

**DIGITALIZATION CHALLENGES OF SMALL ENTERPRISES
IN BATTICALOA DISTRICT**



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ABSTRACT

Small enterprises are one of the important factors in the economic development of Sri Lanka. But those small enterprises are facing many digitalization challenges in this digital environment by the introduction of digital technology. And Digitalization is a big concept that is involving in all the modern activities that is carried by the several Small enterprises all over the world. Even though in the adoption of digitalization of small enterprises are challengeable in many ways. Thus, regarding the identification of digitalization challenges, this study is connecting the different types of small enterprises in different DS division in Batticaloa district.

Hence, aims of this study to explore the nature of Digitalization of small enterprises, the determining factors of Digitalization in small enterprises, Identifying and how the challenges influencing in digitalization of small enterprises and the possible recommendations and suggestions for small enterprises to face the digitalization challenges effectively. To find out the digitalization challenges of small enterprises the survey was carried out among 30 small enterprises in Batticaloa district who were interviewed using a semi-structured interview method. It is an inductive study where the qualitative approach was undertaken equally 3 small enterprises each in 10 DS Division in Batticaloa district. Collected data were analyzed using NVivo 10 through thematic analysis. According to the findings, Digitalization is challenging in several ways in small enterprises. As it was elaborated a positive relationship is built among the small enterprises and customers. Further, the factors such as the social media, mobile apps and software, internet, electronic banking, cost, time efficiency, and technological knowledge were considered as supporting factors which indeed influence Digitalization of small enterprises. At the same time, the researcher found how the challenges influenced in the small enterprises and finally, the researcher recommended some strategies and mechanisms for the policymakers to enhance the Digitalization by taking proper action to face the challenges of small enterprises in Batticaloa district.

Keywords: - Small Enterprises, Digitalization, Digitalization Challenges, Information Technology, IT Infrastructure, Digital Platforms.

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