

## The Impact of Mobile Commerce in India: A Swot Analysis

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**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 become 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 Although many people have started E-Commerce but still they hesitate to use M-Commerce because of security problems, payment issues and complexity of mobile applications. 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, Wireless Network Mobile, SWOT Analysis

### 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". M-Commerce is the buying and selling of goods and services through wireless handheld devices. M-Commerce is the process of paying for services using a mobile phone or personal organizer. M-Commerce is the use of mobile devices to communicate, inform transact and entertain using text and data via a connection to public and private networks. . In simple terms M-Commerce = E-Commerce + Wireless web. M-Commerce or Mobile Commerce refers to conducting business or commerce through mobile phone or Personal Digital Assistance (PDA).

### OBJECTIVES:

Main objectives of this research paper are as follows:

- To understand the benefit and features of M-commerce in India
- To find out the problems and issues faced by M-commerce industry in India.
- To find out the growth rate of m-commerce in India
- To find out how Mobile commerce makes life easy i.e. SWOT Analysis

### LITERATURE REVIEW

According to Sujata P. Deshmukh, PrashantDeshmukh 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

Paul Budde's paper, "Australia -Mobile Data - Mobile commerce and M-Payment" (2010), communication expert, provides the overview of mobile commerce in the Australia and identifies the impact factor that will be important for the future of the market transaction. Paul resist that, M-commerce market place in Australia is small compare to Asian market.

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

- 1) *Different Mobile Applications Available in the Market*
- 2) *1. M-Commerce for finance*

The customer (using the mobile) can pay from their bank account using mobile commerce facilities. Mobile users can transfer funds between account or receive any information related to finance from financial institutions or banks. WAP based mobile devices allow the user to access the internet or the website of the financial institutions.

For example, a user of the credit card gets reminded from the institution stating the amount of outstanding balance, minimum amount due and the due date. Likewise, when the customer pays

through cheque or when the payment is made by him, the institution sends an acknowledgement through SMS stating the amount that has been received by the institution.

For example, ICICI Bank has launched iMobile. iMobile allows the customers to carry out all internet banking transactions through mobile phones. Customers can transfer funds to ICICI and non ICICI Bank accounts with the help of their mobile. It allows customers to request for a cheque book or stop payment of a cheque through mobile device. Customers can also pay their utility bills through this facility. It allows them to know their transaction details and payment due dates through mobile phones.

The M-Commerce is very much prevalent in stock broking services. The user can access the stock market quotes. The share brokers send details about the market trends to client and offer some tips for trading. After receiving the information, the client responds or gives instructions to the stock broker. Such transaction takes place either in his/her form of SMS or call.

#### 3) 2. *M-Commerce for Retail and After sale Services*

Companies can also make online catalog of products so that the mobile users can access the catalog from their mobile devices. Customers are able to shop, place orders or hire services and pay for dues through mobile phones.

#### 4) 3. *M-Commerce and Mobile Marketing*

It is easy for business organizations to send text messages to promote a new product or carryout any form of promotional campaign. For example, Reliance Fresh sends the customer an SMS stating the reward points earned by them when they purchase goods from Reliance. Even if some changes are brought in providing reward points, they are informed to the customer in order to encourage sales.

#### 5) 4. *M-Commerce and Mobile Ticketing*

Airline tickets can be purchased through mobile phone. It also enables users of mobile phone to make changes in their tickets. For example, with "flybuy SMS" launched by Kingfisher Airlines and paymate, customers can get the details of Kingfisher airlines flights by sending SMS. The customer can book the ticket after receiving a reply. Besides the above, movie tickets can also be booked through mobile phones.

#### 6) 5. *M-Commerce and Mobile Entertainment*

Mobile terminal acts as a portable music player. Downloading ringtones has become successful m-commerce application. Mobile phone manufacturers and wireless providers are making good money by selling different kinds of customized ringtones.

#### 7) 6. *M-Commerce for Hotel Reservations*

Using mobile devices, customer can reserve for restaurants and hotels according to their needs.

#### 8) 7. *M-Commerce in Healthcare and Medicine*

Wireless services are used in healthcare and medicine for billing, lab ordering, referrals, prescriptions and clinical decisions. For example, in United States, healthcare professionals are able to obtain patient information from any location by getting connected wirelessly to the hospital's information system. They are able to

access the pharmaceutical information of patients and provide better patient care.

#### 9) 8. *M-commerce for Intra-Office Communication*

Sales personnel, who are always on the move, may need to access to the company information system to check price of products. But mobile allows the traveling sales personnel to track inventory and maintain communication with seniors at ease. Traveling salesmen do not have to wait for long to get approval from the seniors. Any information could be transferred easily and quickly with the help of mobile devices. It removes barriers in intra-office communication.

#### 10) 9. *M-Commerce for Information*

Mobiles enable customers to get information like sport news or political news of their choice. For example, today through SMS, students are able to check their university results or public examination results.

#### 11) 10. *M-Commerce for Gaming*

Customers can play multi-player games through mobiles. Mobile games are very popular with colourful displays and it generates good revenue

#### 11. **M-Commerce for E-Auction:**

It is bidding mechanism which is electronically implemented. In this no physical transportation is to be made until the deal has been finalized by the buyer and its supplier. So, it is helpful to provide benefit to both the parties by saving their time and increase their efficiency.

#### 12. **M-Commerce for-Shopping:**

Mobile shopping is another booming sector which came into existence after the successful introduction and growth of online shopping. It is easy to port/carry from one place to another so people prefer it more than computer and like to get goods and services by using smart phones. According to Nielsen's, mobile shopping is adding a huge contribution in today's commerce and its percentage is increasing year-by-year by 10 to 15%.

#### 13. **M-Commerce for Education:**

In today's economic scenario education facility is now also available on smart phone. We can access various information of distant places and contents sitting at one corner. Different types of online journals applications are available which helps the readers and students to access different types of information for their research.

#### 14. **M-Commerce for other services**

During commerce transactions through mobile, information of the location of the mobile phone user is an important thing which is not same in case of PC. If location is detected then services according to location is provided like -Local map, Local offers ,Local weather People tracking & Monitoring ,Stock Data

,Traffic data information, ,Sport score, Financial record etc, Multicasting system can be suited by that mobile equipment which are more bandwidth-intensive.

#### Advantages of M-Commerce

- **Ubiquity:**

The use of wireless device enables the user to receive information and conduct transactions anywhere, at anytime

- **Convenience**

It is a true convenience to do much from a handy device via M-Commerce. With wherever you are, in just a few clicks on your mobile device, you can already do shopping, banking and download media files.

- **Flexible Accessibility**

User can be accessible via mobile phones and at the same time be accessible online too through logging on to various mobile messengers like Yahoo and other networking platforms. On the other hand, user may also choose not to be accessible by shutting down his mobile device, which at times can be a good thing.

- **Easy Connectivity**

As long as the network signal is available, mobile devices can connect and do commerce transactions, mobile to mobile and even mobile to other devices. No need for modem or WI-FI connectivity set up.

- **Personalization**

Each mobile device is usually dedicated to a specific user, it is personal. You can do whatever you want to your mobile device, modify the wallpaper, change view settings or modify contact information as you send emails or e payments. The combination of localization and personalization will create a new channel/business opportunity for reaching and attracting customers. Personalization will take the form of customized information, meeting the users' preferences, followed by payment mechanisms that allow for personal information to be stored, eliminating the need to enter credit card information for each transaction

- **Time sensitivity**

Doing M-Commerce transactions do not require the user to plug anything like personal computer or wait for the laptop to load. Just hit the on button of your mobile device and your ready to go. Access to real-time information such as a stock quote that can be acted upon immediately or a sale at a local boutique

- **Security**

Depending on the specific end user device, the device offers a certain level of inherent security.

#### **M-COMMERCE ISSUES :**

There are the some issues which directly or indirectly affects the growth of M-commerce adversely. Many of the challenges faced by M-commerce are as follows: -

##### **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.

##### **Low Internet Connectivity (4G):**

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 & 4G is not same by the each service provider. It means problem of unevenly distributions of connectivity as there.

##### **Lake 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 create a problem for growing M-commerce in doing financial transaction even though "Mobile Wallets" concept is there.

##### **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 e 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.

##### **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.

##### **Lack of high speed connection:**

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

##### **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.

##### **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

#### **SCENARIO OF M-COMMERCE IN INDIA**

According to App Annie's fourth annual Retrospective Report, which was released earlier this year, India's mobile app market grew sharply in 2018 outpacing the US and ranked number one in terms of Google Play downloads, highlighting the vibrancy of the country's mobile ecosystem. The report also stated that Indians downloaded over 6 billion apps in 2017, up from 3.5 billion

in 2016. That 71% growth was significantly higher than the overall 15% growth in app downloads around the world.

Mobile Commerce market in India is witnessing increasing collaboration between service providers and banks. Most of the mobile service operators are having tie-ups with leading banking service providers to provide mobile payment facilities. For instance, Bharti Airtel and Axis Bank have a partnership for providing banking services through the Airtel Money platform. Similarly, Vodafone India has signed agreements with ICICI bank to launch mobile payment services. Such collaborations and partnerships are expected to grow and will support the market to grow. Debit card is the preferred mode of payment of majority of mobile shoppers (over 52 per cent) and over 25 per cent of them shopped for products in the price points of Rs 10,000 and above. Enhancing the shopping experience is Android operating system with 68 per cent of people preferring the OS for m-commerce followed by IOS.

The growth in m-commerce has been fuelled by the availability of affordable smartphones and mobile data plans. India currently has 292 million smartphone users, and more than 45 per cent of all mobile phones shipped in Indian market were smartphones in the first quarter of 2016.

Mobile Internet user base in India has increased to 371 million in 2016 and the user base is expected to annually grow by 50 million till 2019. Online shoppers in India are likely to more than double by 2020, it noted. "The current online shoppers are in the range of 80-100 million and expected to increase to 175-220 million by 2020," it said. It also observed that 60 per cent of online shoppers prefer mobile devices. It noted that mobile wallets have become a key enabler for m-commerce as most people are hesitant to share their bank account details or credit/debit card details due to the fear of sensitive information getting compromised.

### SWOT ANALYSIS

The strategic planning method is used to evaluate the four important aspects:-i.e. Strength, weakness, opportunity, threats involved in a business venture or in a project is SWOT analysis. It helps to identify the both, external and internal factors in which some are favorable and some are unfavorable in achieving the objectives. For identifying the threats and weakness in M-commerce this SWOT analysis is performed because with the help of it researchers may be motivated and directed towards M-commerce in more successful manner.

#### Strength:

There are four factors on which strength of M-commerce is based:

- 1) Online access for a portion of the world's population
- 2) Anticipated ubiquity of devices
- 3) Location sensitivity of the device
- 4) Authorization and authentication capabilities

#### Weakness:

The major weaknesses for wireless communication are:

1. Lack of digital identity

#### 2. Lack of data security

##### Opportunities:

Key driver of the mobile market is its size and growth rate. In today's world, people are able to communicate easily without any geographical foundation. The interface between the payment system and merchant's point of sale system that is provided by "payment gateways" companies or organizations. People have flexibility of purchasing the things through mobile and they can also book ticket on it. By sending periodic alerts, paper catalogues can be replaced. Service of directly payment made to the seller's bank and through a credit card company also. Coupons and loyalty cards can be used by retailers. Traffic information results, sports schedule, news alerts, stock market reports are available through mobile platforms. To adopt a fast and easy adoption of technology, open and neutral infrastructure is created and it provides better opportunities.

##### Threats:

- Threats faced by M-commerce involved:
- Privacy risk and mobile commerce security
- Mobile middleware security risk
- Wireless user infrastructure security risks
- Mobile application security risks

### SUGGESTIONS

There should be taken necessary steps to include these growth factor 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 by the Government of India. The following area's where government should take necessary action for improvement.

- Affordability of mobile devices
- Mobile internet connectivity
- Mobile payments
- Security
- Low tariffs-high revenue
- Proper Government policies

### CONCLUSION

M-Commerce is adding significant value to the businesses in India. Key drivers of M-Commerce include widespread adoption of mobile phones and smart phones, rising affluent middle class consumers. These factors have increased the strength for M-Commerce in India; it has lead to newer opportunities for the businesses to grow. With the help of M-Commerce one can get the entire word knowledge on their smart phones, can access and manage bank accounts, save time. Mobile commerce is on growth track. It is gaining increasing acceptance amongst various sections of the society. This growth can be traced back to technological and demographical developments that have influenced important aspects

of the socio cultural behaviour in today's world. Future seems promising with new 4G technology and soon with advent of various new technologies a positive change in the way of M-commerce is also on the cards. Smartphone usage has grown at an explosive pace in recent past. We expect it to grow even faster with demonetisation and entry of new service providers such as Reliance Jio. Mobile commerce is going to play a major role in