



# M-COMMERCE: A NEW ONLINE ERA

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## ABSTRACT

The term m-commerce is short for Mobile Commerce is a recent fad in web-based world, and perceives that the exchanges might be led utilizing cells, individual computerized partners and other hand-held gadgets that have work with Internet access. As the portable designers are presenting fascinating and valuable applications consistently, the utilization of cell phones and tablets is expanding with a quick speed which prompts versatile overseers to involve their gadgets for online installments and exchanges. This paper presents the idea of m-commerce and its guides and partners. At the end, it likewise investigations into the future open doors and the difficulties for the m-commerce in India.

## KEYWORDS

M-commerce, mobile commerce, pros and cons of m-commerce, challenges to m-commerce

## INTRODUCTION

The word m-commerce is gotten from the broadly utilized internet business which is an abbreviation for Electronic Commerce. After the incredible acknowledgment of internet business, the portable commerce has become handier for the clients. The versatile isn't stayed the gadget that is utilized exclusively for settling on decisions and that large number of basic utilities yet a mysterious device can assist you with covering your bills, buy items and administrations on the web, etc. The extent of versatile commerce is far wide than that of internet business as the PDAs have become exceptionally normal for general society. Performing on the web exchanges utilizing web-based business requires the individual to sit at a legitimate spot to work the PC. While the m-commerce requires only a cellphone with Internet or Wi-Fi network and the web-based exchange is only a good time. The utilization of m-commerce has been expanded because of the accessibility and convenience of versatile across the globe.

Numerous meanings of versatile internet business, for example, the one found in Mueller-Veerse [1999], center around empowering deals through remote gadgets. We apply a more extensive meaning of online business, found in Turban et al. [2002] and Adam et al. [1998], which envelops an extensive variety of intuitive business processes that happen when real deals exchanges.

Electronic commerce is the electronic trade (conveyance or exchange) of data, goods& administrations and installments over broadcast communications organizations. Web based business exercises incorporate laying out and keeping up with online connections between an association and its providers, vendors, clients, key accomplices, controllers, and different specialists connected with (or on the side of) conventional conveyance channels. [Warkentin, et al., 2001] Other exercises include:

- Item searches and examinations by shoppers;
- Item data show and advancement by producers and retailers;
- Post-buy client care;

- Correspondence among dealer and transporters or banks; and
- Different exercises that are not straightforwardly connected with the actual exchange.

To give a more extensive and more comprehensive definition for m-Commerce, a change to Leung and Antypas' definition for m-Commerce will be taken on due to its wide inclusion of m-Commerce exercises. In their work, Leung and Antypas characterized m-Commerce as "... content conveyance (notice and announcing) and exchanges (buying and information passage) on cell phones like Short Message Systems (SMS) gadgets, Wireless Application Protocol (WAP)- empowered gadgets, Personal Digital Assistants (PDA), and so on" From this definition, Leung and Antypas are proposing that m-Commerce includes deals that have immediate and circuitous financial worth. For example, notice and detailing may not be guaranteed to have a direct money related esteem, but rather they can assume a significant part in building customer trust which will thus increment buyer devotion and deals. Following on, Leung and Antypas seem to propose that m-Commerce exercises incorporate the utilization of SMS to convey showcasing and status messages (for example Advancements and flight confirmations, utilization of WAP for an intelligent cycle like buying or reservation applications, and so on.).

### **PURPOSE OF THE STUDY**

The utilization of online exchanges is expanding quickly these days. M-commerce has become exceptionally fundamental piece of the regular routine of individual. Individuals who have once attempted the internet-based exchanges and succeeded are extraordinarily content with the experience and are prepared to take advantages of it. In any case, certain individuals are as yet wondered whether or not to involve mobiles for making on the web exchanges. This paper fundamentally centers around:

- The importance and idea of m-commerce.
- Grasp the advantages of m-commerce.
- Examine the ongoing benefits and drawbacks of m-commerce.
- Examine the degree of reception among people groups.

### **RESEARCH METHODOLOGY**

#### **RESEARCH TYPE:**

The research is of qualitative in nature.

#### **DATA COLLECTION:**

Secondary data is used for this study. The data was obtained from different research papers, and Internet and mobile association of India (IAMAI).

### **MEANING OF M-COMMERCE**

The term m-commerce or versatile commerce was first presented in 1997 that signified "buying items or administrations online through remote gadgets like cell phones or other handheld gadgets". Different definitions are given beneath:

"The mobile commerce is characterized by the conveyance of electronic commerce capacities straightforwardly into the shopper's hand, anyplace, by means of remote innovation."

"The conveyance of believed exchange administrations over cell phones for the trading of labor and products between buyers, dealers and monetary establishments".

**Mobile e-commerce** is defined as all activities related to a (potential) commercial transaction conducted through communications networks that interface with wireless (or mobile) devices.

**Mobile Devices** are those devices that are used to connect to the mobile services.

Current wireless devices include

- Wireless phones,
- Wireless-enabled handheld computers (so-called pocket, palmtop, and tablet computers),
- Laptop computers,
- Vehicle-mounted technologies, and
- Personal message pager devices.

Mobile e-commerce can also be conducted using portable non-wireless mobile devices, such as

- Personal digital assistants (PDAs) and
- Laptop computers

that can interface with other devices and networks through wired synchronization, often using wired cradles or infrared “beaming.” We do not consider this form of mobile e-commerce in this paper principally because it is likely to be replaced by a (non-infrared) wireless form in the future.

## **BENEFITS OF M-COMMERCE**

Mobile commerce is no more a future trend, rather a revolution, which is changing the way eCommerce businesses approach customers. Here are some benefits of m-commerce:

### **PERSONAL TOUCH (PUSH NOTIFICATIONS):**

Notifications are the delivery systems, which bridge the gap between a business and its potential customers. They are more prompt in delivering offers and reaching audience better as mobile devices are often carried along almost wherever a person goes.

“According to a survey by Responsys, 76% of mobile shopping consumers between the age group of 18 to 34 have enabled push notifications. mCommerce apps with push notifications can improve conversion rate of a business by targeting the potential customers precisely.”

### **COMPLETE ACCESS:**

Providing customers, a complete access to a business is a key to its success. A little bit of hiccup in accessing information or a delayed response from a business owner will result in a customer jumping over to thousands of other options available. One of the most keenly focused areas in mobile commerce is offering multiple channels of communication to a customer to solve their problems in real time. While using mobile devices, irrespective of the operating system they belong to (iOS, Android, Windows etc), a customer does more of research and engages more. A mobile application is the only gateway, which lets customers to access information quickly, get instant responses for queries, offer searching convenience and much more. Everything they need, right from shopping convenience to support service can be provided precisely and in a compact way. Live chat assistance, demo videos, detailed pricing, discount information, out of stock notification, service details and everything else customers find handy while shopping, can be integrated into a m-commerce application and fed to their fingertips.

### **INSTANT CONTACT:**

Instant contact option helps customers reach a business instantly with ease. Live chat assistance, one click calling feature and toll-free help desk benefit customers by improving accessibility towards business as and when they like. Triggering mails and awaiting response is no more a scenario in terms of customer handling as even a slightest of delays will encourage a customer to change his/her preference.

### **LOCATION TRACKING:**

Location based notification pushes help local businesses, or businesses in general, to offer personalized discounts targeting procurers who purchase with a certain regularity. A study by Responsys has those notifications are considered to be more personal and enjoy 50% higher open rates and 2x higher conversion rates compared to marketing emails. Location tracking can also help in providing assistance for customers in navigating directions or helping them find the nearest transportation service, etc.

### **PROMOTIONAL MEDIUMS:**

eCommerce stores or businesses powered via mobile commerce have plethora of opportunities to promote their businesses. Apart from notification pushes, businesses offer discount coupons, daily deals, special prices for registered customers, free shipping and much more to improve user registration and earn new customers. Thus, a business's marketing gets viral and customers start to pour in heaps. It contributes towards a seamless omni-channel experience. Customers, who access a brand or a company via social media apps or the exclusive app of the brand, are given an uncompromising user experience. It is about optimizing the content and interface on the devices, which they carry all the time and consider very personal.

### **INVESTMENT TOWARDS BETTERING CONSUMER EXPERIENCE:**

The heavyweight competition in mobile ecommerce has left behind one of the major aspects, which is customer experience. The focus is completely on making products, data and services available for consumers but they are yet to feel the convenience and enjoy advantages of traditional product and service procurement. The spending on creating new business models or products will not help companies to have a competitive advantage. So, the future of mobile commerce will be extensive research and spending on technology to improve customer experience.

### **PAYMENTS:**

Security and convenience are mandatory for business in all mediums, be it web or mobile. Coming to the "what's hot?" part of payments there are a few things which can be discussed. First comes the in-app payment. In-app payment allows a customer to pay within an application to avail more personalized or premium offerings from the service provider or to purchase add-ons of an app. In-app payment transactions doesn't require third-party payment gateways and are hosted by the platform itself. For instance, Android users can pay via Google Wallet, while iOS users can pay via Apple Pay. Mobile wallet is another concept, which allows customers to maintain a pre-paid account from which amount can be debited for a purchase. Such improvisations on online payments have allowed business to attract more customers and sell product or provide services based on subscription basis.

### **DRAWBACKS OF M-COMMERCE:**

Mobile commerce is a growing sector and analysis expects significant growth in the next few years. At the current time there are some drawbacks of it. Some of them discussed below:

### **SECURITY:**

Although mobiles security is improving regularly, there is still reluctance among some consumers to conduct transactions over a mobile device. Likewise, wireless networks- particularly those with widespread access such as mobile phone networks- will generally provide greater opportunities for hackers than the standard 'internet'.

### **INVESTMENT IN GROWING MARKET:**

Business investment in mobile commerce can be risky due to the rapid-fire pace of the market and its ability to shift quickly.

### **DIFFICULT USER INTERFACE:**

There is often a learning curve when it comes to handheld devices. Mobile websites and commerce gateways must be built with usability in mind, to reduce the number of customers who abandon the purchase due to frustration, and this can add significantly to the cost.

### **SPEED OF DELIVERY:**

Mobile devices are less powerful than personal computers which mean mobile websites must be optimized for the technology. This means a potentiality reduced appeal, in addition to the man-hour costs of removing inappropriate content such as flash videos and plug-ins.

### **SMALLER SCREENS:**

The smaller and less vivid screens of mobile devices give less of an opportunity for retailers to sell products with eye-catching images and graphic design. In fact, the amount of marketing collateral that can be delivered is reduced.

### **FUTURE OF M-COMMERCE**

No doubt mobile commerce needs some development in the specific areas like secure transaction, better shopping experience, and enhanced graphics. Other than this m-commerce opens new era of online world.

- The global mCommerce revenue is surmised to reach at **\$3.56 trillion by the year 2021.**
- mCommerce's share in all eCommerce is anticipated to touch **around 72% by 2021.**
- Mobile phones are the prime choice of buyers for shopping online; around **48% of people search for a product** or a service in Google through mobile devices.
- **77% of US shoppers** compare prices on their mobile devices before purchasing from the physical store.
  
- A retailer who has not yet implemented a progressive web app or mobile app is losing a massive amount of revenue and potential customers every month.

There are certain factors that have fuelled the growth of mCommerce in recent times. From the excess usage of mobile phones to the COVID 19 effect, everything has impacted the mCommerce industry. Let's elaborate on those elements.

#### Proliferation of Smartphones

Over the last few years, there has been an exponential rise in the number of mobile phone users. According to Statista, In the last 5 years, about 1.4 billion smartphones were sold around the world.

In 2019 the average US adult spent about 3 hours 43 minutes on their mobile device. The time spent on a mobile phone is expected to reach up to 3 hours 54 minutes in 2021. From setting an alarm to booking a cab to paying their electricity bill, people are excessively becoming dependent on their smartphones.

This has appealed to a lot of business owners to think about mobile owners. They know if they could effectively utilize this channel, they could rake in a good business. So, the proliferation of smartphones is certainly a reason for the eCommerce boom.

#### Consumer Usage Habits

Other than the usage of smartphones, the behaviour of the consumers has also driven the m-commerce growth. Gen X, Millennials, and Gen Z are behaving differently for their daily purchase decisions. Where Gen X is more inclined towards physical stores for shopping, millennials are the ones who spend the majority of time on online stores for shopping. Of course, millennials are also influencing their family members in making purchase decisions.

Here are some facts that could further reinforce your trust in the current behaviour of the people towards online shopping.

- Only 9.6% of Gen Z buys their stuff from the physical store.
- Millennials and Gen Z both spend their dollars on the products found from Instagram and Snapchat.
- More than 57% of millennials compare prices, do research, and make their final purchase on mobile devices.
- 63% of millennials transact for their shopping on their smartphones.
- Free shipping, convenience, and price are the 3 important reasons why US shoppers prefer to purchase their things online.

The above-mentioned facts undoubtedly suggest consumers' increasing interest in mobile commerce.

### Mobile Apps Have Become a Go-to Way of Commerce

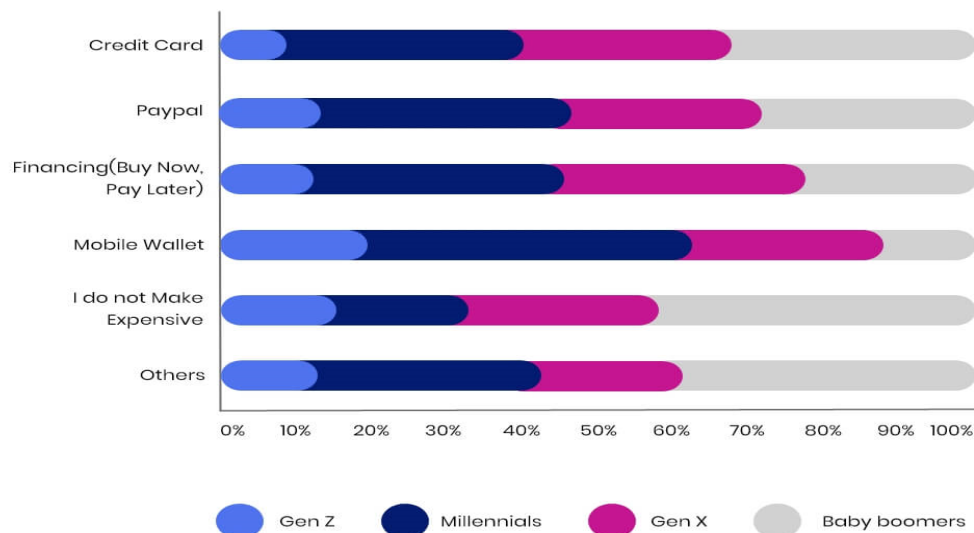
Whether you believe it or not, people's obsession with mobile apps has drastically increased over time. **According to Statista**, the number of app downloads was 204 bn in 2019. That same report has claimed that as of 2020, on the Google play store there are over 2 million mobile apps available. That count is 1.83 million for the Apple App Store. This clearly shows consumers' interest in mobile applications.

Robust user experience is also one reason why people choose mobile apps over mobile responsive websites. Mobile websites are good but they are not the best. There are better options that provide the experience users want while doing online shopping. Progressive web apps (PWAs) and Native mobile applications fall into this category.



## Innovation in Payment Technologies

### What People Use While Paying Online?



Till now, credit card and debit card have been a preferred payment method for consumers. And still, it is being used in an excessive manner.

However, the genesis of mobile payment gateways and mobile wallets has turned out to be a game-changer. Customers have found a more convenient and easy way to pay for their bills and purchases. More importantly, they don't have to stand in a queue at the billing desk to pay the bill for their purchase. They can instantly scan the barcode attached to the billing desk and pay through their mobile wallets. No change problems!

We will see mobile wallets and mobile payments in detail ahead in the article, but for now, it is vital to know that the need for a faster and secure payment system has further pushed the m-commerce growth.

### **CONCLUSION**

M-commerce will assume a huge part in m-payment coordinating business in future.

Destiny of m-exchange administrations is genuinely difficult to anticipate. With warmed challenge in business areas, different m-payment systems, and more client mindfulness give a lift to flexible exchange administrations development. That will be change the m-payment plan. There are a couple of critical factors that will basically contribute the impact of M-business ventures in India. Retailer takes advantage of various m-payment and in similar time they can make the electronic solicitation and should be in touch with clients continually. People are getting in reached with m-business. They can make the electronic solicitation at whatever point and wherever.

M-commerce is the latest way to deal with shopping being notable among enormous people. There are various advantages of m-business that are helping associations with embracing this course; also, the accommodation of its usage is attracting customers. Regardless, there are certain hardships to be looked by associations in convincing

customers about mcommerce's advantages and accommodation. By and large, comfort of m-exchange should outperform its little shortcomings and in future, m-business should end up being fundamentally more famous.

M-commerce administrations will irrefutably make progress in India; nonetheless, telecom associations and banks genuinely need to spend extra to give prosperity and security from interferences and hacking.

Further, they moreover need to develop mindfulness among the purchasers by embracing the advancement and propelling it straightforwardly.

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