

## UPCOMING BOOM IN MOBILE COMMERCE IN INDIA

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### ABSTRACT

Today's consumers need not be confined to the computers for a long time to perform online transactions nor do they need to carry laptops with them wherever they go. M-commerce or Mobile commerce is the use of mobile phones to access information or conducting transactions. India has seen a massive leap from the Ecommerce to M-commerce in the recent past. Now all the online transactions can be very conveniently done through that small device which almost every one carries in their pockets i.e. "The Smartphone". This paper will shed light on recent trends of M-commerce in India, reasons for its growth, issues faced and the bright future of M-commerce in India.

**KEYWORDS:** Mobile commerce, M-commerce, online commerce, M-Shopping,

### INTRODUCTION

Mobile commerce commonly known as M-commerce refers to wireless electronic commerce used for conducting commerce or business through a handy device like cellular phone or tablets. It is also tagged as the next generation wireless e-commerce that needs no wire and plug-in devices.

M-commerce was born in the city of Helsinki. Helsinki hosted the first m-commerce ever, when a Coca Cola vending machine- operated through mobile phones-was set up. Merita Bank launched in 1997 the first phone-based banking service, which subsequently enabled payments via text messages and thereby paved the way for m-commerce.

M-commerce is fast gaining prominence as it is very easy and convenient. With both big and small online businesses developing special mobile websites and apps, it is evident that even they have realized how prominent this platform is. One can do so many things with a handy mobile phone anywhere and everywhere just with a click. It also saves a lot of time which is a boon for modern people who are so busy in their fast pacing lives.

### RECENT TRENDS OF M-COMMERCE

M-commerce in India is primed to explode thanks to the increasing integration of the internet and mobile technology into everyday life. In a country where two-thirds of the population is younger than the national average of 26 and the

most explosive growth of new internet users being non-urban, India has a young tech savvy generation of users whose first—and exclusive—means of accessing the internet is over mobile phone. Mobile is becoming an important platform for driving the online commerce growth in India.

In India, the mobile internet traffic now outweighs personal computer traffic. With increasing penetration of smart phones, India is all set to be a massive market for m-commerce. The mobile device has essayed a journey of massive transformation due to an increase in their processing power and computational speed. They have moved far beyond voice communication and text messaging. Even entry-level mobile devices today enable internet browsing, emailing, multimedia messaging, multimedia playback, video communication, as well as downloading and running third party applications.

India is the second largest mobile user in the world with 930.20 million mobile phone subscribers as on Sep 2014.

Shopping online through smart phones 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 the coming years.

According to the Snapdeal cofounder-Kunal Bahl, close to 60 per cent of their orders are coming over mobile now. It is growing really fast. They get more traffic on the mobile than on personal computers

According to Flipkart's Bhatt, growth in commerce from non-metro cities has been noted and this growth can be credited to use of smart phones. Around 75 per cent people make use of their phones to access internet. This spur is triggered because of availability of cheaper smart phones these days.

### **SERVICES OFFERED IN M-COMMERCE**

- ✧ **ENTERTAINMENT** – Entertainment on mobile phone has not only led to the development of entertainment industry but also for M-commerce industry. It enables users to download music, images, videos,

movies and games on their mobile phones. It also facilitates playing online games, watching movies online. These entertainment applications are an important part of m-commerce in India and in future this entertainment section may become a dominant part of m-commerce.

- ✧ **M-SHOPPING** - After the success on e-commerce almost all of the companies are concentrating on the mobile shopping these days. All companies have launched their mobile apps to make it really convenient for the consumers to choose and shop comfortably anywhere with their smart phones. Moreover to encourage shopping via mobiles these companies give special discounts and offers only to the app users. For e.g. Myntra gives 25 percent discount on online shopping it gives 28 percent discount on shopping through mobile app.

Some Online Retail Companies who have launched their apps are:

Amazon  
Flipkart  
Snapdeal  
Myntra  
Jabong  
Yepme

- ✧ **M-BANKING** - M-commerce enables the users to manage their bank accounts, transfer funds and pay bills with their mobile phones.
- ✧ **TRAVEL AND TICKET**- Ticketing has become very easy now a days, be it airways, railways. Roadways or for movies all have facilities for m-ticketing. Users can very conveniently book their tickets with the mobile phones.
- ✧ **EDUCATION**- These days one can access a lot of reading material with their mobile phones while sitting in any corner. Many journals nowadays have their mobile applications.

- ✧ **NEWS AND INFORMATION-** Users can search information on any topic with their mobile phones; even newspapers now have mobile apps where one can read newspaper on their phones even while travelling. Some newspapers which have their mobile apps are “Times of India” , “The Hindu” , “Hindustan times” , “The Economic Times” etc
- ✧ **PAYMENT OF BILLS-** M-commerce has made payment of bills very easy. People can now pay their shopping bills, electricity bill, mobile bills etc through their smartphones.

### REASONS FOR GROWTH IN M-COMMERCE

- ✧ **EASY ACCESS TO SMARTPHONES-** The Smartphone industry has developed manifolds which have led to massive production of smartphones at low prices. Since smartphones are no more expensive and people on a large scale can afford to buy them. With the advancement in technology and growing competition all the mobile companies are attempting to increase their market share by providing best services at good prices, this can be one factor which has led to the growth of m-commerce in India in recent years.
- ✧ **CHEAP MOBILE INTERNET SERVICES-** The mobile internet packs are now available at cheap rates unlike the past times when they were so expensive that only affluent people could afford them. 3G and 2G services are available at cheap rates which are within the reach of common people; this is also a major factor for the growth of M-commerce in India. Major network providers like Vodafone, Airtel and Idea bring new schemes of mobile internet to tempt the consumers. For e.g. recently Vodafone has been giving offers like “double data offers” where users get double data for the price of one.
- ✧ **WIDE REACH-**Due to the wide reach of mobile and mobile services there has been a sudden spur in the M-commerce in India. The penetration level of mobile services in the Indian population is much more than the services like television, computers, and bank accounts etc .mobile phones can be found even in the remotest places of India.
- ✧ **UBIQUITY-** This term means that the usage of online services and carrying of online transactions is not affected by the user’s geographical location. This enables a user to even compare the real prices with the online prices while shopping in the market.
- ✧ **MOBILITY-** M-commerce enables users to do online transactions with their mobile phones which are quite handy, so they can make payments, shop, download and read online at anytime and anywhere.
- ✧ **DOING THINGS ON A GO-**Mobile devices give the freedom to do things like shopping, booking tickets, making hotel reservations etc. anytime anywhere. And in India, there is a large young consumer base, who wants fast instantaneous processes on the move. One doesn’t need to wait to reach home or to a cyber cafe to pay bills or make an urgent purchase online.
- ✧ **SECURITY-** As mobiles are personalized devices so transactions done through them are more secure. Also, seldom do people part from their phones, so there are less chances of misuse of login information that may happen on computer systems.
- ✧ **GREATER TRAGET AUDIENCE FOR ADVERTISEMENTS-**The problem with online advertising is that people have to be ‘online’ to view it. Several ecommerce players in India have come out with TV commercials to advertise their websites. However, mobile is a better platform to do the same.

## ISSUES IN M-COMMERCE

- ✧ **SECURITY-** The main issue of M-commerce is the security. Users worry about their devices being hacked and threat from viruses. A few users even lose their money in transacting through mobiles so this also discourages M-commerce
- ✧ **DATA TRANSMISSION RATE-** The speed of net on mobiles is not very good which restricts m-commerce to some extent. Though high speed internet can be availed but the charges of those internet packs are very high.
- ✧ **LACK OF NETWORK COVERAGE-** At some places the network connectivity is not very good which hampers M-commerce in that region.
- ✧ **BARRIERS OF LANGUAGE:** -In India many people are not so well versed with English language, so for them it is not possible to do transactions through mobile due to this language barrier. This is also a major issue in M-commerce.
- ✧ **LOW GRAPHIC RESOLUTIONS-** Product is not properly or exactly shown in mobile devices as compared to computers / laptops/notebooks. This may make the consumer less interested in buying the product

- ✧ **LACK OF AWARENESS** - Even today in India many people are not even aware of M-commerce. Moreover people still have many inhibitions and reservations regarding services offered by M-commerce

## CONCLUSION

India is experiencing a boom in M-commerce. Smart phones have revolutionized the online shopping scene in India. This industry has huge potential which is yet to be tapped and companies are planning their future actions for using it to the best possible extent. Transacting through mobiles has brought convenience in the lives of people. People can access their bank accounts, make payments and shop; and this can be done from their homes, offices or while travelling. Surely, M-commerce is here to stay and reach great heights.

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