

A STUDY OF M - TRADE WITH INDIAN REFERENCES

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Abstract

The increase of the pliability and influence of wireless transactions provides proper chances for rising commercial services to customers. Corporate organizations, Mobile commerce or M-Commerce has entered in finance, services, retails, and telecommunication and information technology services. M-commerce can be different things to different people. Some people perceive M-commerce as an extension of E-commerce to mobile phones. Some people think it is another new channel after the Internet. Over the past 10 years mobile phones have changed the way that we live and work. What is the nature of this change? On the one hand, it's a change in personal freedom. On the other hand, mobile phones are connecting people more than ever before and becoming new glue holding together social interactions and relationships.

Keywords: Transactions, social media, Digital Eco-System, Aggregators Apps, Business growth, Hyperlocal Commerce.

INTRODUCTION

M-commerce refers to any transaction with a financial value that is conducted via a mobile telecommunications network. M- Commerce uses the internet for purchasing goods and services as well as sending and receiving messages using hand- held wireless devices. Today, the mobile Internet is emerging faster, in part because providers, content partners, customers, and investors are leveraging lessons from e-commerce. A mobile phone makes us available to others, be they businesses or individuals, 24 hours a day, 7 days a week. This is a mammoth break from the past, when we needed to know where a person was in order to contact them. It imparts enormous opportunities for businesses to really connect with consumers, understand them and for consumers to have more meaningful relationships with businesses.

M-COMMERCE GAP

Dedicated apps are one way to get more people shopping on their phones. For Predict Spring's clients, in-app conversion rates are roughly two to three times higher than their average mobile web conversion rates, according to the company. Apps certainly load more quickly than mobile browsers, and often offer a more satisfying user experience, including the option to scan credit card details, simply by taking a photo. Very strong brands work with their customers, offering earlier access to products and a faster shopping experience. But the hard part in mobile is building out value in the app.

M-COMMERCE IN LATIN AMERICA:

There are more than 400 million mobile phone users in Latin America. The sales of mobile phones are growing and volume of smartphones has created a market that is perfect for m-commerce and digital eco-system. The availability of high-speed network has further fuelled to this growth with 80 percent of all smartphone users expected to be connecting to 3G or higher networks by 2020. All these progresses have a huge opportunity for Latin America and for organization who want to establish a broad presence in this market. Mobile payments revolution will prove to be a critical factor in driving growth of MCommerce opportunities in Latin-American countries.

Developments of mobile payment banks within Latin America by developing partnerships with largest banks and financial institutions in countries to create new app which make mobile payments easy for both store owners and customers. Connectivity through smartphones gives possibilities for online purchases and alternative payment systems. Ubers of the world, delivery services are on a upward growth. The network speed is prime challenge faced by M-commerce because most of Latin American countries still operate at 3G, 2G or slower in most areas which hinders mobile browsing and purchasing. The biggest problem is the mind set of people with uncertainty on efficiency of using mobile as a marketing tool, there is a mental obstacle to use the technology.

M-COMMERCE IN INDIA

As 2016 closes, mobile commerce in India is undergoing an interesting evolution. The country has seen a astronomical rise in everyday commerce performed via mobile devices. India's market for mobile commerce was worth \$2 billion in 2014 and is estimated to grow up to \$19 billion by 2019. In fact, India is now one of the top 5 regions for Google Play Store as more than 1.2+ billion people look to search, interact and shop anytime via their smartphones and other mobile devices.

Financial Technology start-ups Financial Technology Start-ups have the potential to enable much more than just payments. Fintech companies have been an important pillar in building the foundation for the Indian mobile commerce ecosystem by enabling cashless, on-the-go financial transactions. From cab rides to movie tickets to utility bills, almost anything can be paid via simple mobile apps. However, mobile wallets in particular can add extra value by bringing discovery, procurement and payment on a single platform delivering mobile shopping experiences.

Aggregator apps are overtaking apps for individual businesses In recent years, there has been a rise of “aggregator” apps that compile anything from offline retail brands to restaurants to health service providers in one convenient app. Some of these companies have tried to develop an app strategy, but have not achieved the desired results.

Hyperlocal M-Commerce Over time, we expect the ecosystem to slowly shift to the upper left section of our map as companies look to go “hyperlocal mobile”. This is driven by two main factors right now: India has become a mobile-first country of commerce is still happening offline, especially outside of Tier I cities. If companies want to tap into the country's massive market opportunity, they need to develop strategies that enhance the offline world with the use of mobile, and vice versa. Harnessing mobile devices in the offline environments can open up a world of possibilities: tailored in-store recommendations based on online preferences, frictionless checkout and payment, social sharing and much more. In many other cases, though, this will come in the form of aggregating offline vendors, offers and products that are available nearby. This has already given rise to locationbased deal aggregators, social discovery platforms and the food tech craze. This phenomenon of “aggregating online” allows a business to layer mobile technology on top of an existing framework of online commerce.

M COMMERCE IN EUROPE:

Europe sits in first place with a penetration rate of 129%, Western Europe comes in second place globally, just behind Central and Eastern Europe. These figures confirm the potential of m-commerce and the necessity for marketers to adapt to this trend. 31.1% of UK e-commerce traffic is on mobile devices Europeans are shopping for their kids on mobile. On smartphones, the most popular product category in Europe is children's products. The nature of products tends to influence the type of device they are bought on: while desktops are preferred for technical purchases (tools, office supplies), smartphones and tablets are used for more visual products such as clothes, toys and jewellery.

MYNTRA'S APP-ONLY STRATEGY

Myntra's app-only strategy a new round of debate kicked off recently. The real reasons Myntra shut down its website was to reduce sales in order to limit its losses.

Myntra is following its Customers

The Argument: Customers are moving to the mobile phone. Smartphone sales are zooming. Myntra says 90 percent of its traffic and 70 percent of sales already happen via the mobile. Customers buying through a mobile also tend to stay longer, come back more often and are better engaged.

The Counterargument: Yet, that doesn't explain why it had to close its web channel. People still use computers. What we are headed to is probably not a mobile-only world, but a multi-screen world.

Myntra is trying to Make Data Costs Immaterial

The Argument: Shortly before Myntra announced its app-only move, Flipkart signed up for Airtel Zero. The tie-up would have let its customers use its app, without having to pay Airtel for the data.

The Counterargument: The theory has some validity given that users tend to worry about data charges. Yet, it couldn't have been the main reason, since Flipkart anyway opted out of Airtel Zero.

Myntra Doesn't Want its Customs to Liken Prices

The Argument: It's easy to compare prices on the web. On the app, customers tend not to. It's not that they can't, but it is less convenient to compare prices. Behavioural economics suggests that small triggers can significantly change customer decisions. It's reasonable to assume that a significant number of customers, while using the app, will likely not compare prices, and buy at a cost Myntra dictates.

The Counterargument: It's unlikely to work in the long term. The app makes comparing prices less convenient, but doesn't hide the price information forever. Taking liberty with prices could backfire.

Myntra wants to follow its Customers Everywhere

The Argument: Since a mobile device follows users everywhere, it's good to encourage using the app to capture the impulse buys. For example, you see someone wearing a great dress at a party, and place an order then and there.

The Counterargument: That explains why it's good to have an app, but it doesn't explain why there should be only app. Impulse purchases happen on the web too. Why force a customer to switch screen and waste an opportunity?

Myntra Wants to Bid a Bespoke Practice

The Argument: This is the official line by Myntra--that it can use the app to provide a superior, personalized experience to its customers. The mobile phone has already become one of the most intimate devices for people

and--setting the privacy and security issues aside for the moment--is capable of providing highly contextual and relevant information/service.

The Counterargument: While it's true that the web cannot match the mobile experience, it's not as if users expect both to be exactly the same. Google Maps on the mobile phone has more features than its web app, and yet, both have a place. Again, this doesn't explain why app alone is superior to web and app.

M-COMMERCE TENDER

The general m-commerce applications are:

Mobile Ticketing

Tickets can be sent to mobile phones using a variety of technologies. Users are then able to use their tickets immediately by presenting their phones at the venue. Tickets can be booked and cancelled on the mobile with the help of simple application downloads. Apps like Bookmyshow, IRCTC, etc. have helped booking of tickets on the go which is now possible with the advance of m-commerce.

Mobile Vouchers, Coupons and Loyalty Cards

Mobile ticketing technology can be used for the distribution of vouchers, coupons and loyalty cards. Presenting a mobile phone with one of these tokens at the point of sale allows the customer to receive the same benefits as another customer who has a loyalty card or other paper coupon/voucher.

Mobile Banking

Banks and other financial institutions are exploring the use of mobile commerce to allow their customers to not only access account information, but also make transactions, e.g. purchasing stocks, remitting money, via mobile phones and other mobile equipment. This service is often referred to as Mobile Banking or M-Banking.

Mobile Marketing and Advertising

Mobile marketing is an emerging concept, but the speed with which it's growing its roots is remarkable. Mobile marketing is highly responsive sort of marketing campaign, especially from brands' experience point of view. And almost all brands are getting higher campaign response rates. Corporations are now using m-commerce to expand everything from services to marketing and advertisement

E-COMMERCE TO M-COMMERCE

Just two seconds can make a difference of hundreds of crores of rupees in some businesses. That's the foundation on which HDFC Securities is re-inventing its stock trading app for mobile phones. The new app will feed real time stock quotes app will feed real time stock quotes to users' phones, saving the 1.5 to 2 second lag that exists in the current app.

This, among other things, HDFC Securities believes, will help increase brokerage earned from transactions done on mobiles from 2.5% of total revenues to 50% in two years. 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. These were routed through m-wallets, mobile banking and interbank mobile payment services.

Banks want to empower account holders to do more with their smartphones; car makers may never close a sale on a mobile, but smartphones are powering several other engagements with customers; food outlets are looking to turn the mobile into menus to save precious minutes of waiting. Companies are realizing that the mobile may soon become the most important way to talk to customers. Many of them are in fact building a 'mobile first' strategy, where products and services are first made available through mobiles before they find their way into

other conventional channels. Exactly a year after it launched a mobile app, Amazon India gets half its traffic from smartphones. Flipkart.com, the poster boy of e-commerce, now prefers to be called a mobile or m-commerce company. Mobile traffic for flipkart has increased more than 50%, from under 15% a year back.

Taj Group and Oberoi Hotels are piloting mobile wallets for frequent customers. Stored value on a mobile will automatically be deducted against the bill while checking out, without presenting any credit or debit cards or waiting in check-out queues.

In fact, old economy and new economy are converging on the smallest screen to get buyer attention — like Meru cabs pushing happy hour deals on smartphones between 9 am and 4 pm on select days and transact business — kirana shops doubling up as ATMs using Ezetap terminals. Ezetap card readers sync up with mobile phones to authenticate debit cards and make cash payments.

Reinventing the Old World

It is perhaps inconceivable that anyone would buy a car over a mobile phone. But car makers are realizing that the mobile will play a big role in how the customer engages with the manufacturer through the life cycle of the car. McDonald's is already planning to introduce a 'deals' app and a virtual loyalty programme on its mobile app. Globally 25% of McDonald's business comes from online and web ordering. This could move to smartphones now.

FUTURE OF M-COMMERCE

The most prominent m-commerce trend is its own growth. According to Forrester, annual m-commerce sales are predicted to quadruple to \$31 billion in the next five years. In 2012, some ecommerce sites saw remarkable growth, while most businesses experienced only limited m-commerce success. However, one thing they all have in common is that they now universally recognize m-commerce as an important way to enhance their brand, increase their sales and keep up with competitors. In short, the future of m-commerce is bright, and looks like it's getting even brighter.

Another trend in m-commerce is that customers desire more information on mobile websites. Studies show that 80% of smartphone users want more product information when shopping on their mobile devices. A large part of m-commerce's appeal may be convenience, but if that convenience comes at the sacrifice of information, customers will be sure to look elsewhere. The larger trend here is that ultimately, businesses are in uncharted waters when it comes to their mobile offerings, they're still finding out what works and what doesn't.

CONCLUSION

The affluence of communication with goods and service presenters, in 24 hrs and without any locational limitations, has caused an everyday popularity increase in mobile trading. Both the telecommunications industry and the business world are starting to see m-commerce as a major focus for the future. As m-commerce applications and wireless devices are evolving rapidly, one will take forward the other one towards empowering innovation, versatility and power in them. There are a number of business opportunities and grand challenges of bringing forth viable and robust wireless technologies ahead for fully realizing the enormous strength of m-commerce in this Internet era and thereby meeting both the basic requirements and advanced expectations of mobile users and providers. The mobile Internet

Channel has opened up new possibilities. There is a big gap between technology's capabilities and the consumer's expectations. But, the good news is that problem areas like slow transmission speeds and high costs are being addressed by operators and equipment

Manufacturers. M- Commerce players need to improve the user interface soon and implement innovative pricing structures. Despite the initial frustrations of the users, consumers envision that once the glitches are worked out, mobile applications will become an integral part of their daily lives.

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