Mobile Commerce:New Mode Of Marketing

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Abstract

The purpose of this research paper is to identify the factors affecting the adoption of M-commerce. The significant growth of M-commerce application is remarkable in India. More and more consumers are switching to M-commerce to achieve better and fast transaction into market. M-commerce is complex in nature and includes changing procedure in market. M-commerce is at emerging level in India. The astounding rate growth in mobile penetration in India, higher mobile technology and networking is coming day by day. Nowadays, a mobile phone is not only used for text SMS or phone call but also for many other activities like browsing of internet chatting or other virtual activities. This research paper identifies the factors affecting the adoption of M-commerce and explains how M-commerce is developing in India .

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Introduction

Mobile Commerce, or m-Commerce, is about the explosion of applications and services that are becoming accessible from Internet-enabled mobile devices. It involves new technologies, services and business models.

Durlacher (1999) defines m-commerce as "any transaction with a monetary value that is conducted via a mobile telecommunication network." Similar to any traditional definition of e-commerce, the focus lies on the exchange of products and services that is associated with a monetary value E-commerce normally means as transaction conducted over the internet. E-commerce is a large domain on conducting business over internet and E-retailing is a part of it. When we discuss on digitally / Internet enabled commercial transactions between organizations and individuals using latest web technologies as per the policies of the organization. Electronic commerce also includes many other activities, such as business trading with other business and

internal processes that companies use to support their buying, selling, hiring, planning and other activities. It simple means as E-commerce includes buying, selling and hiring a particular product or services. The rapid growth of mobile telephony has provided a foundation for M-commerce namely E-commerce activities carried out via a mobile device, such as a cell phone it is called M-commerce.

I.   LITERATURE SURVEY

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 in 1997 in Helsinki area in Finland by enabling vending machine to accepting payment sent by mobile phones. First mobile Banking service was launched by Merita bank of Finland in 1997. In 1999 Smart money, a national payment system by Smart was launched in Philippines. In Japan NTT DoCoMo launched first mobile internet platform which was revolutionary.

II.   SIGNIFICANCE

Significance of research paper is to know the concept and benefits of mobile-commerce, problems being faced to run up or starting the M-commerce business in India, factors which are responsible for growth of M-commerce business in India and how these factors can be enlarged by making rules and regulations for development of M-commerce industry as well as development of nation.

III.   FEATURES OF M-COMMERCE:

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

Ubiquity: consumers can avail or buy products / services from anywhere independent of his/her current geographic location. Customer can buy respective of the regions they reside or companies can do business.

Convenience: Services like GPRS gives convenience and keeps always in touch and connected. This helps the companies to well connect with the customers.

Personalization: M-Commerce services has been personalized, it can be used as per requirement of the consumer.

Location based services: a service such as GPS allows companies to offer goods and services as per the location based.

☐☐Timely services: consumers are directly connected; it provides real time availability of service.

IV.   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:

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.

VI. 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 paymate, mcheck, gpay. After selecting an item for purchase the customer sends an SMS to the retailer requesting the purchase. The retailer responds by sending a payment request through SMS to the customer. The customer keys in the banks PIN number to approve the payment. After verification of PIN bank debits the customer account.

b) Direct mobile billing:

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:

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.

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)

i) **Contact smart card:** contact smart cards need a card reader to retrieve stored data and transmit it to external devices such as computers, point of sales (POS) terminals or mobile telephones for further processing.

ii) **Contact less smart card**: the microprocessor chip communicates with the card reader through RFID technology that employs radio waves to transmit/receive information to and from the card reader without any physical contact. At the time of payment, customer wave their mobile phone near a reader module installed inside the store. A PIN is required for authentication purposes which are supplied by the smart card in order to make it more secure.

4. Mobile wallets:

In this system, mobile phone users open a mobile wallet account in an issuing bank and deposit cash to get mobile account number. After purchase, through mobile phone users type in account number and send it to the issuing bank via SMS. Mobile wallet's automated system check's for sufficient balance and payment amount is debited from the users account.

BENEFITS OF M-COMMERCE IN INDIA

As we know m- Commerce market grows rapidly now a days, the numbers of Smartphone users are increasing regularly. M-commerce helps to works easily and smoothly in life schedule. Its benefits are as follows:-

☐ **User friendly:** - Now a day's websites are being Designed so many users friendly. Its predict search option helps consumers to find more easily and rapidly for a Particular product. Different classification of products Variety helps for consumers to choose more exclusively between products.

☐ **Easy to carry mobile device: -** Mobile device is easy to be carried by user, It helps to avoid user to go physically to any particular shop as well as it also helps to user for avoid once of use of computer /laptops.

☐ **Low internet connectivity area:** - M-commerce is also efficiently used where the internet connectivity is less and website is taking more time to upload or hit. Through mobile devices less internet data will be used, so it is also economical with comparison of using internet via computer devices (Benefits for E-commerce in India)
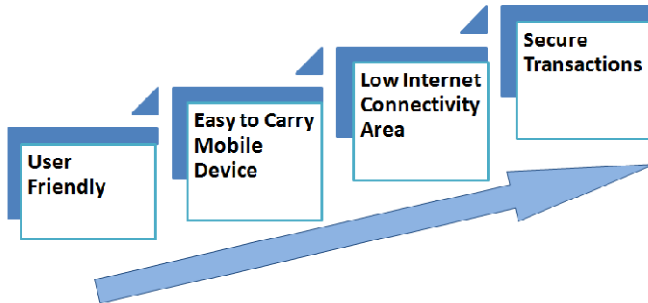
Figure 1: Characteristics of Mobile Computing

☐ **Secure transactions: -** M-commerce also gives an assurance of secure transactions, for the transaction, confirmation code is sent on the e-mail and mobile phone.

And after filling this code the transaction will be processed, so that chances of wrong transactions are very less and unsecure transitions can be eliminated.

☐ This increases the trustiness level for websites and increases the number of customers.

VIII. CONDITION OF M-COMMERCE IN INDIA

As we know mobile devices are becoming a part of our daily routine life, People use internet for various purposes which include: email, academic and financial information search, music and video on internet, chatting, online job search, gaming, booking tickets, hotel reservation, online news, internet telephony/video chat/voice chat, and online banking.

IX.   DRAWBACK OF M-COMMERCE IN INDIA
 Each coin has two sides; M-commerce also has some hurdles for growth in India. Drawbacks of M-commerce market in India are as follows:-

☐☐**Lack of Internet Connectivity: -** In India, still internet connectivity is under the dark room; still broadband connection is not accessible at many places in India. Also
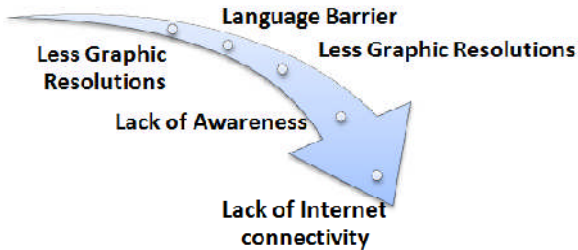
3G networks are not available at so many states.

Figure 2: Factors affecting mobile commerce

□□□**Language Barrier: -** In India, mostly people are not aware about the English language or not so good in English language. So that for the transaction over internet through mobile devices, language becomes one of the major factor to purchases, hire and sell a particular product or services.

□□**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. In other words Product is not properly or exactly shown in mobile devices as compare to computers /laptops/notebooks.

□□**Lack of Awareness: -** Still in India people do not aware about the term M-commerce, In India literacy rate grew by 74.04%, but the world's average literacy rate is 84% in 2011. People in India still afraid to adopt to purchase things online as well as they are feeling uncomfortable to buy a product through M-commerce.

□□**Less Number of Mobile phone users: -** In India total numbers of mobile phones are 1, 104, 48000; it is

90.47% of entire population of India but the world's percentage of mobile phones is 97% in 31 Oct 2013. This figure explains that number of mobile users is less in India as compare to world number of mobile users. In India mobile network is not available in entire region; low connectivity problem is still faced by our Indian people in remote areas.

□□**Many products cannot be purchased:**

Many products cannot be purchased through mobile. So it plays a limited role that to in high end products.

□□**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.

Still there is a lot of work, which is to be done for M commerce. We just keep in mind that M-commerce is a new Industry in India. Internet connectivity and mobile networking is still not accessible to entire population. These industries see an astounding rate of growth. M-commerce market grows in India because so many growth drivers are favorable in India such a changing youth's perception, introduction of trusteeship model, growth of financial area and numbers of smart phone buyers are increasing. But it is still a single step in long stair as compare to developing nation like China.

Indian government should take necessary steps to enhance these growth factors like building of infrastructure to internet connectivity, provide awareness and literate more people for English language and M-commerce usage. Some rules and regulations should also be liberalized for enhancing M-commerce industry. At last but not the least, we conclude that since M-commerce industry is not new in India, because of this, there are so many challenges, gaps, hurdles and obstacles are in front of the industry, which can be managed & removed for better up liftmen of economy of Indian industries.

Conclusion

Mobile commerce is going to play a major role in conducting business in future. With heated competition in the markets, emerging players, different marketing strategies, and more customer awareness gives a boost to the mobile commerce growth. One in two Indians have mobile connection i.e.; mobile subscribers touching nearly 600 million, more than 12 players waging war for the market and mobile technology players creating platforms for transactions in mobile commerce. Mobile commerce is changing the ways and rules to do the transactions and business. Mobile commerce is not only providing timely services, convenience, personalization and ubiquity but on the whole it is offering value for money to the consumers. Recent applications show the huge acceptance and success of mobile commerce. Mobile payments are developed much to the user advantage and security and lot more change is expected in future. Mobile commerce is the next generation mode of business.

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