

THE IMPACT OF INTERNET ADOPTION ON BUSINESS PERFORMANCE

P.E.Sudarshani, evonalawaththa@gmail.com

Department of Accountancy, University of Kelaniya

Abstract

The growth of information technology in the business world is spreading at a phenomenal rate. The uses of the internet for e-commerce purposes have seen a high increase due to growth in websites for commercial purposes (Gilmore *et al*, 2007). The success of a business organization stands at the usage of IT in their business. Internet based ICT practices also contribute to the increase of productivity in SME in developing countries (Jayathilake *et al*, 2008). SMEs under the BOI (Board of Investment) in Sri Lanka are far behind the fast moving world of IT. Though E-Commerce is accelerating at a high pace, most of the SMEs are still at the lower level compared to their competitors in business.

This study identifies the major determining factors in Sri Lanka small and medium sized enterprises' (SMEs) e-commerce adoption, offers practical implications, and indicates the actions required. This research integrates technological, organizational, and environmental determinisms with social constructivism to build a practical framework for understanding Internet adoption among SMEs in Sri Lanka. In this research best collecting data evidence is primary evidence and the questionnaire was the main element for this research. SPSS software was used for analysis purpose. Analysis will be carried out to identify the relationship between the adoption of E-Commerce or Internet and the firm Performance. The results of that E-Marketing will affect the adoption of E-Commerce and therefore it is proven reasonable to consider Internet and hopefully the research will help to convey the awareness among the SME towards E-Commerce and help them to speed up their involvement in E-Business.

Key words: Internet Adoption, Business Performance