Transition From E-Commerce To M-Commerce: A SWOT Analysis

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Abstract

E-commerce is one of the top growing businesses in India and provides a great market potential for investments, foreign investors are funding e-commerce sector. The rise of mobile technology has led to a significant shift in consumer behaviour from eCommerce to M-Commerce. This shift has had a significant impact on businesses, as they must adapt their strategies to meet the changing needs and expectations of consumers. The study concludes that this article may help the stakeholders of the industry to see the opportunities and future trends available to them. This paper also makes them aware of threats in using this system so that an ecosystem can be developed that will be less risky and more beneficial to its users

Key words: e-Commerce, m-commerce, smartphones, e-tailors, information, technology, digital, internet, strengths, weakness, opportunity, threats

INTRODUCTION

E-commerce (electronic commerce) is the activity of electronically buying or selling products on online services or over the Internet. E-commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems. E-commerce is the largest sector of the electronics industry.

E-commerce actually goes back to the 1960s, when companies used an electronic system called the Electronic Data Interchange to facilitate the transfer of documents. It wasn't until 1994 that the very first transaction took place. This involved the sale of a CD between friends through an online retail website called Net Market.

M-commerce, also known as mobile commerce, is the buying and selling of goods and services via mobile devices such as smartphones and tablets. Mobile commerce uses wireless networks and mobile apps for conducting business is referred to as mobile commerce. Consumers can shop, make transactions and access online services at any time and from any location, providing unprecedented convenience and accessibility.

Mobile shopping apps like Amazon and eBay, mobile payment apps like PayPal and Apple Pay, food delivery services like Uber Eats and mobile banking apps are a few examples of m-commerce.

REVIEW OF LITERATURE:

1. **Heil, Daniel and Prieger, James E(2009)[1]** made a study to identify how e-business changes the volatility and complicates measurement of growth. E-business can bring down inflation, but also exacerbates some monetary and fiscal policy challenges, and raises new ones. While e-payments and e-money can complicate monetary policy and may alter its goals, little effect has been seen to date.

2. **Dr. Rajasekar, S. and 2Sweta Agarwal (2016)[2]** it is observed that Growth of e-commerce depend to a great extent on effective IT security systems for which necessary technological and legal provisions need to be put in place and strengthened constantly. While many companies, organizations, and communities in India are beginning to take advantage of the potential of e-commerce, critical challenges remain to be overcome before e-commerce would become an asset for common people.

3. **Dr. C.Vijai and Dr. N. Vijayakumar (2017)[3]** The present study concludes that M-Commerce is implemented through mobile applications. People are using mobile applications instead of web application for utility bill payment, ticket booking, fund transfer, email and so on. Thus M-Commerce is replacing E-commerce.

4. **Dr. Subhash Masanappa Suryawanshi (2017)[4]** in the present study it is observed that outcome of a review of various research studies carried out on E-commerce. The present study has been undertaken to analyze the present trends of e-commerce in India & examine the challenges & opportunities of e-commerce in India.

5. **S.Srinivasan (2017)[5]** The present study analyses the role of trust from the transaction perspective. On the security side, features that provide authentication, integrity, and non-repudiation are discussed. Digital signature is another aspect that would enhance security and help build trust and discuss the security features with the goal towards building trust.

6. **Khosla, Madhurima & Kumar, Harish. (2017)[6]** made a study conducted by global management consultancy firm AT Kearney in 2015, there were only 39 million online buyers in India; a tiny fraction of the 1.2 billion who live in the country.to explore the evolution of e-commerce in India and identifies various challenges to as well the factors responsible for the future growth and development of e-commerce.

7.   **Dr.K Kanchana(2018)[7]** The present study concludes that m-commerce uses applies various attractive offers, Product availability, Payment system, Social Influence, Mobile Anxiety, Personalized experienced and Time-saving are the main factors that influence women to shop through m-commerce. Towards the end, general suggestions are offered for secured use of mobile commerce and mobile apps.

8.   **S.Balamurugan (2020)[8]** It is observed mobile commerce (M-commerce) is growing rapidly as a stable and secure supplement to the e-commerce industry. Shopping online through smart phones is proving to be a game changer and industry leaders believe that m-commerce could contribute up to 70percent of their total revenue with the rapid expansion of internet, e-commerce is set to play a very important role in the 21st century, the new opportunities that will be throws open, will be accessible to both large corporations and small companies.

9.   **Vipin Jain, Bindoo Malviya, Satyendra Arya (2021)[9]** The present study concludes that the vast quantity of business information made accessible by global network that facilitates the gathering of information between firms, a corporation, its clients and the various divisions of a business is increasing exponentially. The information-based virtual value chains for any company cannot be overlooked operationally or strategically. This review article discussed the aspects of electronic commerce including its importance, facilitators, benefits, challenges and scope in the Indian market.

10.   **Dsouza, Prima and Nayak, Priyanka and reddy, Bhuvana,(2021)[10]**The study is undertaken to know the development and modernization of digital business process management principle, as well as the intricate performance of all structural elements of the food business, including information and computer technological progressions, all helps in contributing to the firms' catering processes that are carried out efficaciously.

Research Gap

The review of literature points out that the studies are based on development and modernization of digital business, quantity of business information through networks, security and authentication for E-commerce and E-business etc. hence, the study is undertaken to know the growth, current trends and SWOT analysis from e-commerce to e-business.

Objectives of the study

1.   To know the growth and types of E-Commerce and E-business

2.   To study the current trends of transition from E-commerce to M-commerce in India.

3.   To study the strengths, weaknesses, opportunities, and threats in the transition from e-commerce to M-commerce

Sources of Data

The study is based on secondary data. The Secondary data sources include Research Publications, Newspapers and Websites.

Types of E-commerce

There are 6 different types of e-commerce businesses, each of which caters to different business models.

1. Business-to-Business (B2B)

A B2B model of business involves the conduct of trade between two or more businesses/companies. The channels of such trade generally include conventional wholesalers and producers who are dealing with retailers.

2. Business-to-Consumer (B2C)

Business-to-Consumer model of business deals with the retail aspects of e-commerce, i.e. the sale of goods and/or services to the end consumer through digital means. The facility, which has taken the business world by storm, enables the consumer to have a detailed look at their proposed procurements before placing an order.

3. Consumer-to-Consumer (C2C)

This business model is leveraged by a consumer for selling used goods and/or services to other consumers through the digital medium. The transactions here are pursued through a platform provided by a third party, the likes of which include OLX, Quickr, etc.

4. Consumer-to-Business (C2B)

A C2B model is the exact reversal of a B2C model. While the latter is serviced to the consumer by a business, the C2B model provides the end consumers with an opportunity to sell their products/services to companies

5. Business-to-Administration (B2A)

This model enables online dealings between companies and public administration, i.e. the Government by enabling the exchange of information through central websites. It provides businesses with a platform to bid on government opportunities such as auctions, tenders, application submission, etc.

6. Consumer-to-Administration (C2A)

The C2A platform is meant for consumers, who may use it for requesting information or posting feedbacks concerning public sectors directly to the government authorities/administration.

Growth of E-commerce in India

India's e-commerce industry is growing rapidly, and is expected to reach a value of $350 billion by 2030. Here are some of the key trends in India's e-commerce sector:

➢ **Market size**

India's e-commerce market is the fastest growing in the world, and is expected to reach $350 billion by 2030.

➢ **Online retail**

Online retail in India accounts for 25% of the total retail market, and is expected to grow to 37% by 2030.

> **Online grocery**

The online grocery segment in India is expected to reach $27 billion by 2027.

> **Number of online consumers**

India is the third largest group of online consumers in the world, with 289 million.

> **Popular categories**

The most popular shopping categories in India are electronics and apparel.

> **Government initiatives**

The Government of India has launched initiatives like Umang, Start-up India Portal, and Bharat Interface

for Money (BHIM) to boost digitization.

> **Online Network for Digital Commerce (ONDC)**

ONDC has created an open network where buyers and sellers can connect directly, empowering small businesses.

> **Government e-Marketplace (GeM)**

GeM has played a pivotal role in facilitating government procurement. Some of the top e-commerce

companies in India include: Flipkart, Amazon India, Meesho , Myntra,
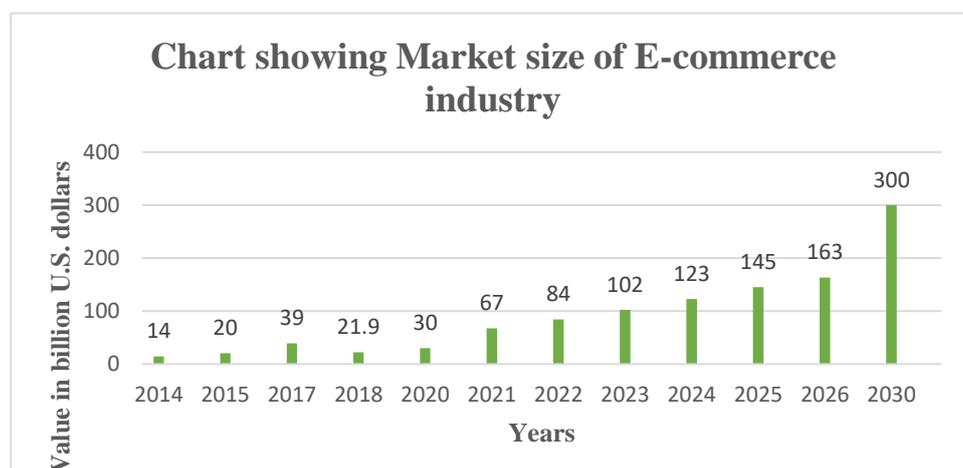
Tata CLiQ, IndiaMart, ShopClues,Snapdeal, FirstCry, and Nykaa.

Table-1

Table showing market size of E-commerce industry

Year	Market size (in us billion dollars)
2014	14
2015	20
2017	39
2018	21.9
2020	30
2021	67
2022	84
2023	102
2024	123
2025	145
2026	163
2030	300

Source: www.statista.com

Chart-1

Chart showing Market size of E-commerce industry

Growth of M-Commerce in India

Mobile commerce, or m-commerce, has been growing rapidly in recent years. In 2023, m-commerce sales reached $2.2 trillion, accounting for 60% of global e-commerce revenue. Some predict that m-commerce will continue to grow, with the global m-commerce market reaching $1.45 trillion in 2024 and $1.99 trillion by 2029.

Small and big companies alike may benefit from M-Commerce. Because of the vast and growing number of people who own and use cell phones, there is an expanding market for a wide variety of products and services.

Types of M-commerce

There are three types of M-commerce they are as follows:

1. Mobile Shopping

Mobile shopping refers to the act of purchasing goods or services online using a mobile device such as a smartphone or tablet. With the rise of eCommerce and the widespread use of mobile devices, mobile shopping has become increasingly popular in recent years. It offers numerous benefits such as convenience, flexibility, and accessibility, allowing consumers to shop anytime and anywhere.

2. Mobile Banking

Mobile banking, also known as online banking, refers to the practice of performing banking transactions through a mobile device such as a smartphone or tablet. Mobile banking allows users to check their account balances, transfer funds, pay bills, and even deposit checks without having to visit a physical bank branch.
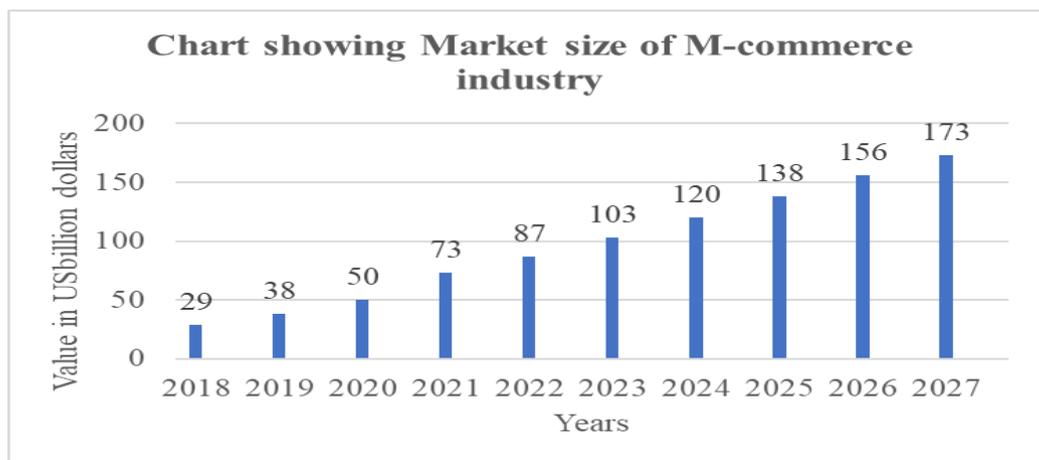
3. Mobile Payment

Mobile payment is the use of a mobile device to make transactions for goods or services. This technology has revolutionized the way we pay for things, allowing us to buy products and services from virtually anywhere, at any time. Through mobile payment platforms, users can securely store their credit card or bank account information on their device, making transactions quick, easy, and convenient.

Table-2
Table showing market size of M-commerce industry

Year	Market size (in us billion dollars)
2018	29
2019	38
2020	50
2021	73
2022	87
2023	103
2024	120
2025	138
2026	156
2027	173

Source: www.statista.com

Chart-2

Chart showing Market size of M-commerce industry

73 87 103 120 138 156 173

29 38 50

2018 2019 2020 2021 2022 2023 2024 2025 2026 2027

Value in USbillion dollars

Years

SWOT ANALYSIS

The strategic planning method is used to evaluate the four important aspects. Strength, weakness, opportunity, threats involved in a business venture or in a project is SWOT analysis. It helps to identify the both, external and internal factors in which some are favourable and some are unfavourable in achieving the objectives for identifying the threats and weakness in E-commerce and M-commerce.

Strengths

- **Accessibility:** Unlike traditional shopping with limited hours and locations, e-commerce offers 24/7 accessibility. Consumers can browse, research, and purchase products from the comfort of their homes at any time. This convenience surpasses even teleshopping, as the internet has become the preferred platform over TV, radio, and print media.

- **Lower Prices:** Generally, online shopping offers lower product prices compared to brick-and-mortar stores. This is because e-commerce often involves direct transactions between sellers and consumers, eliminating middlemen like distributors. Additionally, e-commerce stores have lower overhead costs than physical stores that require rent, utilities, and employee salaries.

   There are four factors on which strength of M-commerce is based:

   1) Online access for a portion of the world's population

   2) Anticipated ubiquity of devices

   3) Location sensitivity of the device

   4) Authorization and authentication capabilities

Weaknesses

- **Industry Specific:** While e-commerce offers convenience and a wider selection, it removes the physical experience of shopping in a physical shop. Customers can't try on clothes, feel the texture of fabrics, or get personalized recommendations from salespeople. This can be a drawback for products that rely heavily on these aspects and can lead to difficulties in assessing quality and suitability for certain customers.

- **Cyberattacks:** A notable weakness in the e-commerce industry is the significant vulnerability to cyber-attacks and data breaches. This weakness poses serious risks as e-commerce platforms store sensitive customer information, including personal and financial data. The occurrence of data breaches can lead to

severe consequences, such as loss of customer trust, financial penalties, and reputational damage. Customers need assurance that their data is safe, and any breach can deter them from future online purchases.

- The major weaknesses for wireless communication are:

1. Lack of digital identity

2. Lack of data security

Opportunities

Expanding Market: The e-commerce landscape is set for significant growth, driven by a rapidly increasing consumer base. While developed nations already enjoy high internet penetration, a vast untapped market remains in developing countries. As affordable electronics become more accessible, millions of new potential customers will enter the online shopping sphere, leading to a substantial increase in e-commerce sales

Influencers: Social media influencers show off immense power in today's connected world. These online personalities, boasting massive followings, can become potent marketing tools for e-commerce businesses. With social media deeply integrated into our daily lives, influencers are shaping how products are discovered and purchased. E-commerce stores are perfectly positioned to leverage this trend by partnering with relevant influencers to reach new audiences and drive sales.

Flexibility: People have flexibility of purchasing the things through mobile and they can also book ticket on it. By sending periodic alerts, paper catalogues can be replaced. Service of directly payment made to the seller's bank and through a credit card company also. Coupons and loyalty cards can be used by retailers. Traffic information results, sports schedule, news alerts, stock market reports are available through mobile platforms. To adopt a fast and easy adoption of technology, open and neutral infrastructure is created and it provides better opportunities.

Threats

Competition: The ease of starting an e-commerce business, once seen as a major advantage, now poses a challenge. While it encourages new ideas, it also results in a market flooded with competitors. The worldwide presence of e-commerce giants raises concerns about the possible emergence of monopolies. Instances like Amazon driving local bookstores out of business show how powerful companies can push out smaller competitors, reducing consumer options and potentially hindering innovation. For individual businesses, this means intense competition for market share, brand recognition, and customer loyalty.

Privacy: E-commerce's reliance on digital payments creates a double-edged sword. While it fuels convenience, it also attracts fraudsters who exploit stolen credentials and anonymous methods to steal goods. Businesses must combat this with robust security, fraud detection, and constant adaptation. Further complicating the landscape are data concerns. Trust is paramount online, and leaks can severely damage brand reputation and customer loyalty. Managing the complexities of data privacy laws like GDPR adds another layer of challenge, requiring continuous compliance efforts. In case of M-Commerce Privacy risk and mobile commerce security, Mobile middleware security risk, Wireless user infrastructure security risks, Mobile application security risks.

Findings of the Study

1. India's e-commerce market is the fastest growing in the world, and is expected to reach $350 billion by 2030.

   2. The Mobile Commerce Market size is expected to reach $173 billion by 2027

   3. The Government of India has launched initiatives like Umang, Start-up India Portal, and Bharat Interface for Money (BHIM) to boost digitization.

   4. The online grocery segment in India is expected to reach $27 billion by 2027.

   5. People have flexibility of purchasing the things through mobile and they can also book ticket on it and sending periodic alerts, paper catalogues can be replaced.

   6. The most popular shopping categories in India are electronics and apparel.

Conclusion:

Conducting a SWOT analysis provides e-commerce businesses with a strategic roadmap for success. It involves a deep dive into brand strengths (unique selling points, loyal customers), weaknesses (limited resources, slow website), opportunities (emerging trends, new markets), and threats (fierce competition, economic downturn). Analyzing these internal and external factors is crucial for companies that need to develop plans to build on their strengths, and minimize threats. Regularly reviewing this analysis keeps strategies relevant and ensures the flexibility of the e-commerce brand in a dynamic marketplace in case of M-commerce we should be very carefull regarding the risk and we should followsecurity methodss.

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