

**IMPACT OF SOCIAL MEDIA USAGE ON BUSINESS
DEVELOPMENT OF SMALL AND MEDIUM ENTERPRISES IN
GAMPAHA DISTRICT**



by

RANAWAKA ARACHCHILAGE DAMITHA CHINTHANA RANAWAKA

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ABSTRACT

The purpose of this research is to study impact of social media usage on business development of SMEs in Gampaha Districts. Small and Medium sized Enterprises (SMEs) are identified as one of the leading groups of economic activities globally and support a substantial part of the economic activities in Sri Lanka. But the problem is that SMEs are facing great challenges developing business at starting and also sustaining due to incapacity in costly traditional marketing channels. SMEs of Sri Lanka are not aware of using Social Media Marketing (SMM) as the tools for business growth especially at starter.

This research study was designed in such a way that the sample selection presents the SMEs study population. This study strives to find out how social media can benefit organization in optimizing their overall performance through the appropriate usage of this internet phenomenon. However, this study focuses only on the positive aspects of social media and it's in depth reach with the customers, suppliers, manufacturers and competitors. This research study was designed in such a way that the sample selection presents the SME study population.

In Sri Lankan context, a few empirical studies have been conducted with the relationship between social media usage and business development. So, there is an empirical knowledge gap exists in the social media usage and business development. Hence, this study attempts to fill this knowledge gap. The study exploited information by the help of primary data. Data was collected from Three Hundred and Two (302) owners of Small and Medium Enterprises and analyzed it using descriptive statistics, Correlation analysis, Regression analysis and Hypotheses. They were presented in charts, tables and graphs using the Software Statistical Package of Social Science, version 22.0. According to the analysis, the finding showed social media usage of Small and Medium Enterprises is at high level and also business development is at high level. Further there is strong positive relationship between social media usage and business development. The study specifically revealed that a significant change in business development is linked to social media usage. Based on the findings of the study, it is concluded that social media usage as supported by the study findings significantly influence the business development of Small and Medium Enterprises in Gampaha district.

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