

**SOCIAL READINESS
FOR E-TRANSACTIONS:
AN INSIGHT FROM IT PROFESSIONALS**

**MASTER OF BUSINESS ADMINISTRATION
IN**



INFORMATION TECHNOLOGY

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December 2007

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AN INSIGHT FROM IT PROFESSIONALS**

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The Dissertation was submitted to the Department of Computer Science & Engineering of the University of Moratuwa in partial fulfillment of the requirement for the Degree of Master of Business Administration.

Department of Computer Science & Engineering
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December 2007

DECLARATION

I certify that this dissertation does not incorporate, without acknowledgement, any material previously submitted for a degree or diploma in any university to the best of my knowledge, and believe it does not contain any material previously published, written or orally communicated by another person or myself except where due reference is made in the text. I also give consent for my dissertation, if accepted, to be made available for photocopying and interlibrary loans and for the title and summary to be available to outside organizations.

Ashan Indika Wettasinghe

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The above particulars are correct to the best of my knowledge.

Dr Lanka Udawatta

Supervisor

ABSTRACT

E-commerce, especially e-transactions, is hardly exploited in Sri Lanka. Although Sri Lanka's literacy rate is high, e-transactions usage lags way behind Asian countries with comparable literacy. Its potential to benefit society and improve quality of life has not been realized. The reasons are not clear. Low public awareness of the benefits of e-commerce is no doubt a major factor, but even the people who have initiated are not without reservations. Lack of confidence and trust in internet security and the merchants, delays in delivery and poor infrastructure are among their concerns. Perceived risk is likely to depend on their cultural and educational background, age, income level etc. The objectives of this research were to assess Sri Lankans' readiness for e-transactions, determine the seminal factors, and develop an appropriate model to predict social readiness.

A conceptual framework was developed with social readiness for e-transactions as the dependant variable and perceived benefit, perceived risk, ICT trust, internet access and internet experience as independent variables. A specially designed questionnaire was used to gather data from a random sample of IT professionals in Colombo district, with internet access.

A very high correlation was observed between social readiness for e-transactions and perceived benefit, ICT trust, internet experience and internet access. A model with very high predictability was developed to predict social readiness for e-transactions. Findings clearly establish that social readiness for e-transactions is positively related to perceived benefit and ICT trust, and importantly, perceived risk was not an influencing factor. Low e-transactions usage is evidently due to inadequate knowledge and points to the need to educate the general public about internet security measures and benefits of e-transactions. A concerted effort from government, banks, commercial establishments etc. is necessary to promote business over the internet. Internet access must be enhanced simultaneously.

ACKNOWLEDGEMENT

It is with deep appreciation that I express my gratitude to Dr. Lanka Udawatta, my supervisor, who made this dissertation possible. I thank him sincerely for his patience and encouragement at difficult times, his insights and suggestions that shaped my research skills, and valuable feedback that contributed greatly to this dissertation.

I am grateful to Ms. Vishaka Nanayakkara, Head, Department of Computer Science & Engineering, who introduced me to the subject of Research Skills and helped me to develop these skills. Her visionary insights and energetic working style was a great source of motivation.

I also thank Dr. Kennedy Gunawardena, for his advise and assistance in statistical analysis as well as other aspects of my research. I could always count on him to discuss the intricate details of a problem, and pick on his vast knowledge of computer tools for statistical procedures.

My sincere thanks go to all the staff members of the departments of Computer Science & Engineering and Management of Technology of the University of Moratuwa, Sri Lanka for the unstinted support, guidance and excellent cooperation extended to me over the past two years.

Last but not least, I wish to thank my many friends and colleagues, not specifically mentioned here, who have contributed in different ways to make this educational process a success.

ABBREVIATIONS

ATM	Automated Teller Machines
E-Transactions	Electronic Transactions
E-Commerce	Electronic Commerce
ICT	Information Commutations Technology
IT	Information Technology
EDI	Electronic Data Interchange
EFT	Electronic Funds Transfer
ERP	Enterprise Resource Planning
HTTP	Hyper Text Transfer Protocol
HTTPS	Hyper Text Transfer Protocol over Secure Socket Layer
LAN	Local Area Network
M-Commerce	Mobile Commerce
SSL	Secure Socket Layer
SME	Small and Medium Enterprises
WAN	Wide Area Network
WWW	World Wide Web



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