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### M- Commerce: The Indian Trend

Lisha Singh<sup>1</sup>, Abhijeet Singh<sup>2</sup>

<sup>1</sup>Student, Mahatma Gandhi University (MGU), India

<sup>2</sup>Student, Sikkim Manipal University (SMU), India

**Abstract:** This paper highlights the current scenario of Mobile commerce (or M-commerce) along with the factors which will play a pivotal role in the advent of the same. The emergence of E-commerce and how it had paved the way for M-commerce is also highlighted by the purpose of this paper. This new order of M-commerce has created a shift in the method of doing business. The power, however, lies with the user as the flexibility provided by the instruments of M-commerce are quite user friendly. It is also necessary to provide kudos to the developers, who have relentlessly worked to change the face of the business world, today. However, as per many think tanks, it can be inferred that this is just the beginning. The best is yet to come. Here a question arises, that whether India is ready to capitalize on this paradigm shift. By the means of this paper, some food for thought, on the said issues, has also been provided.

**Keywords:** M-commerce; e-commerce; e-business; e-banking; Near Field Communication (NFC); mobile phone.

#### I. Introduction

E-commerce, stands for electronic commerce, on the internet, it pertains to a website, which sells products or services directly from the site using a shopping cart or shopping basket system and allows payments through cards, e-banking, cash on delivery. Customers can purchase anything right from an Insurance Policy to open sitting comfortably in their office or home and gift it to someone sitting miles apart just by click of a mouse. It offers several benefits to businesses like easily reaching to a fast growing online community, providing unlimited shelf place for products and services, merging the global geographical and time zone boundaries and helping to reach national and global markets at low operating costs. However, the terms “e-Business” and “e-Commerce” have been used interchangeably overtime such that at many points the demarcation diminishes for the user. Clarity is important to provide distinct boundaries for each term. The classification of business recognizes that certain aspects of e-Business do not fall under e-Commerce, and as a result, supports e-Commerce as an integral subset of e-Business. Further, all aspects of e-Commerce, irrespective of the value it adds (direct or indirect), can be placed under e-Business because some form of business activity is involved. M-commerce is the subset of e-commerce, which includes all e-commerce transactions, carried out using a mobile. M-commerce is the way of doing business in a state of motion. M-commerce depends on the availability of mobile connectivity. We have become used to making mobile phone calls anywhere, at any time and m-commerce is built on that capability. According to IT experts, in the future, consumers will be able to shop using a handheld computing device, PDA, wearable computer, mobile phone or smart devices. In virtually any place – malls, restaurants, hotels, airports and other locations – this user will be able to receive coupons, download information, receive sales offers, and perform credit card transactions. In such future scenarios, M-commerce means that customers can shop anywhere, anytime. M-commerce offers multiple advantages like Ubiquity, personalization, flexibility, and distribution, instant connectivity, immediacy. M-Commerce on the other hand has been defined as commercial transactions conducted through a variety of mobile equipment - such as wireless application protocol (WAP) equipped cellular phones and personal digital assistants (PDA) - over a wireless telecommunication network in a wireless environment. Similar definitions for m-Commerce by “the ability to conduct commerce using a mobile device, such as mobile phones, personal digital assistants (PDA) and smartphones “and “the buying and selling of goods and services through wireless handheld devices” together, infer that m-Commerce involves a lower level of activities when compared to m-Business.

#### II. Status of M-commerce in India

A vast segment of the population that neither had a landline nor a bank account (unbanked) in their names but now not only they own a mobile handset but are also well balanced to transact on their mobile. The mobile channel has provided a rare opportunity not only to leapfrog years of poor infrastructure development but also in bypassing geographical constraints to bring massive benefits and lifestyle changes to millions of under-served people across India. India is a land of many languages but only 2 percent of the Indian population prefers reading in English. If the content is in local language, it will not only ensure quicker adoption by the user but

also will be an instant success. Further, content developers are tempted to look at India as one market, and there are more players to share the pie.

Mobile applications that is available in the market are as follows:

- Ticket Sales  
Apps like, IRCTC, Book my Makemytrip, goibibo etc., are there that helps users to book their ticket while at home.
- Restaurant Apps  
Various apps, such as food panda, also help us place our customized order from the phone.
- 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.
- 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 like candy crush, plant vs zombies 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.
- 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. We have mobile banking provided by all leading banks like Axis, Bank of Baroda, SBI etc.

The status of mobile users and usage in India is as follows:

- There are currently about 867.80 million mobile subscribers with monthly growth 0.71% and this number is expected to touch 1.2 billion by 2015 according to the press release of TRAI, dated 29<sup>th</sup> May 2013.
- Total Broadband subscription reached 15.05 million in March 2013 from 15.00 million in February 2013.
- Actively mobile Internet users are fairly young (18- 35 years) and 81% percent users are using these devices as part of their daily routine.
- 27 million mobile users are active mobile internet users. More importantly, 20% users indicated intent to buy products through their mobile phones as against the current 4% and this number is expected to only increase in the next two to three years.

This data shows that basic infrastructure required for Mobile communication has been built already. But there is a need for a major enhancement in ensuring the deployment of mobile Internet infrastructure for M-commerce at affordable cost and desirable quality which can make infrastructure ubiquitous.

### **III. Relationship between E-commerce and M-commerce**

There exist diverging views about the distinction between e-Commerce and m-Commerce - some schools of thought argue that they are separate concepts while others argue that m-Commerce is an extension of e-Commerce. Although e-Commerce and m-Commerce have their individual strengths and unique characteristics, they still share some commonalities.

At a very basic, both e-Commerce and m-Commerce involve the conduct of certain aspects of business through a virtual market. In order to aid understanding of the inherent similarities and uniqueness of each concept, we shall turn the spotlight on their individual characteristics while paying particular attention to their spectrum of activities. It is generally accepted that m-Commerce involves business transactions conducted over mobile devices such as mobile phones, smartphones and other handheld devices. Although most authors agree with this definition, based on the engagement platform, there are divergent opinions about the specific kinds of activities that fall under m-Commerce. While some literature suggests that m-Commerce includes content delivery and information transfer, others suggest that m-Commerce goes beyond these activities and also includes transactions that offer some form of monetary gain. m-Commerce includes a wider range of activities such as sending and receiving emails, downloading music / graphics / animations, playing interactive games online, trading stocks, booking tickets, finding friends, and conducting financial and business transactions. The range of e-Commerce activities can involve business transactions conducted over the internet and includes shopping, banking, investing and online electronic payment. A table of e-Commerce activities compiled by includes providing information, enabling communication, processing orders and other forms of exchange, both of goods and services, as well as information. It is obvious that some of these e-Commerce activities can also be achieved via internet enabled mobile devices. This buttresses the opinion that e- and m-Commerce share certain similarities. However, m-Commerce exhibit unique features that is different from e-Commerce. One of such

example is Near Field Communication (NFC) where consumers can make use of their mobile device as a wallet. Some authors post that m-Commerce is an integral subset of e-Commerce. Although some mobile devices are designed to achieve functionalities such as is possible via standard computer systems, m-Commerce still possesses some unique qualities. Furthermore, supporting the stance for m-Commerce as an integral subset of e-Commerce adds to the blur between both forms of virtual commerce. In addition, some authors have suggested that unlike e-Commerce, m-Commerce presents opportunities for new business models due to their unique characteristics such as mobility and reachability. This then means that classifying m-Commerce as an integral subset of e-Commerce is increasingly becoming less practical and a rather narrow perspective of the relationship between them.

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

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

- **User friendly:** - Nowadays 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.
- **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.
- **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
- **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.

#### V. Issues in using M-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:

- **Lack of Internet Connectivity:** - In India, still internet connectivity is not accessible at many places in India.
- **Language Barrier:** - In India, majority people are not good in English language. So that for the transaction over internet through mobile devices, language becomes one of the major factor.
- **Less Graphic Resolutions:-** In comparison to computer/laptop, mobile devices had less graphic resolutions, for that reason consumers are least interested to buy a particular product through m-commerce.
- **Lack of Awareness:** - In India, people are, still, not aware about the term M-commerce. People in India are still afraid to adopt to purchase things online. Moreover, people are uncomfortable in buying a product through M-commerce.
- **Security issues:-** Online threats, like hacking, phishing, identity theft, are always there in online technology. When a user makes a payment he is taken to third party, and in many cases the third party is found very inefficient, if anything goes wrong.
- **Research Online and Purchase Offline tendency of the people:-** In India, people believe in feel and buy method as they don't want to involve in returning policies.
- **Complex mobile applications:-** The mobile applications are available but it is complex as compared to E-commerce websites.

#### VI. Conclusion and Future Scope

Currently M-commerce in India is offering exciting and renewed services to the existing mobile users like pocket finder of Aircell, SMS based home appliances handling (ONIDA AC, FM), Projector within the mobile device. Social networking sites like Facebook, twitter are also available on mobile. But it has been limited primarily to basic banking transactions, purchase of travel tickets and payment of some utility bills, is finally taking off with banks, cellular operators and payment service providers coming together to find solutions that comply with regulatory guidelines. Security, a prime concern with banking regulators, has been an obstacle to the growth of M-commerce services such as the so-called mobile wallet, which helps make payments at retail outlets through text messages or Internet-enabled phones.

The Reserve Bank of India had issued guidelines against creation of the mobile wallet, a derivative of a phone firm's master bank account, from which millions of subscribers can be served on their mobile phones. Bangalore's mChek India Payment Systems Pvt. Ltd is among a fast-expanding breed of mobile payment

service providers which have planned offerings that work within the guidelines and bring the convenience of mobile transactions. Banks in India like ICICI Bank Ltd, SBI, Standard Chartered Bank have already started its Internet banking service on mobile phones. Bharti Telesoft Ltd provides software products and solutions to mobile operators, providing solutions for microfinance operations, especially in data collection work. Data shows that currently products and services are merging as a result of cheap processing and widespread networking, and technologies are changing everything from our relationships to everyday objects.

This has also changed the market trends and shopping decisions also.

Consumers in India and China are leading the drive for personal banking and retail transactions via their mobiles. While unveiling the findings of the report, that 3G, 4G and BWA(Broadband Wireless Association) will further fuel the growth m-commerce in India as 3G, WiMax and the like that could support multimedia data delivery & these technologies should be able to ensure constant broadband speeds and seamless connectivity. Many service providers in India like BSNL, Airtel, Reliance, Tata Docomo, vodaphone are offering wireless 3G. The KPMG study has also revealed that in spite of the humongous growth of mobile telephony in India, more than half of mobileusers did not wish to give up their landline. The reasons being, users felt landlines are more reliable than mobiles and it was the primary source for Internet access. This shows that in future M-commerce will occupy major share in Indian Market After the text edit has been completed, the paper is ready for the template. Duplicate the template file by using the Save As command, and use the naming convention prescribed by your conference for the name of your paper. In this newly created file, highlight all of the contents and import your prepared text file. You are now ready to style your paper.

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