

IMPACT OF MOBILE PHONE USAGE ON GROWTH IN E-COMMERCE

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ABSTRACT :

Mobile phones have been considered as the most important means of communication being used by the people for personal and professional purposes. In this modernized world, the use of smartphones or mobile phones have gained huge attention in changing the business landscape concerning the e-commerce market growth in India. India has been known to be increasing with many mobile subscribers with the forecast of second largest mobile cellular market after China. This study has depicted the facts and factors that have supported the growth of e-commerce in India by the increasing number of smartphone users. The paper focuses on the advantages and disadvantages of using smartphones in e-commerce. The study also finds that most of the m-commerce customer are comparing the price variation while purchasing offline market and customer are secure more security for their payments of bills.

Keywords - E-commerce, Growth, Mobile phone, Online spending.

INTRODUCTION :

E-commerce (electronic commerce) is the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network, primarily the internet. These business transactions occur either as business-to-business (B2B), business-to-consumer (B2C), consumer-to-consumer or consumer-to-business.

The terms e-commerce and e-business are often used interchangeably.

The term e-tail is also sometimes used in reference to the transactional processes that make up online retail shopping.

In the last two decades, widespread use of e-commerce platforms such as Amazon and eBay has contributed to substantial growth in online retail.

HOW DOES E-COMMERCE WORK?

E-commerce is powered by the internet. Customers access an online store to browse through and place orders for products or services via their own devices.

As the order is placed, the customer's web browser will communicate back and forth with the server hosting the e-commerce website. Data pertaining to the order will be relayed to a central computer known as the order manager. It will then be forwarded to databases that manage inventory levels; a merchant system that manages payment information, using applications such as PayPal; and a bank computer. Finally, it will circle back to the order manager. This is to make sure that store inventory and customer funds are sufficient for the order to be processed.

After the order is validated, the order manager will notify the store's web server. It will display a message notifying the customer that their order has been successfully processed. The order manager will then send order data to the warehouse or fulfillment department, letting it know the product or service can be dispatched to the customer. At this point tangible or digital products may be shipped to a customer, or access to a service may be granted.

TYPES OF E-COMMERCE

Business-to-business (B2B)

Business-to-consumer (B2C)

Consumer-to-consumer (C2C)

Consumer-to-business (C2B)

Business-to-administration (B2A)

Consumer-to-administration (C2A)

Business-to-business (B2B) e-commerce refers to the electronic exchange of products, services or information between businesses rather than between businesses and consumers. Examples include online directories and product and supply exchange websites that let businesses search for products, services and information and initiate transactions through e-procurement interfaces. A Forrester report published in 2018 predicted that by 2023, B2B e-commerce will reach \$1.8 trillion dollars and account for 17% of U.S. B2B sales.

Business-to-consumer (B2C) is the retail part of e-commerce on the internet. It is when businesses sell products, services or information directly to consumers. The term was popular during the dot-com boom of the late 1990s, when online retailers and sellers of goods were a novelty.

Consumer-to-consumer (C2C) is a type of e-commerce in which consumers trade products, services and information with each other online. These transactions are generally conducted through a third party that provides an online platform on which the transactions are carried out.

Consumer-to-business (C2B) is a type of e-commerce in which consumers make their products and services available online for companies to bid on and purchase. This is the opposite of the traditional commerce model of B2C.

A popular example of a C2B platform is a market that sells royalty-free photographs, images, media and design elements, such as iStock. Another example would be a job board.

Companies and public administration or government bodies. Many branches of government are dependent on various types of e-services or products. These products and services often pertain to legal documents, registers, social security, fiscal data and employment. Businesses can supply these electronically. B2A services have grown considerably in recent years as investments have been made in e-government capabilities.

Consumer-to-administration (C2A) refers to transactions conducted online between consumers and public administration or government bodies. The government rarely buys products or services from individuals, but individuals frequently use electronic means in the following areas:

Social Security. Distributing information and making payments.

Taxes. Filing tax returns and making payments.

Health. Making appointments, providing test results and information about health conditions, and making health services payments.

ADVANTAGES AND DISADVANTAGES OF E-COMMERCE.

ADVANTAGES

Increased reach: E-commerce allows businesses to reach customers across the globe, without the limitations of physical distance.

Convenience: Online shopping allows customers to shop from the comfort of their own homes, saving time and effort.

Lower costs: E-commerce eliminates many of the costs associated with running a physical store, such as rent, utilities, and staffing.

Increased sales: E-commerce can lead to increased sales by reaching a larger customer base and offering personalized recommendations.

Data collection: E-commerce allows businesses to collect and analyze customer data, which can be used to improve marketing strategies and customer experiences.

DISADVANTAGES

Cybersecurity risks: Online transactions can be vulnerable to hacking and other cybersecurity threats, putting customer data at risk.

Lack of personal interaction: E-commerce lacks the personal touch that brick-and-mortar stores offer, which can be a disadvantage for some customers.

Shipping costs: Customers may have to pay extra for shipping, which can be a disadvantage for those who are price-sensitive.

Returns and refunds: Handling returns and refunds can be more complicated for e-commerce businesses, especially for products that are difficult to ship or require special handling.

Dependence on technology: E-commerce businesses rely heavily on technology, which can be a disadvantage if there are technical issues or system failures.

LITERATURE REVIEW :

Liran Einav, Jonathan Levin et al(2012) the study emphasis that they aim to document some early effects of how mobile devices might change Internet and retail commerce. This study presents some main findings based on the analysis of eBay that makes use of detailed data from eBay. Transactions on eBay account for a significant share of total Internet commerce in the United States, and eBay users appear to be fairly representative of the population of Internet shoppers. According to data from comScore, eBay had over 30 million unique smartphone visitors in July 2012 secondly they were the early adopters of mobile, and finally examine how mobile adoption has affected their shopping behaviours.

Ting-Peng Liang and Chih-Ping Wei (2020) proposes a fit-viability framework for assessing the likely success or failure of e-commerce applications the papers in this Special Issue address factors related to

the framework, and e-commerce applications in procurement and travel agencies, to demonstrate its value. The challenge when applying mobile technology to support business transactions is to determine whether a particular application is suitable for e-commerce or not.

Asghar Afshar Jahanshahi, Alireza Mirzaie et al the study emphasis that this paper provide an overview of the fundamentals about e commerce. The paper attempts to help the business organizers and managers and to those without IT background to understand the key elements and basic issues of e-commerce and to assess the impact of e-commerce on current and future businesses as well as to identify new business prospects. They look briefly into the situations of the mobile telephony market both in the world and India.

Z. NTOZINTLE JOBODWANA the study emphasis that the challenges in adopting e-commerce/m-commerce practices for economic development and competition in international trade. The liberalisation of the telecommunications sector on which e-commerce and m-commerce practices depend is being given priority by the majority of African governments. Despite advances in e-commerce and m-commerce practices in Africa, the growth of e-commerce and m-commerce has been slow. Challenges are identified and recommendation made on how to improve the regulatory framework and create economic development.

Palwinder Sandhu the study states that mobile phone adoption continues to grow. By 2012, it is expected that there will be 5 billion mobile phones worldwide. In many developed countries mobile phone penetration is well above 90%, so saying "everyone has a mobile phone" is very close to reality. 'Brands and agencies are being forced to change their advertising strategies to engage with consumers and create a dialogue, rather than simply push messages to them'.

Anup K. Ghosh and Tara M. Swaminatha the study states that one of the major wireless applications is Web access for retrieval of real-time information such as weather reports, sport scores, flight and reservation information, navigational maps, and stock quotes. While email will continue to dominate wireless applications, innovative online applications that, for instance, use location reference information of end users will drive new areas of mobile e-business growth.

Research Objectives :

The following are the research objectives :-

- 1.To analyse and present the trends in growth of mobile phone usage in India.
- 2.To analyse and present the trends in growth of E-commerce in India

RESEARCH METHODOLOGY :

The paper is empirical in nature. The data trends were presented in tabular form. Following analysis of data trends,. Secondary data was collected for the period 2015-2020 on e-commerce and mobile phone users from authentic and reputable sources. The type and source of data are as follows: E-commerce data in terms of market size was collected from the secondary source

Analysing the trends in growth of mobile phone usage in India

Currently, there are 1.18 billion mobile connections, 700 million Internet users, and 600 million smartphones, with smartphone ownership growing by 25 million per quarter. The National Health

Authority of India's chief executive, Ram Sewak Sharma, stated, "We have a strong connectivity basis now. With an average of 12 GB used per person each month, India uses the most data. In India, the smartphone penetration rate was 54 percent in 2020 and was projected to be 96 percent in 2040. By 2019, it is anticipated that there will be close to 2.7 billion smartphone users worldwide. Nearly a third of the world's population is anticipated to own a smartphone by 2017. China has quickly overtaken the United States, which previously held the top spot in the smartphone market, as a result of its rapid economic development. India's smartphone adoption rate is anticipated to surpass 28 percent by 2018, surpassing the U.S.'s 2011 adoption rate. In India in 2019, Xiaomi was the top-selling smartphone brand, followed by Vivo and Samsung. We have seen a fantastic increase in digital penetration over the last two years, and it has had a significant impact on how we live our daily lives. Physical restrictions brought on the Covid-19 forced smartphone developments to satisfy user demand. Smartphones are at the top of the evolutionary chain if change is the only constant.

Trends that will influence the future of smartphone experience-

We have seen a fantastic increase in digital penetration over the last two years, and it has had a significant impact on how we live our daily lives. Physical restrictions brought on the Covid-19 forced smartphone developments to satisfy user demand.

Smartphones are at the top of the evolutionary chain if change is the only constant. In addition to mid-range handsets with some high-end capabilities, luxury phones, affordable flagships, and modern ergonomics, smartphone manufacturers have made an unprecedented push for 5G access, better cameras, thinner designs, and more advanced ergonomics.

The smartphone market has changed completely to meet the needs of future customers as a result of growing social media OTT consumption while travelling, work and schooling from home, and the influence of content providers.

Let's look at some interesting trends that will likely dominate the smartphone industry in the coming times:

5G - What's next?

Customers and smartphone manufacturers in India are excitedly anticipating the 5G experience, creating an all-time high level of buzz surrounding the 5G spectrum. India's smartphone market is anticipated to reach US\$ 281 billion and develop with a CAGR of 10.5% by 2028, according to a recent analysis from Research and Markets. Moreover for the first time in India, according to a Counterpoint analysis, the market penetration of 5G equipped smartphones reached 51% at the beginning of this year, exceeding that of 4G handsets. Smartphone sales in CY2021 reached \$37 billion, and 5G shipping growth was over 600% year over year. Since 2021, there has been an increase in 5G adoption due to the recent growth in technological developments.

Adaptable/Foldable screens to be the new normal - BIGGER is always better!

Customers are increasingly demanding larger and sharper screens as smartphones replace other devices as the major means of consuming content. What was formerly thought of as a phablet has evolved into the new industry standard. Customers want larger monitors that are portable and have an ergonomic

design aesthetic. Foldable screens that offer the ease of a phone and the productivity of a tablet will become more popular.

Gaming smartphones becoming mainstream:-

The number of smartphones that place a high priority on performance is already rising exponentially. Brands are already focusing on Gen-Z to highlight their high-performing gaming-friendly features (battery, storage, and charging) while providing excellent optics. One of the biggest developments we can anticipate this year is the development of technologies to improve the gaming experience.

Trends in growth of E-commerce in India-

Since the first online retail store opened its doors in 1999, e-commerce in India has advanced significantly. The market at the time was tiny and dominated by the sale of music and books. However, the market has expanded and diversified over time to encompass a variety of goods and services.

There are many variables that have contributed to the expansion of the Indian e-commerce market. The growing use of smartphones and the internet in the nation is one of the most important aspects. In India, there will be 735 million internet users by 2021, according to an estimate by the Internet and Mobile Association of India (IAMAI). The growing accessibility of smartphones- has also contributed to the expansion of the market. The Indian e-commerce market is also unique in the sense that it is heavily driven by the sale of fashion and lifestyle products. In contrast, in other markets in the region, such as China, the e-commerce market is primarily driven by the sale of electronic products.

Retail trends to watch in 2023:

As the Indian e-commerce market continues to grow, a number of retail trends are expected to shape the industry in 2023. Some of the key trends to watch out for includes:

Growth in mobile commerce: In 2023, the Indian e-commerce market is predicted to have significant growth in mobile commerce due to the increasing use of smartphones. Retailers will therefore need to concentrate on giving their customers a flawless mobile shopping experience.

The rise of new payment mechanisms: it is anticipated to occur in the Indian e-commerce business. Examples include digital wallets and UPI-based payments. In order for retailers to stay competitive, they must be able to accept these new payment methods.

Beyond large metropolitan areas: As more and more people in Tier-2 and Tier-3 cities grow accustomed to online purchasing, it is anticipated that the Indian e-commerce market would expand outside of major metropolitan areas.

Social media sites like Facebook and Instagram are predicted to become important conduits for buying and selling by 2023. To take advantage of this expanding market, retailers will need to have a strong presence on these platforms.

Since its inception, the Indian e-commerce business has gone a long way, and in the years to come, it is predicted to develop much more. The main forces behind this increase have been the expanding use of cellphones and the internet, as well as the shifting preferences of consumers. New trends like mobile commerce, new payment options, and the expansion of e-commerce outside of large metropolises are anticipated to hit the industry in 2023.

Overall, the Indian e-commerce market is poised for significant growth in the coming years, and it will be exciting to see how the industry develops in 2023.

Conclusion :

The study finds that most of the e-commerce customer are comparing the price variation while purchasing offline market and customer are secure more security for their payments of bills. We have also highlighted the positive impact of use of mobile phones on e-commerce in India. we observed that mobile phones increase the connectivity and accessibility and help customers to access products and services. Mobile phones promote e-commerce when consumers think that the mobile devices are convenient to use. Studies have also identified some of the issues faced by the mobile commerce. These include differing standards in technology across the world, security, small screen, poor internet, lack of convenience and cultural issues. The area of mobile commerce has huge scope for growth and by improving on certain issues like privacy specially related to monitoring of location, it can increase the customer. The technological advances in future are likely to impact the use of mobile phones in e-commerce. The combination of wireless services and the internet will open up new and interesting options for the growth of mobile commerce. New technological modes like GPRS and i-mode are expected to drive the mobile commerce and the coming years would be very crucial for the growth and development of mobile commerce.

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