

## **ABSTRACT**

Small & medium scale enterprise (SMEs) has become a significant market position in the tourism sector. Considering the present scenario, tourism-related SMEs have faced various challenges regarding survival in the existing market with the business environment changes and how far those are affecting SMEs. The importance of this research is to identify and analyze the most influencing factors for SME business success, with particular reference to Kandy & Colombo districts. Considering the objectives of this research, I hope to identify and analyze the most influencing factors of SME's success and how far those influence survival in the market for the long term. SMEs technology Orientation, entrepreneurial orientation, employee orientation, and customer forcing are studied as success factors. ROI, ROA, Sales growth, market share, customer satisfaction, customer retention, job satisfaction, and innovation are considered in measuring business success. The success support from the government should be increased for the Tourism related SME industry through implementing policies, providing financial incentives, infrastructure facilities, and proper assistance to get more benefits, to overcome the challenges, and ensure the business of Tourism related SME businesses in Sri Lanka.