DEVELOPING ONLINE SALES CHANNELS FOR EMERGING SMALL AND MEDIUM ENTERPRISES

Nawaratnage Dakshitha Charm Shoji Nawaratne

199169E

Research submitted in partial fulfilment of the requirements for the degree of
Master of Business Administration in Supply Chain Management

Department of Transport and Logistics Management

University of Moratuwa
Sri Lanka

August 2021

Declaration of Originality

I declare that this is my own work, and this thesis/dissertation does not incorporate without acknowledgement any material previously submitted for a degree or Diploma in any other University or institute of higher learning and to the best of my knowledge and belief it does not contain any material previously published or written by another person except where the acknowledgement is made in the text.

Signature: ....   Date: ..31 Aug 2021..

N D C S Nawaratne

Copyright Statement

I hereby grant to University of Moratuwa the non-exclusive right to reproduce and distribute my thesis/dissertation, in whole or in part in print, electronic or other medium. I retain the right to use this content in whole or part in future works (such as articles or books).

Signature: ………………..   Date: ..31 Aug 2021……

N D C S Nawaratne

Statement of the Supervisor

The candidate has carried out research for the MBA in Supply Chain Management in the Department of Transport and Logistics Management of University of Moratuwa under my supervision.

Signature of the supervisor: ....   Date: .....31 Aug 2021.......................

Dr. Niles Perera

Abstract

The worldwide total retail sales hit $23.4 trillion in 2020 of which 18.5 trillion are in traditional physical store sales and four trillion are in E-commerce related sales. With the twentieth century closing we have seen a great shift in the market from small retailers (mom and pop shops) to big box retailers. In the current century, these large shops are replaced by a digitized replication of the big box retailers at a more virtual complex than the physical kind. This paper would discuss the evolution of traditional retailing especially within the last 3- 5 years, specifically due to current world events such as the COVID-19 pandemic. In order to achieve the objectives of the research the author used both qualitative and quantitative research methods. The results demonstrated by the research provide a guided outlook on, how to upgrade an existing retailing business to an E-tailing hybrid business, as well as an understanding on what metrics will be enabled in terms of data and Key Performance Indicators (KPI's) that can be achieved within this implementation.

The thesis would have a detailed look at some of the benefits drawn by an implementation of the online sales channel as well as some barriers faced by the new adopters when trying to implement the technology in their respective organizations. The research focuses on understanding the development of ecommerce within Sri Lanka, by using a triangulation method which the author builds by creating a solid knowledge foundation on retail markets, e-commerce development, different types of e-commerce and finally ties the whole loop with literature that helps the reader understand the overall impact to the supply chain and the different data points gathered that enable a data analytics process, helping business gain new insights, and make much more informed decisions within a business. Using this knowledge, the thesis conducts a survey to understand the overall position of the online customer population using a sample and reverifies these findings with six expert interviews with top officials representing corporates that have been performing outstandingly well when it comes to the e-commerce sector.

Finally, the research thesis depicts these learning on to a newly designed four stage ecommerce adoption model that will help any traditional business that is currently generating a significant amount of sale to identify which stage would best fit their business model and best strategy in implementing a digital strategy within their organization.

Key Words: E-tail, E-Commerce, Transformation, Digital Markets, Business Intelligence, Data Analytics, E-Commerce Supply Chain, Digitization, Omnichannel

Acknowledgements

I would like to take this opportunity to express my sincere appreciation to my research supervisor Dr. Niles Perera for the continuous support and encouragement through the process of building my learnings and developing research that is relevant to society. Further I must appreciate the time and effort dedicated by Dr. Mahinda Bandara to structure and develop learnings to build a research proposal, and the knowledge required to undertake a research project and develop a thesis.

In addition, many individuals from the various organizations that I interviewed for giving their insight on the topic and spending their valuable time mostly on weekends to discuss subject matter to help improve the overall thesis.

A special note of gratitude for all the participants of the survey for giving truthful insights which helped create the value of this research as a whole.

I would also like to thank my family for motivating me throughout the MBA and understanding and helping in many different ways as I spent countless hours away from them, developing this thesis, at times when they needed me the most. My father and mother who have consistently guided me throughout the journey of life, keeping me grounded while consistently pushing me to achieve higher targets.

Finally, I would like to dedicate this thesis to my mother, wife, and sister the three strongest women and humans in my life without whom I would not be the person I am today, and for helping nurture positive attributes in my life every day, Thank You!

List Of Acronyms

SKU: Stock Keeping Unit

B2C: Business to Consumer

B2B: Business to Business

C2C: Consumer to Consumer

C2B: Consumer to Business

ICT: Information Communication Technology

IPG: Internet payment gateway

ERP: Enterprise Resource Planning

B.I: Business intelligence

OLAP: Online Analytics Processing

SLR: Systematic Literature Review

LKR: Sri Lankan Rupees

POS: Point of Sale

O.S.:   Operating System

COD: Cash on Delivery

OMS: Order Management System

3PL: 3rd Party Logistics

WMS: Warehouse Management System

CRM: Customer Relationship Management

Table Of Contents

List Of Figures

List Of Tables