

Adoption of IT Practices with Suppliers and its Impact on Operational Performance: E-Business Perspective (With Special Reference to Travel Agencies in Colombo District)

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Across the industries, firms have adopted e-business initiatives to better manage their internal business processes as well as their interfaces with the environment. Development of the technology changed the travel and tourism industry and tourists are moving towards online methods. This creates a competitive environment to the traditional travel agencies. It is important for travel agencies to maintaining a better relationship with suppliers to deliver a quality service to the customers. Hence, the main purpose of this study is to examine and test a moderating effect of supplier relationship quality which integrates the Information Technology (IT) with suppliers (i.e. e-procurement and e-communication) and operational performance in the SME travel agency. Primary data was collected from a sample of 72 SME travel agencies in Colombo district registered under Sri Lanka Tourism Development Authority and random sampling method was adopted. Descriptive analysis, Pearson correlation coefficient and multiple regression analysis techniques were used to analyze data and Adrew Hayes Process Macro was utilized to identify the moderation role of selected variables. Research finding indicated that e-procurement and e-communication have a positive relationship with operational performance. E-procurement significantly and positively influences on operational performance while there is no significant effect found between e-communication and operational performance. Furthermore, supplier relationship quality moderates the effect with the e-procurement and operational performance of SME travel agencies. Results suggested that, even IT adoption of SME travel agencies are in a considerable level, furthermore traditional travel agencies should develop their IT practices with the suppliers and strengthen the relationship quality with suppliers to survive in the travel and tourism industry.

Keywords: IT adoption, e-business, Operational performance, Supplier relationship quality, Small and medium enterprises