## THE IMPACT OF SOCIAL NETWORK ON BUSINESS PERFORMANCE OF SMALL MEDIUM ENTERPRISES IN BATTICALOA DISTRICT



By

## PUDPAMOORTHY SOWMIKANTH REG.NUMBER: EU/IS/2014/COM/47 INDEX NUMBER: COM 1817

A project report submitted to the Faculty of Commerce and Management, Eastern University, Sri Lanka, as a partial fulfillment of the requirement of the Degree of Bachelor of Commerce Honours (BComHons)





**Department of Commerce** 

Faculty of Commerce and Management

Eastern University, Sri Lanka

2020

PROCESSED MAIN LIBRARY, EUSL

## ABSTRACT

Increasing global competition has made many companies want to find more innovative ways of promoting their goods and services. Social networking is receiving increased attention in the small business and entrepreneurship literature, major shortcomings exist with regard to the transitional nature of entrepreneurial learning networks over time. A greater understanding of these networking needs will extend the literature by highlighting how effective small business are at transitioning from launch to growth, and how social networks may benefit this transition. It aims to give attention to how social identities of small business owners impact social networks and whether social networks improve organizational performance in small firms. The findings show that social networks for small businesses change as firms transition from start- up to growth and beyond.

The main objective of this study is to examine the Impact of Social Network on Business Performance of entrepreneurs of the SME in Batticaloa District. Dimensions of Social Network used in this study are Personal network, Exchange network and Communication network. A sample of 395 respondents has been taken. The primary data was collected through well-structured and closed ended questionnaire by stratified random sampling method. Hence 341 survey were received. The SPSS package was used in conducting the correlation and regression analysis. The finding of this study revealed that the Social network and its dimensions have significant positive impact on Business performance.

Key words: Social Network, Business Performance, Entrepreneurs, Small Medium Enterprise

## TABLE OF CONTENTS

ACKOWLEDGEMENT	1
ABSTRACT	ii
LIST OF TABLES	viii
LIST OF FIGURES	X
LIST OF ABBREVIATION	xi
CHAPTER 1	1
1.1 Background of the study	1
1.2 Problem Statement	4
1.3 Research Questions	5
1.4 Research Objectives	
1.4.1 General Objective	5
1.4.2 Specific Objectives	5
1.5 Scope of the Study	
1.6 Significance of the Study	
1.7 Organization of Chapter	
1.8 Chapter Summary	7
	8
2.1 Introduction	8
2.2 Small Medium Enterprises	8
2.3 Definition of the Social network	
2.4 Sources of Social network	
2.4.1 Personal Network	
2.4.1 Fersonal Network	
2.4.2 Exchange Network	

	2.4.3 Communication Network	
	2.5 Business Performance	
	2.6 Chapter Summary	17
CHAPTE	R 3	
	3.1 Introduction	
	3.2 Conceptualization	
	3.2.1 Conceptual Framework	
	3.2.2 Social Networks	19
	3.2.3 Business Performance	
	3.3 Operationalization	
	3.3.1 Summary of Operationalization	20
	3.4 Hypothesis Development	21
	3.5 Chapter Summary	21
CHAPTE	R 4	22
	4.1 Introduction	
	4.2 Research Approach	
	4.3 Time Horizon	23
	4.4 Study Setting and Design	23
	4.4.1 Study Setting	23
	4.4.2 Study Design	23
	4.5 Research Techniques	23
	4.6 Sampling	23
	4.6.1 Sampling Method	24
	4.6.2 Population of the Study	24

4.6.3 Sample Size	24
4.7 Method of Data Collection	
4.8 Questionnaire	
4.9 Data Analysis, Presentation and Evaluation	
4.9.1 Data Presentation	29
4.9.2 Methods of Data Analysis	29
4.9.3 Validity and Reliability	30
4.9.4 Univariate Analysis	31
4.9.5 Bivariate Analysis	32
4.9.6 Co-efficient of Determination Analysis	32
4.9.7 Simple Linear Regressions	
4.10 Hypothesis Testing	33
4.11 Chapter Summary	33
CHAPTER 5	35
5.1 Introduction	35
5.2 Analysis of Reliability	35
5.3 Data Presentation and Analysis of Demographic Information	136
5.3.1 Distribution of Gender	
5.3.2 Distribution of Age group	37
5.3.3 Distribution of Educational qualification	
5.3.4 Distribution of Experience	
5.4 Data Presentation and Analysis of Research Objectives	40

5.4.1 Mean and Standard Deviation of Social Network,	
Business Performance and its dimension	40
5.4.2 Mean and Standard Deviation of Business Performan	ce
and its dimension	45
5.4.3 Correlation between Social Network and Business	
Performance	46
5.4.4 Impact of Social Network on Business Performance .	48
5.5 Chapter Summary	
CHAPTER 6	57
6.1 Introduction	
6.2 Discussion of Demographic Information	57
6.3 Discussion of Research Information	
6.3.1 Discussion - Objective One	
6.3.2 Discussion - Objective two	60
6.3.3 Discussion – Objective three	
6.4 Chapter Summary	64
CHAPTER 7	
7.1 Introduction	65
7.2 Conclusions of the Research Objectives	65
7.2.1 Objective One	
7.2.2 Objective Two	66
7.2.3 Objective Three	
7.3 Contributions of the Study	66
7.4 Recommendations of the Study	67

7	7.5 Limitations of the Study			68
7	7.6 Direction for Future Research			68
·	7.7 Chapter Summary			69
	ences			
	<u> </u>			
Appendix- F		••••••	•••••	•••••••••••••••••••••••••••••••••••••••