



The Scope of Mobile Commerce in India – An Analysis

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Abstract

The purpose of this research paper is to analyse the significant growth of Mobile commerce in India. The significant growth of M-commerce application is remarkable in India. More and more consumer is transferring to M-commerce to achieve better and fast transaction into market. M-commerce is complex in nature and includes changing procedure in market. mcommerce is emerging level in India. The astounding rate growth in mobile penetration in India, higher mobile technology and networking is coming day by day. Now a mobile phone is not only use for text SMS or phone call but also be used for many other activities like browsing of internet chatting or other virtual activities.

Introduction

Mobile phones today play a major role in developing countries. Online shopping is today in the palm of our hands. Thanks to these smartphones and the internet. Mobile commerce is not only an option in the ecommerce industry but, it has become a fundamental prerequisite. The majority of the customers are already looking forward to shopping on their mobile phones. Mobile commerce or m-commerce, as it is popularly known, can be defined as the process of fulfilling business operations using mobile phones that are connected throughout the world via the internet. The business operations may range from making online payments, playing online games, buying and selling goods and services, utilizing various software applications, downloading audio or video content, etc. M-commerce is commonly operated using mobile devices such as smartphones, tablets, and such handheld mobile devices. M-commerce is inclusive of both Businesses to Business (B2B) transactions as well as Business to Consumer (B2C) transactions.

The modern ecommerce has reduced the gap between the developed and the developing

nations. Online trading plays a crucial role in the development of India along with many other developing countries. The inception of m-commerce has changed the face of ecommerce in India. The number of mobile phone internet users in India was recorded to be the world's largest population in 2018 with above 483 million users. The same stat is estimated to increase to 500.9 million users by 2023 according to Statista. India has replaced the U.S to become the second-largest market for smartphones. The Indian population has welcomed mobile commerce with both hands wide open. Did you know that according to another report by Statista, about 696.07 million of the Indian population owns a smartphone in 2020? And, it is further expected to increase up to 973.89 million by 2025. These facts are quite justified for our topic for today. In this blog, we will be discussing the scope of mobile commerce in India.

Keywords: M-Commerce, E-Commerce, India, Smartphone.

Objectives of the study

- To study the concept of M-commerce in India
- To study the advantages and disadvantages of M-commerce in India
- To study **the Scope of Mobile Commerce in India?**

What is M-Commerce and what is its origin?

M-Commerce is a subdivision of Ecommerce, which implies to online shopping on the go using handheld mobile devices. The term m-commerce was first coined by Kevin Duffey in 1997 who was the then CEO of the Global Mobile Commerce Forum. The circle of mobile commerce began with two Coca-Cola selling machines in Finland. The major innovation in this machine compared to the usual ones was that people could pay for the drink using SMS. This feature turned so popular that it laid the foundation for the development of mobile banking in the locality. The first digital products sold via m-commerce channels were mobile ringtones in 1998, also in Finland. However, it took about 2 years for the spread of mobile commerce in the global market. Since 2000, the mobile commerce trend had reached a global scale and it has never slowed down.

Types of m-commerce

M-commerce is categorized based on the following three basic types:

- **Mobile shopping** enables customers to buy a product using a mobile device with an application such as Amazon or a web app. A subcategory of mobile shopping is app commerce, which is a transaction that takes place over a native app.
- **Mobile banking** is online banking designed for handheld technology. It enables customers to access accounts and brokerage services, conduct financial transactions, pay bills and make stock trades. This is typically done through a secure, dedicated app provided by the banking institution. Mobile banking services may use SMS or chatbots and other conversational app platforms to send out alerts and track account activities. For example, the WhatsApp chatbot lets customers view their account balance, transfer funds, review loans and conduct other transactions in real time through WhatsApp.
- **Mobile payments** are an alternative to traditional payment methods, such as cash, check, credit and debit cards. They enable users to buy products in person using a mobile device. Digital wallets, such as Apple Pay, let customers buy products without swiping a card or paying with cash. Mobile payment apps, such as PayPal, Venmo and Xoom serve the same purpose and are popular options. Mobile consumers also use QR codes to pay for things on their mobile phones. With mobile payments, users send money directly to the recipient's cell phone number or bank account.



Review of Literature

K.S. Sanjay (2007) states that, Mobile hand held technology is less cost included and also provides a better flexibility and effectiveness to its users. M-commerce is also a subset of Ecommerce, but the difference lies that M-commerce uses wireless technology. So it gives flexible and convenient experience.

Tandon, M-commerce has explored and presented the possible problems in mobile commerce. They had tried to bring out the possible benefits and issues associated with this wireless technology. Many wireless technologies have been discussed in the paper.

Paul Budde's paper, "Australia -Mobile Data - Mobile commerce and M-Payment", communication expert, provides the overview of mobile commerce in the Australia and identifies the impact factor that will be important for the future of the market transaction.

G.T. Thampi, The M-commerce is the branch of Ecommerce technology, in short we can say that, e-commerce transaction carried out using a mobile hand held devices. Nowadays online is the part of our daily life for communication, business transaction and market transaction, but India is a country of many different languages, only 4% of people know very well about the English Language. If M-commerce uses local language, this will not only ensure quickly adoption by the customers but also will be an instant success.

Methodology of the study

In order to accomplish the above objectives, secondary sources, available literature, reports and data have been used. The data has been obtained from various journals, reports, magazines and websites.

Advantages of M-commerce

As we all know that everything has advantages as well as disadvantages. So, let's catch a glimpse of some of the advantages of mobile commerce.

1. **It creates a new marketing channel-** M-commerce will help you in creating a new marketing channel as you can easily sell your products to end-users. Additionally, for your business m-commerce is very beneficial as you will give all information in your mobile app and users can easily get to know everything in just one click.
2. **It provides easy store access-** Mobile commerce makes it simple to find the items accessible in the market by using wireless gadgets. Also, you don't need to go to the store to buy your necessities, instead, you can purchase items online. This will save you time and reduce your efforts.

3. **It results in cost reduction and productivity-** M-commerce is cost-effective as you can cut marketing campaign expenses as you can reach your customer sooner with a mobile app. Also, it has reduced the staff workload and has become more effective and productive than before.
4. **It benefits from traditional retail sales-** Mobile commerce can encourage you with traditional retail sales. Thus, m-commerce is developing day by day and it will keep on advancing, putting up a better outstanding position in the retail exchanges.

Disadvantages of M-commerce

Now, let's glance at some disadvantages of mobile commerce.

1. **Absence of services in rural areas-** In rural areas there is still a dearth of availability of mobile phones and Internet connection. Even there are people who are totally unaware of all these facilities. So, you can think that still, mobile commerce is unknown to several people.
2. **Fraud risks and security concerns-** Still there are fraud risks in mobile commerce and there are marketers who are not even prepared to handle it. Also, the security issue is still present and there are people who had a fear of losing their personal information.
3. **Connectivity issue-** If your net connection is poor then you will face an issue and also get irritated in m-commerce. The massive obstacle for M-commerce is the internet connection issue.
4. **The habit of people-** You must have heard of the people who don't want to come out of their comfort zone or you can say that they are not ready for the change. There are people who deny getting into modern technology and some take too much time in adopting new technologies.

What is the Scope of Mobile Commerce in India?

In India, the majority of the people, irrespective of their ages, are using a smartphone. Especially during the coronavirus pandemic, the few people who didn't use a smartphone probably started using one. From children in their nappies to grannies in their chairs are using a smartphone for multiple reasons. On average, the age group between 25 and 34 are using these smartphones to shop online. The m-commerce niche is to be completely

explored and utilized in its full potential and India is actively working in that regard. Following are a few initiatives taken by the Government of India in order to encourage m-commerce:

1. Unified Payment Interface
2. GST Implementation
3. Mobile Wallets
4. The Digital India Makeover
5. Startup India
6. Skill India

Apart from the above-mentioned initiatives, the Prime Minister of the country has quite supported and encouraged digital transactions with the use of mobile banking and e-banking for cashless transactions. One instance for this initiative is the launch of the BHIM app that facilitates digital transactions directly through the banks using UPI.

When we say m-commerce, here we refer to the transaction of goods and services using mobile devices. There have been evidently great impacts in the m-commerce market with the ever-increasing sales of smartphones, not only in India but across the world. In the past few decades, the development of mobile applications has turned out to become a boon for the m-commerce industry.

If we compare the time spent by an individual on a web browser to the time spent on mobile phones, there is a huge difference and that clearly signifies the dominance of mobile apps in the mobile commerce industry. Researches state that mobile apps can boost sales by over 50% for a regular ecommerce business. Moreover, nearly 49.2% are done via mobile devices.

What are the benefits of M-Commerce in Business?

1. Better online shopping experiences

From having to visit stores physically for every little purchase to being able to buy it all online, M-Commerce simplified shopping for most. But in times where being present on social media is of utmost importance to most, the same consumers are spending a lot of time on the internet but through their mobile devices.

2. Stability in business growth

mCommerce is not new. consumers are already interacting with businesses or making transactions using mobile devices for personal and professional purposes. With the rise of

mobile apps and the need to remain agile, there is no stopping the growth of mobile commerce.

As per Statista, mCommerce sales will account for more than 10% of the total retail sales by 2025. The projected number is expected to increase owing to the technological advancements and growth of the mobile user base.

3. Omnichannel shopping experiences

Omnichannel refers to being able to sell both in-store and online by establishing a presence across multiple channels. As mobile devices become an integral part of our day to day lives, they have established themselves as a critical touchpoint for businesses to be active on.

By adapting business to cater to both eCommerce and mCommerce, can create a truly seamless shopping experience for customers, making it easier for them to engage with and buy from seller.

4. Ease of payments

Think about the last time we made a purchase or split the bill and suggested making the payment via a mobile wallet. The increase in the usage of mobile wallets like Apple Pay, PayPal, Google Pay, UPI and Paytm is evident and is rapidly increasing.

With mCommerce, we will be able to offer payments for online orders via these mobile wallets, offering a one-click purchase experience to buyers. The ease of finding products and making purchases is bound to increase the conversion rate for online stores as well!

Conclusion

So, in conclusion, we can say that mobile technology has improved the way we live. Nowadays, there is lots of work which we do with the help of mobile phones. Thus, only because of this, mobile commerce has reached this phase. As you have seen above, the expectations of rising M-commerce in the future, its advantages and disadvantages, **benefits**, and every single detail about mobile commerce. So, **it will be interesting to observe how and what will be the new facilitating stuff in the coming years.**

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