

M-COMMERCE: THE FUTURE FACE OF COMMERCE

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ABSTRACT

The mobile commerce market place is growing and new products and services are constantly becoming available. Smartphone technology is one important factor driving growth. This is because as phone software becomes more sophisticated, M commerce transactions are faster and easier to engage in. Consumers engaging in M commerce transactions face issues common to all forms of distance selling. However, additional challenges exist as a result of the technology involved and the types of products and services that have emerged in the market place. The paper attempts to identify the present as well as future prospects of M-commerce in general and in particular.

Key Words: M- Retailing, E-Commerce, Online shopping, Consumer, Online-Retailing & Consumer satisfaction.

INTRODUCTION

Mobile retailing is like "a retail outlet in a customer's pocket." M commerce has integrally a part of E commerce. As we know M commerce market grows rapidly now days, a number of Smartphone users also increasing regularly. M commerce helps to work easily and smoothly in life schedule. The rapid growth of mobile telephony has provided a foundation for M commerce namely E commerce activities carried out via a mobile device, such as a cell phone. It is called M commerce. M commerce also refers to the transaction conducted via mobile device or Wi-Fi network.

In the past, m-commerce start-ups and initiatives have struggled to get support. Many m-commerce apps have been developed since 2010 when the e-commerce game began. But hardly any made an impact. But if we see now, as in 2015 the growth of M commerce has been very rapidly increasing. The significant growth of M commerce application is remarkable in India. More and more consumer is transferring to M commerce to achieve better and fast transaction into market. M commerce is complex in nature and includes changing procedure in market.

OBJECTIVES OF THE STUDY

1. To find out the benefits of M commerce in India.
2. To find out the hurdles which are going to be faced by M commerce Industry in India.
3. To find out how M commerce makes life easy in today's world.

RESEARCH METHODOLOGY

This paper purely depends on secondary data. To collect the statistical data we have used various sources like annual report, research articles from e-journals, reference books, research articles from news papers and off-line journals and sources from Internet etc.

Research Design: Exploratory

Type of data: Secondary data

Sources of data: Books, Journals, Magazines, Internet, etc.

GROWTH OF M-COMMERCE

Since 2014 the doors open for them as mobile banking became more secure and consumer perception for online purchase changed dramatically in most categories. Even factors like 3G penetration have contributed to this. Though Innovative marketing is the key, but at the end of the day it's a game of numbers and only those who can drive volume in the number of purchases, will be able to reap the benefits.

Mobile commerce is worth US\$230 billion, with Asia representing almost half of the market, and has been forecast to reach US\$700 billion in 2017. According to BI Intelligence in January 2013, 29% of mobile users have now made a purchase with their phones. Wal-Mart estimated that 40% of all visits to their internet shopping site in December 2012 were from a mobile device.

According to Deloitte research, by 2016, Smartphone's, used as part of a shopping experience, could impact 17-21 percent of retail sales a whopping \$627-\$752 billion. Google India recently partnered with a host of e-commerce players like Flipkart, Snapdeal, Homeshop18, Indiatimes Shopping and Makemytrip to bring its own version and we can see that buyers now want to buy products online. Growth is at every footstep when we talk about m-commerce in India as well as the world.

Offline Retailers like Vijay Sales, Mobile Store etc and online retailers like Flipkart and Snapdeal have placed heavy bets on the mobile market. It is definitely one of the revenue engines for them. Brands like ours are making huge impact on the budget segment, which is one of the fundamental underlying forces of this market.

DIVERSIFYING USAGE OF M-COMMERCE

Consumers now spend more time with online retail on mobile devices (Smartphone's and tablets) than desktop and laptop PCs.

Mobile Devices Dominate Time Spent with Online Retail

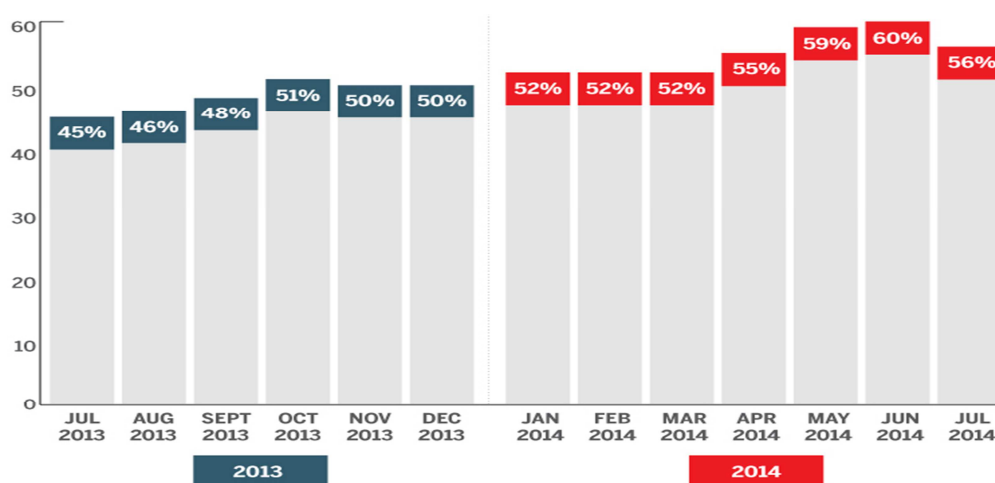


Fig: % of time spent with online retail on Smartphone's and tablets

M- Commerce In 2015

2015 is going to be another step on the ladder and retailers can expect actual returns on their investments. Turning m-commerce apps on mobile as point-of-sale device replacements should be the ultimate goal.

Countries like South Korea are already far ahead of us in this and present us with interesting learning opportunities for the implementation of the same. India stands at an important threshold of internet boom in the country and if we are to move forward for vision 2020, we have to tame m-commerce and turn it into our strength. I expect a great demand in the coming year as all the big giants in the telecom industry has a lot of expectation from the upcoming year 2015. It is estimated, that around 27 million (in India) are active mobile internet users. Currently, 4 per cent are buying products through mobiles and in next four years' time, it can go up to 20 per cent. Going by the current trend, the industry is expected to grow at a compound annual growth rate of 57 per cent and is likely to reach \$34.2 billion by 2015.

M-COMMERCE'S CONTRIBUTION TO ONLINE SHOPPING

With increasing number of people preferring to shop online, the retail category penetration has increased to 65 percent and has grown to 53.4 million visitors a month, an overall growth of 15 percent annually. Shopping online through Smartphone's is expected to be a game changer shortly and industry experts believe that m-commerce would contribute up to 70 per cent of their total revenues."In India, the mobile internet traffic now outweighs personal computer traffic. With increasing penetration of Smartphone's, India is all set to be a massive market for m-commerce.

The marketing strategies for e-commerce companies will increasingly be tailored to suit the rising adoption of Smartphone's, social media and improving customer experience across touch points and platforms," Amazon India Vice President and Country Manager Amit Agarwal said .He said that more than 40 per cent of their traffic comes from mobile devices.

Mobile internet users in India are estimated to be 120 million compared to 100 million users using internet on their personal computers."Close to 60 per cent of our orders are coming over mobile now. It is growing really fast. We get more traffic on the mobile than we get on personal computers. Within the next 12 months over 75 per cent of our orders will be on mobile," Snapdeal co-founder Kunal Bahlsaid .Fashion portal retailer Myntra.com expects close to 70 per cent of revenue coming through mobiles this fiscal.

BENEFITS OF M-COMMERCE IN INDIA

As we know M commerce market grows rapidly nowadays, it has become very convenient to shop through a mobile phone.

User Friendly:

Nowadays websites are being designed so much user friendly. Its predict search option helps consumer to find more easily and rapidly for a particular product. Different classification of products variety helps for consumers to choose more exclusively between products.

Easy To Carry Mobile Device:

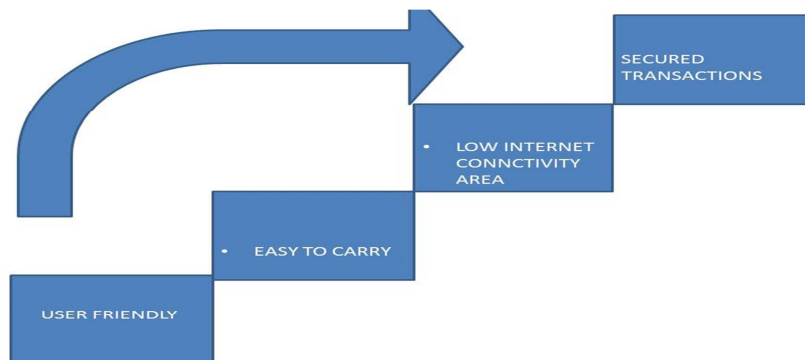
Mobile device is easy to carry by users, it helps to avoid user to go physically to any particular shop as well as it also helps to user to avoid once of use of computer or laptops.

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 heat. Through mobile devices less internet data will be used, so it is also economical with comparison of using internet via computer devices.

Secure Transactions:

M commerce also gives an assurance of secure transactions, for the transaction, confirmation code is sent on the email and mobile phone. And after filling this code the transaction will be correctly filled and wrong transactions will be less and unsecure transactions can be eliminated.



DRAWBACKS OF M-COMMERCE

Less number of Smartphone's users: In India 41.95 million Smartphone users who are subscribed to internet services which is 3.4% of the total population. This figure explains that number of mobile users is less in India as compared to the world number of mobile users. In 31st October 2013(world) percentage of mobile phone users is 97%. In India mobile network is not available in entire region; low connectivity problem is still faced by our Indian people in remote areas.

Lack of awareness: Still in India people are not aware of the term M commerce, In India literacy rate blew by 74.04% but the world's average literacy rate is 84%. 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. **Language barrier:** In India mostly people are not aware of the English language or not so good in English language. So that when the transactions are done over internet through mobile devices, language becomes one of the major factors to purchases, hire and sale a particular product or services. **Less graphic resolution:** In comparison to computer or laptop, mobile devices are still less graphic resolutions. For that reason consumers are least interested to buy a particular product from M commerce. In other words, product is not properly or exactly shown in mobile devices as compared to computers or laptops or notebooks.

As research shows, some of these challenges can be related to:

- **Information disclosure:** Technological constraints of mobile devices may impact upon how much information a consumer is provided with during a M commerce transaction.
- **Security and liability:** As mobile devices are particularly vulnerable to theft and misuse, it is important for consumers to understand what protections are available to them in the case of unauthorised transactions.
- **Red Race:** M commerce users are often confused about who they are entering into the agreement with and how to contact the party responsible in the case of a problem or dispute.

As the market grows, it is important for regulators to consider:

- The possibilities and pitfalls that M commerce transactions present to consumers.
- How to ensure policies and legislation keep pace with challenges in the market?
- How to ensure that the consumer's rights are protected when making M payments?

INDIA AS BIG OPPORTUNITY

India boasts of a total population of 1.25 billion out of which almost 75% of the population are active mobile subscribers. An info graphic on India's internet presence in 2015 reports India to have 405 million unique mobile subscribers.

As a whole, usage of Smartphone's and mobile internet is growing at a rapid pace in India. Almost 199 million Smartphone's have been shipped in India as of December 31, 2014. The number is only increasing. In such scenario, if Flipkart decides to go mobile app only, it should be a good move. With increasing number of people preferring to shop online, the retail category penetration has increased to 65 percent and has grown to 53.4 million visitors a month, an overall growth of 15 percent annually. The report said that the Flipkart group of websites (including the recently acquired Myntra) are the most visited retail sites with over 26 million unique visitors for the month of July 2014 (excluding visitors using mobile Internet and mobile apps), followed by Jabong (with 23.5 million unique visitors), and Amazon (with 16.9 million unique visitors). According to a recent review, it was observed that Flipkart's Android application gave then the real push in business. 94% downloads of the app happened in 2014 and the company celebrated the Big Billion Day and saw a huge growth in business during the festival season. Similarly, Snapdeal also had their app available in the year 2012 but 98% download happened in 2014 and October was considered to be their best month with 2 million installs. Myntra, another growing online shopping site also observed 4.5 million installs within eight months of the company's app launch.

CONCLUSION

As we know mobile devices are becoming a part of our daily routine life, people use internet for various purposes which includes email, financial, academic information search, music and video, chatting, online banking, online job search, gaming, booking tickets, hotel reservations, video chat, and online news. Indeed it is used for various purposes. E commerce has touched every field of human life from information search to entertainment, job search and matrimonial site.

For businesses, m-commerce is simply another channel of selling services or products and it is observed that almost four in ten visits to retails sites are received via a mobile device. Thus mobile applications translates into increased business for retailers and this can be easily proved by the intense business growth of brands like flipkart, Jabong, Myntra and Snapdeal etc.

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