

M-Commerce: Life Blood of Business

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Introduction

Commerce deals with exchange of goods and services of economic value between producer and consumer. With invention of new technologies and methods, commerce has taken many forms. The way of dealing, exchanging of goods and services has undergone massive changes with days passed on. With competition emerging, consumers becoming more aware and having more choice, marketers searching for innovative ways to deals with customers to be in forefront to break the competition. Many companies to stand out of clutter and top of mind to do the business with the customer, a new strategy / way chosen is M- commerce or Mobile Commerce. Mobile is the latest happening thing not only in India but in the world. Mobile entered in India in 1995 but penetrated so fast with in a decade that it has became a necessity for every individual. Not only in Indian urban market but rural market penetration is also great

Meaning of Mobile Commerce (M Commerce): M-commerce or Mobile commerce refers to conducting business or commerce through Mobile phone or Personal Digital Assistant (PDAs). It is buying and selling of goods, ordering for services or products, transferring money through mobile by accessing internet.

Mobile commerce or M-Commerce is conducting business using mobile device, it is an extension of electronic commerce. It is used to buy tickets,

paying insurance premium, buying gifts and recharging mobile accounts. Many companies in India started using mobile for doing business; financial sector, Telecom sector; Banking and Real Estate are some of the sectors using mobile commerce. In spite of M-Commerce is subset of ECommerce it has many advantages like accessible at any place, more secure and convenient

“M-Commerce is ability to conduct commerce, using a mobile device viz, a mobile phone, a PDA, a smart phone and other emerging mobile equipment such as dash top mobile devices

In simple M-Commerce refers to any business with monetary value conducted through mobile phone. Various technologies used in Mobile commerce are GSM (Global System for Mobile Communication) and HSCD (High Speed Circuit Switched Data)

Features of M-Commerce:

The following are the features of Mobile commerce, making it one of the effective ways of doing commerce:

1. **Ubiquity:** consumers can avail or buy products / services from any where independent of his/her current geographic location. Customer can buy respective of the regions they reside or companies can do business.
2. **Convenience:** Services like GPRS gives convenience and keeps always in touch and

connected. This helps the companies to well connect with the customers.

3. **Personalization:** M-Commerce services has been personalized, it can be used as per requirement of the consumer.
4. **Location based services:** a service such as GPS allows companies to offer goods and services as per the location based.
5. **Timely services:** consumers are directly connected; it provides real time availability of service.

History of Mobile Commerce:

Mobile Commerce in the beginning started with wireless Point of Sale (POS) Swipe terminals and then entered into cellular phones and PDAs (Personal Digital Assistants). The first enabling M-Commerce technologies were presented through wireless Application Protocol (WAP) and imode mobile internet service. The first mobile commerce was started by Coca-cola.

Benefits of M-Commerce

1. **Affordability of mobile devices** It is no denying fact that mobile devices like cellphones and tablets are far more affordable than desktops and laptops, and an average Indian consumer doesn't have much disposable income in his hand to buy high end devices.
2. **Doing things on the go:** Mobile devices give the freedom to do things like shopping, booking tickets, making hotel reservations etc. anytime anywhere. And in India, there is a large young consumer base, who want fast instantaneous processes on the move.
3. **Mobile Internet connectivity:** MCommerce customers are not bound by

limited wired and WiFi Internet connections. In the last 3-4 years, the number of users who access the Internet through a 3G connection has.

4. **Mobile Payments** Mobile Payments is a new mode of payment as an alternative to traditional methods like cash, cheque credit cards etc. A customer can use a mobile phone to transfer money or to pay for goods and services.
5. **Security:** Mobile platforms are still relatively free from viruses and other threats. And even in case of a fraudulent activity, credit tracking by GSM/GPRS/GPS is easy and quick. Thus increasing the credibility, and giving better assurance to the sceptical India population.
6. **Bridging the gap between eCommerce and conventional stores:** Brick and mortar stores are getting a lot of heat from online stores, which are luring their customers away by offering better product prices and discounts. When a person goes out for shopping, mobile acts as a conduit between the two poles, people compare prices online before buying something.
7. **Greater target audience for advertisements:** The problem with online advertising is that people have to be 'online' to view it. Several eCommerce players in India have come out with TV commercials to advertise their websites. However, mobile is a better platform to do the same.
8. **Government policies:** There is another initiative to give tablets to the college students. As mentioned earlier, these devices are more affordable than computers but still serve the primary functions. If these schemes are

successfully implemented, then the mobile device user base will further grow and in turn increase the customer base for mCommerce services.

9. **Personalisation:** In a true sense Personal Computers are not really personal. Desktops and even laptops are shared by multiple people living in the same family or working together in an office. However the same isn't true in case of cellphones.

Tools for Mobile Commerce:

In present market, number of mobile tools available for the companies to engage customer in business, the following are some of the technologies that are help in reaching the customers:

1. **SMS (Short Message Service):** SMS is short messaging service which consists of 160 characters of black and white. It is the widely used and cheapest form of mobile marketing. Companies can send bulk messages and customers can also respond in the same form to order a product or service.
2. **MMS (Multi-media Message Service):** MMS is Multimedia Message Service. This Consists of time slide show of images, text audio and video. Mobile set with color screen are capable of sending and receiving standard MMS message. Product demonstration, use and other things can be done with help of MMS to convince customers to buy products or services.
3. **Mobile Web Applications:** Accessing web page on mobile devise is an option. Yahoo, Google and other mobile content providers have been selling advertising placement on their properties. Customer

can access the products or services through the web pages of the companies through mobile phones or contents of other web pages, and they can trade.

4. **Bluetooth or Bluecasting:** A Bluetooth message can be circulated with in a 10meter range, retailers, mall owners and small business holders use this tool to sell their product to the customers who come to in the proximity of that area.
5. **Location-based marketing:** Location based marketing helps to locate the customer location via GPS (Global Positioning System) technology and company delivers the contents, offers relating to that particular location.
6. **Voice:** Voice based marketing over the mobile is emerging form of marketing. Interactive voice Response (IVR) is very popular and companies use to offer various services to their customers. A customer has to follow the instructions recorded on the system at the other end.

Mobile trends for 2016

1. Physical and online worlds will continue to coverage.
2. Social commerce will remain hot, but will buy buttons deliver.
3. The mobile web will continue to outspace app.
4. Consumers expectations will drive retailers to focus on mobile moments.
5. Loyalty will eclipse convenience in driving mobile payments
6. Lot still chasing full potential but wearables poised for growth
7. The growth of mobile will force brands to optimize mobile checkouts

M-Commerce Vs E-Commerce:

M-Commerce is a subset of E-Commerce. It is a transaction made through mobile or wireless. Some of the advantages of M-Commerce over E-commerce:

- a) Consumers can access the service in M-commerce at any place which is not possible in e-commerce
- b) M-Commerce is more secure than E-Commerce as users have authentication number
- c) M-Commerce is more convenient than E-Commerce in terms of using, carrying and handling the mobile devices.

Types of Mobile transactions / payments:

1. **Mobile web payments:** Through web pages payment is made under this system, to make payment customer has to enter mobile phone number and password on micro browser of web page, then a text message from the partner bank is received after verification of password. Customer has to confirm the bank by sending an SMS; finally payment is directly debited from the bank account of the customer.
2. **Mobile phone based payments:** a) **SMS based transactional payments:** In this method, customer can make payment through mobile phone by sending an SMS to the retailer. Both the customer and the retailer must have a regular credit or debit card account in one of the partner banks of the payment service provider like In this method, purchase amount is added to the monthly mobile bill of the customer or payment is debited from prepaid account. This is used to purchase ring tones, videogames, music, wallpapers etc.
3. **Card based mobile payments:**
 - A) **credit card based payments:** Users enter the PIN provided by the bank of

credit card for mobile transactions from mobile along with the amount to be paid.

- B) **smart card based payments:** smart card are plastic cards with embedded integrated circuits containing micro processors and the memory to store personal data such as credit card number, driving license number, bank account number, insurance information, personal identification number (PIN)

Recent Trends in M-Commerce applications / Uses:

Airtel launched m-commerce service mcheck which will help customers to pay Airtel mobile and fixed land line bills, recharge Airtel prepaid and digital TV accounts, buying gifts, paying insurance premiums, tickets and shop using their mobile phones. Reliance communication with Atom technologies an m-commerce solution provider allowed subscribers to purchase insurance services, DTH recharges, movie tickets, books and periodicals, consumer goods, holiday packages and train and bus tickets using Reliance mobile connections. Tata Indicom has launched mobile money transfer service in association with corporation bank and paymate.

Problems / Constraints:

- 1) Many consumers are not technology savvy: Many consumers will not be using mobile for transaction especially in tier III and IV cities as they are not aware and fear to use the technology in purchase the things. Still people believe in using

conventional methods in purchasing things.

- 2) Most of the retailers do not have technology: Most of the retailers do not have advanced technology which can transact with mobile. As it require different platform in mobile and connection with your online bank for the transfer of funds from your customer account to retailer accounts.
- 3) Many products cannot be purchased: Many products cannot be purchased through mobile. So it plays a limited role that to in high end products.
- 4) New Phenomenon for many Consumers: In urban areas also this is new phenomenon which takes time to catch with consumers
- 5) Delay in Reverse transaction: In mobile commerce if we return the purchases, consumers are confused how to reverse the order and to get the money. It is also a time consuming process.
- 6) Concerns of Security, privacy and reliability: Mobile phone users feel that they can be tracked easily on the lines where they are buying, what they are buying intruding into privacy. In mobile commerce, risk of knowing credit card details are very much high makes it less secure and less reliable.
- 7) Limited speed and storage capacity: Mobile commerce solutions have limited speed compared to computer systems and storage capacity to store important information regarding mobile transaction.

Disclaimer

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