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IMPACT OF MOBILE COMMERCE IN RURAL AREAS

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ABSTRACT

Developing countries are striving towards the objective of overtaking the developed world by capitalising on the massive expansion in the number of people using mobile phones. In recent years, wealthier nations have been gradually embracing mobile commerce, while poorer nations can be seen moving towards this goal. There is a significant disparity between the number of individuals who connect to fixed lines of communication and the number of people who use mobile phones in the majority of developing countries. The consumer may take advantage of a number of special benefits that mobile commerce provides, including immediate access, localization, customisation, data portability, and connectivity. In addition to this, mobile commerce is also driving a revolution in the operational methods that firms use to conduct their daily operations. The capabilities and opportunities of mobile commerce in industrialised nations are significantly different from those in less developed ones. This difference is both big and important. Studies on the sociological and economic implications of mobile commerce have been conducted in industrialised nations for the most part. This is the case for the bulk of the studies that have been conducted. This project's major purpose is to explore the influence that mobile commerce has on the economic activities and wealth growth of communities that are primarily engaged in farming and fishing in rural locations. Specifically, the study will focus on agricultural and fishing communities.

KEY WORDS: Mobile Commerce, Rural Area, Customisation, Localization, Opportunities.

INTRODUCTION

The “United nations of America, developing nations, and the international community” are today confronted with one of the most serious issues that they are currently facing, which is the fight against business development among the world's most destitute and least developed

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countries. Due to the widespread nature of poverty in a number of nations, it is imperative that academics make concerted efforts to develop ideas and approaches that draw from a variety of disciplines in order to solve this urgent matter. The rate of growth that the information and communication technology sector is experiencing right now makes it very necessary for researchers and other stakeholders to investigate the potential implications that these technological developments might have on the alleviation of poverty as soon as possible. As a result of the fact that it contains a significant number of the world's developing nation, India is widely considered to be the continent with the level of poverty. As a result of globalisation, the global economy, and the influence of the information age, which is typified by "information and communication technologies (ICTs)", impoverished nations will unavoidably face new problems, according to Kofi Annan, the Secretary General of the United Nations. According to the report on E-Commerce and Development 2022 published by the United Nations, the number of people using the telephone throughout the world increased from fifty million in the year 2001 to more than twenty one billion in the year 2022, surpassing the growth of fixed lines overall. As of the year 2024, more than forty six percent of the world's population will be in possession of a mobile phone, and more than ninety percent of nations had mobile phone coverage. It was a phenomena that was observed all over the world by the year 2000, when there were around one hundred countries in which the number of mobile phone users exceeded the number of subscribers to fixed-line phones. There has been an astonishing increase in the number of people using mobile phones in countries that are considered to be impoverished, and this trend is fast expanding on a worldwide basis. The usage of mobile phones has been fast increasing in developed nations up until very recently, which has led to a widening inequality in internet access among these nations (UNDP, 2022). Nevertheless, there is a discernible change in the way things are now standing. The development of wireless communication has made it easier for telephone services to extend throughout many developing countries. This has made it possible to provide wireless data services, which are crucial for mobile commerce. People in India are becoming more reliant on mobile phones as their primary means of accessing the internet and other forms of electronic communication. This trend is expected to continue. It was estimated

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that there were 300 million people using mobile phones in the Asia-Pacific area by the middle of the year 2002. By the middle of 2002, China had more than 170 million mobile telephone customers, and it was estimated that by 2025-2026, it would have over 1.18 billion users. This would make China the country with the highest number of mobile telephone users in the whole world; in the same manner India will be having 1.6 billion users respectively (G. Srinivasan 2004).

CONVENTIONAL AND MOBILE TRADE

Significant repercussions have been brought about by the information revolution with regard to the production and purchase of economic value. The process of acquiring and comprehending data is made easier by the many different ways in which information may be organised and valued. The transition from an industrial economy to an electronic economy is a stunning and substantial leap in economic development. There is a growing trend towards the internationalisation of markets. Land, labour, and capital are no longer the primary factors that determine value; instead, knowledge has taken their place. The proliferation of intelligent networks and virtual environments is reducing the demand for travel by land and air. This trend is expected to continue in the close future. Collaborators from a wide variety of fields are coming together. At the moment, we are living in the contemporary period of the "click here" economy, which is also commonly referred to as the electronic economy. Electronic enterprises are businesses that are able to transmit value in a digital format, such as money, commodities, services, or information. Digital enterprises are also known as digital businesses. Within the context of the electronic economy, these are the entities that are heavily involved in conducting business via Internet. On the other hand, conventional businesses are referred to as "brick-and-mortar companies" and are considered to be members of the "old-economy." However, businesses that rely on the Internet for their commercial operations are now considered to be constituents of the "New-economy". According to Seeth Seethram and Reno Bosetti (2018), the Internet is bringing about a fundamental change in the character of economic interactions by doing away with the distinctions that previously existed between distributors, producers, and

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suppliers. According to their point of view, there are a number of different methods that may be utilised to break the connection that exists between potential buyers and sellers, and the idea of a linear channel is fast becoming outdated. In the future, market makers, seller agents, buyer agents, context providers, and fulfilment enablers will take the role of traditional intermediaries including wholesalers, distributors, and warehousers, according to proponents of this concept. This is because the vast majority of commercial transactions now take place inside a multidimensional network that is both transparent and seamless.

CONCEPTS UNDERLYING SOCIAL AND TECHNOLOGICAL TRANSFORMATION

The method in which humans adjust to and make use of new technology gives rise to a number of important concerns. In addition, there are a great deal of concerns over the distribution of duties among the federal, state, and municipal entities that are accountable for the formulation of strategies for technological advancement and the enforcement of administrative laws that will control the implementation of these strategies. Cherns A.B. (1987) and Churkland P. and Scholes (1999) are responsible for the development of three socio-technical concepts that are especially significant for the provision of mobile commerce services and applications. These concepts are as follows:

- Maintaining adherence to the principle of minimal critical specification, which argues that designers and policymakers should only offer the requirements that are absolutely necessary, is something that should be done. As a result, human agents operating within the socio-technical system are afforded the greatest possible degree of adaptability in terms of tailoring it to the specific requirements of their respective communities. It is essential for national legislation and processes for the delivery of mobile commerce to be able to support this idea in order for makers of mobile commerce technology, services, and applications to have the capacity to tailor their offers for each individual customer.
- Power and Authority: This concept argues that individuals should have the capacity to exert control over the information, resources, and authority that is necessary for them to carry out the obligations that have been assigned to them in their specified jobs. The

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distribution of labour and the necessary resources are two of the most important design difficulties that will be faced by the social framework that will emerge as a result of mobile commerce.

- The concept of incompletion, which is also frequently known as the Forth Bridge concept, claims that a system must continually change and give its users with possibilities for progress before it can be considered complete. Taking into consideration the fact that it is still in its infant stages, policy should make use of the delivery experience of mobile commerce and actively pursue incremental improvements. Through the incorporation of "action research" into the deployment of M-commerce application models, it is possible to ensure the continuous collection and evaluation of evidence on its value. This process begins with the designers of the technology and extends to the suppliers of services and applications. The existence of something ensures that the concept is realised.

ECONOMIC AND SOCIAL STRUCTURES

According to the socioeconomic systems, every action, whether it be the provision of a product or service, the involvement in the market, or any other activity, has the potential to have both positive and negative social and economic effects for an economy and the primary actors in that economy. It is common practice to use economic and statistical indicators, such as the "growth of Gross Domestic Product (GDP), rates of employment (or unemployment), rates of home ownership, and the extent of Internet access, in conjunction with social indicators", such as life expectancy & educational achievement, in order to quantify the effects of these factors (Amitai Etzioni, 1982). In the field of socioeconomics, the application of economic ideas is usually necessary for the achievement of knowledge of effects. The potential response of any society to an intervention is impacted by a complex combination of economic and social elements. These considerations include, but are not limited to, the currently existing economic conditions as well as the racial or ethnic composition of the population. The degree to which a society's economic development and inequity are comparable to one another, maintaining a consistent implementation and maintaining a coherent connection between the legislative and

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executive departments of government In the sphere of technology, proficiency, aptitude, and educational achievement are all very important. The degree of growth and the ease with which the market may be experienced, the predisposition to engage in business initiatives that are entrepreneurial in nature, In respect to customs and convictions, the impact of tradition is a significant factor. Developments in technology, such as telephones and automobiles, variations in the policies of the government, changes in the physical environment, such as the growth of urban areas, and natural disasters, such as the decline in fish populations as a result of drought, are all potential sources of societal and economic implications. These traits have the ability to influence a number of areas, including the distribution of wealth and income, patterns of consumption, the behaviours of individuals (including decisions on purchases and activities for leisure), and the general quality of life. In addition, these elements have the potential to exert an indirect impact on the norms and attitudes of society.

MOBILE COMMERCE

M-commerce, which is an acronym for "mobile commerce", refers to the process of doing business transactions through the use of mobile phones and other wireless portable devices. The use of technology makes it possible to simplify business processes, increase productivity, save expenses, and provide service that is both speedy and exact, all of which contribute to increased levels of customer satisfaction. A new area of study and prospective applications in the field of electronic commerce has emerged as a result of the rise of contemporary wireless and mobile networks. This new area of research and potential applications is known as mobile commerce. A wide variety of domains and technologies are required for the development of a mobile commerce system while it is being constructed. In today's economy, a network of interconnected firms works towards the goal of providing consumers and other businesses with goods and services at the most affordable prices possible, without sacrificing the quality of the products or services they provide. The rhythm of globalisation is now being adapted to by businesses.

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IMPACT OF MOBILE COMMERCE: DISCUSSION

As a way of facilitating the transfer of digital data in regions that do not have acceptable coverage, wireless communications have been greatly wanted as a means of communication in India. This is due to the fact that mobile systems are more economically efficient than fixed networks, they provide short message service (SMS), and they make it easier for people to connect to the internet wirelessly. According to the “United Nations Conference on Trade and Development's Report on E-commerce and Development in 2022”, the term "m-commerce" refers to the process of extending online shopping to mobile platforms. Internet commerce may be broken down into four primary categories: “business-to-consumer, business-to-government, and person-to-person relationships”. These relationships are still in existence; on the other hand, there are academics who contend that mobile commerce is quite distinct from the conventional method of purchasing things over the internet (Sadeh & Norman 2013). When compared to “mobile phones & personal digital assistants (PDAs)”, desktop computers are believed to place more limitations on their users. “Personal digital assistants & mobile phones” provide a wide variety of innovative services and applications. Having access to the Internet from any location is now possible for anybody thanks to portable gadgets. When it comes to mobile commerce, the majority of models are “business-to-consumer”, which means that they involve transactions on a smaller scale. On the other hand, the bulk of traditional strategies for conducting business online are still mostly employed for more substantial transactions. An assortment of different M-commerce transactions results in the formation of multiple partnerships. The complexity of these agreements is increased by the presence of a third-party credit provider as well as new service providers that have developed to provide application services. A financial outlay is required in order to put into action the new business model or technological advancement. When compared to the total income generated over a period of time, the initial and recurrent costs of the system over a period of time can offer a clear knowledge of the pace of expansion and the influence that it has on the operations of the organisation. By adding up all of the pertinent costs, we were able to achieve this goal. These costs included the cost of the mobile device itself, the rental price for the queue, subscriptions, services, and recharge cards.

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The cornerstone of the conventional model of business engagement has traditionally been established via the use of traditional face-to-face meetings. This type of interaction typically takes place when one party directly visits the other, either to participate in a transaction or for the seller to request payment for products that have been received in the past. These kinds of gatherings are extremely unusual, occurring no more than once every seven days and no more than once every thirty days at most. The relationships between the partnerships have been negatively impacted as a result of this, particularly in situations when credit buyers have failed to show up on the days that were set for their appearance. During the off-season, there is a major reduction in availability for communication. It is the interactions that take place between customers and sellers that have been a significant contributor to the expansion of mobile commerce. Because of mobile devices or other technologies, these co-workers are able to effortlessly stay in touch with one another. In order to facilitate communication between partners, the MTech concept makes use of mobile phones and personal digital assistants. During the time that there are no actual commercial transactions taking place, test messages are sent out just for the purpose of greeting one another. As a direct result of this, the quality of the connection between the buyer and the vendor has significantly improved. In addition to this, it has fostered a sense of confidence and dependability, two qualities that are important for the successful completion of business transactions between partners.

The success of the mobile commerce business is mainly based on the services that are offered by mobile network and payment providers. In the following, we investigate the ways in which the goods and services offered by these organisations either contribute to or have an effect on mobile commerce. Mobile payment is a very new component of the greater mobile commerce sector, and it has only lately begun to appear in developed countries. Japan was the only country in the world to have successfully adopted a system that allowed customers to pay for products and services in brick-and-mortar enterprises using their mobile cell-phones by the time the year 2004 came to a close. Despite the fact that traditional payment methods are still frequently utilised, credit and other online payment methods continue to be more popular. At the moment, it is becoming increasingly common practice in rural India to make payments using a credit card or

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a payment service using the internet. The use of online banking is quite widespread. Credit cards are used by around 5.5 percent of bank customers, whereas mobile banking or UPI is utilised by between 40 and 45 percent of bank customers. With regard to the effective implementation of mobile commerce in rural India, these characteristics are absolutely necessary. In response to the growing availability of internet access across the country, financial institutions are always striving to develop innovative and improved methods for performing online transactions.

It is estimated that around forty-five percent of mobile stations and mobile commerce are now being used. This is a rather low percentage. Nevertheless, mobile technology is already having an effect on the social and economic elements of certain people who live in rural areas of India where it is already being implemented. The variables that contribute to the low adoption rate are diverse, and the ones that contribute to it may vary from community to community. In the process of formulating plans to bring mobile commerce to rural regions, it is of the utmost importance to give important consideration to problems such as price, worries about theft, and low comprehension. When it comes to maximising the benefits that mobile commerce can provide for Indians, it is very necessary to have a full grasp of the mechanisms via which these elements determine the degree to which mobile usage adoption occurs. The formulation of policies that are more targeted and effective would be made possible as a result of this. The only way to determine whether or not a certain model is successful is to determine whether or not it successfully brings about the intended social changes, which in turn leads to the advancement of wealth and economic growth, and whether or not it also provides political and economic advantages for those who collaborate on its implementation.

CONCLUSION

It is possible that the implementation of a variety of services, including healthcare, education, social assistance, administration, and civic participation, along with investments from businesses, has the potential to significantly improve the quality of life for people living in rural areas by utilising mobile commerce and cellular connectivity. By leveraging wireless connection, South Africa, China, and India have improved their service delivery and rural development. This

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has been made possible by innovative mobile commerce models and efforts throughout these countries. Through this, the relevance of mobile commerce in the fight against poverty and illnesses is brought to light. M-commerce has the potential to have a big influence on development in four important areas: nutrition, sanitation, education, and health. The introduction of mobile commerce has resulted in a number of benefits for businesses, including the enhancement of operational efficiency, the acceleration of communication between internal and external entities, and the reduction of total expenses. According to the findings of this study, mobile commerce has improved the social relationships of its users and has boosted their efforts to engage in commercial activities. As a result of the proliferation of mobile commerce and cellular connectivity, the informal rural economy in India has seen an increase in the number of job prospects available. It will not result in the creation of new wealth if these services are expanded to include every poor part of the population. It is without a doubt that this will continue to improve the quality of life for those who are marginalised and economically disadvantaged. It is vital to concentrate on two primary quantifiable factors in order to optimise the level of net income or value that a firm possesses.

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