACT

The objective of the study was to identify the factors that influence the adoption of e-commerce by the Small and Medium Enterprises (SMEs) in Batticaloa.

The study population comprised of all SME's with formal premises registered in the Batticaloa District. The main source of data was primary data. The primary data collection instrument was a structured questionnaire with both open and close ended questions developed by the researcher. The structured questionnaire was administered with the business owners or the managers of the businesses.

The data collected was analyzed using the factor analysis descriptive survey design, method to determine the combination of factors that were most appealing to SME's managers or owners. The collected data were analyzed by using univariate, bivariate and multivariate analysis in a computer based Statistical Package for the Social Science 22<sup>th</sup> version software.

Based on the findings, the study concludes that E-Commerce barriers, Adoption of E-Commerce by the SME's are at high level. As well, there are significant and strong negative relationships E-Commerce barriers, Adoption of E-Commerce by the SME's. This study showed that all these barriers carried an average influence on E-Commerce adoption. The most important factor barriers of e-commerce adoption are legal and regulatory barriers followed by technical barriers, whereas lack of internet security is the highest barrier factor that inhibits the implementation of E-Commerce in SMEs followed by the requirement to undertake additional training and skill development. Owners' innovativeness, owners' IT ability and owners' IT experience are the determinant factors that influence SMEs in their adopting ecommerce. SMEs, are forced to adopt e-commerce. Non-adopters will be left behind by the adopters.

**Keywords:** *E-Commerce Barriers, Organizational Barriers, Financial Barriers, Technical Barriers, Legal and Regulatory Barriers, Political Barriers, Adoption of E-Commerce*

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