



REVIEW OF RESEARCH

ISSN: 2249-894X

IMPACT FACTOR : 5.7631 (UIF)

VOLUME - 10 | ISSUE - 3 | DECEMBER - 2020



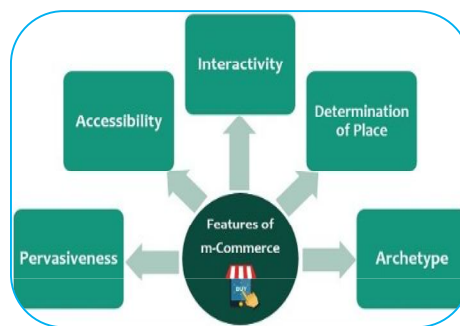
A STUDY OF M-COMMERCE IN INDIA

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ABSTRACT

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. Now mobile phone technology has made another leapfrog to pave its way for a new trend called mobile commerce where the financial transactions are made using mobile devices. The worldwide Smartphone users is forecast to reach 2.1 billion and in India the number of smart phone users is estimated to reach 340.2 million in 2016. M-commerce is well known for multiple benefits to the business, government, and consumers on massive scale. All the companies, organizations, and communities in India who are doing e-commerce are gradually shifting to M-commerce which is an advance technology. The tremendous growth in the use of smart phone in India shows that majority of Indian population has adapted to mobile phone and advancement in mobile technology. This paper identifies facts about the feasibility of M-Commerce in India today its growth and the Strength and opportunity, weakness and threats lying ahead.



KEYWORDS: M-commerce, Smartphone, India.

INTRODUCTION

The M-Commerce stands for Mobile Commerce, was originally taken in 1997 by Kevin Duffey at the launch of the Global Mobile Commerce Forum, to mean "the delivery of electronic commerce/ transaction capabilities directly into the customer's hand, anytime & anywhere, via wireless network technology(1). M-Commerce is the buying and selling of goods and services over the internet through wireless technology like as mobile phones and personal digital assistants (PDAs). Day by day many peoples are using M-Commerce to attain good and fast transaction into market. M-Commerce become distinguished in Indian people, quickly during few years. M-Commerce includes many applications, technology, services and business models. Myntra, the leading fashion retailer in India, has already announced its plans to become a mobile only market place by the end of the year. Snapdeal declared that 65% of their orders come from mobile. And by the end of the year Flipkart is the largest e-commerce company in India.

In the context of India, M-commerce sales in India estimated to be valued at nearly 38 billion U.S. dollars by 2020. This was a significant growth since 2016. (2). M-commerce Market is forecast to reach \$ 425 billion by 2025, after growing at a CAGR of 29.84% during 2020-2025. (3) Today, there are approximately near about 500 million users of Smartphone and the number is expected to expand

150% yearly. (4) Furthermore, a survey carried out by The Associated Chambers of Commerce and Industry of India found Delhi as the city most adapted to M-commerce, while Mumbai and Ahmedabad took the second and third place. As indicated by KPMG, 30% of shopping queries is made via mobile phones.

OBJECTIVES

1. To study the growth of M-commerce in India.
2. To find out the problems with M-commerce in India
3. To study the challenges of M-commerce in India.

RESEARCH METHODOLOGY

In order to accomplish the above objectives, secondary sources, available literature, reports and data have been used. The data has been obtained from various journals, reports, magazines and websites.

REVIEW OF LITERATURE

a) According to Sujata P. Deshmukh, Prashant Deshmukh and G.T. Thampi, The M-commerce is the branch of E-commerce technology, in short we can say that, e-commerce transaction carried out using a mobile hand held devices. Today internet is the part of our daily life for communication, business transaction and market transaction, but India is a country of many different languages, only 4% of people know very well about the English language. If M-commerce use local language, this will not only ensure quickly adoption by the customers but also will be an instant success (5)

b) K.S. Sanjay (2007) states that, Mobile hand held technology is less cost included and also provides a better flexibility and effectiveness to its users. M-commerce is also a subset of E-commerce, but the difference lies that M-commerce uses wireless technology. So it gives flexible and convenient experience. (6)

c) Kush Dhingra, Abhishek Bhardwaj and Aashish Aggarawl (2015)

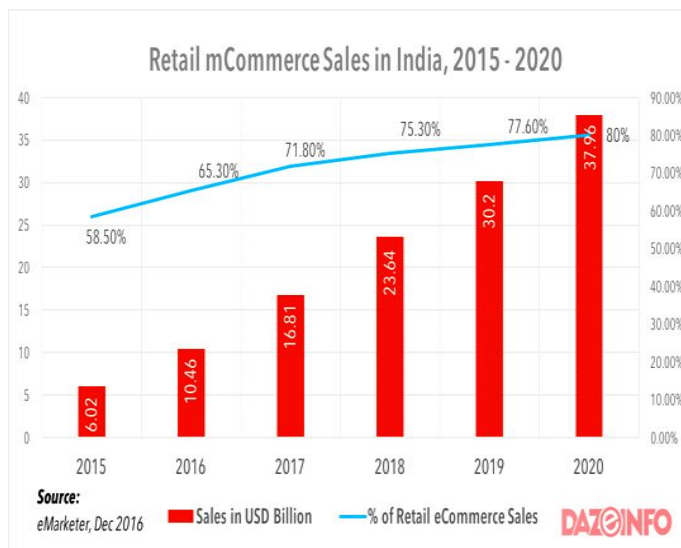
The article entitled "M-commerce". This paper identifies the progress and future direction of M-commerce. M-commerce is the next generation of E-commerce which enables the user to access internet without need of a place plug in. The study found that, today mobile is not use for sending message or calling but it also used for other ways like web browsing etc. The study also found that, the technology used in M-commerce based on Wireless Application Protocol (WAP), M-commerce helps in improving relationship with customer.

Growth of E- Commerce in India

India is the largest mobile market in the world after china. The number of internet users in India reach 700 million by December 2020, according to the survey of IAMAI and IMRB international 2020 it has been a landmark year for India in the sector of M-commerce. According Nielsen survey in 2020, smartphone penetration in India is 42% and estimated to reach 51% in financial year 2025, more than doubled from financial year 2016, when only 24 percent of the mobile subscribers were using **smartphone** (7). In 2020 the volume of smartphone shipments across India was around 149.7 million. .In India Wi-Fi is often used by mobile users in shopping malls or internet cafes. This reflects the slow pick up of 3G connections in India, which have reached a penetration level of 42% in 2020 .According to PayPal mobile commerce, the transaction made with mobile phones increased in 2020 by over 250% compare with the last financial year. In 2020 Most of this investment has gone into the development of marketing & manpower. But most of the marketing money is being spent to manufacture the mobile devices. Smartphones and "Mobile Only" Internet users are growing rapidly in India [8].

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\$ 425 billion by 2025, after growing at a CAGR of 29.84% during 2020-2025. Retail M-Commerce Industry in India to Account 80% Share of Retail E-Commerce in India by 2020. The exploded adoption of smartphones, mobile internet and apps have given wings to M-Commerce Industry in India. As a result M-Commerce industry in India is expected to capture 80% of the Indian E-Commerce market by 2020, reaching a sales figure of \$37.96 billion.



The following factors are considered for rapid growth in M-commerce. Speed M-commerce through mobile phones is becoming very fast and easier every day. It gives instant satisfaction for customers and allows business to create urgency and drive sales through the use of short term discounts.

1. High Speed transaction

M-commerce through mobile phones is becoming very fast and easier every day. It gives instant satisfaction for customers and allows business to create urgency and drive sales through the use of short term discounts.

2. Secure transaction

M-commerce also gives an assurance of secure transactions for the transaction, confirmation code is sent to the email and mobile phone. And after filling this code the transaction will be processed, so that changes of wrong transactions are very less and unsecure transition can be eliminated.

3. Easy to hold

Mobile device is easy to hold by user, it helps to avoid user to go physically to any particulars shop as well as it also help to user for avoid once of use of computer.

4. Instant connectivity

Ever since the introduction of the GPRS (General Packet Radio Service) mobile devices are offering consistent connectivity and services, which help people to remain always connected with others. This feature brings convenience to the consumers.

5. Mobility factor

Users can easily carry smart phones or mobile devices with them. So any consumer who wants to do monetary transactions need not to go for any cyber to use e-commerce but he/she can perform transactions from anywhere.

6. Localization

The latest positioning technologies, such as the GPS (Global Positioning System), allow companies to offer services and goods to the user based on the current location of the customers. So the location based services meets the consumer's requirement and localized content and services.

7. Cheap 4G services

In the coming few months it is expected that the 4G networks and services expected to be rolled out in India. And with this the user experience for the use of data services over Smartphone is expected to improve significantly.

8. Innovation

M-commerce gives new applications and creative mobile payment solutions. In a rapidly-development market, it is an important to innovate as it is to simply keep pace with development elsewhere.

CHALLENGES

M-commerce is a subset of E-commerce; it also faces some of the challenges of E-commerce. Like India has unbanked population, lack of networking problem in rural area. The challenges of M-commerce in India are listed as below:-

1. Limited internet access

Limited internet access among customers, lack of awareness about services and security among customers is one of the main challenge before M-commerce in India.

2. Problem of High speed bandwidth

Unavailability of high speed bandwidth to most people is acting as a roadblock.

3. Security Problem

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.

4. Language barrier

In India, mostly people are not aware about the English language or not so good in English language. It becomes one of the hurdle to purchase, hire and sell a particular product or services.

5. Less graphic resolutions

In comparison to computer, laptop, mobile devices are still less graphic resolutions for that reason consumers are least interested to buy a particular product.

6. 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.

7. Lack of awareness

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

SUGGESTIONS

The telecom companies should be taken necessary steps which includes services 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. Following are the areas where government should take necessary action for improvement.

1. Affordability of mobile devices
2. Mobile internet connectivity with high speed
3. Mobile payments and transfer
4. Security
5. Low tariffs
6. Proper Government policies
7. Provision of regional language in Mobile device.

CONCLUSION

This research paper shows that M-commerce is rapidly growing in Indian business market in spite of its positive and negative impact. Mobile commerce is going to play a major role in mpayment conducting business in future. Future of m-commerce services is very difficult to predict. There are some important factors that will significantly contribute the boom of M-commerce industries in India. Retailer takes the advantage of various mpayment and in the same time they can make the electronic order and should be in touch with customers. People are getting in touched with m-commerce. They can make the electronic order anytime and anywhere. Mobile commerce services will certainly be successful in India, but telecom companies and banks do need to spend more to provide safety and security from intrusions and hacking. Awareness among people is required. If M-commerce use local language, this will not only ensure quickly adoption by the customers but also will be an instant success.

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