Full Length Review Article

M-COMMERCE: AN IDEAL GATEWAY TO WIN THE ONLINE CONFLICT. CAN IT REVOLUTIONIZE THE INDUSTRY?

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ABSTRACT

Fifteen years ago, for a product or a service to be eminent and in vogue, it was word of mouth; now it is word of mobile. E-Commerce is a global phenomenon, which brings people closer to the product. It's expected that as much as 80-90 per cent of the overall e-commerce traffic in India will start flowing through mobile devices. We have straight away taken the giant leap to M-Commerce as a result of globalization. In this paper, we have bolstered the fact that M-commerce is the future of E-commerce and the important role that Tier-2 and Tier 3 cities along with the rural hinterland play in E-Commerce.

INTRODUCTION

First it was Amazon India's 'Appiness Day' sale, where they offered discounts exclusively for shopping on its mobile application, then Flipkart ran its 'Big App Shopping Days' special discounts. In addition, to prompt the users to download its mobile application, Flipkart offered vouchers from Makemytrip.com and Meru Cabs, which was available in the company's website. The company had planned its app only sale much earlier. However Amazon was the first one to initiate it. As a result Flipkart is now getting traffic on its website from mobile devices, which is relatively higher during evenings and weekends. In fact, data reveals that a year ago, it was less than 10 per cent. Over the past one year there is an increase in growth in mobile applications. This online model has extended to Food Panda and The Internet Restaurant in India. People in this platform have an assortment of choices in products and services because of the online stores and this model has worked out to cover a wide range from innovators to the laggards

The banking sector

Soon the banking sector followed up to acclimate this model. Mobile banking has indeed revolutionized our banking habits.

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Now everything revolves around the click of a button. Banks are encouraging customers to use their mobile banking applications. However they may also look at looking at charging extra for customers visiting the branch and that might increase the mobile-banking penetration. People are likely to initiate critical transactions via mobiles rather than book fixed deposits. In a report on the Indian internet market, Citi Research report 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. It's the first time that internet users are getting there through their mobile phones.

M-Commerce is the buzz now

Seventy Five per cent of Indians have mobile devices: says census. Consequently, it has been a mobile-first market waiting to emerge, and the time has certainly come. Smart phones have shown healthy growth to reach over 117 million users in India and are expected to grow to 205 million by end of 2015. 3G subscriptions have grown considerably from 88 million users in 2014 to 173 million users in 2015. Both these data combined together will make mobile phones the optimal device to reach out to the customers. As customers are getting habituated to their mobile devices, one of the key patterns that arise is the intrinsic craving for instant gratification: I need something and I want it right away. This in fact is the vibrant

driving factor behind all successful mobile services and ecommerce is no different. After taking Tier 2 & Tier 3 cities into consideration, where a lot of variety may not be accessible in physical stores and the Smartphone may perhaps be the only device with internet access, the thump towards mobile commerce starts creating a lot more sense. The second driving factor for m-commerce is the convenience. The leading players in all e-commerce categories are at present getting over 50 per cent of their traffic from their mobile application, with this number as high as 80 per cent for specific categories. And we are just at the start of this revolution, with considerable growth opportunity. Imagine the day when Smartphone become so cheap that each of us is able to buy one. Make My Trip is keenly watching this space and are coming up with services that are accessible to only Smartphone users. The booking apps of these companies have mobile-only features like the offline e-tickets and hotels near you as a result of which they see higher hotels traffic and hotels transactions on mobile devices.

Nothing is unconventional

Everything which can be marketed or sold has opted the E-Commerce route. Starting from Groceries, Service Cabs, Tourism and most recently automobiles like Tata Bolt, the whole thing falls under the sunshade of E-Commerce. Food and service industry, is flourishing in the take away platform with the support of E-Commerce or the E-Portals. Dominos and the Internet restaurants are examples.

The powerful Tier2 and Tier3 cities

Tier 2 & Tier 3 cities majorly contribute to this growth. Many are leveraging this opportunity to connect with consumers better and grow the user base for the mobile app by having various shopping festival exclusively online. As customers are getting familiarized to their mobile devices, one of the crucial patterns that arise is the intrinsic craving for instant gratification: "Want at the click of a button" This is the vital driving factor behind all successful mobile services and ecommerce is no different. And when you start taking Tier 2 & Tier 3 cities into consideration, where a lot of variety may not be accessible in physical stores and the Smartphone may perhaps be the only device with internet access, the thump towards mobile commerce starts creating a lot more sense. The second driving factor for m-commerce is the convenience

Social media: The prime tool

How did E-Commerce succeed? When one ponders this question, the discounts and the wide range of products and services it offered. On further research, one finds that the way these players reached out to the consumers was through Social Media. The consumer was pulled into the platform to stay longer and if the visits were converted into transactions, particularly if the application development costs were taken off. In addition consumers who used and continue 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.

Across the villages

To elaborate on the lines of social media and smart phones, we conducted a field study. As a part of the study, Kannambakam a village in the Thiruvallur district was surveyed. This village has 312 houses of which 85% are built of concrete. The Major sources of income to the people of Kannambakkam is agriculture, diary business and job at Sri City: SEZ in Andra Pradesh. They commute by buses, share auto rickshaws and private vehicles, majority of which are two wheelers. Though the village is in the border of Tamil Nadu and Andhra Pradesh, Tamil is predominantly spoken. The village has been benefited by the services from Airtel and Sun Direct. Nearly all the houses in the village has a television, refrigerator, grinder, mixer and at least one two wheeler. Internet is used for paying the electricity bills, download Aadhar forms, online recharge and various other mobile applications by the youth of the village.

Average education level in the village is till 10th grade, however the school is only till 8th grade, which seems to be a major concern for the people living there. Peopleat Kannambakkam has good exposure to the outside world, latest technologies, newest of brands. They preferably talk Tamil. Men mostly wear shirts, trousers, and dhoti. Women prefer sarees. Every household has at least one mobile phone mostly a smart phone, of which majority of the phones are connected by Airtel service provider, as it is the only network with a very good network at the village. This leaves even the school children to get exposed and make use of smartphones to an extent, like using internet, playing games, etc. The people associated with the Panchayat are in a Whats App group, in which the administrator, the Panchayat president provides useful information to the people. By this the reach is wider and quicker.

Inference: It is straight m-commerce

Therefore going by our study, we imply that there is a huge potential for M-Commerce in India: in the forthcoming years. The online retail stores will evidently try to capture these untapped village customers. Flipkart, Myntra and Amazon are already evaluating the delivery logistics in such areas. Myntra has already taken the mobile only route, which will be followed by Flipkart as per the industry reports. When this trend is elaborated, it would eventually lead to a boom in globalization. People across the countries, even from rural villages can buy products at par with the others. Thereby, market penetration for the most liked products would be higher.

What would this lead to

The result of the above case is perceptive. Key points are listed below:

1.1. Consumers are closer

How can companies achieve such a leap? Customization is the key and it is amiable to one to one conversations. To expand the target users, brand consciousness will be crucial. So, the question is, how should companies plan? To begin with, they

don't duplicate the desktop experience on mobile phones. A notification system is followed through which the company sends information on new products and price drops to consumers. This kind of a push notifications works well for the fashion sector as fashion enthusiasts are forever on the lookout for the latest collections that are on offer. Consumers are making big ticket purchases these days, and this has radically 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 trend, predominantly over the mobile application. Mobile shopping in rural India will certainly pick up pace and a humongous market awaits the industry.

1.2. Personalization is the key factor

Certain categories are not for the small screen but there is scope for personalization. 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 kind of mobility will allow companies to tap 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 will be experiencing the internet services on the mobile devices.

1.3. Ease of search

'You have a question, you Google it'. What if we are offline? Property portal CommonFloor.com assists 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 region. This 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. Transaction time is reduced

Mobile is the best remedy for emergencies 40% of the 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 are optimistic to make its services even more modified by offering travelers a language option in addition to the option of sending travel-related queries by SMS. Taking into consideration the success of these mobile apps, Make My Trip has 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 and the villages

Conclusion

E-Commerce and globalization go hand in hand. From this study, we can bring a close understanding that there is something called the Globile boom - a term we may use to combine global& mobile, in the forthcoming years especially in India. There is no doubt that M-Commerce will felicitate that. However, PCs may not completely disappear. It's just that shopping is now closely associated via mobile devices in India. Moreover technology solely depends on how well we use it. And the fact of the matter is, we are undoubtedly cruising at a steady pace.

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