

# Impact of M-Commerce Technologies on Developing Countries

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## ABSTRACT

M-commerce is defined as any transaction with monetary value that is conducted via a mobile telecommunication network. M-commerce like E-commerce can be B2B (business to business), P2P (person to person) or B2C (business to customer) oriented. The framework divides into couple sub areas based on user's distribution criterion. Mobile E-commerce addresses electronic commerce via mobile devices, where the consumer is not in physical or eye contact with the goods that are being purchased. On the contrary in M-trade the consumer has eye contact with offered products and services. In both case the payment procedure is executed via the mobile network.

**KEYWORDS:** M-commerce, E-commerce, telecommunication

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## INTRODUCTION

Today there are more mobile phones than fixed-line telephone access through-out the world, and the industry still shows a strong growth momentum. Wireless subscription is expected to grow to 1.3 billion by 2004. The mobile technology standards and business strategies. In developing countries there is hope that the digital, the gap in technology and infrastructure, will be history once access to communication and the internet is established and available to every citizen. Current studies and literature on the advancement of digital technology and its impact on developing countries allow us to witness just the beginning of this digital revolution (Aronson). The impact this revolution is imposing on developing countries is multidimensional:

- Traditional businesses such as telecommunication carriers will have to revise their business model and incorporate innovation as a core company in order to succeed and survive this revolution.
- Governments will need to adjust their approach for taxation and revenue stream in order to compensate for the tidal wave of privatization and dealing with the freedom and evolution of the internet.
- News laws and legal infrastructure will become a key necessity in order to lead and manage rather than control and suppress the digital revolution.
- Society will be transformed by changes in both social framework and inherently changes in social structure, status and norms.

These are a few of the key elements surfacing in response to the digital revolution and the fast paced evolution of mobile technologies. Many organizations are set up to help developing countries narrow the digital and deal with the changes detailed above. There is visible evidence of successful countries will continue to "leapfrog" years of wired technology and infrastructure, but they will not be able to "leapfrog" the social and political changes that will result from this digital revolution and the adoption of innovative technologies and business models.

## Review of literature:

Mobile computing infrastructure consists of the following major components: mobile devices, mobile computing software and services, and wireless telecommunications networks. More m-commerce business is attempting incorporate business intelligent and information systems technologies into their application to provide additional functionalities. For example, m-commerce business utilizes location-based services (LBS) which are to provide services based on customers' location is a given time. More and more people are using mobile devices for their personal and business purposes, m-commerce businesses have large amount of customers, transactions and devices information available to them, which deserve attention and require in-depth analysis.

One of the challenges of m-commerce is to precisely determine the customer's location and physical space due to the dynamic nature of the mobile communication. In m-

commerce, location based service is largely adopted, together with global position systems (GPS) and geographical information systems (GIS), m-commerce business are able to identify their customers' physical location when they are using their mobile devices. For example, with LBS, GIS and GPS, UPS already provides its customers with wireless options for tracking items.

In supply chain management (SCM), mobile commerce could help with warehouse and inventory management such as establishing just-in-time inventory management that helps to optimize the organization's inventory level. Enterprise resource planning (ERP) systems integrate all the business process into one centralized systems; m-commerce applications could benefit ERP systems in mobile environments. Mobile banking is another application that is made possible by the m-commerce concept, where mobile devices can play a powerful role. Mobile banking is gaining popularity and acceptance as consumers discover the utility it provide and the secure nature of the platform.

### M-COMMERCE IN INDIAN CONTEXT

According to internet and mobile association of India, the m-commerce market size is reported to be moving from Rs.9500 cr. to Rs.15000 cr. by 2010. Telecom Regulatory Authority of India (TRAI) states that 30% of the land area in India is covered by m-networks. In retail m-commerce revenue in India from 2015 to 2020. In 2015, mobile retail e-commerce sales in India amounted to 6.02 billion U.S. dollars and are projected to reach 37.96 billion U.S. dollars in 2020. That year, total retail e-commerce sales are set to generate 79.41 billion U.S. dollars in revenues. The subscribed include 300 million (13%) of the Indian population. Many big names like Tata, Reliance and Bharti are in the telecommunication arena. Also India is the second largest mobile handset market in the world. Nokia, Qualcomm, Sony, Motorola have their establishments in India. Other big companies are on their way to setting up base in India.

### RESEACHER FRAMEWORK:

The model proposed that here are difference factors that might have influence on consumers' perceptions of the mobile commerce development in china. Those factors are users' age, gender, background, economic level, and education level, and education level. The perceptions of the, m-commerce development were measured by consumers' opinion on whether incorporate different types of BI and IS applications would help increase business efficiency.

### OBJECTIVES OF THE STUDY:

This study is to contribute to our knowledge on how developing countries are taking advantage over the proliferation of mobile phones and personal data assistance (PDA) in commercial transactions. In particular, our interest would be on how this emerging business model is being used to enhance the business activities of people in deprived areas and small scale entrepreneurs. The study would seek to analyze and evaluate the level and rate of m-commerce adoption and diffusion in the country.

### STATEMENT OF PROBLEM:

- The barriers and other challenges affecting the penetration of m-commerce in the country.
- The challenges facing stakeholders (mobile network providers, service operators, Government and users) of m-commerce in the country.

- The difficulties in adoption and practices and its socio-economic impact on the small scale business in the country.

### METHODOLOGY:

A descriptive study was taken up to impact of m-commerce technologies on developing countries this study required data to be collected from secondary data. Secondary data was obtained from publications, journal, books, newspapers, website etc.

### ANALYSIS:

M-commerce technologies applications are already a reality but in order for developing countries to partake there must be reform in the banking systems. Many of the citizens in developing countries, especially in rural areas, do not hold a bank account. This is a battier for the growth of mobile services since they rely on established accounts to solidify relationships with their customers. One of the alternatives has been the growth of the prepaid calling plans; but those users do not benefit from the same security and legal protection as those with an established relationship with a bank and a service provider. Investments in mobile and wireless technologies must be complemented with investments in education and health, issues such as illiteracy, lack of health care services and other basic human services must be addressed in order to improve the lives of those living in developing countries. Mobile and wireless technologies are not the panacea for all those issues, but rather the enablers for developing countries to narrow the gap and improve the lives of their citizens.

### CONCLUSION:

While e-commerce continues to see phenomenal growth in India, mobile commerce is still in its infancy. But, both the business world and the telecommunications industry are starting to see m-commerce as a major focus for the future. Indian private public sections in telecommunications industry are competing hard to capture more and more mobile market share. As wireless network grows, it is expected that emerging wireless and mobile networks will create new trade models from mobile operators and provide new avenues for growth in m-commerce, offer new applications to consumers and business in India. M-commerce is an interesting and a very recent addition to the way that modern business enterprises conduct business. It will become a new frontier for e-commerce in the near future and it can bring many business opportunities because of its unique characteristic and positive impact in many business sectors.

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