

Rise of Mobile Commerce Business Modernizing Ecommerce business with personalization and transparency

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Abstract

E-commerce is the new-age business strategy to engage users online. As the time spent on mobile devices is doubled year on year, every prominent brand is trying to grab the attention of online users. Despite the industry and business verticals, E-commerce has changed the face of online sales and marketing methods. This paper focuses on next-generation shopping experience Mobile Commerce (M-Commerce) and its impact, exponential growth by 2020 and beyond.

Keywords: M-Commerce, E-Commerce.

1. Introduction

Regardless of the size and scale, every business face challenges in reaching and nurturing customers. Especially in the current technology-driven market, it's quite challenging for businesses that rely on legacy operations and traditional marketing methods. Being a business owner or CEO, you need to think ahead in leveraging the latest technology tools to have a competitive advantage.

With the advent of latest technologies and online platforms, most of the users are spending their time online. In light of reaching and nurturing customers, businesses are leveraging e-Commerce applications to grow their business. With the rise of smartphones, eCommerce has changed the landscape of online businesses in personalizing brand promotions and marketing. Furthermore, mobile applications have changed the way a user interacts with a brand and does shopping. To stay competitive, eCommerce businesses building intuitive mobile apps to maximize their marketing efforts and increase ROI.

India is experiencing exponential growth in internet users and smartphone users in recent times. This will further raise the chance of eCommerce business and create numerous opportunities in the retail industry. Most of the global eCommerce giants focus on the Indian market because of its potentiality and rise in new-age customers. By 2020, e-commerce sales are expected to total \$79.41 billion.

2. What is Mobile Commerce?

M-Commerce, a term coined by Kevin Duffey back in 1997, stands for mobile commerce and has been the rising start of e-Commerce for the past decade. Mobile commerce allows retailers and consumers to sell and buy products online from smartphones. Having a distinct mobile commerce strategy often what makes your business stay competitive and drive sales growth. Global eCommerce retail giants like

Amazon, Flipkart, Alibaba, eBay, and more have their mobile applications to lead the marketplace[1]. Mobile retail e-commerce sales in India were estimated to be valued at nearly 38 billion U.S. dollars by 2020. Despite its nascent stage in India, mobile commerce (M-commerce) is making significance in driving online sales and customization[7].

3. Real-time challenges of eCommerce businesses:

Every business has its own set of challenges, and the E-Commerce business is no longer an exception. Especially the eCommerce consumers are delicate and never stick with a brand if they encounter any challenges in terms of quality, delivery, and accuracy. Make sure your business is always ahead in leveraging technology and on top of customer expectations. On the other hand, poor customer service, lack of product information, improper product delivery would hurt business opportunities and trust among consumers.

Here is the list of pain points that most of the eCommerce businesses face with the evolving technology disruptions and customer expectations.

- Not enough information
- No guest checkout
- Slow page speed
- Hidden fees and expensive shipping
- Outdated eCommerce platforms
- Poor on-site product search
- Poor customer service
- Personalized offers and products

4. Why Mobile commerce (M-commerce) gained attention?

Everyone knows that eCommerce and mCommerce businesses are growing hand-in-hand. With the rapid adoption of smartphone and business-specific mobile applications, many retailers have gained a lion share of the online marketplace. M-commerce offers personalized customer approach, fast, and effective communication between the service provider and consumer[11]. Furthermore, the M-commerce business is considerably transparent and affluent than traditional brick and mortar retail business. It saves time to find products, shop, and eases return policies.

4.1 Mobile devices growth:

Many smartphone makers are leading the global market with their future-ready designs and top-notch features. According to the International Data Corporation's (IDC) Asia/Pacific Quarterly Mobile Phone Tracker, the Indian smartphone market saw the highest-ever second-quarter shipment of 36.9 Mn in 2019. The Indian market witnessed a 9.9 % year-on-year (YoY) and 14.8% quarter-on-quarter (QoQ) growth. In 2019, the import of smartphones took a jump of 7.6% with around 69.3 Mn mobile phones being shipped to India.

4.2 Dedicated Mobile applications:

Instead of grappling with web applications, all the leading service providers are coming up with dedicated mobile applications. A dedicated mobile app can serve a few specific operations to meet customer expectations and enrich their experience[2]. Furthermore, mobile applications will make shopping more enjoyable and comfortable. A feature-rich mobile app will aggrandize your sales and establish direct communication between your business and end-user.

4.3 Global exposure and faster purchase:

Mobile applications will project businesses globally. Users can access and avail services anywhere and anytime around the globe. With M-commerce applications, users can discover products across the globe and can buy their products online without visiting nearby stores[1].

Mobile apps will drive users to make decisions easily and quickly compared to web applications. Users can get the omnichannel experience regardless of the platforms.

4.4 Personalized offers:

With the latest mobile applications, business owners can track user search patterns and offer them personalized discounts. This will further reduce marketing efforts to reach and nurture customers. However, personalized offers will drive more sales rather than a generic approach. Mobile apps embrace push notifications features that make customers on the same page with brands every time.

5. Data analytics

Businesses empowered with data analytics will have a competitive edge over others. The latest mobile apps embrace data analytics features that keep track of historical data and help in forecasting sales[4]. Thus, the business owners can plan production and keep inventory to enrich customer experience. Furthermore, data analytics will help in reducing wastages, under and over inventory maintenance, improves the quality, and time to market. Brands can push the latest information to grab the attention of users.

5.1 Reduced marketing efforts

With traditional marketing methods, it is quite challenging to target a specific region, age, or gender. Whereas, mobile commerce strategies will help businesses in prioritizing and catering audiences according to their search and previous buying habits. This will significantly reduce the time to market and saves unforeseen expenditure. Business owners can place their Ads and reach targeted customers to improve sales further.

5.2 New customer acquisition and retention

Customer acquisition and retention are the major challenges for traditional businesses. Especially, rule-based marketing methods may not empower customers to subscribe to a brand. On the other hand, millennials and Gen Z consumers are expecting continuous communication and updates from business brands. Having a mobile app for your online retail business will establish a seamless and continuous connection with customers[1]. Moreover, it is easy to share mobile apps instead of a web application. This will acquire more customers, and you can retain them with a personalized approach.

6. Future of mobile commerce business: Stats in 2020 and beyond

Mobile commerce is the next big thing in the online retail industry and eCommerce business. It grows faster than we expect and ensures the best customer experience in less time[2]. According to appinventiv, here are the future trends of mobile commerce (M-Commerce) business.

- 49% of consumers use smartphones for shopping globally.
- 61% of Americans rely on their smartphones to compare prices.
- 41.32% of conversion is observed because of the mobile applications.
- 2.11% of conversions are made by iOS, followed by 1.81% by Android.
- \$ 2.3 Trillion of mCommerce transactions are made in 2019.
- 1 Billion users used coupons worldwide in 2019.
- Mobile commerce industry is expected to generate revenue of \$ 3.56 Trillion by 2021.

7. Conclusion

If you have a business setup and are lagging behind your counterparts, then it's time to rise and think about developing a mobile app for universal exposure. M-commerce is the next big thing in the e-retail industry. With the rapid growth in smartphone usage and digital transformation, M-commerce would lead the way of shopping with utmost security and joy. And, the future of mobile applications further enhanced by Augmented Reality (AR), Virtual Reality (VR), Artificial Intelligence (AI), and the Internet of Things (IoT) to make mobile commerce more secure and efficient.

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