



## REVIEW ARTICLE

### ROLE OF M-COMMERCE IN PRESENT ERA

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#### ABSTRACT

In the recent years, there had been a great impact on the adoption of M-commerce in India. Large number of users is switching from desktop to mobile in order to achieve more desirable and effective transaction in the online markets. M-commerce had become prominent in India, swiftly during the past two years. The impressive growth rate in mobile penetration in India is due to increasing number of applications in mobile technology. With the advent of M-commerce, mobile phone in India, which is the most common device in every hand, is no more used for just text SMS and a voice call but also used for many other virtual activities. This paper's theoretical contribution is to explain the future growth of M-Commerce with its present condition and various issues and obstacles faced by it.

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## INTRODUCTION

E-commerce stands for electronic commerce, which sells products or services directly from the site using a shopping cart or shopping basket system and allows payments through cards, e-banking, cash on delivery. Customers can purchase anything right from a Insurance Policy to pen sitting comfortably in their office or home and gift it to someone sitting miles apart just by click of a mouse. Though it offers many benefits to users, there are many reasons for not shopping online like are lack of trust, security concerns, uncertainty about product and service quality, delay or non-delivery of goods, and lack of touch-and-feel shopping experience. Mobile Commerce is known as M-Commerce. M commerce are used to buy and sell goods by using the wireless devices like cell phones, Personal Digital Assistants and other hand held devices that can be accessed with the help of Internet. By using M-commerce we can access advanced mobile applications and high speed services and we can use this devices anywhere at any time. M-commerce is an advanced technology of e-commerce. The limitation of time and space are removed and we can access at any time we need. Through M-commerce, we can improve the wide range of productivity. M-commerce is considered the next generation of e-commerce and this particular technology will allow users to shop through Internet without a plug-in terminal.

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## M-commerce vs. E-commerce

- M-commerce means doing business transactions on the Internet through the use of mobile devices. Whereas, E-commerce means doing business transactions on the Internet using computers or laptops.
- M-commerce is very portable because mobile phones are very easy to carry. We can do your business transactions anywhere you go as long as you can access the Internet on your phone. Whereas in E-commerce, we can do your transactions on the computer. Laptops are also portable but not as light as mobile phones.
- M-commerce is usually charged through the caller's premium rates, charging the user's bill, or reducing the caller's credit, and also through mobile banking. Whereas, in E-commerce is charged through the use of swipe machines where you swipe your credit card. We can also transfer money through online banking and pay for products you have bought on the Internet using your credit card number.
- M-commerce is available anywhere We go even if there is no Internet because the Internet is available in our mobile phone, but E-commerce is not available everywhere because not all places have an Internet connection.

## Why people prefers mobile phones:

The factors that are driving customers towards the mobile rather than the desktop are as under:

- **Infrastructure:** India is a mobile-first country. It does not have the sufficient infrastructure to serve a billion laptops, but it is well on its way to serving data on one billion mobile phones. Mobile is the only connected device for many consumers in Tier 2 and Tier 3 cities, as well as rural regions.
- **Affordability:** With Android devices which rules nowadays the mobile market in India, many people even with low-income is able to afford a smart phone, which is then used as an internet device. According to IAMAI, 65 per cent of internet users are e-commerce customers.
- **Easy accessibility:** The retail outlets of big brands in Tier 2 and 3 cities are not much in existence. Hence, the online marketplace had become the gateway for many youngsters who want to buy their favourite brands of jeans and T-shirts.
- **Payment mechanism:** Cash-on-delivery has opened up a complete new market for online transactions. Credit/Debit cards can be used for making the purchases, but with cash-on-delivery, the rural population is also able to purchase online. A new wave has been created via Digital wallets in the mobile shopping by providing exclusive discounts and benefits to attract the customers. For example, Paytm digital wallet is allowing its users to transfer the amount between the accounts to attract the customers.
- **Page loads fast:** The online shoppers are more concerned about the page load times. They wish to use the app or site that opens faster than the web pages. An unpleasant experience with speed can have a strong effect on customer behaviour.
- **User-friendly interface:** Customers play an important role in the rise of mobile shopping than the online stores. Mobile users expect everything to be mobile-ready, and it reflects badly on brands if they haven't already taken a step forward to develop their app. It will also help in increasing the sales of the online retailer who have a well-built mobile app on their brand name.
- **Native capabilities:** Several inbuilt features in the smart phones like GPS, Click-to-call, and Camera for barcode scan gives unique facility for the online merchants to integrate to their mobile application. Taking advantage of these mobile features is strengthening the user experience.
- **Mobile marketing:** Mobile marketing can be helpful at a great extent in targeting a wide range of customers. The online merchants can engage with the users by sending push notifications, in-app notifications etc. A well-targeted mobile marketing campaign can lead to large amount of user engagement that was thought impossible before.
- Airtel launched m-commerce service mcheck which will help customers to pay Airtel mobile and fixed land line bills, recharge Airtel prepaid and digital TV accounts, buying gifts, paying insurance premiums, tickets and shop using their mobile phones.
- Reliance communication with Atom technologies an m-commerce solution provider allowed subscribers to purchase insurance services, DTH recharges, movie tickets, books and periodicals, consumer goods, holiday packages and train and bus tickets using Reliance mobile connections.
- Tata Indicom has launched mobile money transfer service in association with corporation bank and PayMate.
- Nokia recently announced to launch of its Nokia money partnering with Yes bank and mobile payment technology developer obopay. It is used to pay bills, friends, merchants, banks, reload prepaid mobile accounts and remit money to other countries.
- In Bangalore consumer are paying water bills with their mobile phones, consumers in Chennai paying property taxes using mobile phones, services provided by ngpay technology. Consumers tie their debit or credit cards to the mobile platform.
- ICICI Lombard is selling through mobile phone first of kind in India. Customers can choose various products, pay premium while on the move or out of the country, mobile commerce can be used for renewal of policies and claim processes. ICICI Lombard has pioneered the concept of mobile commerce in Insurance to give efficient and quick services to the customers.
- ITC launched e-choupal on 2000, version 1; it helped farming communities to get best prices for their produce. It also procured supplies for its supplies for its agribusiness division directly from the farmers. In version 2.0 it used the network to market the products in the rural areas through hypermarkets. In version 3.0 it is empowering farmers in villages by integrating the mobile phones to the digital and physical network of the e-choupal. Mobile phones play a key role in reaching 34000 villages within the 10 states; ITC shifts focus from engaging them through kiosk to reaching them directly through mobile phones. The two anchor businesses – jobs and personalized agricultural services have the potential to connect with a 4 million farmers. Nokia offering agriculture, education and entertainment services to the farmers – as part of its Life tools application. The agri-information service sends farmers regular SMS updates in 11 languages on the weather, procurement prices of various crops at nearest mandi, prices of seeds, fertilizers.
- Bombay Stock Exchange launched mobile trading after Securities and Exchange Board of India had cleared way for trading in securities using wireless technology. This helps investors who are cannot access internet through PC while at work. The features of mobile trading are simple, easy and attractive user interface, customizable market watch, secure connection, ability to provide details for stocks, easy access to market news and research tips through interactive message, ease in placing instant buy/sell orders and immediate cancellation of orders.
- The launch of 3G & 4G services are revolutionizing the Mobile Commerce, as the content, data speed and other

### Scenario of m-commerce in India

As we know mobile devices are becoming a part of our daily routine life, People use internet for various purposes which include: email, academic and financial information search, music and video on internet, chatting, online job search, gaming, booking tickets, hotel reservation, online news, internet telephony/video chat/voice chat, and online banking. E-commerce has touched every field of human life from information search to entertainment, job search & matrimonial site. Hence, the contribution of M-Commerce in India is as follows:

services provided have improved drastically in India. Handset manufacturer are Producing high end features with reasonable prices which can be in reach of all Indian Consumers. New agreements being happening between vendors, operators and application develops to develop better content for the customers. Web browsing is expected to be the most used service among mobile broadband subscribers in India. More products and service firms are going to offer their products and services on mobile to the customers.

- Banks are taking steps issue credit and debit cards with magnetic strips as smart card. This will solve the problem of security in terms of payments through credit and debit cards in mobile commerce. It is an opportunity to the banks as Smart cards can be multifunctional as ID card, e-purse and loyalty programmes.

### Future growth of m commerce in India:

By reviewing the present picture of M-Commerce in India we can say that future of it is very bright. Here is some advancement that can take place in future in the field of M-Commerce:

- **Greater mobile marketing budget:** Every year, more and more people purchases smart phones, and by 2016 mobile phones will gain greater access in even the remotest regions in the world. So, ultimately, mobile marketing will be grabbing the limelight among other marketing areas. When compared to the previous years, a good proportion of the marketing budget will focus on mobile marketing in coming years.
- **Quicker mobile transactions to different hardware:** We, as consumers, are very greedy! We want faster and quicker service and our loyalty immediately shifts towards the best service provider. 2016 will see some new efforts being made to ensure quicker transactions through mobile phones. New mobile payment methods – involving a synergy between hardware and software - have been developed to ensure seamless transactions in stores and online. From next year onwards, we will be able to make payments at petrol pumps and grocery stores through our mobile phones without having to wait in long queues.
- **Omni-channelling:** Omni-channelling is all about following customers through every channel. And there's no better way to ensure a purchase. Omni-channelling delivers a personalized experience for individual customers. In coming years, companies will be investing more time developing Omni-channelling strategies for m-commerce.
- **More purchase through mobile apps:** Mobile apps, as you might know, use up less data and you can make purchases even more swiftly than through a mobile website. A good number of online retailers in India are yet to acknowledge and embrace apps. However, considering the greater functionality that they provide, we will see a significant increase in the number of online retailers using mobile apps in future.
- **Build an online mobile-friendly store with Drupal 8 & maximize sales:** Drupal has the necessary tools and modules to create a mobile-friendly website, thus offering

your customers an awesome experience. The latest addition, Drupal 8, has a mobile-first design which includes more enriched and mobile-friendly themes and templates. And Drupal developers know that the greatest advantage of using Drupal is that it is very simple to develop mobile apps with Drupal.

### Problems/ constraints:

M-commerce should not be considered as e-commerce with limitations, but it should be identified as a form of e-commerce with its own unique benefits. Smart phones and other handheld internet enabled devices differ from PCs in many ways. For example, they generally constitute smaller screen sizes and limited input capabilities. There will be different concerns from the customers with respect to security, reliability, download time when there is less connectivity to the mobile. There are some problems of M-commerce that acts as hurdles to its growth. These are:

- **People are technology lovers but not users:** People like to carry good looking, big screen mobiles but they avoid making purchases when it comes to mobile phones. The reasons can be screen resolution and the catalogue presented to them does not give exact enlarged view of the products they are looking for.
- **Lack of Internet Connectivity:** The internet connectivity at many places in India is still under the dark room and especially, 3G networks are not accessible in many states of our country.
- **Language Barrier:** Most of the population in India wasn't aware of English language and it plays a major role in the online transactions for purchasing or selling the products and services.
- **Lack of Awareness:** In India, there exist people who not even know the term M-Commerce. Many people in the country, who are aware of it, feel uncomfortable and afraid to adapt to mobile for purchasing the things online.
- **Retailers are not providing technology:** Most of the retailers do not have advanced technology which can transact with mobile as it require different platform in mobile and connection with your online bank for the transfer of funds from your customer account to retailer accounts.
- **All products cannot be purchased online:** Many products are of that type which we cannot purchase through mobile. So it plays a limited role.
- **New Phenomenon for many Consumers:** In urban areas also this is new phenomenon which takes time for consumer's understanding.
- **Delay in Reverse transaction:** In mobile commerce if we return the purchases, consumers are confused how to reverse the order and to get the money. It is also a time consuming process.
- **Concerns of Security, privacy and reliability:** Mobile phone users feel that they can be tracked easily on the lines where they are buying, what they are buying intruding into privacy. In mobile commerce, risk of disclosing credit card details are very much high makes it less secure and less reliable.

- **Limited speed and storage capacity:** Mobile commerce solutions have limited speed compared to computer systems and storage capacity to store important information regarding mobile transaction.

### Suggestions

Indian government should take necessary steps to enhance the growth factors for M-Commerce like building of infrastructure to internet connectivity, provide awareness and literate more people for English language and M-commerce usage. Some rules and regulations should also be imposed for enhancing M-commerce industry.

### Conclusion

The research paper shows that M- Commerce is gaining its market in India in spite of its challenges and issues. The reason for its spread is the ease of availability of smart phones; because of which people have got the freedom to not only make audio and video calls but they can now almost access every aspect of business. At last but not the least, we conclude that since M-commerce industry is not new in India, because of this, there are so many challenges, gaps, hurdles and obstacles are in front of the industry, which can be properly managed & removed for better growth of economy of India.

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