TRENDS IN MOBILE COMMERCE: BENEFITS AND FUTURE DEVELOPMENT IN BUSINESS

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Abstract

Electronic commerce typically lacks human warmth and sociability, since it is more impersonal, anonymous and automated than traditional face-to-face commerce. Nowadays, Information technology has been adopted widely in enterprises. It has been well acknowledged by most of scholars that IT is a powerful weapon enabling enterprises to get competitive advantage and transform their business. As the development of mobile communication technology, the development trend of online business is transferring from PC-Internet to Mobile- Internet, which is primarily reflected by the rise of M-commerce. In this paper, analyze the Characteristics, impact, trend, future development and advantage of Mobile commerce in business.

Keywords: Consumer, E-Commerce, Expectation, Impact, Smartphone, Loyalty.

INTRODUCTION

Mobile Commerce, or m-Commerce, is about the explosion of applications and services that are becoming accessible from Internet-enabled mobile devices. It involves new technologies, services and business models. It is quite different from traditional e-Commerce. Mobile phones impose very different constraints than desktop computers. But they also open the door to a slew of new applications and services. They follow you wherever you go, making it possible to look for a nearby restaurant, stay in touch with colleagues, or pay for items at a store.

As the Internet finds its way into our purses or shirt pockets, the devices we use to access it are becoming more personal too. Already today, mobile phones know the phone numbers of our friends and colleagues. They are starting to track our location. Tomorrow, they will replace our wallets and credit cards. One day, they may very well turn into intelligent assistants capable of anticipating many of our wishes and needs, such as automatically arranging for taxis to come and pick us up after business meetings or providing us with summaries of relevant news and messages left by colleagues. But, for all these changes to happen, key issues of interoperability, usability, security, and privacy still need to be addressed.

In particular, our Laboratory is researching new technologies and applying user-centered design principles in the development of solutions to reconcile context-awareness and privacy in mobile and pervasive computing environments.

Mobile commerce, also referred as m-commerce, is the use of wireless handheld devices such as cellular phones and laptops to conduct commercial transactions online. Mobile commerce transactions continue to grow, and the term includes the purchase and sale of a wide range of products and services, such as online banking, bill payment and information delivery.

Universe International Journal of Interdisciplinary Research
(Peer Reviewed Refereed Journal)

TRENDS IN MOBILE COMMERCE AND ITS IMPACT IN BUSINESS

1. **Enhancing the avenues**

   If the marketing leaders are keen on promoting emails on smart phone, communicating with companies through social media apps, customers anticipate comfortable network operations through the mobile devices.

   Michael Kopp, technology strategist and evangelist at Compuware APM Center of Excellence, says that he sees as five top mobile-commerce trends to watch for are:

   - "Mobile will be mainstream business and will grow to dominate client computing for e-commerce.
   - Native mobile apps will continue to prefer by consumers over web based applications because they are more responsive. While apps may be preferred, it is a mistake for companies to ignore mobile sites however, as mobile visitors tend to be situational – when an app is available on their devices, they will use it, but they will use the mobile web when an app is not available.
   - Windows 7 laptops will continue to dominate the workplace, and Apple will dominate the corporate tablet market. On the consumer side, it will be far more varied, with a slow steady adoption of Windows 8 on the laptop/desktop side and a fight between Apple and Google for the mobile market (tablets and phones).
   - Personalization will grow. Your mobile device will learn your habits and predict your next move to provide you with proactive services such as providing custom menus in restaurants that exclude foods you don't like or have allergies to.
   - Smart Tabs will do both well. Phones and smart tabs will continue to be dominant, but watch for new form factors, such as wrist devices, etc. While mobile is here to stay, the form factor will continue to evolve.

2. **Mobile as 'Point of Sale' device**

   Retail companies have embraced the mobile point-of-sale (POS) devices for the in-store transactions with employees as well as customers. 'Leaf' is a POS system where their clients have taken up tablets and smart phones for their in-store orders and other purchases.

   According to Drew Lewis, Leaf's Product Marketing Manager, "Mobile POS also provides small businesses with benefits that help improve their bottom line, such as accurate business reporting, improved projections and the ability to accept nearly any type of customer payment — not to mention that they can manage their employees and access sales data using any mobile device." They have also tried introducing 'mobile wallets' which enables your smart phone to make in-store payments without your credit card/ debit card.

3. **Using Mobile from the consumers perspective**

   Depending upon the mobile design, the statistics of less mobile purchases compared to a direct one will be able to shift only when the design is more responsive to the user, according to a survey.

   It was found that consumers found difficulty in entering credit card information since it was hard to read and doesn't guarantee any easy procedure, according to Seamas Egan, Manager of Revenue, Campaigner.

4. **Conversion to mobile app**

   Today, small businesses have come up with their own apps themselves but the conversion rates of the consumers to the app segment have put the cost ratio in a quantum. The rush to fill the mobile app market has grown very competitive while the performance was not

linked to favorable environment in terms of sales. For eg. From the app URL, one must connect to the purpose of completing the transaction.

M-COMMERCE IN 2018: FACTS AND STATISTICS

Since 1998, mobile commerce has been rising steadily. Twenty years have since passed, and we have got some impressive statistics on how shopping with smart phones looks today.

- As reported by Appjetty, 57 percent of mobile users would not recommend a web business if it has a poor user experience.
- According to statista's research, the share of mobile sales in the U.S. market is expected to continue growing. It was 34.5 percent in 2017 and this index is forecast to rise to at least 53.9 percent by 2021.
- Online shopping is one of the leading mobile software categories by the amount of times users spend on it.

No doubt, m-commerce is a very viable sphere for investments. This is not just the latest fashion – it is a long-term pattern changing customer behavior on a daily basis

MOBILE COMMERCE TRENDS FOR 2018

The explosion of mobile over the last few years has been staggering. By next year, the twenty billionth the mobile phone will be sold. And not only are there many more mobile devices, we're all becoming more reliant on them. In fact, 9 out of 10 consumers in the U.S. keep their phones within reach 24/7. This has significant ramifications for retailers, particularly for online commerce, where mobile commerce already accounts for 30 percent of U.S. e-commerce and is expected to grow 300 percent faster than traditional e-commerce.

1. Physical and online worlds will continue to converge

If your brand has a large U.S. audience, chances are good your customers are going to be engaging with you across devices. About ⅔ of Americans own at least two digital devices (a desktop, smart phone, tablet or laptop). And more than ⅓ own all three. And they're not only using multiple devices, they're also interacting with your brand in ways that are blurring the lines between the physical and online worlds

Retailers are highly aware of the overlap between online and physical channels. In response, they're offering an increasing array of online + in-store options, including:

- Curbside pickup, as offered by Target and Kroger's. Interestingly, brands like Target are partnering with third party apps like Curbside rather than using their own apps.
- Online reservation and purchase of goods and services such as the online reservation of clothes to then be tried on in-store at Sears or tire changing services at Pep Boys.
- Same-day delivery of items by a range of retailers including Macy's, Target, Wal-mart, Kohl's and Nordstrom.
- Beacon-enabled features including targeted offers, loyalty rewards and mobile payments. 85 of the top 100 retailers are planning to adopt beacon technology by the end of 2017. And Business Insider expects beacons to have a direct influence on over $44 billion in US retail sales in 2018.

Whether its in-store-first technologies like beacons or online-first services like curbside pickup, it's clear 2017 will be a year in which retailers will leverage technologies across the digital and physical channels to offer their customers the best of both worlds in one seamless experience.

2. Social commerce will remain hot, but will buy buttons deliver

There is a very strong connection between social media and mobile.
In the realm of retail, social media is a significant force.

- In 2014, the top 500 retailers earned $3.3 billion from social shopping.
- Social shoppers are spending more money online than ever before.
- And social-driven retail sales and referral traffic are increasing at a faster rate than any

other online channels.

2016 was a big year for social commerce, with the launch of buy buttons on Twitter, Pinterest, Instagram and Face book. Though Pinterest, for example has 60 million Buyable Pins, buy buttons have yet to gain wide traction on any social platform, turning in a lackluster performance over the holidays.

However, given the importance of social in terms of both traffic and revenue to m-commerce sites, social buy buttons – and whether they gain a foothold with consumers or not – will be an important trend to watch in the coming year.

3. The mobile web will continue to outpace apps

Over 85 percent of mobile time is spent in apps. That's pretty staggering. A quick glance at this number would indicate that offering an app is an imperative in 2018. But if you dig one level deeper, it gets really interesting: 8 out of every 10 minutes of app time is spent solely in an individual's top 3 apps. Across industries, the web drives 2x the site traffic of apps. In fact, of the top 30 U.S. retailers only two – Amazon and Wal-Mart drove more than half of their visits via their apps. As for revenue, only about 20 to 30 percent of a retailer's mobile sales come from their app, according to Forrester Research. It's not surprising therefore that Forrester's "The State of Retailing Online 2017" report found that 56 percent of retailers said mobile apps would not play a major part in their mobile strategy. To be clear: apps can certainly play a key role in retailers' mobile strategies, particularly for their most loyal customers. And thanks to deep linking and Google App Indexing surfacing relevant app content in mobile search, traffic to apps will surely increase in 2018. In fact, already 40 percent of Android searches turn up app-indexed results. But given its clear leadership over retail apps today, the mobile web will no doubt continue to eclipse apps as the biggest revenue driver for retailers in the coming year.

4. Consumer expectations will drive retailers to focus on mobile moments

Consumers rely on their smart phones during countless mobile moments throughout the day. In fact, 91 percent use their smart phones while completing another task. And as they become more reliant on their mobile devices, consumers expect to get exactly what they need in the moment they need it. This mobile moment's mindset presents retailers with unprecedented opportunities to engage their customers on mobile. Whether consumers are pulling out their smart phones to conduct a product search over breakfast, using the store locator feature to swing by a retail location after work or pulling up a scan able rewards card at the register – mobile moments enable brands to provide their customers exactly what they need in their immediate contexts.

One challenge for many retailers is that popular approaches for adapting desktop experiences to mobile, such as responsive web design, fall short when it comes to delivering contextual experiences.

To keep up with their customers' needs during their mobile moments, retailers which are relying on responsive design to deliver their mobile experiences will need to solve for the limitations of responsive – for example by applying mobile experience optimization (MEO) on top of their responsive sites.

But regardless of the technology they use, in 2017 we will see more retailers focusing on creating mobile experiences that deliver exactly what their customers need in their immediate contexts.

5. Loyalty will eclipse convenience in driving mobile payments

Tim Cook of Apple declared 2016 the "Year of Apple Pay" when the service launched in October 2015. Yet one year later, it only accounted for about 1 percent of total transactions in the U.S. Mobile wallets in general have been slow to take off. One historical challenge was not all retailers accepted mobile wallet payments. But even today, with 1 million merchants, accepting

Apple Pay for example, and the mass upgrade to EMV compliant terminals (which means many more vendors in 2018 will be accepting mobile wallet payments than ever before), most consumers will not start using Apple Pay and Android Pay.

The challenge is mobile wallets do not offer enough incremental convenience to shift user behavior – at least not in the next year. A far more significant shift for mobile payments in retail in 2017 is being driven by retailers themselves: mobile payments via retailers' apps. Starbucks already drives 16 percent of its total transactions from payments via its mobile app.

Wal-mart also recently launched its own payment system, Wal-mart Pay. And Target, according to Reuters, is planning to develop its own mobile wallet as well. The success of retailers' mobile payments, and where they can succeed where mobile wallets have struggled, will lie in the connection with their customers via loyalty rewards tied into their payment apps. The Starbucks app, for example, will automatically let you know how many times you've visited a Starbucks for coffee and when you're due for a free cup. Of course only the largest retailers with the most loyal customer base will really see a significant impact from mobile payments in the coming year. And mobile wallets, if they can integrate loyalty rewards would challenge retailers' apps.

But the story here isn't one of one retailer's apps versus another – or even retailers' apps versus mobile wallets. It's about the customer and improving the mobile customer experience. And while most retailers won't see many of their customers paying via mobile payments in 2017, mobile payments will experience some growth in the coming year. In fact, e-Marketer expects mobile payments to grow 210 percent in 2017.

6. IOT still chasing full potential but wearable poised for growth

The Internet of Things (IoT) offers companies the opportunity to increase revenue; lower operating costs and provides more relevant customer experiences. Gartner expects that in 2018, 6.4 billion "things" will be connected to the Internet – a 30 percent increase from 2016. The IDC forecasts worldwide spending on the IoT will reach $1.32 trillion by 2020.While it will take some years before the IoT reaches its full potential, one much-talked about IoT trend in 2018 will be wearable. E-Marketer forecasts a 61 percent growth in wearable's ownership in 2018, with 63.7 million wearable users in the U.S.

Wearable, particularly smart watches, represent an array of opportunities for retailers to engage their customers and provide better customer experiences. A few include:

- Coupons and rewards: the wrist is an ultra convenient place for shoppers to pull up coupons and rewards at the register. Kohl's Apple Watch app, for example, enables its users to scan coupons, loyalty rewards, and Kohl's Cash during checkout.
- Flash Sales: smart-watches are the perfect medium for providing consumers with a quick nudge that requires immediate action. Flash sale retailer Rue La La's smart-watch app for example notifies its members when a sale is about to begin.
- Mobile payments today, hands-free tomorrow: today, customers can use their Apple Watch to pay for their purchases via Apple Pay. In the future, they could walk in, pick up what they want and simply walk out – a "hands-free" shopping experience with the entire journey completed through the wearable device.
- One-finger shopping: it's generally acknowledged that wearables are best suited for brief, shallow interactions like receiving notifications. It is possible, however, to offer a one-finger shopping experience. Amazon has an app that allows Apple Watch owners to search for a product via Siri, scroll through their options, then purchase with a single click. The launch of the Apple Watch in April 2017 is largely regarded as a legitimization of the smart-watch market, making 2018 a pivotal year for wearable.
- Google with its Android Wear is also betting on the wearable's market. However, as of Q3 2015, not a single Android Wear manufacturer made the top 5 wearable's vendors, according to IDC and Apple Watch already has 2.5 times the apps available, which may well give the Apple Watch the competitive edge in 2018.

But no matter how it plays out between the brands, 2018 will be a year of milestones, both for the IoT in general and for wearable in particular, providing retailers with myriad more ways to engage their customers.

7. The growth of mobile will force brands to optimize mobile checkouts

Retailers are losing $18 billion annually due to shopping cart abandonment and research shows over two out of three users who add items to their online shopping cart leave without making a purchase. The numbers are even worse on mobile where conversion rates are 70 percent lower than desktop. However, 2017 was a pivotal year for mobile shopping. This holiday season, for example, mobile played a bigger role than ever, with a 45 percent increase in mobile traffic and 82 percent increase in revenue. In fact, smart-phones generated over 57 percent of traffic and nearly 30 percent of revenue over the holidays and with mobile commerce expected to grow at a rate 300 percent faster than traditional e-commerce, more brands will focus on implementing a seamless checkout experience in the coming year.

LIST OF TOP TRENDS TO WATCH FOR M- COMMERCE IN 2018

- Physical and online worlds will continue to converge
- Social commerce will remain hot but will buy buttons deliver?
- The mobile web will continue to outpace apps
- Consumer expectations will drive retailers to focus on mobile moments
- Loyalty will eclipse convenience in driving mobile payments
- IoT still chasing full potential but wearable poised for growth
- The growth of mobile will force brands to optimize mobile checkouts.

Some, like the IoT and beacon technology, have substantial long-term potential and will see notable growth in 2018; but they will not reach the tipping point of mass adoption in the coming year. All of these trends, however, will generate some buzz in the coming year and more importantly, they will all create unique opportunities for brands to provide their customers with better mobile experiences in 2018.

FUTURE DEVELOPMENT IN   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 2013, some ecommerce sites (like Amazon) 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 percent of smart- phone 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.

The last big trend, by far, is the rise of tablet commerce. Much of it has to do with the nature of tablets themselves. With their larger screens and portability, tablets make it easier to navigate mobile ecommerce websites. These features make it no surprise that 55 percent of tablet owners use their tablets for online shopping, whereas only 28 percent of smart-phone owners shop on that device. Furthermore, tablets in general are growing in popularity. Studies showed that in 2013, about 29 percent of adults owned a tablet, compared to 13percent in 2012. These factors combined have led people to envision a bright future for tablet commerce. According to e-Marketer, tablets commerce is predicted to reach $ 24 billion in 2013 and make up for more than 9 percent of all online sales.

With all its growing clout, m-commerce is the rising star of the ecommerce world. By understanding it and keeping tabs on where its going, business owners put them in the best position to take advantage of all m-commerce has to offer.

ADVANTAGES OF MOBILE COMMERCE
- Cover wild distance
- Consumer deals
- Savings
- Easy to use

DISADVANTAGES OF MOBILE COMMERCE
- Smartphone limitation
- Habituate
- Risk factor
- Connectivity

CONCLUSION
People live fuller, mobile lifestyles these days. They value convenience and have a lot of things that they want to do. They are comfortable with e-Commerce and willing to transact over the mobile to simplify their lives and optimize their time. , this article analyzes Trends in Mobile Commerce and its impact in business, advantage. With the development of mobile communication technology, M-commerce as a kind of new business model is rising up. M-commerce business model is an effective way for firms to achieve competitive advantage.

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