



# Mobile Commerce - A Mode of Modern Business

DIPIKA L.RAYKA

Assistant professor

Gujarat Commerce College, Ahmadabad

## Abstract:

*Now a day's mobile phone rather smart phones, tablets, I-pad have become common to common people, we can say that people are becoming "Mobify" and also it is available at very nominal and reasonable prices. The number of users has drastically increased on mobile phones and consuming huge bandwidth of mobile Internet Providers. Although people have started using commerce but still they hesitate to use m commerce because of security issues, The purpose of this research paper is to identify factors affecting the adoption of M-commerce. More and more consumer is transferring to Mcommerce to achieve better and fast transaction into market .This research paper identifies the factors affecting the adoption of M-commerce. This paper's theoretical contribution is to explain the How's M-commerce is developing in India and to identify clear contexts and assistant mechanism.*

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**Keyword:** Consumers, Markets, Mobile Commerce, Services, Technology, SWOT Analysis.

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## 1. Introduction

Commerce deals with exchange of goods and services of economic value between producer and consumer. With invention of new technologies and methods, commerce has taken many forms. The way of dealing, exchanging of goods and services has undergone massive changes with days passed on. With competition emerging, consumers becoming more aware and having more choice, marketers searching for innovative ways to deals with customers to be in forefront to break the competition.

Many companies to stand out of clutter and top of mind to do the business with the customer, a new strategy / way chosen is M- commerce or Mobile Commerce. Mobile is the latest happening thing not only in India but in the world. By the advent of latest technologies in mobile handsets and sophisticated services by service providers in Indian Mobile telecom market is a buzz. Mobile entered in India in 1995 but penetrated so fast within a decade that it has become a necessity for every individual. Not only in Indian urban market but rural market penetration is also great. Mobile subscribers have grown from 7.94 lakhs to 52.41 crores (COAI and TRAI) in 13 years i.e. from December 1997 to December 2009) making India the fastest growing mobile phone market. At present there are 581.81 million subscribers as on January 2015.

## 2. Definition of M-Commerce

*Mobile commerce refers to a wide range of online business transactions for applications, goods and services. "The use of mobile devices to communicate, interact via an always-on high-speed connection to the Internet." "M Commerce is the use of information and communication technologies for the use of mobile integration of different value chains in business processes and business relationships." "Mobile Commerce is the use of mobile handheld devices to communicate, inform transact and entertain using text and data via a connection to public and private networks."*



## 2. Objectives

Main objectives of this research paper are as follows

1. To find out the growth rate of M-commerce in India.
2. To understand the benefit and features of M-commerce in India
3. To find out how Mobile commerce makes life easy i.e. SWOT Analysis
4. To find out what problems and issues are going to face by M-commerce industry in India

## 3. M-Commerce Vs E-Commerce

M-Commerce is a subset of E-Commerce. It is a transaction made through mobile or wireless. Some of the advantages of M-Commerce over E-commerce:

- Consumers can access the service in M-commerce at any place which is not possible in E-Commerce
- M-Commerce is more secure than E-Commerce as users have authentication number
- M-Commerce is more convenient than E-Commerce in terms of using, carrying and handling the mobile devices.

## 4. Applications / Uses of M-Commerce

M-Commerce has been used applied in the following sectors:

### 4.1 Service / Retail Sector

Service / retail sector is the important sector in using mobile commerce. Some of the services which can be availed are booking the orders, purchasing online, paying directly.

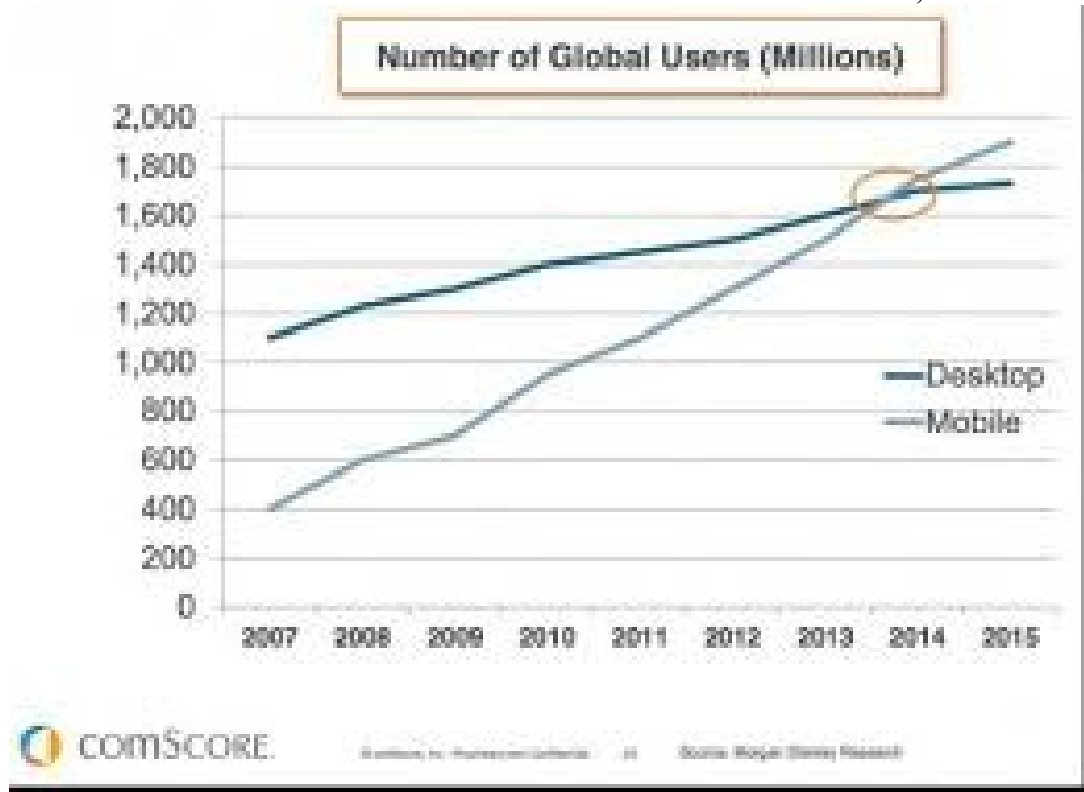
### 4.2 Finance Sector

Finance sector which includes financial institutes, banks, stock market and share brokers. Consumers can pay bills from their bank accounts using M-Commerce, transfer money deal with the stock brokers and shares. Banks can provide 24x7 services with the help of mobile commerce to the customers. Mobile banking is the area which has rapidly emerged with mobile commerce with reserve bank of India issued guidelines for mobile banking transactions in October 2008, to provide mobile banking facilities and mandates that all transactions have to originate from one bank and terminate in another Mobile commerce can be used by the consumers for buying many things. Here are some the list of goods and services purchased with the help of mobile:

- Buying bus / train / movie tickets
- Paying insurance premium
- Buying gifts for friends / family
- Shopping
- Recharging prepaid account / fixed account / digital TV account

- Purchasing Holiday packages
- SMS based notifications or alerts
- Mobile Vouchers or coupons

### CONSUMERS ARE WILLING TO PURCHASE VIA MOBILE PHONE, APRIL-MAY 2015



#### 5. Scenario of M-Commerce in India

Use of M-commerce become popular in India in these days and the main reason behind this popularity is availability of mobile phones at reasonable rate and therefore people become use to of using mobile phone. One more reason which influences the popularity is internet facility in mobile at feasible rate [10]. In today's economic scenario, business and public sector i.e. telecommunication, financial institutions are utilizing large number of cell phones and even facility of providing information through SMS grooming these days facility of mobile banking is introduced which provide facility to common people for making payment of bill easily and also helpful in ticket limit Rs. 50000 is made by RBI for mobile payment. Even mobile phones/smart phones can be used the payment and then utilize that money later. Reliance also offers the service that is discussed above. Kenyan Pisa, an open wallet system, it works for rapid growth in M-commerce service in India.

#### 6. Benefits of M-commerce in India

As we know M-commerce market grows rapidly now a days, the numbers of Smartphone users are increasing regularly. M-commerce helps to works easily and smoothly in life schedule. Its benefits are as follows.

##### 6.1 User friendly

Now a day's websites are being designed so much user friendly. Its predict search option 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.

### 6.2 Easy to carry mobile device

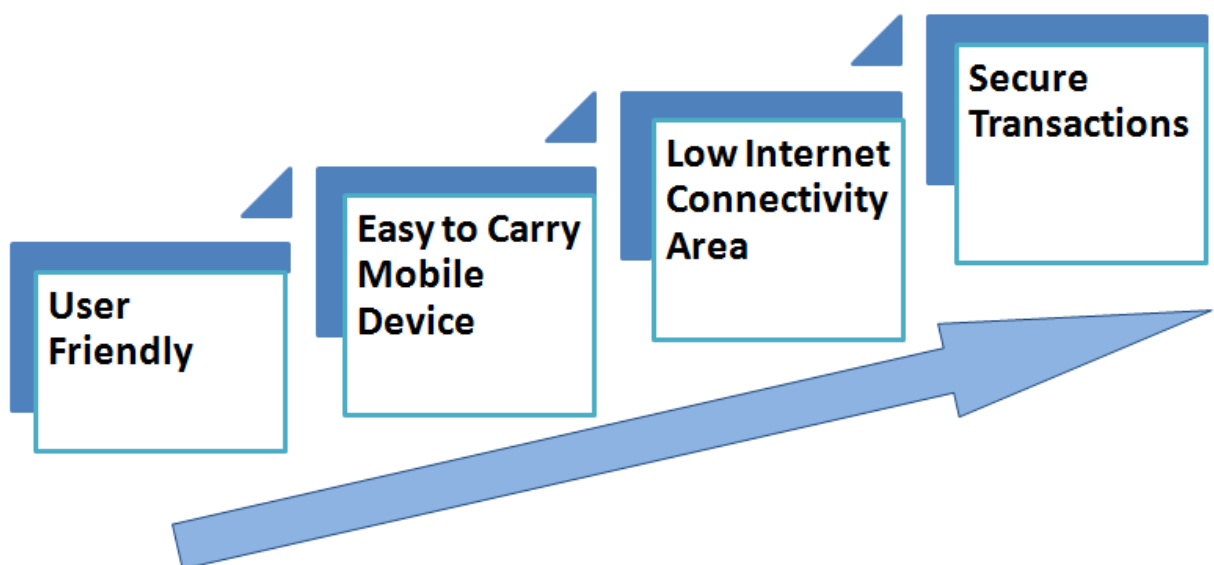
Mobile device is easy to carry by user, It helps to avoid user to go physically to any particular shop as well as it also helps to user for avoid once of use of computer /laptops.

### 6.3 Low internet connectivity area

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

### 6.4 Secure transactions

M-commerce also gives an assurance of secure transactions, for the transaction, confirmation code is sent on the e-mail and mobile phone. And after filling this code the transaction will be processed, So that chances of wrong transactions are very less and unsecure transitions can be eliminated

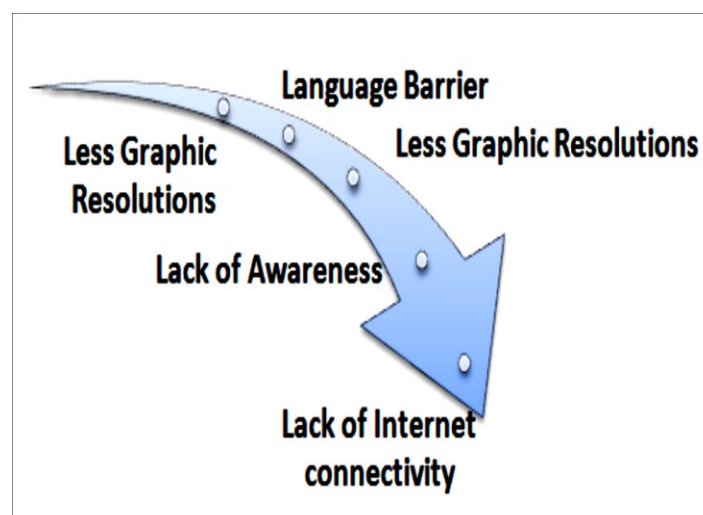


## 7. Drawback of E-commerce in India

Each coin has two sides; M-commerce also has some hurdles for growth in India. Drawbacks of M-commerce market in India are as follows.

### 8. Lack of Internet Connectivity

In India, still internet connectivity is under the dark room; still broadband connection is not accessible at many places in India. Also 3G networks are not available at so many states.



#### 8.1 Language Barrier

In India, mostly people are not aware about the English language or not so good in English language. So that for the transaction over internet through mobile devices, language becomes one of the major factor to purchases, hire and sell a particular product or services.

#### 8.2 Less Graphic Resolutions

In comparison to computer/laptop, mobile

devices are still less graphic resolutions, for that reason consumers are least interested to buy a particular product. In other words Product is not properly or exactly shown in mobile devices as compare to computers /laptops/notebooks.

### **8.3 Lack of Awareness**

Still in India people do not aware about the term M-commerce, In India literacy rate grew by 74.04%, but the world's average literacy rate is 84% in 2011. 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.

### **8.4 Less Number of Mobile phone users**

In India total numbers of mobile phones are 1, 104, 48000; it is 90.47% of entire population of India but the world's percentage of mobile phones is 97% in 31 Oct 2013. This figure explains that number of mobile users is less in India as compare to world number of mobile users. In India mobile network is not available in entire region; low connectivity problem is still faced by our Indian people in remote areas.

## **9. SWOT Analysis**

The strategic planning method is used to evaluate the four important aspects:-i.e. Strength, weakness, opportunity, threats involved in a business venture or in a project is SWOT analysis. It helps to identify the both, external and internal factors in which some are favorable and some are unfavorable in achieving the objectives [18].For identifying the threats and weakness in M-commerce this SWOT analysis is performed because with the help of it researchers may be motivated and directed towards M-commerce in more successful manner.

### **9.1 Strength**

There are four factors on which strength of M-commerce is based:

1. Online access for a portion of the world's population
2. Anticipated ubiquity of devices
3. Location sensitivity of the device
4. Authorization and authentication capabilities

According to Varshney and Vetter, each of the levels in the framework encompasses play a critical role in success and development of M-commerce

- Mobile middle ware
- Wireless network infrastructure
- Wireless user infrastructure sss
- Mobile commerce application
- "Always on" connections offered to the Internet GPRS and3G.
- Interactive touch screen, continuous link with Internet, email can be provided by mobile devices which provide innovative service delivery.
- Highly qualified and convenient services are performed by using mobile phones i.e.
- Positioning services
- Location-awareness services
- High quality of services
- M-commerce represents new streams by providing wireless carrier and help to recoup the costs of building next generation wireless system.

### **9.2 Weakness**

The major weakness for wireless communications is:

- Lack of digital identity

- Lack of data security

### 9.3 List of Risk Associated with WLAN

By using inexpensive receivers, transmission of WLAN can be “listed to” up to a mile away.

It is difficult to implement Anti-Virus solutions

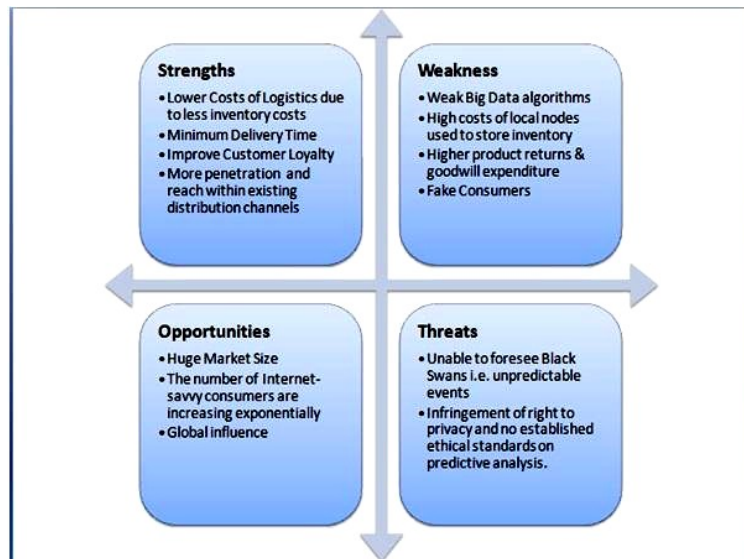
It is difficult to maintain privacy in data transmission

Build-in encryption capabilities of WLAN is not used by the existing WLAN installation. Some other weakness are:

Language barrier as even mobile phones are popularity used by people but many of them are facing functionary problem and other of them are facing language problem i.e. English Problem of graphical features as same in feature and also there is lack of processing power and memory for computational power.

### 9.4 Opportunities

Key driver of the mobile market is its size and growth rate. In today’s world, people are able to communicate easily without any geographical foundation. The interface between the payment system and merchant’s point of sale system that is provided by “payment gateways” companies or



organizations. People have flexibility of purchasing the things through mobile and they can also book ticket on it. By sending periodic alerts, paper catalogues can be replaced. Service of directly payment made to the seller’s bank and through a credit card company also. Coupons and loyalty cards can be used by retailers. Traffic information results, sports schedule, news alerts, stock market reports are available through mobile platforms. To adopt a fast and easy adoption of technology, open and neutral infrastructure is created and it provides better opportunities.

### 9.5 Threats

- Threats faced by M-commerce involved
- Privacy risk and mobile commerce security
- Mobile middleware security risk
- Wireless user infrastructure security risks
- Mobile application security risks
- Main problem or risk related to the remote networking is theft or loss of mobile devices. This risk can be reduced by cancelling the mobile telephone services due to which the sensitive data will not go in wrong hands. Because if the data goes in the wrong hand then it may cause high financial cost .
- Security threats of e-commerce extended by M-commerce
- Critical information stored on it is lost and erased without safeguard when the device is sold or stolen. But other risk which may occurs seldom are:
- Allowing employees to use your home computer to business, to use personal email service for business, allowing employees to use your wireless personal devices.
- These practices cause virus infection at minimum run.

This research paper shows that M-commerce is rapidly growing in Indian business market in spite of its positive and negative impact. The reason for this is the easy availability of smart phones, with the help of this, people have got the freedom to do almost every aspect of business from browsing the new products, adding it to cart and making the payment in just few clicks. M-commerce as game changer in the future online market. Application and wireless technology promise to develop together. The opportunity is much beyond mobile bills payment and includes all types of transaction including payment gateway technologies and all types of other business transaction. The enhance 3G, 4G penetration have opened up new possibilities on M-commerce. Many network and mobile device related problems like slow communication speed and connectivity where addressed by mobile operators. At last but not least, we conclude that M-commerce technology is not new in Indian.

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