

M – COMMERCE IN INDIA : EMERGING TRENDS ISSUES AND CHALLENGES

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Abstract :

Status of E- commerce and M-commerce in India

Worldwide there are over 7 billion people. The total number of mobile connections (active) worldwide in 2013 was 6.2 billion. In 2014 that number will reach 7.3 billion. There will be more mobile phone connections than people in the world, even when you account for kids and those who cannot afford a phone. Of those 6.2 billion mobile connections, 1.1 billion are smartphones. 2014 will see 1.05 billion smartphones shipped. About 273 million of those are replacement and 753 million are new smartphones. India has over 800 million mobile connections and 603 million active mobile connections. Currently of the 603 million phones, 73 million are smartphones.

INTRODUCTION

OBJECTIVES

- 1 To Understand New concept & M. commerce
- 2 To study the profile & M. Commerce
- 3 To Review the growth & M. Commerce
- 4 To Study emerging trends in M. Commerce
- 5 To understand emerging issues and challenges ahead of M. Commerce

Actively mobile internet users are fairly young (18-35 years) and 81% percent users are using these devices as part of their daily routine – for sending emails, getting news and information, and shopping. More than half (61 percent) expect these devices to become universal payment tools.

Financial Transactions on Mobile Transactions done over smart phone have shot up from Rs 7,800 crore to Rs 36,000 crore in just one year. That's prompted many banks, stock trading firms, e-tailers, top-end hotels and fast food chains and car and drug makers to devise mobile first strategies

Table No 1 Financial Transactions on Mobile.

Sr. No	Year	Volume (Millions)	Value of (billions)
1	2011-12	24	0.4
2	2012-13	73	1.3
3	2013-14	220	6.0

(source: Economic Times Research Bearue)

“Globally 35% -40% people use smart phones for stock trading. India will exceed that as we are a

mobile first country,” It’s not just in stock trading. Mobile commerce – buying and paying for goods or services via mobile phones-is growing incredibly fast in many nooks and corners of the economy. The value of such transactions leaped from Rs7,800 crore to Rs 36,000 crore between FY13 and FY14, according to Forrester Research. These were routed through m-wallets, mobile banking and interbank mobile payment services.

Total broadband subscription reached 15.05 million in march 2013 from 15.00 million in February 2013.

Table 2 Mobile Commerce in India. (fig. in millions)

Sr. No	Particular	Nos
1	Number of mobile subscribers	900
2	Number of internet users	230
3	Number of internet users	30
4	New mobile internet users per month	05

(Source: Economic Times Research Bureau)

Indians are also increasingly taking to mobile devices for not only search but shopping as well. The number of smartphone users is rapidly increasing in india and with 4G services about to take off it’s expected to get even more people going online. 27 million mobile users are active mobile internet users. More importantly, 20% users indicated internet 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.

Table 3 (from 2012 to 2013) Growth in Data Traffic

Particlars	%
2G	59
3G	46

M-commerce is characterized by some special features that generate certain advantages viza-viz conventional forms of commercial transactions or as compare to electronic commerce.

GROWTH DRIVERS OF M- COMMERCE

The significance of mobiles is much higher in India than anywhere else as most of first time internet users will come on the mobile.

Table No 4 Smartphone Users (fig. in millions)

Years	No in Mumbai	Presentation (%)
2013	50	08
2017	290	21

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.

Personalization Factor : Since mobile devices are often used by an individual, they are ideal for personal information. Mobile technology provides the benefits to personalize message to various segment group, based upon time and location etc. For the M-commerce’s success mobile databases have become a primary

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factor by providing personalized services and compiling personalized information.

Mobile 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 ecommerce but he/she can perform transactions from anywhere.

Immediacy : Immediacy is the possibility of real-time of services (the “anytime” feature.) This feature is significant for some services that need time critical and a quick reaction. For example in the case of stock market a broker need a real time data in a very fast manner.

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 .

Board reach ability/Ubiquitous computing : Mobile devices or smart phones provide instant connectivity to the users and its reach ability is also very high as compared to other traditional commerce or e-commerce methods.

Ubiquity : Ubiquity means that the user can use services and carryout online transactions independent of his current geographic location. And with the help of this feature a user can use many services such as he/she can check the price of a product online while shopping in a supermarket.

Reach factor : Due to the unprecedented growth in mobile phone sector from the last past years, mobile phones have penetrated deep into the population. And this penetration level is much higher than other such as wire line phones, cable television, bank accounts, internet, PCs, etc. mobile networks cover rural areas where there are lack of other facilities such as bank branches, landline phones, internet etc.

EMERGING ISSUES IN M–COMMERCE:

Mobile commerce is facing many challenges such as security issues, lack of ubiquitous wireless network coverage, lack of standards, and technical mismatches among various wireless devices & smartphones. Furthermore, there are many other issues that indirectly have a huge impact on this industry. These include high cost of smartphones; slow access speed etc creates hurdles in the growth of mobile commerce industry. Main mobile commerce challenges include:

Data Transmission Rate: The major growth factor that makes mobile commerce successful is the data transmission bandwidth, which is as compared to other countries is very limited. Due to this factor even with the latest hardware one cannot access web contents faster.with 3G data transfer at 14.5 mbps can be attained, but the charges for such services are high.

Wireless Internet Infrastructure : Wireless internet infrastructure in not sufficient to provide the path the mobile industries for their growth and success. Government is yet to provide such sufficient infrastructure for the growth of wireless industry without such support mobile commerce market could become severely crippled.

Security : The main issue revolved around mobile commerce is security. Users worry that their devices could be hacked or attacked by some kind of viruses. Usually it came to the notice that while having mobile transactions user lost their money and to avoid such problems users avoid of using such mobile commerce related services.

Privacy : Privacy is another issue related to the growth of m-commerce. For all kind of monetary transactions or other services one need to disclose his identity which many a time creates a huge problem for the customer. Hackers hack the security or wireless transmission and obtain all the information related to the customer, which may be related to the social or financial matter or a customer. GPS (Global Positioning System), on the one side giving benefits to the user by telling the directions and one can get the benefit during and emergency but in the other side a user is also send his location which may be used by someone else to track the current location of the user.

The Challenges: While mobile internet is on the upswing, challenges persist. These include :

“Skill Development : The Key to Economic Prosperity”

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Devices :A barrier to data consumption was quality of low cost smartphones. That's going away with devices like Android one, Redmi 1s, Mozilla Firefox. Limited memory remains a challenge.

Data Cost: Data costs range between 2 paise and 10 paise per 10 kb. But the pennies quickly add up when downloading data. For low-end users who do top ups for as low as Rs.50 it's expensive.

Network Experience: The 90% of mobile internet users are on 2.5G or 2.75G (Edge) networks. Download is slow with frequent buffering. On 4G users will be able to move a video forward without buffering. But 4G frequency has limited area of coverage and penetrating walls is on issue. Till technology improves 3G looks the best option on which m-commerce will ride.

LACK OF NEAR FIELD COMMUNICATION CAPABILITY

Low – end handsets are not NFC enabled (iphone 6 has it). This can be used for contactless payment scan your mobile at a store's NFC enabled receiver to pay for your T-shirt or cinema tickets. With NFC, users won't need plastic money.

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