M-COMMERCE IN INDIA: A STEP TOWARD TECHNOLOGY

Gitanjali Jain
Asstt. Professor, Dept. of Commerce
S.D. College, Barnala (Punjab)

Abstract: - The purpose of this research paper is to make the reader aware of current situation and status of m-commerce in India. Mobile Commerce is complex in nature but it changed the dimensions of our economy. With the help of m-commerce users can exchange information, buying and selling goods and services, make payment at anytime and anywhere. But risk is the negative effect on the attitude of m-commerce. Due to this, still Indian people hesitate to adopt this innovation due to security issues, payment problems and awareness. But this latest technology has become a new area of interest for today's firms. This paper is made to study the following objectives: -
1. To study the how m-commerce is differ from e-commerce.
2. To find out benefits and areas of m-commerce in India.
3. To study the challenges before m-commerce in India.

Keywords: M-Commerce, E-Commerce, Credit Card, Debit Card, Mobile apps, Users

Introduction: -

The term M-Commerce was developed by Kevin Duffey in 1997 at the launch of the Global Mobile Commerce forum. Later, Indian people have also welcome the mobile commerce with open hands to gear up for the upcoming change. Mobile commerce (M-commerce) is also be known as Mobile e-commerce. M-Commerce is a sub-set of e-commerce which allow people to do all transactions like purchasing, selling, digital payments etc. through mobile devices. It is a term that define online transactions without the use of wire such as mobile phones, laptops or notepads etc. In simple words, mobile commerce is a buying and selling of products through telecommunications and mobile devices which run wireless network technologies. In current scenario commerce industry enter into m-commerce industry to provide finance services, retail services, telecommunication services and information technology services to their customers. India has now become the second largest country in term of the internet users. In the population of 1.3 billion, 354 million people are internet users and 213 million people are mobile internet users.

Difference between E-commerce and M-commerce: -

It can be say that M-commerce is a latest version of e-commerce. E-commerce (Electronic Commerce) is activities of buying and selling goods and services online over electronic system such as internet, telephone and e-mail. Both of these terms have different meaning but aim of both is making the lives of their customers easier. To better understand these concepts look at the following table:

Base	E-Commerce	M-Commerce
Definition	It is the process of buying and selling goods and services by the use of electronic system such as the internet.	It is the process of buying and selling goods and services with the use of internet but without the use of wire system such as mobile phones etc.
Evolution	1970's	1990's
Devices Used	Computer, Laptops	Wireless Devices such as mobile phones, ipads, tablets etc.
Use of Internet	Mandatory	Not mandatory when permit the use of offline mode.
Mobility	Limited	Because of smaller size it can be transfer from one place to another.
Reach	Limited because only those places where electricity and the internet facilities are available.	Broader because of its portability
Mode of Payment	Credit Cards	Credit Cards as well as mobile banking
Usage	Less simple	More simple
Platform used	Web-stores	Web-stores, Hybrid app, Native app

Cost	Less costly	More costly
Concept	Older concept	New concept
Set	Superset	Subset
Operating system	Windows/Unix	Android, IOS, Symbian

They played a revolutionary role in changing the lifestyle of the people. It saved the time as well as cost of the people. In traditional era, people do not have many options but now they can explore market and make better choice just in one click. According to survey conducted by a website it was found that there are 54 million online shoppers and out of them almost 60% of orders come through mobile phones. So, it is very necessary to go for a mobile commerce app for a firm to increase their revenue.

M-Commerce Market in India: -

The adoption of smart phones, mobile internet and apps have given the wings to m-commerce industry in India. Due to this, it is expected that m-commerce industry capture the Indian commerce market 8% by 2020 reaching a sale figure of $ 37.96 billion. It is the result of adoption of mobile phone, latest technology by Indian youngsters. Mobile Commerce market in India to grow at pace of 71.06% over the period 2012-2016. According to survey conducted by 'State of M-Commerce 2016' the current online shoppers in India fall under the range of 80-100 million and these numbers are expected to go up to 175-220 million by 2020. Now days, 44% of mobile phone users in India prefer Flipkart, followed by 32% users who prefer Amazon. Digital wallet players like Paytm and Free charge are likely to see an instant boost. Today, people use digital wallet to buy their daily goods. A lot of customers might start using the online payment option when cash on delivery (COD) is not available.

Mobile Retail E-Commerce sale

Year	Revenue in Billion (US$)
2015	6.02
2016	10.46
2017	16.81
2018*	23.64
2019*	30.20
2020*	37.96

Statista 2018

The above table shows that in 2015 mobile retail e-commerce sale in India amounted to 6.02 billion US$ and are projected to reach 37.96 billion

US$ in 2020. SS

Government of India also play a crucial role for promoting the m-commerce in India. They have launched several programs for encouraging m-commerce like:

- The Digital India Initiative
- Startup India
- Skill India
- Implementation of GST
- Mobile Wallets
- Unified Payment Interface

India has topped the US to become the second largest market for smart phones after China. In spite of this digital advertising spends were about 12% of total advertisement spend in the country. It is expected to exceed $ 3.5 billion by 2020. The government of India recently introduced a 6% equalization levy, informally known as the 'Google Tax', for online advertisement. The global m-commerce market became too much competitive because of presence of many large players on the basis of pricing, quality, delivery policies, varieties and brands. During the future period, the competition will become more difficult among vendors because of advance technology. Technological creativity and innovation play a important role in the growth of m-commerce in India. According to report presented by 'Global M-Commerce Market' "Technavio" has announced the top six lending vendor from 2016-2020. This research report also present another vendor list as

Top Six M-Commerce Market Vendors in World: -
1. Alibaba Group
2. Amazon.Com
3. Apple
4. eBay
5. Google
6. PayPal

Top M-Commerce Market Vendors in India: -
1. Flipkart Internet Private Ltd.
2. Amazon Development Centre India Private Ltd.
3. Jasper InfoTech Private Ltd. (Snapdeal.Com)
4. One 97 Communications Ltd. (Paytm)
5. eBay India Private Ltd.
6. Clues Network Private Ltd. (Shopclues.com)
7. Make my Trip India Private Ltd.

Benefits of M-Commerce: -

Mobile Commerce is a growing sector and it is expected significant growth in the next few years. M-Commerce offers a range of advantages to large scale businesses, small scale businesses as well as their consumers. The number of people owing and using their mobile devices continues to grow. The biggest retail app Amazon increased number of their customers from 43 million to 67 million in 2016. M-Commerce is the next generation of e-commerce and the major m-commerce benefits are as follows: -

- **Cover wide distance: -** Mobile is that technology which is now become very necessary for every person. Today, every person hold mobile in their hands. So, it is very easy to reach users through m-commerce.
- **Consumer deals:** - There are lot of companies use the m-commerce sites to reach their customers, to attract their customers and to compete their competitors by providing different and better deals.
- **Easy to use:** - There is no need of any skill to operate mobile phone. Buyers can look thousands of items on their cell phones.
- **Saving:** - Companies can reach their customers directly without using any middle man. So, customer have no need to go for shopping physically. It saves the user time and money.
- **Store navigation:** - One of the major benefit of m-commerce solution is navigating user to nearest stores in their locality via GPS. This helps the customer to save time to find shopping store and make a purchase. This increase store visiting, more branding options, fun experiences for users.
- **Cost reduction and increase productivity:** - Mobile app helps the producer to cut down their marketing campaign cost. Besides, app development and maintenance are cheaper than webstore or other selling points. Ultimately it reduced the cost of producer and make the marketing campaign more attractive and increase the productivity of the producer.
- **Consumer analysis:** - Today consumer is the king of market. If a manufacturer want to survive in the market then he/she must aware about consumer demand data or at least their basic information i.e. age, sex, location, taste, preference, shopping history etc. With the help of mobile app seller may building and set user analytics at various level. For example: Walmart app that is used by 22 million people every month, use cell(Mobile) data, online data to deliver better customer services.
- **Push notification:** - This is the best way to get direct connection with customers. With the help of notification consumers get alert when they open a mobile app and even also get alert when they uninstall that app. According to survey, 50% of users like notifications and 80% of users make more loyal to a brand.
- **Customer experience:** - From a customer view point, the biggest benefit of m-commerce is fast, convenient, interactive and exclusive mean of shopping. According to survey, 83% of customer used smart phone inside real stores to shop.
- **Faster purchase:** - Many sites have mobile version though apps are generally 1.5 times faster when loading data and search results. Due to this, m-commerce revenue has been rising at 30-40 % rate annually since 2014. The famous retail app Amazon increased number of customers from 43 million in 2015 to 67 million in 2016.
- **Access everywhere:** - With the help of m-commerce the consumer can receive any information about the product and services anywhere. They can obtain information without any obstacles and find easy to purchase the products.
- **Easy payment:** - With the help of mobile a person with a wireless device could pay for items in a store or settle any payment without interacting with any staff member. It can be done with the help of using of debit/credit card, account transfer through RTGS/NEFT and many other mean.

Payment types used by online shoppers: -

      Credit Cards – 40%
      Debit Cards – 35%
      E-Wallets – 35%
      Bank Transfer – 40%
      Cash on Delivery – 35%
      Prepaid Cards – 35%

Mobile Commerce Applications: -

  The world of m-commerce is constantly evolving with rapidly increasing customer needs. The m-commerce boom amongst global consumers. Next generation of e-commerce enable users to make purchase online anything. M-commerce apps allow users to make payments across a variety of industries such as retail, banking, marketing, ticketing etc. Mobile Commerce has entered into every field of society such as finance, retail, telecommunication, entertainment, marketing etc. Today, need for m-commerce has increased multifold. Some of the applications (areas) of m-commerce are: -
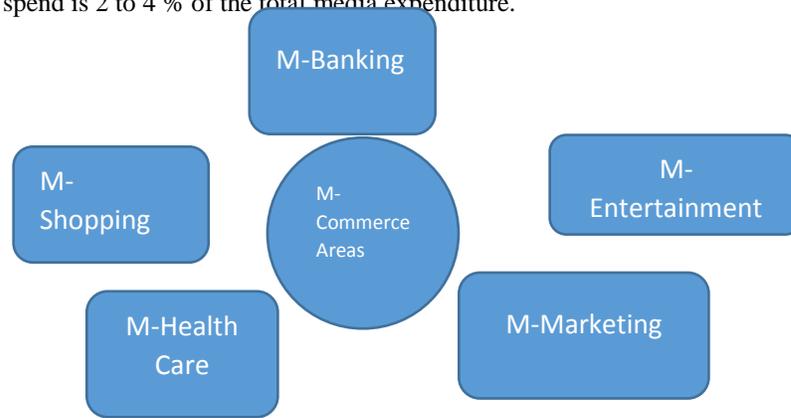
1. **Mobile Banking: -** Today number of people are ready to adopt mobile banking options with the help of their smart phones. With the help of this customer can pay money, transfer funds or receive information related to finance from bank. Even customer also pay bills and create their fixed deposit or modify them as they want. The Future Market Insights predict that between 2015 & 2020 there would be 39% of CAGR growth in mobile payments. Some of the most common types of mobile payment solutions include- Mobile Wallet, Direct Mobile Billing, Credit Card Terminal such as PayPal. Now days banks has also launched their mobile app for customer to carry out all internet banking transactions through mobile phones. For example ICICI Bank has launched iMobile. This app allows the customer to transfer their funds to ICICI and non ICICI bank accounts through their mobile.

2. **Shopping: -** The m-commerce has revolutionized the way we shop. Because of its many benefits, more and more consumers now a days prefer buying things online over the traditional method of going into stores. These benefits are :
   - Convenience
   - Best Price
   - Varieties
   - No Crowds
   - Buy & Sell Old and Unused Products Different
   - Price Comparison
   - Less Expenditure

According to a recent survey, about 80% of the shopper said they feel secure using a mobile for online shopping. Fashion, electronics, health & beauty are leading categories. Fashion - 88%, Electronics- 78%,
Health & Beauty – 54% are leading categories in India. Survey said that 98% respondents feel good experience, 38% respondents said about availability of wide range of products and 22% respondents do not feel comfortable,

3. **Marketing: -** It is a practice done by manufacturers to interact with their customers using a mobile device like a smart phone or tablet. With the help of this a manufacturer can use many of the features in normal internet marketing to attract their customers like Text, Audio, Images, Animations and many more. There are lot of benefits of marketing on mobile web which are as follows: -
   - Viral of marketing messages.
   - Cross-media integration.
   - 24 hour services.
   - Direct link with customers.
   - Cost effective.
   - Widest reach.
   - Instant, adaptable and easily monitored communication.

According to Deloitte report Mobile advertisement expenditure is 15 to 20 % of the overall media expenditure by 2020. At present, the share of mobile advertising spend is 2 to 4 % of the total media expenditure.

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              M-Banking

M-Shopping      M-Commerce      M-
                  Areas      Entertainment

         M-Health        M-Marketing
           Care
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4. **Health Care: -** According to Marketing Professor Linda Golden "M-Commerce is changing the face of health care". The health care industries using the wireless devices like pacemakers and mobile commerce technology to exchange information using mobile devices. According to advisory firm Manhattan Research indicates that in 2012, 85% of physicians own or use a smart phone for professional purposes, up from 81% in 2011. M-Commerce is also used in billing payment, lab ordering, prescriptions and clinical decisions. It provide all pharmaceutical information of patients and provide better patient services and care.

5. **Entertainment:** - Mobile Commerce is also use in the field of entertainment. Mobile acts as a portable music player. It used for mobile gaming, download music and ringtones, videos and digital images etc. They also allow users to sign in directly to their favorite social networking sites and upload their photos/videos and any other things. Users now have access to the latest news on a regular basis on their phone. Audio book apps and e-book reader apps help the user to read books anytime and anywhere without the excess load. Mobile learning app allow learners to unrestricted learning while using the mobile technology. According to report presented by Nielsen social media 47 minutes per day on social media in 2016 spent by adult up 36% from 2015. In 2016, there was 168 million people who use social network and it is expected that in 2019 it will be around 258.27 million. The most popular social network in India is You tube and Facebook followed by social app Whatsapp.

Challenges of M-Commerce: -

While mobile commerce offers many opportunities and benefits to retailers and users but it also has its challenges. Some of these challenges are technical in nature and some are others like

1. **Connectivity: -** Mobile phones use for m-commerce with the help of internet but sometimes due to the poor connection we can't open the app or sometimes order is not booked due to poor connection. Due to this our time got wasted.
2. **Small Screen:** - Mobile phones have small screen in size as compare to laptops and PCs. Due to this people can't predict or imagine the product clearly even sometimes people can't able to read information and any other things written about product.
3. **Risk factor:** - There are number of payment methods suitable for mobile users. Entering detail of a person regarding payment on a website is tedious. On the other hand, it required lot of investment which become risky due to security issues.
4. **Product identification:** - Sometime product is differ from the picture shown on the app. This create a wastage of time and money of users. It also deceive the consumers.
5. **Language Barriers:** - Most of the apps available in English language due to this many illiterate Indian people and people who have no knowledge about English language and latest technique regarding mobile phone are unable to use this innovation.

Suggestions: -

From the above study it can conclude that m-commerce is still in growing stage in India. Due to its limitations many Indian people hesitate to adopt this technology. There should be taken necessary steps by government to remove their barriers and create appropriate policies and regulations to make mobile commerce successful. The area's where government should take necessary steps for improvement is

- Mobile payment
- Security
- Internet Connectivity
- Proper Government Policies
- Check-on Mobile Banking Transactions

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