

M-commerce in India: problems, issues and challenges

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Abstract

In today's world where globe is treated as village M-commerce have paved the way to connect all the consumers using smart phones to the global market. The global Smartphone market is growing fast with continuous advancement in technology and digital trends. The worldwide Smartphone users is forecast to reach 2.1 billion and in India the number of smart phone users is estimated to reach 340.2million in 2016. M-commerce is well known for multiple benefits to the business, government, and consumers on massive scale. All the companies, organisations, and communities in India who are doing e-commerce are gradually shifting to M-commerce which is an advance technology. The tremendous growth in the use of smart phone in India shows that majority of Indian population has adapted to mobile phone and advancement in mobile technology. The usage of smart phone is not limited for making basic phone calls, messaging or playing games but can be used virtually in every section of human activity. Whether it is private, business or government. It is observed that majority of the people using E-commerce hesitate to use M-commerce because of security issues, payment problems and awareness. An attempt is made to study the following objectives through this paper

1. To study the growth of M-commerce
2. To find out the problems and issues with M-commerce in India
3. To study the challenges of M-commerce in India.

Keywords: m-commerce, e-commerce, mobile applications, advance technology, consumers

Introduction

Mobile commerce also referred as M-commerce is the extension of E-commerce. It was originally introduced in 1997 by Kevin Duffey at the launch of the Global mobile commerce Forum to mean "the delivery of electronic commerce/transaction capabilities directly in to the customers hand anytime and anywhere, via wireless network Technology ^[1]. M-commerce includes the purchase and sale of wide range of products and services such as online banking, bill payment and information delivery. They follow you were ever you go, making it possible to look for a nearby malls, restaurants and so on. M-commerce includes many applications, technology, services and business models ^[2].



Fig 1

Definition of m-commerce

Mobile commerce refers to a wide range of online business transactions for applications, goods and services. "The use of mobile devices to communicate, interact via an always-on high-speed connection to the Internet."

"M-Commerce is the use of information and communication technologies for the use of mobile integration of different value chains in business processes and business relationships." "Mobile Commerce is the use of mobile handheld devices to communicate, inform transact and entertain using text and data via a connection to public and private networks."

Objectives

1. To study the growth of M-commerce
2. To find out the problems and issues with M-commerce in India
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Literature Review

According to Sujata P. Deshmukh, Prashant Deshmukh 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 uses local language, this will not only ensure quickly adoption by the customers but also will be an instant success ^[3].

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 [4]. According to Tandon, Mandal, & Saha, M-commerce has explored and presented the possible problems in mobile commerce. They had tried to bring out the possible benefits and issues associated with this wireless technology.

Growth of m-commerce

The increasing adoption of E-commerce has provided a strong foundation for M-commerce. The number of smart phone users is forecast to grow from 1.5billion in 2014 to around 2.5 billion in 2018. It is estimated that nearly 36% of the world population is project to use smart phone by 2018 up from about 10% in 2011. In china the numbers of smart phone users is forecast to grow from 480 million in 2013 to almost 690 million in 2019. Around half of the Chinese population is projected to use smart phones by 2018. In united states, the people using smart phones is around 170 million in 2014 and expected to increase by 236 million in 2019.

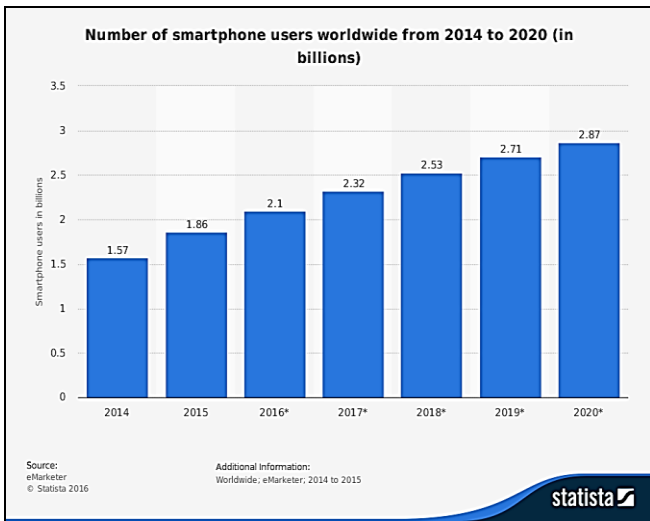


Fig 2

According to KPCB partner Mary Meeker’s 2015 internet trends report India is at an inflection point in term of internet penetration growth. It is the largest country in terms of new internet additions, adding 63 million internet users by the end of 2014. This is double of china which added 31 million internet users during the year. India seems to be the leader in the switch to mobile for E-commerce companies’ with mobile platform accounting for 41% total E-commerce sales in 2014. This report shows that Indian E-commerce leaders are also more mobile centric as compared to global leaders.

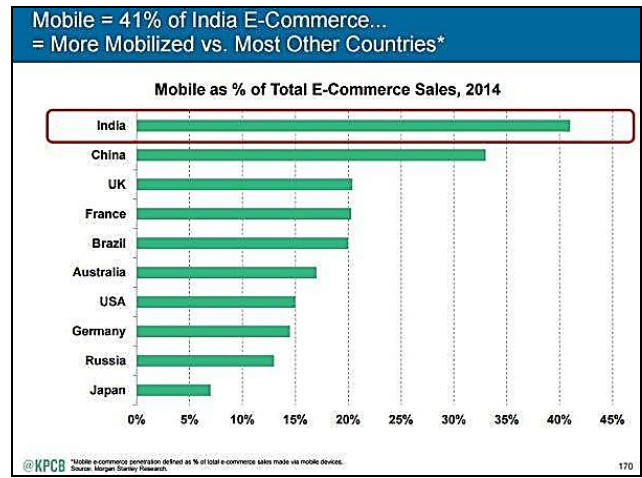


Fig 2

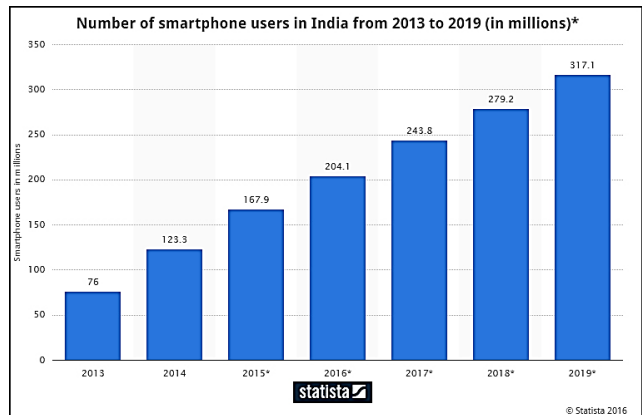


Fig 3



Fig 4

In India the smart phone users has increased from 76million in 2013to 204 million with a percentage of 37.25, and is expected to 317 million in 2019. Though there is a rapid growth of increase of smart phone, it is observed from the above data only 9 % are using M-commerce. The following factors are considered for rapid growth in M-commerce Speed M-commerce through mobile phones is becoming very fast and easier every day. It gives instant satisfaction for customers and allows business to create urgency and drive sales through the use of short term discounts.

- **Security:** All the transaction made by M-commerce technology are completely safe and secure. E-payment allow a fully interactive experience that can encourage business in between businesses and their customers.
- **Innovation:** M-commerce gives new applications and creative mobile payment solutions. In a rapidly-development market, it is an important to innovate as it is to simply keep pace with development elsewhere.
- **Affordability:** With Android devices ruling the mobile technology in India, many people even with low-income is able to afford a smart phone, which is then used as an internet device. According to IAMAI, 65 per cent of internet users are e-commerce customers ^[5].
- **Accessibility:** The retail outlets of big brands in Tier 2 and 3 cities are not much in existence. Hence, the online marketplace had become the gateway for many youngsters who want to buy their favourite brands of jeans and T-shirts.

Issues and challenges

Growth of mobile commerce in India is about 2% but we can able to increase this growth level if we take some appropriate steps for making some relevant policies and make factors more favourable for mobile commerce growth ^[6]. There are the some issues which directly or indirectly affects the growth of M-commerce adversely. Many of the issues faced by M-commerce are as follows: -

1. Wireless network coverage
2. Security issues
3. Technical mismatching among various devices (Wireless)
4. Lack of standard etc.
5. Slow access speed
6. High cost of phones

Many of the challenges faced by M-commerce are as follows

Lack of awareness

Most of the people in India are not aware of M-commerce. The Indian literacy rate is 74.04% still people are afraid to purchase things on line. Most of the people of India even does not know what they have with them and how to make the best use of it ^[7]. Even some of them feeling insecure while doing transaction through smart phone.

Low internet connectivity (2G, 3G)

It is acceptable that in India still the internet connectivity is under the dark room. The broad band connection is not accessible at many rural places.. For e.g. we can see that concept of 4G is introduced in the Pune & Bangalore but default is, rates are very high.

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.

Language Barrier

Most of the apps available are using the common language English. And many Indians are not so good at English. They generally prefer their own language. And till known there are

only few applications which are available in regional languages, hence Language becomes one of the major factor to purchase, hire and sell the product.

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.

Security

The speed of the internet does not allow the user to make the payment successfully. Fear of hacking and attack by viruses to the device is commonly seen in the user. While doing some transaction if anything goes wrong either we have to make payment again else our order remains pending and many times cancelled. 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.

ROPO

Research Online and Purchase Offline tendency of the people. In India huge number of people are using and buying using phones, many people still prefer viewing products and comparing online but they believe in feel and buy method as they don't want to involve in returning policies and all that.

People are technology lovers but not users

People like to carry good looking, big screen mobiles but they avoid making purchases when it comes to mobile phones. The reasons can be screen resolution and the catalogue presented to them does not give exact enlarged view of the products they are looking for.

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.

1. Affordability of mobile devices
2. Mobile internet connectivity
3. Mobile payments
4. Security
5. Low tariffs-high revenue
6. Proper Government policies

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