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**ADOPTION OF INFORMATION TECHNOLOGY ADOPTION
WITH SUPPLIERS AND ITS IMPACT ON PERFORMANCE IN
TRAVEL AGENCY
(WITH SPECIAL REFERENCE TO TRAVEL AGENCIES IN
COLOMBO DISTRICT)**

This dissertation is submitted as a partial fulfilment of the Degree of Bachelor of
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ABSTRACT

Sri Lankan tourism sector has been identified as one of the key sector enhancing the country's economic growth. Across the industries, firms have adopted e-business initiatives to better manage their internal business processes as well as their interfaces with the environment. E-business can be described as online presences of business. With the development of the technology, travel and tourism industry has also been changed. Most of tourists are getting towards online methods and this is creating a competitive environment to the traditional travel agencies. It is important for travel agencies to maintaining a better relationship with suppliers to deliver a quality service to the customers. Hence, the main purpose of this study is to examine and test a moderating effect of supplier relationship quality which integrate the Information Technology (IT) with suppliers (i.e. e-procurement and e-communication) and operational performance in the context of the SME travel agency with special reference to Colombo District. And also, this model was focused to identify the IT adoption level of SME travel agency's operations, to examine the relationship with between IT adoption and operational performance and to identify the IT adoption impact on operational performance in SME travel agencies. Primary data was collected from the sample of 72 SME travel agencies in Colombo district registered under Sri Lanka Tourism Development Authority and random sampling method was adopted to find the respondents. Hence, descriptive analysis, Pearson correlation and coefficient, multiple regression analysis were used to analyze data and Andrew Hayes process macro was utilized to identify the moderation role of selected variables. Research finding indicated that e-procurement and e-communication have a positive relationship with operational performance. Further, e-procurement significantly and positively influences on operational performance while there is no significant effect found between e-communication and operational performance. Furthermore, supplier relationship quality moderates the effect with the e-procurement and operational performance of SME travel agencies. As per the results it has suggested that, even IT adoption of SME travel agencies are in a considerable level, furthermore traditional travel agencies should develop their IT practices with the suppliers and strengthen the relationship quality with suppliers to survive in the travel and tourism industry.

Keywords: *IT adoption, e-business, operational performance, e-procurement, e-communication, supplier relationship quality, Small and Medium Enterprises (SME)*