

M-Commerce " Advantages and Initiatives"

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ABSTRACT

Science and technology is being upgraded at a very fast pace since its inception. The drastic transformation in the various sectors is the ultimate outcome. How the physical work is overcome by the invention of digital mediums, one of such inventions is M-Commerce i.e. Mobile commerce. The present paper will focus on the evolution of M-Commerce and the advantages of it. It will also evaluate the various initiatives of the government regarding Digital India and M Commerce.

Key words - M-COMMERCE, initiatives

Objective of the study

- To study the evolution and advantages of M Commerce.
- To analyze the government initiatives regarding Digital India and M Commerce.

Introduction

M-commerce is defined as 'the ability to purchase goods anywhere through a wireless Internet-enabled device. Primary mobile communication exists through web-enabled wireless phones. It can also be defined as:

"Providing E-commerce in a mobile context."

"Using mobile technology to sell or buy items, access business information, conduct a transaction, perform supply chain or demand chain functions.

Mobile Commerce refers to wireless electronic commerce used for conducting commerce or business through a handy device like cellular phone or Personal Digital Assistant (PDA). It is also said that it is the next generation wireless E-commerce that needs no wire and plug-in devices. Mobile commerce is usually called as 'M-commerce' in which user can do any sort of transaction including buying and selling of goods, asking any services, transferring ownership or rights, transacting and transferring money by accessing wireless internet service on the mobile handset itself. The next generation of commerce would most probably be mobile commerce or M-commerce. "The Prime Minister Narendra Modi has placed emphasis on use of mobiles for banking purposes, thereby giving a push to the country to go digital. During 'Mann Ki Baat' address on Sunday, 27 November 2016, he appealed to the people of India, particularly the youths, to embrace e-banking and mobile banking for cashless transactions."

Analysis and Interpretation

Evolution of M Commerce:

M-commerce is the next revolutionary way of doing business after e-commerce, which is set to change the landscape of businesses. The term m-commerce came into existence in 1997 when it was first used by Kevin Duffey at the launch of the Global Mobile Commerce Forum organised in the UK, to mean “the delivery of electronic commerce capabilities directly into the consumer’s hand, anywhere, via wireless technology.” M-commerce has come a long way from the first service delivered in 1997 (mobile-phone enabled Coca Cola vending machines were installed in the Helsinki area in Finland where the machines accepted payment via SMS text messages) and is driven by a combination of the current trend of electronic commerce (e-commerce) and the emerging developments in personal computing, which has technologically leaped forward from desktops to smartphones; dawning a new era of anytime, anywhere commerce through on-the-go internet/wireless connectivity. M-commerce is expected to surpass e-commerce as the preferred method for digital transactions as content delivery over wireless devices becomes more scalable, faster and most importantly secure. As per publicly available sources the current online shoppers are in the range of 80 to 100 mn and expected to increase 175 to 220 mn by 2020. The transition from traditional model of commerce to e-commerce and now to m-commerce was led by the retail segment. Industry sources indicate that digital commerce accounts for a fraction of the total sales of retail industry. This indicates there is a huge potential for m-commerce, which is yet to fully explore the segments, especially fintech, healthtech, entertainment and on-demand services. The major challenge for m-commerce in India has been that the users need to link one of their banking instruments such as the credit card, debit card, bank account to their online commerce accounts. The users have not been willing to share such information on the phone as there is a fear that the sensitive information may be comprised. While online banking and even mobile banking has been around for a long time, mobile wallets have made it easier to shop. From grocery to cab rides to movie tickets to food deliveries to utility bills, almost anything can be bought and paid via simple mobile apps. Mobile wallet companies operating in India are also offering attractive deals and incentives to attract new users. In recent years, mobile wallet companies have increasingly formed collaborations with service providers and financial institutions to offer a robust and seamless mobile wallet platform to the users.

Over the past four years, mobile wallet transactions have jumped from INR 10 bn (60 mn transactions) in 2012-13 to more than INR 490 bn (600 mn transactions) in the year 2015-16.

Advantages of M Commerce

The Benefits from Mobile Commerce Includes:

- Internet offerings are easier and more convenient to access.
- It offers considerable flexibility when conducting business.
- It offers intense customer orientation and high customer loyalty, and this is due to innovative service strategies.
- It offers lower transaction and personnel costs, which is due to the widespread automation.
- Disruptive business innovations along with ease of use technology would act as an enabler in transforming traditional businesses to M-commerce.
- The transition from traditional commerce to e-commerce and now to m-commerce has been driven by the retail segment followed by travel transport and logistics segment.
- M-commerce in its true form is the ability to charge an amount of currency to a mobile phone either by applications like Mobilcash or Near Field Communications, the amount to be charged is actually taken from the Mobile device's account or preloaded 5RFID chip

Government Initiatives for Digital India including M Commerce

On 1 July 2015, the Government of India launched the Digital India programme with an objective of making all the government services electronically available to citizens by enhancing the internet connectivity and the online infrastructure. Industry players in India and abroad welcomed and supported the Digital India initiative by committing to invest a whopping US\$ 68 bn towards the cause.

Through the Digital India package the Government of India aims to bring about the following different revolutions in the country:

1. to provide nationwide information infrastructure by March 2017 by laying national optical fibre network in all 2.5 lakh gram panchayats.
2. to enhance the processes and delivery of different government services through e-Governance with payment gateway, UIDAI, EDI and mobile platforms.
3. to provide internet services to almost 2.5 lakh villages by March 2017 and 1.5 lakh post offices in the coming two years.
4. to provide electronic services to people related with education, health, farmers, security, justice and financial inclusion through e-Kranti services.
5. to increase network penetration and mobile connectivity in all villages by 2018.
6. to focus on zero imports of electronics by setting up smart energy meters, mobile, micro ATMs, consumer and medical electronics

7. to establish Wi-Fi facilities in all universities across the nation and an aim to make e-mail the main mode of communication
8. to make all information easily available to the citizens through online hosting of data.
9. to establish BPO sectors in North-Eastern States. By 2020 the programme intends to train around 1 crore students from villages and small towns for the IT sector
10. the Government of India has set aside US\$ 1.24 bn for creation of 100 smart cities.

Payment and settlements

The Vision-2018 for Payment and Settlement Systems in India reiterates the commitment of the Reserve Bank of India to encourage greater use of electronic payments by all sections of society so as to achieve a “less-cash” society. The objective is to facilitate provision of a payment system for the future that combines the much-valued attributes of safety, security and universal reach with technological solutions which enable faster processing, enhanced convenience, and the extraction and use of valuable information that accompanies payments.

broad contours of Vision-2018 revolve around the 5 Cs:

1. Coverage – by enabling wider access to a variety of electronic payment services
2. Convenience – by enhancing user experience through ease of use and of products and processes
3. Confidence – by promoting integrity of systems, security of operations and customer protection
4. Convergence – by ensuring interoperability across service providers
5. Cost – by making services cost effective for users as well as service providers

Vision-2018 focuses on four strategic initiatives viz.,

responsive regulation, robust infrastructure, effective supervision and customer centricity.

Unified Payments Interface (UPI)

Unified Payments Interface (UPI) is a system that powers multiple bank accounts into a single mobile application (of any participating bank), merging several banking features, seamless fund routing & merchant payments into one hood. It also caters to the “Peer to Peer” collect request which can be scheduled and paid as per requirement and convenience.

Understanding of UPI

1. UPI is a payment system that allows money transfer between any two bank accounts by using a smartphone.
2. UPI allows a customer to pay directly from a bank account to different merchants, both online and offline, without the hassle of typing credit card details, IFSC code, or net banking/wallet passwords.

3. UPI is safe as customers only share a virtual address and provide no other sensitive information.
4. Merchant payments, remittances and bill payments amongst others can be paid using UPI.
5. The limit per transaction is INR 100,000
6. Currently, there are 27 live members having UPI enabled mobile apps.

Conclusion

It has been more than two weeks since the move to ban the erstwhile INR 500 and INR 1000 notes was announced. The demonetisation move was exactly the fillip the fledgling m-commerce ecosystem in India was looking for. Media articles indicated that Paytm had hit a record breaking 5 mn transactions a day less than a week after the demonetisation announcement. Mobikwik another mobile wallet also reported that its downloads doubled and that the provider was able to add 2,000 users daily. However, it must be noted that even before the demonetisation was announced, mobile transactions had tripled in the second quarter of the year 2016 as compared to the previous year. Hence M Commerce has evolved tremendously and hence added to the economy's growth as well.

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