

**OBSTACLES FACING SMES IN THE ADOPTION OF E-COMMERCE:
REFERENCE TO SMES IN ANURADHAPURA DISTRICT**

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ABSTRACT

The aim of this study is to identify and address the obstacles faced by SMEs in Anuradhapura District in adopting e-commerce. E-commerce plays a crucial role in driving the national economic growth. E-commerce is essential for SMEs, as it promotes business growth and competitiveness. Despite their importance, SMEs in Sri Lanka face considerable challenges in adopting e-commerce, with the business maturity for e-commerce in the country estimated at 34 percent. This indicates that, although some companies have adopted e-commerce, their current maturity level is inadequate. A literature review guided the development of a conceptual model incorporating five variables: attitude, awareness, compatibility, readiness, and external forces. This study employed a quantitative approach, facilitated by convenience sampling, using a structured questionnaire directed at a representative sample of 370 SMEs in Anuradhapura District. Data analysis conducted using the SPSS software confirmed that all constructs were valid, reliable, and fit the proposed model. The findings revealed that all independent variables except compatibility had a significant positive effect on e-commerce adoption. Therefore, targeted interventions and support programs should be implemented to help SMEs overcome barriers to e-commerce adoption, facilitate their integration into the digital marketplace, and enhance their competitiveness within Sri Lanka's economic landscape.

Keywords: Attitude, awareness, compatibility, external forces, readiness