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Is M-Commerce the Future of E-Commerce? What's next?

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Abstract:

A couple of seconds, and a click can make a difference. And here we stand at the axis of mobile commerce, the buzzword that changed stance over mobile phones. Services via mobile phones are rising exceptionally fast. New mobile internet users in India is scaling and the need of the hour is to tap the mobile internet users. By 2017, we may expect to see 70%-80% transactions via smart phones. E-commerce in India is on a swansong getting almost half its traffic from smart phone users after a string of mobile applications was launched. The fact of the matter is the inference of mobile phones in India is humungous as most of the first time internet users will take the mobile route. And to be evident, the first point of contact for consumers will be the mobile. Mobile strategy is one of the most discussed topics of almost all consumer-centric companies. Banks want to endorse account holders to do more transactions with their smart phones; it may not be the case with car makers, however smart phones are driving several engagements with customers; food outlets have already turning the mobile phones into menus to salt away expensive minutes of waiting. Isn't that astonishing as we have moved from the days when face- to- face interactions were the core business interactions. This article deals with the question whether M-commerce could transform the future of E-commerce.

Keywords: M-Commerce, Flipkart, common floor, xiaomi, Airtel money, HDFC bank, Axis bank, identity management

1. Introduction

Mobile Commerce being the next generation wireless e-commerce needs no wire and plug-in devices. Believing its wide impending reach, majority of the mobile handset manufacturing companies are making wireless application protocol enabled smart phones and providing the wireless internet and web facilities covering personal, official and commerce requirement to paving way of m-commerce that would soon be very productive for them. The answer is yes. The next generation of e-commerce is certainly m-commerce. M-commerce has quite a lot of advantages over its fixed counterparts for the reason that it's precise inbuilt characteristics such as personalization, flexibility, and allocation. Mobile commerce promises incomparable business, market potential and greater competence.

Flipkart.com now has a preference and wants to be called as a mobile or m-commerce company. It's believed the future of mobile commerce will be written in India. M-commerce could bring a huge impact for the Indian market however this requires an entire ecosystem; partners must be coordinated so that the best benefits go to consumers poise confidence. Although m-commerce in India is in emerging stage, m-payment and m-banking segments have shown momentous development over the last few years.

Mobile commerce implementation has increased considerably in the country due to numerous factors such as improved 3G penetration and accessibility of affordable smart phones. There were about 7 million Internet users in India in 2001. This number has grown and is growing at a stable pace. Today, 40 million Indians are online daily, spending 40-45 hours per month. India is one of the largest markets for social networking giants such as Facebook and LinkedIn; close to 60,000 new users is connected on to a social network every day. E-commerce is changing users from shopping in stores to shopping on the go—Chinese smart phone manufacturer Xiaomi in recent times sold close to 75,000 of its Mi3 models completely online in five rounds of flash sales, with most of the sales lasting for less than 10 seconds on Flipkart.

According to a report 'Mobile Internet in India 2014', released by the Internet & Mobile Association of India (IAMAI) and IMRB International. There were approximately 173 million mobile internet users in India in December, 2014. The report also finds that mobile Internet users in rural India is set to grow at an impressive rate of 33% from October'14 to reach 49 million by March 2015 and 53 million by June 2015. There has been a growth of 45% from October 2013. The number of mobile internet users in India is expected to reach 213 million by June 2015, as more people are accessing the web through mobile phones and tablets. It is said that, in the next three years mobile commerce will constitute more than 25 percent of the total traffic in e-retailing. India is expected to have

close to 165 million mobile Internet users by as more people are accessing the web through mobile devices and tablets. It is being said that, in the next three years mobile commerce will constitute more than 25 percent of the total traffic in e-retailing.

The M-Commerce market in India is experiencing increasing partnership between service providers and banks. Most of the mobile service operators have tie-ups with leading banking service providers to provide mobile payment services. For example, Airtel and Axis Bank have a partnership for providing banking facilities through the Airtel Money platform. Likewise, such collaborations are anticipated to grow. Debit card is one of the preferred modes of payment of majority of m-shoppers. Enhancing the shopping experience is Android operating system with a majority of people preferring their OS for m-commerce followed by iOS.

M-commerce facilities position it to gain huge tractions in India, if rural and sub-urban population and their needs and preferences are appropriately catered. For urban market, having been driven mainly by youth, developers should consider making more visually appealing interactive and well organized m-commerce solutions.

In reality, old economy and new economy are congregating on the smallest screen to get buyer attention — like the radio taxis pushing happy hour deals on smart phones and transact business. Kirana shops are doubling-up as ATMs using Ezetapterminal. Ezetap card readers sync up with mobile phones to validate debit cards and make cash payments. The shopkeeper makes a commission per transaction.

Leading private bank customers download their mobile app which enables transactions spanning cheque book requests to paying bills. People are more likely initiate critical transactions via mobiles rather than book fixed deposits. I have been banking with HDFC bank for some years and recently I used my smart phone to take a loan against my credit card and I could add a beneficiary for fund transfers to a third party as well. Mobile banking has revolutionized my banking habit. Now everything is at the click of a button. Banks are encouraging customers to use mobiles. However they may also look at looking at charging extra for customers visiting the branch and that might increase the mobile banking penetration.

In a report on the Indian internet market, titled 'Deep Dive', Citi Research says 92 per cent of India's 252 million internet users are mobile users. The report also says that the wireless internet subscriber base has grown 62 per cent YOY. First time internet users are getting there through their mobile phones.

India is anticipated to be a 'mobile first' country and online firms will have to offer the full suite of services on the mobile phones. In spite of the restriction of the screen size, consumers wish the capability to do everything that they do on a standard website. All categories have to create a unique value proposition for the mobile world.

There is this battle for the consumers' wallet-share on mobile platform, though it's not going to be a runaway victory. The predicament for merchants is that selling on the mobile phones is not as easy as it is done on the desktop, where companies can follow the customer on various social media platforms as well as email. Given the fact that the mobile phone is a personal gadget, the point of engagement has to be elevated for companies to translate a walk-in into a sale. In the exceedingly elevated competitive e-commerce space, even a small marketing slip can be severe. To win the adaptation game marketers have to ensure that they optimize their websites. The consumer needs has to be dragged into the platform to stay longer and if the visits are to be converted into transactions, particularly if you want your application development costs to take off. In addition consumers who use the shopping applications infrequently share their view on social media on what they have purchased creating it difficult for other online companies to trail the same consumers and keep a tag on their shopping behavior.

Undeniably, it is no longer sufficient to offer the consumer the alternatives to download an application. If online commerce companies have to accomplish growth, they must become a target application in their particular categories for the reason that consumer preferences are continually growing. According to a global survey done by Wingify 60 per cent of millennials, who are known to shop online have a shopping application installed on their mobile devices, however 60 per cent of the app downloads are never used.

1.1. Bring the Consumer Closer

How can companies make such a leap? Mobile phones allow customization, it is agreeable to one to one conversation. If online companies want to broaden the target applications, brand consciousness would be critical. So how do companies plan to go about it?

Major online companies don't try to duplicate the desktop experience on the mobile devices. They follow an application notification system through which the company sends information on new products and price drops to consumers. This kind of a push notification workswell for fashion business because fashion enthusiasts are persistently looking out for the latest collections that are on offer. These days' consumers are making big purchases, and this has improved the reach for more sellers on the online marketplace. Consumers from Tier-I and Tier-II towns have now been connected with the online shopping bandwagon, mainly through the mobile applications. Mobile shopping in rural India will pick up pace and a humongous market awaits the industry.

1.2. Personalization Is the Key

Some categories are not amenable to a small screen but where there is scope for personalization, the mobile works splendidly. So is the case with job portals. These job websites get a large per cent of their traffic from the mobile users, and the figure is expected to scale up. Knowing the fact that desktop is still big for the job portal but the mobile revolution is disrupting the desktop and this to my opinion is a tremendous prospect. It is serving many companies to get on to the mobile through its SAAS product to reach inactive candidates and job seekers in remote places where internet broadband connectivity is not very smooth. These companies manage the backend of portals of its corporate clients so that they can handle applicants who apply through the mobile. Such mobility allows companies to reach a much larger pool of talent through these job sites. Recruiting from smaller towns or remote locations becomes easier through these mobile platforms. These moves will undoubtedly show up an increase in numbers. Mobile devices are the newest access point for these companies. However, these companies are convinced that if India has 500 million internet users, more than half could be experiencing the internet services on the mobile devices.

1.3. Ease the Consumers Search Process

Well, we know where to look online. However how do we locate what we really want offline? That is specifically what property portals like CommonFloor.com facilitates the consumers search process using GPS to make a property easy to access by a finder. Mobile applications are becoming a property companion and not remain a mere application. These mobile applications help facilitate interactions between the property owners and tenants/potential buyers through phone numbers provided on the app. The electronic process gives a virtual walk-through into a property and helps consumers find agents in a particular area.

Its experience shows that property seekers now look for an assortment of specifics and, more prominently, are prepared to pay for personalized advice. Investment advice is another prospective business. There is a recent surge in professionals entering the real estate business and so the mobile interface will become even more important. These portals providing mobile applications have also seen mobile traffic shoot up over the last one year. Over 30 per cent of its traffic comes from the mobile, which was less than 20 per cent few months ago.

1.4. Reduce the Transaction Time

Usage of mobile is the best remedy in cases of emergency. More than 40% of online traffic related to travel queries comes from mobile devices. In other words, users are looking for swift, unperturbed service.

Since the mobile is a personal device and helps with identity management as well, transactions on the platform are acquiescent to customization. A search on the app tells whether the consumer is a high-end or a budget traveler and accordingly, it sends offers and suggestions on hotel & flight bookings to the consumer. Online travel companies hope to make its services even more modified by offering travelers a language option in addition to the option of sending travel-related queries on SMS.

Considering the success of these applications, Make My Triphas launched applications like the Trip Ideas and Route Planner. The first offers traveler's new destination options and the second, Route Planner, is an application on the Nokia Asha Platform allowing a person to chart a trip across India on a bus, a taxi, a flight or a train. The basis for these applications to be available on the Asha platform is to tap mobile users in Tier-I and Tier-II cities.

2. Conclusion

As it is evident that most online players are aware of the opportunity created by mobile platforms and are in fact gearing up for the brawl looking to battle on the platform. However most of these players point out that the biggest obstacle remains the undeveloped payment ecosystem. Even as it is not such a big issue for players offering cash on delivery, there's a dire need to make sure that security and reliability elicits a broader receptiveness. The future of e-commerce is undoubtedly M-commerce. It will revolutionize the way consumers search for offers, shop and pay. Nevertheless the question here lies, where we are heading towards after M-commerce. What's next?

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