

Quadrant II - Notes

Paper Code: COG138

Module Name: Advantages and Disadvantages of M- Commerce

Advantages of M-Commerce

1. Provides Easy Store Access

M-Commerce makes easy to discover the products available in the market by utilizing wireless devices. With mobile commerce, customers need not travel to the store to purchase their needs, rather, they can buy their products online. So, this decreases their effort, money and saves their time. In addition, one of the advantages of mobile commerce is that you can continually make updates and deliver your eCommerce site better than ever before.

2. Better User Experience

User experience really matters in eCommerce. Today, people are well familiar with how smartphones and tablets work. And the customers are already know how to navigate to desired products in several clicks. Additionally, the customers sharing their enjoyment of acquired goods with friends, or request for advice from a community of compulsive shoppers. Therefore, a smooth user experience equals better conversion rates & income.

To succeed in your eCommerce business, your mobile app should be:

- Fast
- Convenient
- Interactive
- Exclusive

3. Cost Reduction and Productivity

Through reaching your customer faster with a mobile app you certainly reduce marketing campaign expenses. So, the mobile apps decrease the costs of SMS messages, paper newsletters, and brochure. If your eCommerce app has social_commerce integration, customers will do their part too in spreading the word. Besides, you can earn from placing ads within your app later on.

It also simplifies client communications by utilizing secured, instant and direct messages. Moreover, it has cut down the crew workload as they don't have to send information requests and phone calls anymore.

4. *Attracts New Consumers*

In eCommerce, there is always the potential to bring in new consumers. An optimized eCommerce website is not just one that holds your existing customer base, but it's also one that attracts new buyers who come over your online store and find it appealing. Besides, mobile searches are one of the essential ways that consumers are going to discover your website and the higher the chances are that you will get more business.

Additionally, mobile re-targeting, which displays ads to those who have recently visited your eCommerce website to attract them to go back and buy items they looked at, can be a hugely helpful tool for your business.

5. **Reduced need for skilled consumers:**

mobile commerce reduces the need for the consumer to have certain skills (e.g. be able to use search engines or online checkout processes)

Disadvantages of M-Commerce

1. It requires technology access.

If a customer doesn't have a mobile device, then they aren't going to be part of the m-commerce experience a business provides. Even if a mobile device is owned, it must be capable of retrieving company information, providing product or service information, and transmitting a sales order for it to be a successful experience. If an app is used, these must be downloaded and upgraded to provide information access.

2. It offers a lack of personal touch.

Despite inviting graphics, in-depth product descriptions, and consumer discounts, brands must be careful when using mobile commerce. The first impression of a mobile website or app tends to become the foundation of customer reviews that are left. These reviews last forever, which

means companies need to get that first impression right as often as possible. Because there is a lack of personal touch, there are fewer opportunities to reverse an initially poor experience.

3. It requires the app or website to be working.

If you're trying to sell something through m-commerce, then your uptime percentage is going to be a key metric. If your platform crashes or cannot be accessed for some reason, then you're not going to be generating any sales. Even something as simple as a temporary surge in traffic can be enough to take some platforms down. You must plan for the worst-case scenario here, then be ready to implement your measures immediately should something happen.

4. It requires faith in the product.

Even with augmented reality technologies hitting the m-commerce sphere, consumers are not able to try most products before purchasing them on this platform. Consumers might receive the product, discover it is not right for them, and then not have a way to return it for a meaningful refund or replacement item. Unless there is a clear, concise, and valuable return option (or a try before you buy option) available to consumers, some products and services will see potentially lower returns than they do with in-person sales.

5. It is a highly competitive marketplace.

Because m-commerce creates a global marketplace, the amount of competition you have for your products or services is enormous. There's a good chance that you'll be competing with several businesses around the world who do the exact same thing you do. Although you might be the only provider in your community, the build-up of sales from mobile commerce can require a lot of time. Consumers must find your quality through the white noise of everyone else saying they can do the same thing.

6. Risk factor

Each business has its own risk. Same Mobile commerce is the growing field and a lot of investment in this field is become risky. Because technology change day by day. Moreover, there less security in wireless network, so in data transfer hacking chances are more.

7. Smaller screens

The smaller and less vivid screens of mobile devices give less of an opportunity for retailers to sell products with eye-catching images and graphic design. In fact, the amount of marketing collateral that can be delivered is reduced