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**Dr. A. Jaganathan**

Head Dept. of Business  
Administration with CA,  
Government Arts and Science  
College, Gudalur, the Nilgiris,  
Tamil Nadu, India.

# Mobile commerce in spread and utilization of the various industries in present scenario of Indian contexts

**Dr. A. Jaganathan**

## Abstract

In the last few years, there had been immense growth of wireless technology in India. This growth has changed people to do business in mobile commerce (M-Commerce). Day by day many people are transferring to M-Commerce to attain good and fast transaction into market. M-Commerce becomes distinguished in Indian people, quickly during last few years. Due to large number of mobile application, growth rate in mobile penetration in India is increasing day by day. The users has intensely increased on mobile phone and consuming bandwidth of internet providers. This paper will throw light in the Indian context in mobile commerce, to examine in spread and use of m-commerce in various industries and advantages and disadvantage of m-commerce to industries.

**Keywords:** Business, Commerce, Communication, Mobile

## 1. Introduction

Mobile phones play an active and major role in development of a country. People need to buy these, whether for professional or personal purposes, but they also appreciate the many modernistic features that come with the latest wireless handsets. In addition, it can also be translated by a want. The definition of a want is tailored to a person state of mind and whether one believes that a want is something inessential or unimportant. For instance, to most people living in India, owing a mobile phone could be seen as a necessity, whereas in some countries of the world it could be seen as a luxury. In other words, an individual might just need to call another person and wants a state of the art mobile phone to perform the task. The main features of mobile commerce are saving time, varying locations, mobility and convenience. Devices and services that are based on wireless network technologies are currently commonplace in our daily practice. According to Green *et al.*, mobile devices and services that will be in the market in the near future hold the potential to transform patterns of information consumption and communication in our everyday life. This might unleash the enormous revenue capacity for participants in the wireless telecommunications value chain. In order for that capacity to be set free, mobile commerce services and accompanying hardware devices (handhelds, cell phones, and personal digital assistants) should be widely adopted by consumers in the mass market. Before mass marketing these devices and services, investors will appraise the value and potential benefits provided to consumers. It is therefore a necessity for marketers to identify and understand consumers' needs, wants, attitudes and behavioral intentions towards such innovative - mobile commerce and other wireless solutions.

M-commerce can also be defined as "any transaction having a monetary value that can be conducted through a mobile communication networks or a Wi-Fi network".

Business-to-consumer transactions conducted from a mobile device are also known as M-commerce.

### 1.1 Objectives of M-Commerce

**Main objectives for M-commerce are as follows:-**

1. To study on mobile commerce in the Indian Context.
2. To examine in spread and use of M-commerce in various industries.
3. To find out the advantages and disadvantage of M-commerce to industries.

**Correspondence**

**Dr. A. Jaganathan**

Head Dept. of Business  
Administration with CA,  
Government Arts and Science  
College, Gudalur, the Nilgiris,  
Tamil Nadu, India.

## 1.2 Mobile Commerce in the Indian Context

In India mobiles are currently used primarily for passing and sharing information using SMS and voice. However, the inclination to use value added services is evident from the increase in share of revenues generated from value added services as a proportion of total revenues of mobile industry increased from 7.26 percent in June '05 to 9.58 percent in September '05; which amounts to more than 2 percent rise within a quarter. The corresponding figures for revenues for SMS show a rise from 5.25 percent to 5.4 percent. This rise has resulted from introduction of voting based participative TV Programs, voting on some socio-economic-political issues in Newspapers; SMS based quiz/contests on mobile, MMS etc. Student clientele of mobile companies are major consumers of wallpaper, ring tone, mobile games, music and video clip download services available on portals as well as mobile portals. Other services like micro payment facility are also being offered though only by one or two operators. GPRS based services are being offered by mobile operators on a limited scale. However, wide ranges of new services are on the anvil as more and more operators upgrade to 3G networks.

## 2. Spread and use of M-Commerce in various Industries

Mobile commerce has taken the retail industry by storm. The reasons behind the success of M-commerce are comfort of shopping on the go, simplicity in using the applications, speed of transactions etc. There are a number of business segments get benefits by mobile commerce.

### 2.1 Retail Industry

Most of the retail businesses get benefits by setting up the M-Commerce stores. The customers can browse the M-Commerce websites whenever they want and choose the items they want to buy. The customers can place the orders easily and make the payment using credit or debit cards through the online secure transaction process. The retail industry in India has experienced a growth of 23.7 percent due to introduction of M-Commerce and the 51 percent customers feel comfortable making purchases from their mobile devices. The advantage of using Mobile commerce in retail industry is that customers can easily purchase everything conveniently wherever they want. The disadvantage of using mobile commerce in retail industry is the payment issues. Sometimes the payment is unsuccessfully completed in mobile commerce transactions.

### 2.2 Financial Services

Customers can pay the monthly installments of their loans through M-Commerce whenever they want. Customers can also pay their utility bills such as electricity and telephone bills through the M-Commerce. The financial services have seen a growth of 15.4 percent in India in 2012 compared to the previous years due to introduction of m-commerce. Almost 19 percent of total mobile users pay at least one of their utility bills through mobile commerce. It saves time as people need to stand in queues for long time to pay their bills manually. The disadvantage of using m-commerce for paying the bills is that the transactions are not done instantly. It takes some time to get the money deposited to the receivers' account. Almost all the banks such as Axis Bank, ICICI Bank and other private financial services provide m-commerce app to pay the bills in India today. Various government organizations have also introduced the mobile commerce apps to help people pay their bills conveniently.

## 2.3 Travel Services

Booking railways, flight and bus tickets through mobile have become quite common now a day. With such a mobile commerce services, the travel agencies can reach greater number of customers. Almost all the travel agents in India have their own mobile app which is designed for booking flight tickets or hotels. Customers can easily book their flight tickets in these apps whenever they want. They can pay through the several payment options available. The Indian railways have also developed their mobile commerce app to help the passengers book their tickets through mobile phones. In the year 2012, it has been seen that almost 11.2 percent of the total passengers travelling in flights have booked their tickets through mobile phones. The disadvantage of booking tickets through mobile is that the chances of failed transactions are huge due to poor network connectivity in mobile connections in India.

### 2.4 Public utilities and emergency services

The emergency services such as emergency medical services, fire services can reach people quickly by receiving requests from people through the mobile applications. They can save huge number of lives in emergency situations by providing their services. Different government organizations as well as non-government organizations have developed their mobile commerce applications or they have enrolled them in other mobile applications to help people during emergency. In cities like Delhi, Bangalore, Mumbai etc. people can seek help from ambulance services or fire services through m-commerce.

### 2.5 Telecom services

Customers can now pay their mobile bills quickly through their mobile phones without standing in queues for hours. They can also choose the value added services they want through the M-Commerce websites. Almost all the telephone operators such as Airtel, Vodafone, and Reliance etc have their own mobile commerce applications and it can be used for paying the bills or purchasing any value added services etc. Today, more than 30 percent users like to pay their mobile bills through their mobile phones as it saves time and the process is quite convenient too. Government organizations such as BSNL also provide mobile commerce app to their users to pay the bills and to keep track of their accounts.

### 2.6 Entertainment industry

M-Commerce is widely used in entertainment industry. People can book the movie tickets, party entry tickets etc through the mobile apps available today. It saves time and the industry can also reach a greatest number of viewers in shortest possible time. Some of the popular companies providing online movie ticket booking such as Bookmyshow, Ticket New etc. have developed their own mobile commerce platform where customers can buy movie tickets on the go whenever they want. The only disadvantage of the process is that the customers need to collect the ticket from the counter before the show starts and sometimes the customers need to pay some extra charges for availing the services.

## 3. Advantages of M-Commerce to industries

Any business can make highest possible sales through the wider connection the business can make to their target markets. So, all the industries can maximize benefits from the current technology. Mobile commerce is the latest addition in the current business scenario. Mobile commerce

can be simply referred as the business transactions that are made through mobile devices. There are plenty of M-Commerce applications used by the industries today and with these mobile commerce applications, businesses as well as consumers are benefitted from several ways. Apps used for baking, location mapping, mobile shopping, mobile file sharing are on higher demand.

### **3.1 The analyze applicability of mobile commerce through three 'P's, products, payment, promotion, Products**

All the products cannot fit for mobile platforms. Most of the mobile commerce applications are based on the convenience or impulse. High prices items are not usually sold through mobile commerce because customers require more research on these items and a huge number of people are concerned about the security involved in mobile transaction. These items include machinery, equipments, jewelry etc. Even though these products do not fit in the mobile platform, the customers can still their mobile devices to research.

### **3.2 Promotions**

One of the important benefits of mobile commerce is to send real time promotions. It has been extended to offer-location based promotions. The brick-and-mortar presence of businesses can push the promotions to customers when they are in your store or near to your store. In case of online businesses, the promotions of the products can be done based on where the consumers are shopping. The famous mobile commerce website Amazon.com has an iPhone application which searches the bar code of any product to check out whether there is any Amazon offer available on that product. There are many businesses that offer instant discounts immediately after scanning the bar code. The businesses are able to attract huge number of customers through this.

### **3.3 Payment**

Ease of payment is another major benefit of Mobile Commerce. The businesses do not need to involve them in the payment process. There are various payment gateways available through which all the transactions in M-Commerce are done. The businesses can save money and time both with the help of such payment gateways. The businesses can avoid the PCI compliances and cut the data entry on the keyboards for billing.

Various businesses build their mobile presence today to generate more revenue and it also increases the site traffic that eventually leads to more revenue. Mobify and Wapple are two popular companies that help businesses to make their mobile presence by developing various mobile commerce applications.

## **4. Disadvantages of M-Commerce to the industries**

There are a number of disadvantages that are faced by the companies as well as the users of M-Commerce.

### **4.1 Speed of delivery**

Mobile phones are quite slow in terms of speed compared to computers. So, the mobile commerce applications and websites are needed to be optimized to ensure customer satisfaction but, the companies, using m-commerce, need to remove a number of images that might be vital from the apps or websites. Apart from that the companies cannot include some attractive flash, scripts or plug in their m-commerce websites or apps.

### **4.2 Small size screen**

The average size of mobile phones is 2 to 3 inches. It means

that the businesses need to reduce the information available on the mobile app. The businesses also need to reduce the steps for checking out and ensure the maximum amount of text and background contrast.

### **4.3 Security**

Security is the major concern for mobile commerce. Mobile phones and other mobile devices are more likely to be stolen compared to computers and laptops. So, it is quite important for the companies to ensure that the securities of the customers are not compromised in such cases. Often the customers face trouble while losing their mobile phones. The companies need to ensure that the data encryption and protecting wireless connection from unauthorized access such as hackers and viruses are properly done.

## **5. The Challenges faced by M-Commerce are as follows**

### **5.1 Lack of awareness**

Most of the people of India even do not know what they have with them and how to make the best use of it. Even some of them is feeling insecure while doing transaction through smart phone.

### **5.2 Low Internet Connectivity (2G, 3G)**

It is acceptable that the as the use of internet facility increases with increase in the trend of using smart phone the rate of using 3 G is going downward. Even though the services of 3G & 2G is not same by the each service provider. It means problem of unevenly distributions of connectivity as there. For e.g. we can see that concept of 4G is introduced in the Pune & Bangalore but default is, rates are very high.

### **5.3 Lack of Simple, standardized payment Mechanism**

Like ATM or credit card no other mode of payment is become popular in India. As they are easy to make payment than other mode so, it creates a problem for growing M-commerce in doing financial transaction even though "Mobile Wallets" concept is there.

### **5.4 Imbalance between service providers & network providers**

In the Present days situation there are so much small service providers. Who are facing problem of dependency on other for provides their services to the customer/user at right time with relevant speed and this dependency become negative when there is gap between the large network operators & small service providers. As network operators interest is to attract large number of buyers rather than to increase the charge per subscriber to earn more.

### **5.5 Heterogeneous Environment**

A wide range of development of applications is the great challenge for every service provider. Multiple operating systems with multiple browsers are available for mobile users but in case of PC's only two are application looks different on different screen & than it become a great challenge.

### **5.6 Lack of high speed connection**

To access information, high speed network is required. In India, the 3G network with higher speed is not reached yet.

### **5.7 Security**

Fear of hacking and attack by viruses to the device is commonly seen in the user. Even while doing some transaction users lost their money and get nothing. So, security system is a challenge.

### **5.8 Privacy**

Fear of hacking the security of user as sometimes users need to disclose some secret information while doing monetary

transactions if information get hacked then it cause great problem to the user. So, it is also a great challenge while doing transaction.

## 6. Conclusion

M-commerce is rapidly growing in Indian business industries in spite of its positive and negative impact. It works within a mobile device using a mobile network infrastructure. It has numerous issues and concerns with them. These days everybody is busy in their life and they want save the time and money. M-commerce is technology is very suitable for saving time because people would not go outside and using smart phone and do many works like transaction, sale purchase etc. M-commerce technology is not new in Indian business market, because of this there are so many challenges, problems, hurdles and obstacles in the front of industry, which can be manages for better growth in Indian Industry.

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