

POTENTIALITIES AND LIMITATIONS OF ELECTRONIC COMMERCE: AN INDUSTRIAL PERSPECTIVE

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Electronic Commerce (EC); simply doing businesses via a network is gaining popularity among businesses all over the world. There are countless number of reasons for that. The proven cost saving in bulky amounts and greater access are at very top of this trend. But despite to every organisation's great desire to be an online business only handful number of giants has truly reached the status of "Electronic Business". Depending on the nature of industry, some organisations are enjoying the drivers towards the EC while other several organisations are experiencing limitations as well. Thus, this study was aimed at uncovering the potentialities and limitations of different industries towards the EC initiatives. The study followed the qualitative research approach. The participating industries were selected based on International Standard Classification of Industry (ISCI –Revision 03). Data were gathered from 85 establishments representing 17 categories of ISCI. The questionnaires coupled with unstructured interviews were the tools used for collecting data. The principal data analysis tools were content and narrative analysis. The entrepreneurs' views on the potentialities and limitations towards EC initiatives were analyzed to arrive at conclusion. The results indicated wide variation of EC adaptation among the different industries due to inherent nature of own industries. Service industries seem to be leading the Internet businesses while manufacturing sector also adapting many of E-functions. In banking, insurance and travel & tourism, EC is now a standard business tool, moving beyond cost saving and strategic objectives. In media, entertainment and communication sector, EC is the interactive tool widely used to develop worldwide customers. Education and training is an important area where EC can be sued for developing skills. On the other side, many industries face difficulties of transforming traditional business processes into electronic form. Moreover, the inflexible business settings of some industries such as mining, timber, & forestry have banned several EC applications. The results suggest greater penetration towards EC despite the industry specific limitations. Majority of these limitations can be easily readily overcome with the corporate alliances and technological advancements.

Keywords: Electronic commerce, Limitations, Potentialities