

# **A Survey: Amazon's Digital Commerce Evolution and Its Potential Impact on Sri Lanka.**

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**Abstract:** Amazon's e-commerce expansion in Sri Lanka may have an impact on local businesses, customer behavior, and market competitiveness, according to the survey. Sri Lanka's digital economy is going through significant changes as e-commerce expands internationally, posing both opportunities and challenges for local companies. The global e-commerce company Amazon has already established a significant position in several countries, serving a various customer base with cutting-edge technology, powerful logistical systems, and an extensive product selection. This study looks into the potential effects of these abilities on Sri Lankan market dynamics.

**Key words** – Amazon, E-commerce, Local business, Customer.

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## **I. Introduction**

Digital commerce has changed the global economic environment over the last 20 years by encouraging innovation in cross-border trade, logistics, company strategies, and customer interaction. Amazon is a major influence among the multinational companies driving this change. Amazon has transformed from a small online bookshop into a full-fledged e-commerce ecosystem, setting standards for technological innovation, data-driven personalization, and operational efficiency.

The rapid development of e-commerce has transformed the global retail landscape by offering customers convenience, accessibility, and a large selection of products. Because of increased internet usage, mobile connectivity, and a growing desire for online shopping, Sri Lanka's digital economy is always evolving. The potential entry of Amazon, a major player in global e-commerce, has significant implications for the local market during this transition.

The survey seeks to assess the effects of Amazon's expansion in the Sri Lankan market, with a special emphasis on local firms, customer behavior, and market competitiveness. Amazon's success in multiple countries originates from its cutting-edge technology, efficient logistics, and customer-centric strategy, which positions it as a disruptive force in whatever sector it enters. Sri Lanka's domestic e-commerce platforms and traditional retail firms have the combined challenge of adjusting to this global rival while capitalizing on growth and innovation.

The study aims to determine how Amazon's presence may modify consumer preferences, influence purchase habits, and upset current competition dynamics. It also looks at how local firms may adjust to these developments, including methods for remaining competitive and sustainable in an increasingly digital economy.

## **II. Literature Review**

Local businesses are significantly impacted by Amazon's entry into new markets, which impacts consumer behavior, competition, and business strategies. E-commerce has grown tremendously as a result of global advancements in digital technology, with projected revenues of over \$6 trillion by 2024[1]. Global behemoth Amazon has upended established retail trends with advancements in pricing, product variety, and delivery. However, there are worries about how it may affect domestic businesses as it expands into developing areas like Sri Lanka. [2], [3].

Amazon's arrival into Sri Lanka may bring both an opportunity and a threat for local firms. On the one hand, Amazon's marketplace approach may allow domestic enterprises to reach a larger audience and global supply networks. On the other side, they may face severe rivalry from a corporation armed with modern technology, robust infrastructure, and significant financial resources [4],[5]. Small and medium-sized enterprises (SMEs) in Sri Lanka are especially vulnerable to Amazon's efficiency and scale [6].

Amazon's arrival into Sri Lanka is likely to disrupt the competitive landscape, potentially leading to market consolidation. While large stores may adapt by using their brand recognition and customer loyalty, smaller firms may face displacement if they fail to innovate or collaborate [7]. This emphasizes the necessity for strategic alliances, investment in digital tools, and adoption of e-commerce-friendly policies by local enterprises [8].

Furthermore, consumer behavior will play an important part in deciding the fate of local firms fighting against Amazon. Sri Lankan consumers are increasingly adopting e-commerce due to its convenience and access to a broader selection of products. Amazon's established trust mechanisms and customer service can successfully handle price sensitivity and payment security concerns [9],[10].

Local firms also face issues in logistics and supply chain management when compared against Amazon. Sri Lanka's logistics infrastructure, while improving, nevertheless lags behind the efficiency and scalability provided by global competitors such as Amazon. This mismatch could further exacerbate the gap between domestic enterprises and their foreign counterparts [11], [12].

Government policies and regulatory frameworks will be essential in determining the impact of Amazon's growth. Policymakers can assist level the playing field by subsidizing local firms, funding training programs, and investing in infrastructure. At the same time, steps to maintain fair competition, data protection, and consumer rights will be vital to counteract the harmful impacts of Amazon's dominance [13],[14].

### III. Methodology

Using a survey-based methodology, this study investigates how Amazon's e-commerce growth has affected Sri Lankan online buyers. A systematic questionnaire was used to collect data from a varied set of consumers who actively buy online. The poll looked at consumer preferences, purchasing habits, and opinions of Amazon in comparison to other local and regional e-commerce platforms. Pricing, product variety, convenience, and trust are all important variables in platform selection, as is the possibility of consumers using Amazon for their shopping requirements. Additional questions were used to address issues with digital payment security, delivery logistics, and customer service. The questionnaire distributed electronically via Google Forms and other media platforms to guarantee broad access and participation.

### IV. Finding

E-commerce and digital use are expanding rapidly in Sri Lanka, but infrastructure, laws, and economic inclusivity are necessary to realize their full potential.

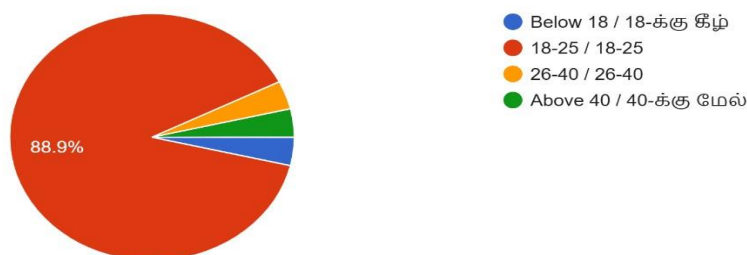
Responses are analyzed using descriptive and inferential statistical approaches to identify patterns and connections in customer behavior. Ethical factors such as participant anonymity, informed consent, and voluntary involvement will be thoroughly observed. This research aims to provide insights into how Amazon's arrival may affect customer preferences and the overall online purchasing landscape in Sri Lanka.

#### Age demographics

The majority of responses (88%) are between the ages of 18 and 25, followed by 26 to 40 (3.7%), over 40 (3.7%), and under 18 (3.7%).

Pie Chart Representation: The following chart depicts the age distribution of respondents

1.What is your age? / உங்கள் வயது என்ன?  
27 responses

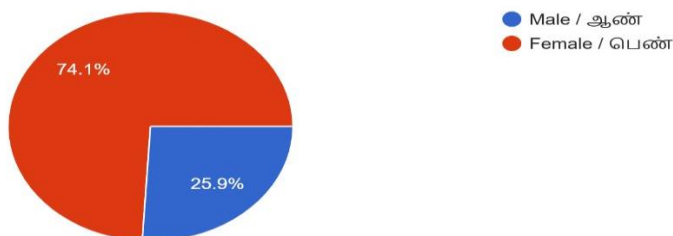


#### Gender distribution

Male: 25%, female: 75%.

Pie Charts Representation: A graphical representation of gender distribution.

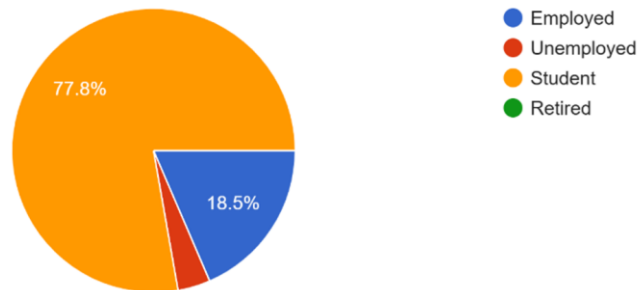
2.Female / பெண் What is your gender? / உங்கள் பாலினம் என்ன?  
27 responses



### Employment status

- Employed: 18.5%.
- Unemployment: 3.7%.
- Students: 77.8%.
- This study has a low participation rate among retired adults.
- Pie Chart Representation: Employment status is shown as follows

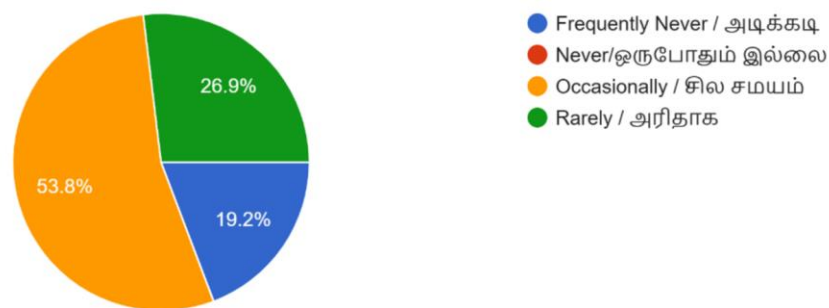
3. Employment Status/ வேலை நிலை?  
27 responses



### Shopping online frequency

- Occasionally: 53.8 %
- Frequently: 1.2 %
- Rarely: 26.9%.
- Never: 0%.
- Pie chart showing the frequency of internet shopping

4.How often do you shop online? / நீங்கள் எவ்வளவு முறை ஆன்லைனில் பொருட்கள் வாங்குகிறீர்கள்?  
26 responses



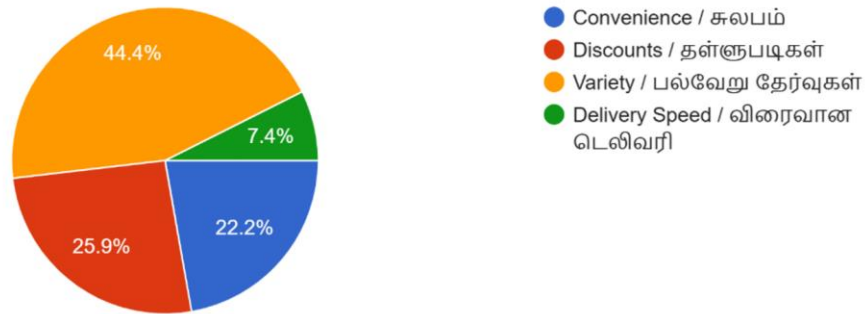
### Motivation for Online Shopping

- Convenience: 22.2%.
- Variety: 44.4%.
- Offers and discounts: 25.9%.
- Delivery: 7.4%

- Other motivations account for a smaller fraction.
- Pie chart representation: Motivation for Online Shopping Chart

5. What motivates you to shop online? / ஆன்லைனில் ஷாப்பிங் செய்ய உங்களை ஊக்குவிப்பது என்ன?

27 responses

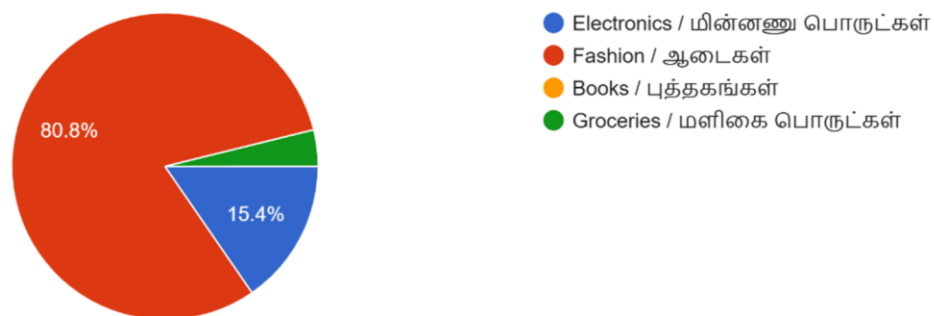


#### Types of Products Purchased Online

- Electronics: 15.4%.
- Fashion: 80.9%.
- Groceries and other items: 3.8%
- Books: 0%
- Pie chart representation: Products Purchased Online Chart

6. Which type of products do you buy most online? / நீங்கள் அதிகமாக ஆன்லைனில் வாங்கும் பொருட்கள் என்ன?

26 responses



#### Satisfied with the Online Shopping Experience

- Highly Satisfied: 11.1%
- Satisfied with 63%
- Neutral: 26%.
- No respondents expressed displeasure.
- Pie chart representation: Satisfaction with Online Shopping Chart

7. How satisfied are you with your online shopping experience? / ஆன்லைன் ஷாப்பிங் அனுபவத்தில் நீங்கள் எவ்வளவு திருப்தியடைகிறீர்கள்?  
27 responses



### Monthly Spend on Online Shopping

- Less than 5000 LKR: 77.8%.
- 5000-10000 LKR: 22%
- There were no answers from the higher expenditure brackets.
- Pie chart representation: Monthly Spending Charts

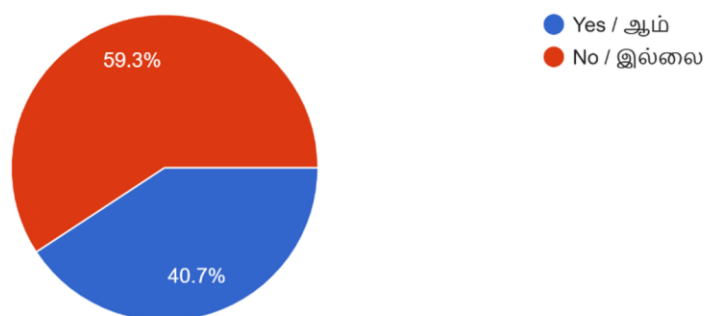
8. How much do you typically spend on online shopping per month? / ஒரு மாதத்தில் ஆன்லைன் வாங்குவதற்கு நீங்கள் சாதாரணமாக எவ்வளவு செலவழிக்கிறீர்கள்?  
27 responses



### Purchased international platform

- Yes: The 40.7% that responded that have made purchase on foreign marketplaces such as Amazon.
- No: The 59.3% that responded who have not made a purchase from an international platform.
- Pie chart representation

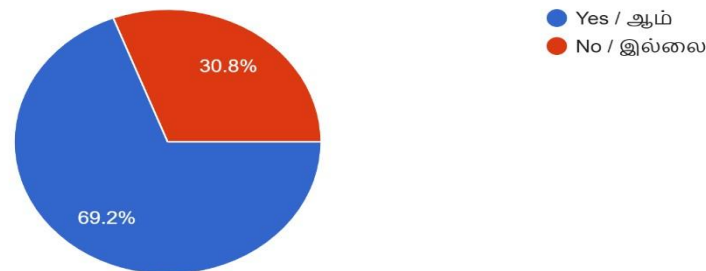
9. Have you purchased from international platforms like Amazon? / அமேசான் போன்ற சர்வதேச தளங்களில் நீங்கள் வாங்கியிருக்கிறீர்களா?  
27 responses



### Trust international platform

- Yes: The 69.2% of respondents that trust overseas platforms more than domestic ones.
- No: The 30.8% of respondents that favor or believe local platforms.
- Interpretation: This demonstrates respondents' trust in foreign e-commerce platforms such as Amazon versus local online stores.
- Pie Chart Representation

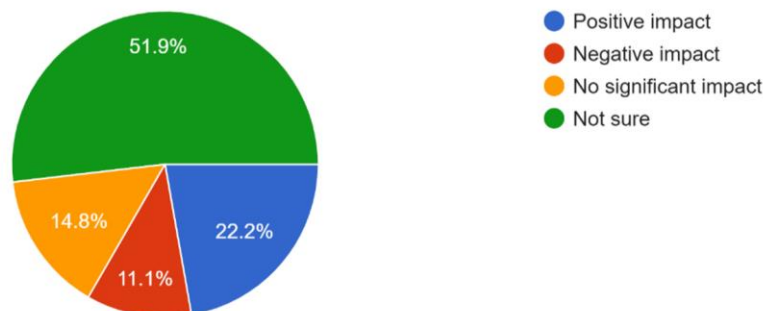
10. Do you trust international platforms more than local ones? / உங்களுக்கு உள்ளூர் தளங்களை விட சர்வதேச தளங்களில் நம்பிக்கை இருக்கிறதா?  
26 responses



### Amazon impact for local business

- Positive Impact: The 22.2 %of respondents overall think Amazon's presence will help local companies.
- Negative Impact: The 11.1% of the respondents think Amazon could harm local companies.
- No Significant Impact: The 14.8% of respondents that believe Amazon's presence will have no noticeable effect on local businesses.
- Not Sure: The 51.4% of responders that are unsure about the likely impact.
- Interpretation is the process this pie chart depicts how people view Amazon's impact on local businesses, offering information on public opinion on competitiveness and market dynamics.

11. How do you think Amazon's presence in Sri Lanka could impact local businesses? / அமேசான் இலங்கையில் செயல்படுவது உள்ளூர் தொழில...த்தும் என நீங்கள் நினைக்கிறீர்கள்?  
27 responses



### V. Conclusion

This study examines Amazon's revolutionary digital commerce evolution and its possible ramifications for Sri Lanka's emerging e-commerce industry. Amazon's scalable cloud infrastructure, data-driven operations, innovative logistics, and customer-centric business strategy are all key components of its global success. In emerging economies, these key elements act as a standard for the growth of digital commerce.

Amazon's ongoing growth in online sales offers Sri Lanka a number of advantages as well as difficulties. The survey's conclusions show that although Amazon's possible arrival could modernize the local e-commerce industry, expand consumer choice, and motivate infrastructure development, it also presents risks to local businesses, particularly small and medium-sized businesses (SMEs), because of fierce competition and market disruption.

The questionnaire's questions provide information about individuals' online shopping behaviors, interests, and opinions on international platforms such as Amazon in Sri Lanka. Based on the responses, we can infer the following conclusions

According to the poll, a large proportion of respondents are familiar with and frequently engage in online shopping. Convenience, reductions, variety, and delivery speed are the most important motivators for online buying, demonstrating that users favor simplicity and savings. Electronics and fashion are the most popular categories, and a significant majority of respondents express high satisfaction with their online purchasing experiences.

In terms of spending, most people invest less than 5,000 to 10,000 LKR per month for internet shopping, indicating moderate spending habits. Furthermore, overseas sites such as Amazon have a significant presence among respondents, with many noting previous purchases on such platforms. However, there is a mixed view about trust, with some people expressing more confidence in foreign platforms than in local ones.

Finally, respondents believe that Amazon's presence in Sri Lanka may have a beneficial or negative impact on local firms. The possibility of more competition might either inspire innovation or provide hurdles for local enterprises, emphasizing the uncertainty and contradictory perceptions surrounding global e-commerce expansion into Sri Lanka.

In conclusion, even if online shopping is well-liked and regarded for its convenience and affordability, the potential for regional markets to be disrupted by global platforms like Amazon depends on how businesses adapt to the change.

### **Future Work**

Even though this study offers an essential understanding of Amazon's digital commerce methods and how they can affect Sri Lanka, there are a few areas that need more in-depth analysis and empirical research. For the Sri Lankan industry should include a more in-depth examination of consumer behavior adjustments over time, particularly as more local consumers embrace foreign online shopping platforms. A longitudinal survey could measure changes in purchasing patterns, price sensitivity, and brand loyalty. Furthermore, future research might look into how Sri Lankan firms are responding to the existence of Amazon and comparable platforms, including their competitive strategies such as increasing customer service, broadening product offers, and improving logistics. Investigating the potential for cross-border e-commerce growth and its impact on local firms could also be beneficial, especially given how Amazon's expansion affects supply chains, price, and market access. Another subject for future research might be the effect of government regulations and policies in influencing the competitive landscape for e-commerce in Sri Lanka.

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