

Chapter 6

6. CONCLUSION & RECOMMENDATION

6.1 Conclusions

This study reveals the e-commerce awareness among the Sri Lankan manufacturing industries which is **very high**. The average is about 80%. This is a very high percentage comparing to any developing country. The most popular and frequently used e-commerce technologies are e-mail, Internet and company website. E-mail still seems to be the prevalent method of communication with business partners and their suppliers. The study found that most of the companies from Sri Lanka are ready for “Internet ready”. Even though they are ready, most of the companies did not use e-commerce to perform **online transactions**. They used e-commerce technologies mainly for the purpose of advertising, promotional activities and to gather product information from their supplier and principal partners.

Keeping to the survey **future investment** to develop new e-commerce capabilities are looking **very poor**. The average investment is 8.5% from the total IT budget. From their limited investment they prefer to invest on the **software implementation** and **infrastructure facilities**. The companies feel that they have necessary resources to develop the e-commerce facility in their **In-house** development capacity.

The main potential barriers for the e-commerce technology implementation is, the **security concern** of the personal and financial data. Other main concerning factor is **lack of infrastructure facility**. To perform the online transactions another common limiting factor is a **trust issue** where most of the managers, customers and suppliers have some reservation to use the e-commerce technology. Most of the Sri Lankan managers are risk averse, they prefer “wait and see” approach until other competitors start to use the e-commerce technology. The positive development is the organisational commitment and the people’s attribution to implement the e-

commerce technologies. One of the main factor, is the top management have a very **good awareness** of them at the highest level. Another important positive factor was that they were **committed to develop and implement** e-commerce capabilities. But they did not have a proper **strategy** to implement the e-commerce technologies successfully.

Further the study reveals the relationship between e-commerce awareness and the **firm based characteristics**. According to the six hypothesis results shows that there is **no relationship** between the e-commerce awareness level and the business type. There is **no relationship** between the e-commerce awareness level and the internet usage level. There is **no relationship** between the e-commerce awareness level and the e-commerce capability. However there is a strong **relationship** between e-commerce awareness level and company size. There is a strong **relationship** between e-commerce awareness level and company turnover. There is a strong **relationship** between e-commerce awareness and the age of the company.

6.2 Recommendations

The study provides a starting point in investigating the e-commerce awareness level in Sri Lankan manufacturing industries. The following recommendations could be valuable in order to implement and utilize e-commerce effectively to gain competitive advantages:-

6.2.1 Short term recommendations

- **The companies should determine the type of resources** that the Sri Lankan manufacturing industry plans to utilize and the services that the manufacturing industries will provide to use the Internet and e-commerce technology.
- It should have to take **variety of approaches** in making their web pages attractive to the various stakeholders.
- The companies should determine the **types of hardware and software** needed for use of e-commerce technology in the Sri Lankan manufacturing industry.

- They should provide **training to managers and employees** for proper use of e-commerce applications.
- The companies should **create awareness** of e-commerce technologies among owners/managers and employees in the manufacturing industries.(micro level).
- Emphasize the **nature of e-commerce technologies** and the importance of Sri Lankan manufacturing industry organizational operation and organizational performance.
- The company should develop the applications that will incorporate the **local language** support where the local customers and suppliers may benefit.
- They must **educate software engineers**, programmers and other technical specialists, as well as business people with IT skills about the exact business needs and advantages of using e-commerce applications.
- Encourage manufacturing industries to introduce technologies permitting them to pay and get **paid online** and to enter Internet based credit and performance risk databases.
- The industry should **create policies** to attract foreign capital for the development of domestic IT-related manufacturing industries, such as: general purpose software, Internet content, specialized software for manufacturing markets which there is local demand and similar IT related services.

6.2.2 Long term recommendations

- The company should develop a suitable **long term strategy** to create new e-commerce users. Also convert current manual users to go into new e-commerce technologies.
- They should **create e-commerce awareness** among the manufacturing industries (macro level).
- The government should take appropriate measures to safeguard the users to prefer to do the transactions using e-commerce technologies by adapting the **suitable legal system** to avoid cyber crime, such as money laundering,

violation of intellectual property rights; respect of copyright rules, ensure consumer protection, etc.

- The government should create a **favorable environment** for open and fair participation in electronic commerce and support business procedures that are in harmony with generally accepted commercial practices.
- The government should support **technological service** and **infrastructure** developments to the industry so that it will lead to the establishment of local and global interconnectivity.
- It should **motivate and create awareness** among manufacturing industries to use e-commerce technologies through the institution like Ministry of Industrial Development or any other government organisations by conducting various workshops, seminars, providing training for staff, etc.
- The government should make appropriate steps to get participation of the **private sector**. It should provide leadership for the growth and development of e-commerce, including the establishment of reliable and trusted business practices for conducting commercial activities in the manufacturing industries.
- They should introduce **policies** and programmes that support the private sector, in particular manufacturing industries, in using ICT and ecommerce, such as: financial aids and loans to use Internet and e-commerce applications, development of Web sites, etc.
- The industry should develop a **common IT body** itself to develop a suitable E-commerce business solution, especially to cater the needs of the Sri Lankan manufacturing industries.
- Companies should invest on a **research & development** in the area of E-commerce to improve the usage of e-commerce technologies

6.3 Future research

- Further research should be conducted to obtain more concise information in the use and implementation of e-commerce and Internet technologies. Some of the manufacturing industries involved in the study.

- It would be interesting to investigate further with larger groups of participants, focusing on different sectors such as health, SME's, tourism etc.
- Further research should be conducted in different regions in various provinces other than Western province to identify the exact e-readiness/awareness.
- Further research should be conducted in the small, medium and micro level sectors of the manufacturing industry.
- More research into specific e-business solutions that meet the special needs of the manufacturing industry could bring and a very successful outcome.



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