

## Abstract

Research indicates that e-commerce presents a significant opportunity for Small-Medium-sized Enterprises (SMEs). For SMEs in the developing world in particular, the opportunities afforded by e-commerce for competing in a global marketplace, are also attractive. It has also been observed that e-commerce poses a considerable challenge for SMEs.

A number of studies available have been considered to investigate the adoption of e-commerce by SMEs. The objective of the study is to study the adoptability of e-Commerce into SMEs in Sri Lanka. The specific objectives of the study were to measure and characterise e-commerce adoption and extent of usage among SMEs in Sri Lanka; to identify factors associated with the adoption of e-commerce in Sri Lankan SMEs; and to determine the impacts of that adoption. The various factors identified as causes can be broadly classified into Technical Barriers, Internal Barriers and External Barriers. Internal Barriers can be determined within the organization by the organization itself, while External Barriers can be determined either by government intervention or by collaboration of SMEs

The factors found to be significant were organisational readiness, organisational proactiveness, CEO computing experience, and CEO's IT knowledge. It was found that the more advanced adopters of e-commerce had gained more significant benefits from their adoption than less advanced adopters.

With regard to factors influencing adoption, the study displayed the importance of the knowledge, role and experience of the CEO. The findings of the study provide important information for policy makers and those responsible for devising initiatives to encourage e-commerce adoption among SMEs. Specifically, the study suggests that efforts to increase CEO IT awareness and knowledge could play a significant part in increasing levels of e-commerce adoption among SMEs.