Emerging Trends Of M-Commerce In India

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ABSTRACT: The mobile phones which were earlier meant for mainly calling purposes are now not just a communicational device but offers bundle of other utilities as well i.e. it helps in connecting with people through social apps, to gain knowledge through internet, to play games, etc. Also, in recent years with the continuous diffusion of mobile phones and increase usage because of falling data rates which are offered by players like jio, many corporate entities want to sell their products through smartphones or tablets and from here the concept of m-commerce came into existence. Almost all the FMCG, consumer goods companies & Electronic devices companies (for example- Xiaomi, Samsung) have started selling most of their products through m-commerce. M- commerce being a new phenomenon is evolving continuously for example- invention of 360 degrees, MIRs, delivery of products through drones etc and thus this research paper mainly focuses on such emerging trends of m-commerce. So, this research paper begins with the introduction of m-commerce. Then its current scenario in India and the issues related to it are also analysed. Finally, the upcoming trends in m-commerce are stated through which businesses can satisfy the needs of new generation customers.

INDEX TERMS: *Consumers, m-commerce, smartphones, security, technology.*

I. INTRODUCTION

Commerce refers to not only the trading of goods and services but also includes the activities auxiliary to it such as transportation, warehousing, insurance, packaging etc and all the business activities and plans revolve around the ways of improving it. [1]

Earlier, the businesses and its strategies were confined to the limited geographical area i.e. the only option of buying and selling goods and services is through physical brick-n-mortar shop but with the rapid technological advances, the geographical boundaries are diminishing and the trend of online shopping is becoming more and more popular which is known as E- commerce. It provides a platform to the seller to sell goods and services online and at the same time provides user to buy goods and service through online websites. It thus helps in developing low-cost leadership in existing markets and introduces product differentiation, mass customization and also enables simpler, faster and efficient business transactions.

However, even the e-commerce has become the older term and m-commerce has taken its place wherein, with the emergence of smartphones and mobile phone applications the companies are trying to take advantage by selling goods and services through these phones. M-commerce stands for mobile commerce which is about buying and selling goods anytime and anywhere through smartphones which are operated on a wireless network. "It includes all steps of the consumer journey: reach, attract, choose, convert and retain." [2]

As per Lehman Brothers, **"M-Commerce is the use of mobile devices to communicate, inform, transact and entertain using text and data via a connection to public and private networks."**

Now-a-days with the increase in sales of tablets and smartphones, m-commerce is becoming more and more popular because it is easy to use, offers portability, immediacy benefits, etc. Thus section 1 of the research paper begins with analysing the current scenario of m-commerce in India. Section 2 talks about the various benefits derived from m-commerce and also the issues related to it. Then in section 3, the emerging trends in m-commerce are stated and lastly conclusion is drawn.

II. REVIEW OF LITERATURE

- Kumar. Rajeev (2011) said that today corporate conduct online business in usually four areas- online banking and billing, direct marketing and selling, corporate value chain trading and lastly secure distribution and providing information. [3]
- Kavyashree. N.M and Jagannath. S (2012) emphasised that the basic advantage of m-commerce over e-commerce is the "mobility" factor. It is breaking location barriers. [4]
- Chong. A.L (2013) In his paper predicted the factors leading to m-commerce adoption. They are- perceived values, innovativeness, demographic profile, etc. [5]

- Deshmukh. S.P, Deshmukh. P and Thampi G.T (2013) studied that even though m-commerce is at its nascent stage in India but its potential is huge. The tremendous growth in phone penetration shows that people have adapted the advancements related to technology and are ready for online shopping [6]
- Dr. Batra. S and Dr. Juneja. N (2013) in their research paper stated that the key growth driver of m-commerce is the widespread use of smartphones by middle class consumers. It was also mentioned that even though m-commerce bought newer opportunities with it but at the same time it is facing problems related to technical, political and social aspects. [7]
- Satinder and Niharika (2015), mentioned that opportunity provided by m-commerce is much more than bill payment gateway only. [8]
- Tarundeep (2015) in his article found out that productivity will rise as a result of m-commerce and further its the innovation, customization and proper regulations that will drive the future of m-commerce in India. [9]
- Dr. Shettar. R.M, Jigalur. K.S, and et all (2016) mentions that m commerce market is increasing in India because of the drivers such as growth in financial areas, increase in number of smartphones buyers, changed youth perceptions, etc. They also stated that rural India holds huge potential for mobile market. [10]

III. OBJECTIVES

The following are the objectives of the research paper:

1. To analyse the current scenario of m-commerce in India.
2. To understand the benefits of m-commerce.
3. To state the issues related to m-commerce in brief.
4. To study the emerging trends of m-commerce in India.

IV. RESEARCH METHODOLOGY

The research technique chosen to gain insight into the emerging trends of m-commerce is exploratory in nature. For the purpose of fully understanding the idea, secondary data is used i.e. literature from certain research papers, data from trusted sites, newspaper articles, information from IAMAI website, etc are used. According to the objective of the study, the research design used is descriptive and analytical in nature.

V. RESEARCH ANALYSIS

SECTION 1, CURRENT SCENARIO OF M-COMMERCE IN INDIA

With the invention of 4G Smartphones and the availability of data pack and that too at the rates which are affordable by more than half of the population, the graph of m- commerce users is continuously going upwards. Almost every class of people in India has started using phones apart from calling purposes. This includes using apps for grocery shopping, ordering food through restaurant apps, availing banking and financial services through financial apps, using apps for educational purposes, online bookings of cabs, movie tickets, for shopping through retail apps, etc. This continuous increase in dependence upon mobile apps is attributable to the fact that they are easy to use, they have broader reach, easily portable, easy accessibility, offer immediacy benefit, etc.

Graph representing m- commerce sales in India (2015-2020)
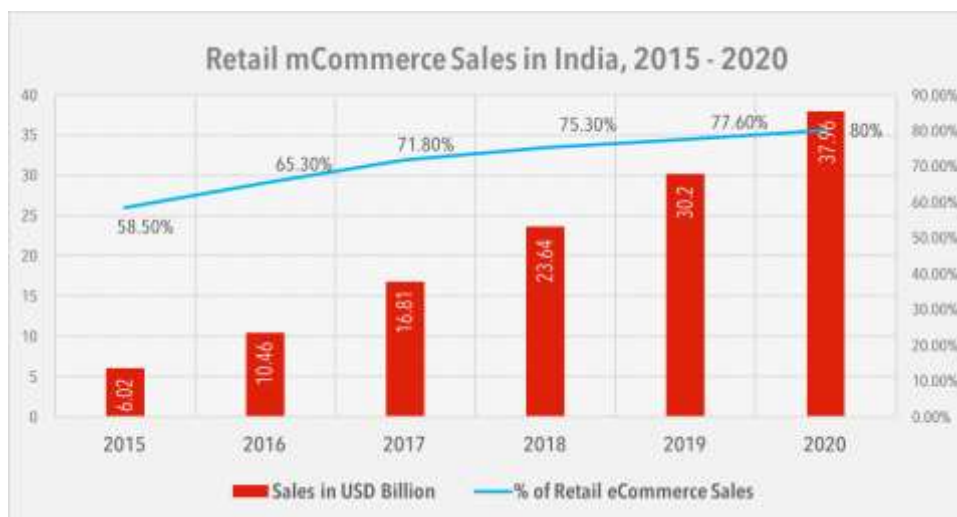
Source-euro monitor international from trade sources/national statistics

Taking about the online sales, in 2015 the sales of physical goods through digital mode in India was around 10 billion $ and out of this, 6.02 billion $ was from mobile retail e-commerce. Also, for the year 2016, 65% of the digital sales was made via mobile commerce. Similarly, in 2017 the share of goods sold through mobile websites and apps amounted to 16.81 billion $ which was around 71% of the total e-commerce sales. So, by analysing the trend it can be inferred that m-commerce industry will capture 80% of the total e-commerce market of India by 2020.

Thus, from the above figures one can interpret that m-commerce industry has huge potential to grow in India and till now it has only scratched the surface.

SECTION 2(i), HOW M-COMMERCE IS BETTER THAN THE PREVIOUS WAYS OF TRADING.

The graph of m-commerce is going upwards day-by-day and it is not only because the large number of customers have started using phones to shop online but it is also because of the business houses who are spending large sum of money in their research and development department so as to build their own apps and to analyse the buying patterns of their customers and thereby shaping consumers experience.

The changes made by most of the m-commerce are:

- **Seamless Shopping experience-** Shopping in physical outlets is not only exhausting but it also leads to the wastage of resources and time. So many m-commerce companies have added features which will help the user to shop easily at one click of phone. Infact the transactional aspect of shopping has also improved. Now days, stores are offering easy and on the spot payment options, e-wallets services, discount coupons, etc.
- **Social E-Commerce-** Social media plays an effective role to boost the sales of a company. For example- an advertisement on social media sites like facebook and twitter helps in creating awareness among people and also explains the benefit of using mobile-apps. Many companies now a day run social media campaign to attract large number of people and thus cuts down their marketing costs.
- **Quality and not Quantity-** Unlike the old retailers who focused on quantity rather than quality, now the retailers have shifted their focus and they try to enhance customized shopping experience by introducing many new features such as zoom in pictures, 360-degree image view, and virtual reality (VR).
- **Customer Services and relationships-** It can be seen that almost all the m-commerce companies have built their 24 X 7 customer grievances support systems, which ultimately leads to better customer service and improved relationships. They are also having easy return policies.
- **Personalization factor**- Since every mobile is dedicated to a specific user, they can use it for shopping as per their convenience. Also, the companies are providing its customers the chat box facility through which they can chat and take help from the other person and also, since the companies keeps the track of the buying behaviour of their customers, it helps them to provide better personalised and enriching experience to their clients when they shop again.
- **Faster purchases**- It has been found that mobile apps work 1.5 times faster when loading data so consumers can browse and purchase faster.
- **Direct connections with customers**- Its easier for the businesses to send push notifications on phones about the new products or rewards rather than sending emails which are time consuming and generally go unnoticed.

SECTION 2(II), ISSUES IN USING M-COMMERCE

Many m-commerce companies are trying hard to search the problems which people are facing while using Smartphone apps as to make their customers shopping experience better, effective and hassle-free. They are in the dilemma that if they should develop mobile-optimized websites or mobile apps. For example- Flipkart recently restricted its mobile user to shop on their website by using Smartphone.

There is still almost one-third of the population which is not using Smartphone & mobile apps because of the reasons listed below:

- **Lack of technological knowledge:** In the developing country like India, where more than half of the population is uneducated and they don't know how to use mobile phones so, obviously they can't use mobile apps as well for shopping. Also, there is always a high degree of risk in making payments through apps because of internet connectivity.
- **Low internet connectivity and data transition rate:** Although, 4G is now available, but it's access is still limited to some cities and areas. In India, not many phones support 4G & 3G and the ones which support 4G are not affordable by most of the population. Example in some parts of Bangalore, only 4G connection is there but it is offered at very high rates.
- **Security issues**: The security softwares in mobile phones are at its nascent stage and thus there is always a risk of hacking, phishing, etc, while making transactions through Smartphones. In fact, sometimes many apps use user's personal details like password, bank credentials and later misuse them.
- **Language Barrier:** Most of the m-commerce companies prefer using English as a language for their apps rather than some regional language. Thus, this becomes a problem for the app users specially in case of shopping and banking apps.
- **Heterogeneous environment:** Today there are multiple operating systems and multiple browsers are available specially n case of android phones. This the same app looks different in different screens. So, it's a challenge for app developers to get the balance right and giving the users the best of experience.

Apart from these problems there are other problems also like screen size of mobile or tabs are smaller than computers and thus information has to be condensed, cross device recognition issues, privacy issue and lastly, in India most of the people prefer searching online but buying ultimately at shops only.

SECTION 3, M-COMMERCE: EMERGING TRENDS

Invention of Smartphones proved to be a boon when it comes to the degree of ease in shopping that they have provided through mobile applications. These applications are continuously enhancing shopping experience of the customers by adopting various trends in the market.

The increase in the development of mobile technologies and launching of the latest smartphones supporting these technologies, is giving rise and support to the emerging trends of 2018.

Stated below are the biggest mobile commerce trends in 2018: -

a. **Drone Delivery -** It is one of the most exciting developments in m-commerce which is already put to testing. Drones, in the future will allow companies to deliver products much more efficiently, quickly, logistically hassle free and at lower costs. They will be sent out from distribution centres and travel directly to the delivery addresses provided.

b. **Increased Security** - Even though the security risk is there in case of making payments. But this risk has and will further reduce significantly. Many wallets are now providing 3-D protection to server for making transaction in one-click.

c. **Loyalty card resurgence** - Companies may take advantage by giving coupons and various schemes to its regular customers so that there is high traffic on their website/app and loyalty can be encouraged.

d. **In-store personalization** - It is based on the concept that if a customer has a retailer's app, the app's interface changes once the customer enters in a store. This type of app helps the customer to locate the items, suggest products based on customer preferences, offering coupon, discounts, and also making payment without standing in long ques.

e. **Personalised offers-** Retailers will try to incentivise the loyal customers by treating them differently i.e. instead of sending the same offers to all customers via email or SMS, they might get personalised offers which will be based not only on their preferences but on the basis of time, location, etc.

f. **Faster Checkouts** - One-page checkouts and NFC for making payments leads to faster completion of transaction as there is no need to enter the details or bank credentials again and again and a consumer can make payment only by a single click.

g. **Augmented reality** - It is a technology that helps to add or superimpose computer generated sounds, graphics, images etc directly in the existing environment to change the perception of the reality and to provide the interactive experience to the potential customers. Here, IKEA is one of the company which helps to provide this experience. But, now

many engineers are working on its further development and by the end of 2018-2019 we can aspect that most of the m commerce-based companies will provide the same.

h. **Mobile Image Recognition-** It is the technology which identifies objects like clothes, handbags, etc. directly through a Smartphone's image sensor by using artificial intelligence and detects the product on internet and thereby offers different prices from different websites and thus making shopping convenient and feasible. Right now, google and amazon is investing huge amount of money on the development of this technology and soon it will be available in almost every m-commerce company.

i. **Enterprise Mobile Apps-** It refers to the app used by an individual company to connect its business operations, its employees, its operating systems, etc and to keep a track of its key metrics and thereby making it different from retail apps which is meant for shopping purposes. Looking at today's scenario one can easily say that the enterprise-based app store is going to be the next big thing for B2B interactions and developers will also increase their focus on it as it will provide them with a tremendous opportunity in the already saturated retail apps market.

Thus, we can say that 2018-2019 will be the year full of new and upgraded technologies and trends to better support m-commerce business.

CONCLUSION

M-commerce has already become a major channel for shopping and people prefer buying products using their phones instead of going to physical stores, thereby changing their shopping attitude. One can also say that there will be further change in consumers shopping experience as they are becoming more and more aware and mobile commerce itself is continuously heading towards value added services.

Though the future is always uncertain, but some things will remain constant in the world of m-commerce, for example –customer services will get better, delivery times will improve, and product selection will become better. Customers may focus more on in-store personalization and many companies may try to bring out their goods and services on their website and apps with the features like zoom in view, 360-degree view. Social media sites such as Facebook, Twitter, and Pinterest have all introduced "buy buttons" that let shoppers make purchases without having to leave their platform. Many retailers have introduced one click checkout to their sites i.e. now shoppers have to enter their bank credentials only once and the same is used each time for making payments without re-entering it to the app, etc.

However, in today's scenario there are other factors also which can affect the functioning of business (start-ups). For example, Demonetization has given an unexpected boost to digital payments, the cause of which was also furthered by the launch of the United Payment Interface (UPI). So, the mobile wallet apps like Paytm, Mobikwik are earning huge profits. Thus, we can infer that there is a need to constantly research, read and learn about new trends which are popping up, about new channels and technologies that are being used so that we can be ready to react and adapt to changes.

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