

AN EVOLUTION OF MOBILE COMMERCE – A THEORETICAL APPROACH

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Abstract

E-Commerce has been a revolution throughout an era. This has given a evolution to Mobile Commerce in 1997 , where the consumers directly use it via wireless technology. M-Commerce refers to the use of commercial transactions through wireless telecommunication networks. Consumers can use gadgets like cell phones, tablets to make payments of bills, purchasing and selling goods and services and other financial transactions. This study aims in gathering information and bringing out the detailed review of M-commerce.

Introduction

Commerce is a division of trade or production which deals with exchange of goods and services from producer to final consumer. It comprises the trading of economic value such as goods, services, information or money between two or more entities. E-commerce is commonly known as electronic marketing which consist of buying and selling of goods and services over an electronic system such as internet.

Mobile commerce has been coined by Kevin Duffey in 1997. It is also known as M-Commerce, which involves wireless gadgets like cell phones , tablets to use on commercial basis for making financial transactions online. It is the process of paying for services using mobile phone or personal organizer. After the launch of I-Phone, M-commerce has moved a away from SMS to actual operating applications. The use of M-commerce has been raised to USD 431billion in 2022. Mobile commerce is an subset of E-Commerce. According to Pew Research centre, 97% of Americans owns a cell phone out of which 85% are smart phones , which is up from 35% in 2011.

Importance of M-Commerce.

This industry has grown rapidly in recent years through increasing number of smart phone users. The main reason behind this rapid growth is convenience and time saving. The consumers can purchase products and services using wireless gadgets after the introduction of Digital wallets & Social Media shopping which gives a seamless experience. According to Wolfgang Digital, 70% of mobile device customers visit the online shopping stores in many of the industries. Google prioritized mobile friendly websites to avoid trafficking . Failure to offer a great shopping experience can damage the result of business. Those phones with poor website designs falls to 57% reported by Sweor.

Types of Mobile Commerce.

- Mobile shopping – where one can buy and sell products and services using mobile phones.
- Mobile banking – where one can access banking services like cheque depositing , viewing account balances. Most of the banks have their own application and website and they also enable services through SMS.
- Mobile Payment – which involves sending and receiving money through Mobile application. Digi Wallets has been introduced to utilize them towards paying online & offline purchase using their gadgets instead of carrying credit and debit cards. Peer-to-peer payments can be made using WhatsApp Pay, GPay , Phone-Pe and many more, where consumers transfers and accept money from one another.

Merits of M-Commerce from Business and Consumer perspective.

Business Perspective :

- It provides an opportunity to reach your customers through smartphones.
- It enhances customer experience through influencing the users to stay and purchase.
- Recent study shows that Gen Z and Millennial Customers prefer online shopping through smart phones than other generations.
- Most of the industries are showing phenomenal growth in retail sales.
- The future development of mobile telecommunication sector is heading more and more towards value added services.
- Analysis states that half of the revenues from generated through mobile commerce.

Customer Perspective:

- It is more convenient and time saving.
- They also want to access information of goods and services any time at any place from their mobile.
- It is used for buying tickets for events or public transport, paying for parking, downloading contents etc.
- Consumers feel that it is more reachability.
- Variety of payment options are given to the buyers.
- Comparisons of prices made easy.
- Introduction to Digi wallets has attracted more consumers.

Challenges or Demerits from business and consumer perspective.

- Lack of development resources.
- Your targeted consumer isn't on mobile.
- Lack of continuous optimization
- Easy comparison of price
- Competitive business.

Services and Applications

The following are the services and applications available in Mobile Commerce :

- Mobile ticketing
- Mobile money transfer
- Content purchase and delivery
- Information services
- Mobile banking
- Mobile browsing
- Mobile purchase
- Mobile marketing and advertising.

Mobile Ticketing :

It is the process where the customers can order, pay for, obtain and validate tickets from any location and at any point of time using mobile phone. Tickets can be booked and cancelled at any time with the help of simple application downloads. Delivery of tickets to mobile phone can be done in the form of SMS or by MMS.

Tickets are purchased in a variety of ways including online, through text messaging or in secure mobile application. The following are the various mobile ticketing applications that are used :

1. Airline ticketing
2. Cinema ticketing
3. Railway and bus ticketing
4. Concert/event ticketing

5. Consumer voucher distribution.

Mobile money transfer :

Mobile Money Transfer refers to payment services that are performed via a mobile phone, and we can use this service to transfer money from one person to another. ICICI Bank, for example, has launched IMPS, or Interbank Mobile Payment Service. It is a mobile phone-based interbank electronic immediate mobile money transfer service.

Content purchase and Delivery :

The sale of ringtones, wallpapers, and games for mobile phones is the most common type of mobile content purchase and delivery. The fusion of mobile phones, portable audio players, and video players into a single device is driving up the purchase and delivery of full-length music tracks and video.

Information services :

Mobile phone users can receive a wide range of information services in the same manner that PC users can receive them. News, stock prices, sports scores, and traffic reporting are just a few of the services available.

Mobile banking :

Banks and other financial institutions employ mobile Commerce to allow their consumers to access account information and conduct activities such as stock purchases, money transfers, and money transfers to other banks. The following are examples of mobile banking services: 1. Mini-statements and account history checks 2. Balancing the books 3. Recent business dealings 4. Provision of PINs, PIN changes, and PIN reminders through the Internet 5. ATM cash-in and cash-out transactions

Mobile browsing :

Services that are based on where you are During Mobile Commerce or M-Commerce transactions, the location of the mobile phone user is critical information. Knowing the user's location enables location-based services such as: 1. Offers for local discounts 2. People tracking and monitoring.

Mobile purchase :

Some retailers offer mobile websites that are tailored to a mobile device's smaller screen and limited user interface.

Mobile marketing and advertising:

Mobile marketing is a highly responsive type of marketing strategy, especially from the perspective of the brand's experience. M-Commerce is currently being used by businesses to increase everything from services to marketing and advertising.

Reason Behind the growth of Mobile Commerce.

Mobile commerce will be a major driver of e-commerce growth as a digital category in 2021. In fact, eMarketer predicts (via Statista) that by 2021, mobile will account for roughly 73 percent of all e-commerce sales, up from 52.4 percent in 2016. This means that mobile accounts for nearly three out of every four dollars spent on online purchases, and the rate is increasing. According to eMarketer, global mobile commerce sales will exceed \$3.5 trillion in 2021, with no signs of slowing down anytime soon.

There are several compelling reasons why the mobile platform is fuelling so much e-commerce growth:

The number of mobile phone users is growing:

According to a Data Reportal report, there will be 5.22 billion unique mobile phone users worldwide by 2021. This equates to two-thirds of the world's population. Approximately 80% of these 5.22 billion people have access to the internet. The amount of time spent on their device, the types of apps and websites visited, and daily internet usage are all increasing, which is especially important for the mobile marketing industry. If you thought any of the major KPIs in the mobile industry would suffer over the last year, you were mistaken.

The ease of use:

This is self-evident given what we already know as consumers: using your mobile device for purchases is quick, simple, and secure. According to Dynamic Yield research, 76 percent of consumers say they shop on mobile devices because it "saves them time." Consumer protections have been built into the majority of payment apps, and the transfer or payment of funds has become more seamless in recent

years. The ability to tap, snap, or scan your mobile device all adds to the ease with which users can transact. In other words, it is becoming less abrasive. According to the 2020 Worldpay Global Payments Report, the percentage of transactions originating from mobile/digital wallets is approximately 40% (expected to exceed 50% by 2020).

Opportunities for going Forward

Both of these well-documented reasons for mobile commerce's growth make sense. The opportunity for mobile marketers lies in the sheer size of having a larger audience to target. Targeting will become more important in the coming years, and having marketing and technology partners who understand how to target effectively in a consumer-friendly, privacy-safe environment will be critical. That is what distinguishes those who simply keep up from those who exponentially grow. The magnitude of the opportunity has never been clearer; the real challenge is determining whether marketers can effectively capitalise on the growth in the mobile channel.

With the increasing convenience of the mobile channel, it is clear that fraud detection will become increasingly important. As payment processors continue to work to make payments safe for consumers, marketers must consider fraud prevention of a different kind. Working with partners who own and operate proprietary fraud prevention tools will be important when analysing data about the effectiveness of ads that drive purchases, as mobile commerce is driving the entire e-commerce category and marketing partners are looking to leverage that growth on behalf of advertisers. Certainly, advertisers who have — or work with partners who have — AI capabilities can make the entire mobile marketing lifecycle safer, from ad impression to click, purchase, and attribution.

Another critical opportunity to consider is the mobile shopping experience. According to Dynamic Yield, "pages and links being too small" is an impediment to mobile shopping for 67% of consumers. This far outnumbers the percentage of people who cite security concerns as a barrier to mobile shopping (42 percent). When determining effective campaign strategies, conversion rates, analysis, and attribution, it's critical for us mobile marketers not to lose sight of the platform's actual usability.

Conclusion of the study

This study on Mobile Commerce has special considerations that paves the ways to improve by quick loading web pages that increases more sales which may lead to lose existing customers. Use of mobile wallets eliminate manual entry which reduces human error. Mobile apps uses videos to generate revenue and they also promote products key feature. Mobile Inventory Management helps in tracking the location of goods and service to determine a delivery time. There has never been a better time to invest in your mobile marketing future, both technologically and through partnerships. Speaking with leaders in mobile marketing and mobile commerce can provide insight into how campaigns can be optimised to capitalise on the massive growth in mobile usage and the channel's convenience with consumers who are ready and willing to purchase. There's a lot to learn and understand about the mobile customer journey, but now is an exciting time to invest in partners who have seen the platform through its infancy.

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