Analysis of M-Commerce in Indian Context

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Abstract:

In the contemporary times, mobile commerce or m-commerce is getting a huge attention of academicians and researchers and has become a buzzword in India. M-commerce is a term that is used to refer to the growing practice of conducting financial and promotional activities with the use of a wireless handheld device. The tremendous growth in mobile phone penetration due to arrival of fourth generation (4G) mobile technology shows that major Indian population has adapted to mobile phones and m-commerce is expected to change the business landscape. With increasing number of mobile subscribers, India is now second largest mobile cellular market, next to China only. Hence, opens up a huge scope for business players to step in to this arena.

Keywords: *Mobile commerce,*

INTRODUCTION

We have been witnessing a great shift in methods of doing business with the emergence of the electronic commerce (e-commerce). Nowadays, advanced and increasingly mature wireless and mobile technologies are facilitating e-commerce conducted from a wired network to a wireless network. When users conduct e-commerce such as e-banking or purchase products, they do not need to use a personal computer system. Indeed they can simply use some mobile handheld devices such as mobile phones and personal digital assistants (PDAs) to conduct various e-commerce activities. Such way of conducting business can be defined as m-commerce, viewed as a subset of e-commerce. The term m-commerce is short for mobile commerce, and recognizes that the transactions may be conducted using cell phones, personal digital assistants and other hand held devices that have operate with Internet access. Abdelkarim, Amjad Abdallah, O Hebah & Nasereddin (2010) defined m-commerce as the communication, interaction, and transaction via high-speed connection to the internet using handheld wireless devices. In short and simple term, we can say m-commerce = E-commerce + Wireless Web.

All e-commerce applications requires fixed or stationary users with wired infrastructure, such as a browser on a PC connected to the internet using phone lines or a Local Area Network (LAN). The technology changed from wired to wireless networks, the latest buzz in the business is mobile commerce. M-commerce is a natural successor to electronic commerce. M-commerce should not be viewed as e-commerce with limitations, but rather as a unique form of e-commerce with its own unique benefits.

RESEARCH METHODOLOGY

Objective of the study

The primary objective of this study seeks to investigate the merits and demerits of m-commerce in India.

Research Design

The present study is a descriptive study based on review of literature on M-Commerce in India. For the purpose, an extensive literature review was conducted. The following databases were searched: Emeraldinsight, Ebscohost, Science Direct, JGate and Google Scholar.

LITERATURE REVIEW

M. S. Hossain, R. Muhammad, and K. Amin, (2011) observed that m-commerce is the advance version of e-commerce which works with in a mobile device using a mobile network infrastructure. M-commerce is a new technology and like e-commerce it has a number of issues and concerns. "M-commerce technology depends upon the network and telecommunication infrastructure. It also depends on the existing e-commerce, e-banking and payment systems of the country. The legislation and network security of the country are other key issues in implementation of m-commerce. Abdelkarim, Amjad Abdallah, O Hebah H, and Nasereddin (2010) found the advantages of m-commerce that the use of wireless devices allowing the user to make transaction and receive information anywhere, at anytime. It also enable user to be reachable anytime and anyplace and has the ability to access the real time information. Gupta & Vyas (2014) found that m-commerce is at emerging level in India. People have started using mobile not only to make phone call but use it for web access, chatting, surfing and also shopping.

He has discussed about how m-commerce is developing in India and identified clear context and assistant mechanism along with the benefits and drawbacks of m-commerce. The major benefits are user-friendly, easy to carry, low internet connective area and drawback are lack of internet connectivity, language barrier, less graphic resolution, less number of mobile phone users etc. Batra & Juneja (2013) has listed some issues faced by m-commerce industry. He had also studied the sales and available users of smart phones in India which shows tremendous increase in the graph although it is new in India. They observed instant connectivity, personalization factor, mobility factor, localization etc. are growth factors of m-commerce. With the help of m-commerce one can get the entire word knowledge on their phones, can access and manage the bank accounts, avoid parking rush, health issues etc. but the he had also discussed about the security issue and speed that is not sufficient to make purchases and pay online.

Applications of M-Commerce

Mobile Commerce has gained increasing acceptance amongst various sections of society in last few years. The reasons for its growth can be traced back to technological and demographical developments that have influenced many aspects of the socio-cultural behavior in today's world. There is various application of m-commerce, which are frequently used by Indians now days.

Travel and Ticketing: Ticketing has been become easy these days. Be it for railways, road or air travelling, all are providing facilities for m-ticketing. Indian Railways has been launched official mobile application which helps consumers to check train schedule, timing, booking etc. on their mobile phones. Majority of customer use the mobile phone as a means receiving E-Tickets.

M-Shopping: After the success of online shopping on internet, online shopping companies are focusing on mobile shopping as now days. Consumers can search products or services on their mobile phones instead of going into shopping malls. Even they can buy products from a vending machine by using their cellular phones and can check their bank accounts and perform account balance transfers without needing to go to a bank.

Entertainment: Entertainment has always played a crucial role in internet applications and is probably the most popular application for the younger generation. Smart phone users can download game/image/music and video files at anytime and anywhere.

Education: The movement of mobile wireless technologies in education is a recent trend and it is now becoming the hottest technology in higher education. Most of the educational institutions are using mobile applications to communicate with their existing and potential students.

Inventory Tracking and Dispatching: Mobile commerce allows a business to keep track of its mobile inventory and make time-definite deliveries by using just in time delivery system.

Traffic Control: Traffic is the movement of pedestrians or vehicles through an area or route. Mobile commerce can improve the problems related to the traffic jam in many ways. For example, Smartphone users have capabilities of a GPS, which can be used in determining the driver's exact

position and can be used for giving directions. A traffic control centre can also control and monitor the traffic according to the traffic signals which are sent from mobile devices in the vehicles.

Benefits and Drawbacks of M-Commerce in India

Mobile commerce market in India is growing rapidly due to the availability of low cost smart phones and affordable internet plans. M-commerce offers multiple advantages like Ubiquity, personalization, flexibility, and distribution, instant connectivity, immediacy. There are many ways in which business, government and citizens of India could benefit from M-commerce like

Easy to carry mobile device: Mobile device is easy to carry by user, It helps to avoid user to go physically to any particular shop as well as it also helps to user for avoid once of use of computer /laptops. Mobile devices can be used in real time to search and access information at any point of time, thus very flexible to use.

User friendly: Now days, all online sites are providing mobile apps to increase the m-commerce business. Websites are being designed so much user friendly that helps consumers to find more easily and rapidly for a particular product. Different classification of products variety helps for consumers to choose more exclusively between products.

Low internet connectivity area: M-commerce is also efficiently used where the internet connectivity is less and website is taking more time to upload. Through mobile devices requires less internet data, so it is also economical with comparison of using internet via computer devices.

Secure transactions: M-commerce gives an assurance of secure transactions by sending confirmation code on the e-mail and mobile phone. The transaction will be processed only after filling this code. Therefore, the chances of wrong transactions are very less and trust of consumer is ensured.

Economical: The ability to access information on mobile, at affordable cost can change people's lives and livelihoods in rural areas, such as latest on the weather report or health services. It can be used as the medium to educate and create awareness among the rural people. Usages of Internet on mobile devices have lead to information access overcoming geographical barriers and removed the training cost of mobile technology on the part of online business providers.

Drawback of E-commerce in India:

Each coin has two sides; M-commerce also has some hurdles for growth in India. This technology is still at an embryonic stage and e-commerce companies are still experimenting with mobile sites and mobile apps, to make shopping experiences for the customers convenient and hassle free. Many companies are in a dilemma whether they should use mobile-optimized websites or mobile apps. It also faces some of the challenges of e-commerce like India has unbanked population, less credit card population, lack of fast postal services in rural India. The challenges of M-commerce in India are listed as below:

Lack of Internet Connectivity: Accessing the internet by mobile phones is currently hindered down by slow transmission speeds and frequent disconnects. Even the broadband connection is not accessible in many cities of country, particularly in rural areas.

Language Barrier: Most of the population of India are not aware about the English language or not so good in English language, which is the minimum qualification to do online transaction on mobile. And till now there are very few applications which are available in regional languages. So language becomes one of the major hurdle to purchases, hire and sell a particular product or services.

Lack of Awareness: Majority of the population of India still do not aware about the term m-commerce. People in India still afraid to adopt to purchase things online as well as they are feeling uncomfortable to buy a product through m-commerce. They feel insecure while making payments over mobile phones.

Lack of Personal Touch: Many people still prefer viewing products and comparing online but they believe in feel and buy method as they don't want to involve in returning policies and all that. The common practice in India is to research online and shop offline.

Limited Graphics: 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 and therefore reduces consumer interest. Some mobile applications are available but it is complex as compared to e commerce websites.

Privacy Concern: consumers still is concerned about their personal details and are not willing to share information and it leads to trust issue with m-commerce and with companies doing business with it.

Conclusion

The mobile Internet channel has opened up new possibilities in India but there is a big gap between technology's capabilities and the consumer's expectations. M- Commerce players need to improve the user interface soon and implement innovative pricing structures. With the introduction of forth generation internet service by most of the telecommunication companies the problems like slow transmission speeds and high costs are being addressed. Mobile app provides huge opportunity to businesses and acquire customers as large no of internet users are increasingly using smart phones. In present situation, not only retailers and ecommerce companies are moving towards mobile apps but Real estate companies, Educational institutions, Healthcare, Fast food companies, Taxi booking and other service providers, companies are developing mobile apps.

The big concern for companies is to secure consumer safety and confidence. A consumer who uses this channel for shopping needs to feel secure because they have to provide personal and financial information with the companies. Stability and reliability of the mobile apps should be given more attention by companies as well as by the government. However, in India, with continuously falling mobile data tariff and availability of low cost, home grown smart phone

companies, m-commerce will change the landscape of doing business in India in upcoming years

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