

Opportunities and Challenges of Mobile Commerce

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Abstract:

In the last few years, there had been immense growth of wireless technology in India. The advent of internet has made the communication must faster and effective. M-Commerce is E-commerce on mobile phones. Use of mobile phone has increased so much that it is not just a device to make calls, but an important medium to fulfill all the financial needs for friends and family.

E-commerce refers to all forms of commercial transactions that involve individuals and organizations based on the electronic processing of data whereas Mobile commerce (M-commerce) is the buying and selling of goods and services using mobile phones. The present study has been undertaken to describe the present status of M-Commerce in India, to analyse M-Commerce services and applications, growth drivers and challenges lying ahead. This paper extends research on mobile commerce in India.

KEYWORDS: E-Commerce, M-Commerce, Mobile commerce services and apps, M-Commerce growth drivers, M-Commerce challenges

INTRODUCTION

E-Commerce introduced anytime online transactions and M-Commerce introduced Anytime Anywhere online transactions. The ubiquity, reachability, mobility and flexibility features of M-Commerce have increased the mobile users and mobile internet subscribers in India. M-Commerce is implemented through mobile applications. People are using mobile applications instead of web application for utility bill payment, ticket booking, fund transfer, email and so on. Thus M-Commerce is replacing E-commerce. With these advantages M-Commerce have disadvantages such as tiny screen of device, weak processors, limited memory, poor resolutions, poor data entry, and lack of WAP-enabled devices, expensive data speed, and shortage of bandwidth. M-commerce is at emerging level in India.

DEFINITIONS OF M-COMMERCE

According to Webagency, "Mobile Commerce is the use of information technologies and communication technologies for the purpose of mobile integration of different value chains a business processes, and for the purpose of management of business relationships."

According to Ovum, "The core of mobile e-commerce is the use of a terminal (telephone, PDA, PC device, or custom terminal) and public mobile network (necessary but not sufficient) to access information and conduct transactions that result in the transfer of value in exchange for information, services or goods."

CHARACTERISTICS OF M-COMMERCE

- **Mobility:** Users can carry their smart phones or other compatible devices such as Tablets, PDA, etc easily and can perform the different M-commerce functions
- **Ubiquity:** Information can be accessed easily and in a real-time environment.
- **Varied users:** M-commerce has varied users from elementary school students to Grandpas, at varied locations.
- **Ambidextrous:** People uses M-commerce for work & Play i.e. for Business purpose and for personal fun.
- **Willingness:** People are willing to pay for mobile services.

OBJECTIVES OF THE STUDY

The main objectives of this research paper are as follows:-

1. To analyse broad spectrum of M-Commerce services and applications.
2. To study the growth drivers of M-commerce in India.
3. To determine the challenges faced by M-commerce industry in India.
4. To provide suggestions for the future growth of M-commerce.

M-COMMERCE SERVICES AVAILABLE IN MARKET

M-commerce provide various services such as

1. **Mobile Banking Apps:** Mobile banking services are increasingly popular. Most banks offer many banking services such as credit card payments, bill payments, on-the-go access to financial services and real-time personalized messages to consumers. Mobile e-Banking services (check out account information and money transfer). We have mobile banking provided by all leading banks like Axis, Bank of Baroda, SBI etc.
2. **Mobile trade services** that is buying/selling, stock quotes etc.
3. **Mobile Entertainment and miscellaneous:** Now Entertainment, News such as sports, headline, weather etc can be easily accessed through mobile apps.
4. **Online booking tickets of movies or railways/airline.** Ticket Sales IRCTC, Book my show etc. apps are there that helps users book their ticket for entertainment and travelling sitting at home. Skyscanner is there to book airline tickets.
5. **Hotel booking or reservation through mobile.** Ixigo is there to search hotels and accommodations. Restaurant Apps UrbanQ is an app that helps us to find restaurant near by us.
6. **Domino's Pizza app** also helps us place our customized order from the phone.
7. **Mobile Marketing Apps, Mobile Deals:** Mobile users get various discounts, and buy deals on-the-go. For example, restaurants, bars or shops may offer various deals and may even use GPS features to find deals closest to the mobile user.
8. **Mobile Coupons:** Mobile coupons are a popular app for mobile phone users. They are a marketing tool, and to be effective often need to be store- specific and integrated into the shopping experience.
9. **Retail Store Apps:** There are many apps available in store that helps and guides the user to buy products online. Flipkart, Firstcry, Amazon etc. have launched their apps for retail purchasing. Social and Gaming Apps Mobile gaming apps are beginning to integrate in-game content purchase by integrating with payment systems. We have app store on almost all operating system whether it is Android or iOS or Symbian etc.

GROWTH DRIVERS OF M-COMMERCE

As we know now a days M-commerce is growing rapidly, the number of mobile phones is growing now a days. M-commerce help each individual to do his/her work smoothly according to their schedule. The following factors that are driving customers towards the mobile devices rather than the desktop are:

1. **Easy to carry mobile**- As Mobile device is easy to carry by user, it helps user to avoid to go to shops physically as it also help to avoid once use of laptops.
2. **Saves time**-For making an m-commerce transaction it is not needed that the user needs to plug in his laptop or PC and wait for the system to reload. It is enough that you just hit a single button on your mobile device.
3. **Quicker access**-connecting through a mobile is faster than dial-up connections using wire line modems.
4. **Electronic Wallet**-Analysts believe that easy mobile payment is one of the main prerequisites for the success of m-commerce, when the mobile phone can functions as an electronic wallet for mobile payments, including micropayments, application developers and service providers will find it attractive to introduce new mobile communication services to the market.
5. **Flexibility accessibility**- Users can be accessible through their mobile phones and at the same time be accessible online to by logging on to various mobile messengers like Facebook, Twitter, Gmail and other networking platforms

CHALLENGES IN MOBILE COMMERCE

Mobile commerce in India is still at nascent stage or embryonic stage & companies are still in experimentation stage for growth of M-commerce. Though M-commerce could provide convenient and hassle free environment for companies and for customers, yet there are many reasons people are not using M-commerce so widely:

Lack of awareness

Although we have discussed many people are using smart phones but still people in India don't know what all can be done using mobile phones. They feel insecure while making payments over mobile phones.

Usability problem and language barrier

One of the major issues in adaptability of M-commerce is limited storage capacity of devices, small size screen and keyboard etc. Large screens and use of colours can enhance usability but at the expense of battery life which is another issue as smart phone requires regular charging. The language problem is another major issue in usability of M-commerce since all our country people are not well versed with English language. Also user interface is often difficult to use. Use of graphics is limited in various M-commerce applications.

Low internet connectivity (2G, 3G)

The rates of 3G have declined tremendously in India but not all phones supports 3G and 2G speed is very low to make purchases and make the payments. And 3G price although reduced but not affordable by whole of the population. Also we have 4G available now but again its limited to cities and areas in India. Example in some part of Bangalore and Pune only 4G connection is available but again the device and connection rate is very high.

Security issues faced while making the payment.

The speed of internet does not allow users to make the payments efficiently. Also the threat of hacking, phishing, identity theft is always there as users don't have security software available in their phones. And while accessing apps their identity and personal detail and bank credentials is used by the app store. When a user makes a payment he is taken to third

party, and if anything goes wrong either we have to make the payment again else our order remains pending and many times cancelled. CII's Vikram Tiwathia noted, "Users will engage in m commerce only if they trust that the transactions made through their devices are secure."

Internet Infrastructure

In India we observe that internet infrastructure is growing rapidly yet the amount of investment & technology needed is not sufficient for huge populated country like ours. The infrastructure is needed to increase the speed & security which is also major hindrance to security related problem faced by the business and customers.

CONCLUSION

M-Commerce is buying and selling the products using mobile device, mobile applications and internet. M-Commerce includes the activities of E-Commerce conducted on mobile device. Mobility, flexibility, reachability, ubiquity are the features of M-Commerce whereas tiny screen, low processing power of mobile device, security of mobile transactions are the limitations of M-Commerce. The research paper shows that M-Commerce is gaining its market in India in spite of its challenges and issues. The reason for its spread is the ease of availability of smartphones, because of which people have got the freedom to not only make audio and video calls but they can now almost access every aspect of business from viewing the product to, adding it to cart and making the payments and getting their product at home in just few clicks. Not only this we can also use any services available in form of m commerce like ticket booking, we can manage our bank accounts, mail accounts etc. as every coin has two aspects so m commerce also may have adverse aspect like security issues arise as wireless connections are very open threats, also when we access these applications our personal data, mobile phone details, locations and permission to use our data is allowed to the providers and public. Our bank credentials, debit card, credit card details can also be viewed to others etc. and if there is a connection loss or any other technical problem either our order is cancelled or we have to submit the requests again and again which is many times irritating for the user. There are many reasons for success and failure of M-commerce. Also there are lots to be worked from the government side and provider side to make M-commerce a success.

SUGGESTIONS

There should be taken necessary steps to include these growth factor such as wireless network technology, building of infrastructure to internet connectivity, gives proper awareness of internet, aware more and more peoples about the uses and security of M-commerce applications by the Government of India. The following area's where government should take necessary action for improvement. → Affordability of mobile devices → Mobile internet connectivity → Mobile payments → Security → Low tariffs-high revenue → Proper Government policies

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