

COVID-19 Impact on E-commerce Usage: An Empirical Evidence from Sri Lankan SME Sector (With special reference to Northern Province)

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The adoption of e-commerce in the small and medium sector has become one of the main business improvement areas in the Small and Medium Enterprises that seems unavoidable in competing and even surviving in a highly competitive industry before and during COVID-19. This study focus on the impact of e-commerce usage in small and medium enterprises under the COVID-19 outbreak. It is found that many firms are having a difficult situation with business operation and attempted to use e-commerce to upgrade their operation and competitive capabilities for survival in the industry. To review this problem in the Sri Lankan Small and Medium Enterprise sector, Technological, Organizational and Environmental model was modified and used as a conceptual framework to review the problem in the Sri Lankan small and medium enterprises. This study focused on the Northern Province of Sri Lanka, consisting of five districts: Jaffna, Killinochchi, Vavuniya, Mannar and Mullaitivu. This research was conducted based on quantitative survey method. The structured questionnaire was distributed among 120 samples of small and medium enterprises, which was selected using a simple random technique. The data collected through this survey was analyzed using SPSS and PLS-SEM (SmartPLS) version 3 to examine the relationship between variables and test the hypothesis. The findings of the study reveal that perceived benefits, e-commerce knowledge, external pressure and supply chain integration have a significant positive impact. In the other hand, IT infrastructure has an insignificant effect on e-commerce usage. In addition, the benefits obtained from this study can be used to empower e-commerce usage in the small and medium enterprise, including manufacturing industry, service industry and trade industry. Also, it will enhance the quality of providing goods and services. The origin of this research is combining effect of Technological, Organizational and Environmental and Diffusion of Innovation theory on e-commerce usage for the Small and Medium Enterprises to contribute to the literature.

Keywords: COVID-19; E-commerce; Small and Medium enterprises; Organizational; Technological; Environmental