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A Study on Customer Perception on Impact of Mobile Commerce

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Abstract

Mobile Commerce was first introduced in 1997, at the launch of the Global Mobile Commerce Forum by Kevin Duffey. Mobile Commerce has gained increasing acceptance amongst various sections of the society in previous years. The reasons for its growth can be attributed to technological and demographical developments that have influenced many aspects of the sociocultural behavior in today's world. The growth of mobile commerce applications is remarkable and more consumers are transferring to mobile commerce to achieve better and fast transaction in India. Worldwide market for mobile commerce in the year 2018 is expected to be \$800 billion. In US, 2015, over 950 million people accessed shopping websites via mobile apps alone. By 2017, the total number of apps to be downloaded worldwide might reach to 270 million leading to revenue of approximately \$42 billion.

Introduction

Growth of Mobile devices has been one of the most important developments in the retail over the recent years. The mobile phone popularly known as a cell phone or simply cell has become our communications centre, our digital diary and entertainment gateway, primary source of all types of media consumption, our electronic wallet and our gateway to realtime information customized to all our needs. In the last few years there had been immense growth in wireless technology. This growth has changed people to do business through Mobile commerce. Failing to provide a mobile app might just be endangering the business itself, in the light of growing popularity of Mobile commerce. According to co-founder of the online men's retailer J. Hilburn, "Ecommerce and Mobile Commerce have dramatically changed the way brands reach customers, making it faster and easier for consumers to make purchases on the fly while avoiding the hassles of going to the store". Consumers are increasingly accessing the online world through mobile devices, so it is very important for the business people to use it as the business strategy with growing modern technology. Statement of Problem The evolving success of mobile communication is transforming the e-commerce into Mobile commerce, and the users of mobile devices are considered as a large group of potential market Angst and Wilson (2005). According to Lu et al., (2003) the prediction about the wireless environment can be stated as the future of wireless Internet has already arrived, but simply at different places at different points in time. Need for the Study the mobile cellular market is the fastest growing market regarding subscriber numbers and popularity in India. The substantial increase of the mobile users is linked with greater adoption for mobile commerce in India. As the Internet started to proliferate in many parts of the world, the mobile phone penetration also grew rapidly. With the development of wireless and mobile technologies, Mobile Commerce is expected to make a substantial impact on the business. Mobile commerce is quite popular in the developed countries, but in India, it is in a nascent stage and yet to take off. At present, Indian users indulge in mobile purchases for low-value transactions such as entertainment services, games, and music downloads. The convergence of the two fastest growing industries - the internet and the mobile communication - has led to the creation of an emerging market for mobile commerce. Although the mobile commerce market is relatively young, mobile online shopping is rapidly reaching a critical mass of businesses and individual users. Mobile commerce now represents 34% of the world's e-commerce transactions - a figure that is expected to rise to 47% by 2018. Scope of the Study An attempt has been made in this research focusing on Customers" Perception on Impact of Mobile commerce, the key drivers that drive consumers, how consumers have adopted Mobile commerce. The purpose of this research is to determine the factors influencing Mobile commerce adoption by the customers. The study will analyze how the demographic factors like education, gender and income play an important role in the usage of Mobile commerce in Chennai city among existing mobile users. Limitations of the Study this study is restricted to Chennai metropolitan city only. The behavior of the people belonging to rest of Tamil Nadu may not be alike. Perception of the people is dynamic in nature and may change over period of time, change in Government policy, Regulations etc., Objectives of the Study The specific objectives of the study are To study the socio-economic and demographic variables among mobile commerce service users in Chennai .To identify the level of awareness of mobile commerce service users. To examine the use of mobile commerce services

Review of Literature

Martin (2012) studied antecedents and determinants for mobile commerce specified the slow speed of service and the limited screen size of mobile devices as the main hindrance for adoption of mobile commerce expansion. The difficulties because of constraints of mobile devices diminish the potential uses of mobile commerce. The users of mobile commerce receive partial and inadequate information due to the mobile terminals restrictions. Martin contended that how a firm is perceived to perform in mobile commerce is contingent on the extent to which its activity fits mobile business, technological competence and customer value for the firm. Tendon et al., (2012) explored the possible issues in mobile commerce and discussed the challenges associated with wireless technology protocols like GPRS, WAP, UMTS. The pros and cons of various network technologies Issues such as GSM, GPRS, etc. and service technologies Challenges such as WAP, 55 J2ME, etc. have been evaluated by the authors. Mobile commerce issues relating security, bandwidth and business have also been addressed regarding the mobile wireless technology. Thacker et al., (2013) in their study in India investigated the factors influencing the adoption intention of mobile commerce based on constructs from the technology acceptance model and innovation resistance theory.

Research Methodology of the Study

Research methodology adopted for this study is explained in terms of Research Design, Sources of Data, Sampling Design, Selection of Sampling Area, Sampling Technique and Sample size calculation as given below. Research Design This research is descriptive study in nature. A Descriptive research is concerned with conditions, practices, structures, differences or relationships that exists, opinion held, process that are going on or trends that are evident. The overall plan for the conduct of this research to find out the answers to the research questions and the hypotheses formulated, during the initial stages is explained in Research Design. It also includes the sampling technique to be adopted, the collection of data through various instruments, Statistical tools deployed for data analysis and interpretation. Percentage Analysis percentage is a number or ratio expressed as a fraction of 100. It explains the portion of the population satisfying a particular criterion. The representative share of the sub sets within the demographic variable such as Gender, Age, Occupation, Rank your maximum purchase, Ticket booking are analyzed using percentage analysis. Data Analysis and Interpretation The well framed questionnaire is used to elicit the required data regarding customer perception on the impact of mobile commerce. The collected data were analyzed and interpreted for understanding the impact of mobile commerce. The analysis is carried by using descriptive statistics and inferential statistic. Descriptive statistics (Elaine Lawrence et al., 2004) are brief descriptive coefficients that summaries a given data set, which can be the representation of the entire population. Descriptive statistics are broken down into measures of central tendency and measures of variability or spread. This study is used to find out the agreement the factors included regarding examining the adoption of mobile commerce. This includes a demographic profile of the respondents, level of awareness of mobile commerce, usage of mobile commerce services, responses regarding factors influencing mobile commerce services, and problems of using Mobile commerce application. Inferential analysis (Liyi Zhang et al., 2012) makes inferences about the population based on a sample of data. It helps to identify the impact of independent variables on the dependent variables. Descriptive Analysis Demographic profile of the respondents Level of awareness of mobile commerce Usage of mobile commerce services The following Table No. 4.1 describes various demographic profiles of the respondents namely Gender, Age, Occupation, Rank your maximum purchase, Ticket booking within Chennai.

TABLE 1. Demographic Profile of the Respondents

Demographic variables		Frequency	Percentage
Gender	Male	38	38.76
	Female	64	65.28
Age	Less than 20 Years	68	68.68
	21-30 Years	20	20.2
	31-40 Years	9	9.09
	41-50 Years	4	4.04
	Above 50 Years	0	0
Occupation	Student	76	77.52
	Employed	20	20.4
	House wife	2	2.04
	Business	4	4.08
Rank your maximum purchase	Cash	25	25.5
	Credit	16	16.32
	E- Commerce	18	18.36
	M- Commerce	43	43.86
Ticket booking	By mob cashed	35	35.7
	By Going counter	38	38.76
	By private company	12	12.24
	By black market	17	17.34

Source Primary data Inference: i.38.76% of the respondents are Male, and 65.28% of the respondents are female. 68.68% of the respondents belong to less than 20 years age group. One-third of the respondents belong to 21 – 30 years age group (20.2%). 4.04% of the respondents belong to age group 41-50 years and 9.09% of the respondents belong to 31-40 years age group. Only 0% of the respondents belong to above 50 years age group. It shows that younger generation is towards mobile commerce. (77.02%) of the respondents are students. (4.08 %) of the respondents are business, and 20.04% of the respondents are employed. (2.04%) of them are homemakers. 25.5% of the respondents are cash. (16.32%) of the respondents are credit card, and 18.36% of the respondents are E-commerce. 43.86% of the respondents are M-commerce. 35.7% of the respondents are mob cashed. 38.76% of the respondents are going counter. 12.24% of the respondents are private company. 17.34% of the respondents are black market. Finding It is observed that majority (77.02%) of the respondents have two to four students. Students and employed respondents have invariably adopted Mobile commerce. Almost rank your maximum purchase is 43.86%. It is found that Android type of Smartphone is used most in the market, followed by windows type. It is observed that majority of Chennai customers are using a pre-paid type of connection from the service provider. During the study period, it is found that more than half of the respondents" network provider is Airtel and about 23% of the respondents are using BSNL. It is found that majority (43.10%) of the respondents spends less than Rs.300 per month for mobile. 34.40% of their monthly usage is between Rs.300 - Rs.500. Study result reveals that even if the Bank is near to their residence, they are using mobile commerce application for their convenience. Recommendations Majority of Chennai customers are using a pre-paid type of connection and Android type of Smartphone. Any Business promotion shall target prepaid customers in android platform so that the reach is the maximum instantly and bring positive results. It is evident from the study that the parameters such as speed, user friendliness, easy to use and compatibility are major influencing factor for the adoption of mobile commerce services. Future mobile app will be successful if the above criterion is duly addressed.

Conclusion

Mobile commerce has attracted the attention of both practitioners and academics. In particular, research activities on mobile commerce have increased significantly after 2000. The transition from traditional model of commerce to ecommerce and now to mobile commerce was led by the retail segment. Industry sources indicate that digital commerce accounts for a fraction of the total sales of retail industry. This indicates there is a huge potential for mobile commerce, which is yet to fully explore the segments, especially finance, health, entertainment and on-demand services.

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