

# M-commerce

Business



M-commerce, better known as m-commerce, is the subject of e-commerce that includes all e-commerce transactions that are carried out using a wireless handset (mobile phones). The paper will attempt to figure out the impact of m-commerce on both developed and developing economies in the world, South Korea and South Africa respectively. The capabilities of accessing, delivering information and conducting business in digital forms vary greatly across different economies around the world. There are various initiatives using mobile phones to provide financial services especially to the people without access to traditional banking systems. The paper thus will call attention to the use of m-commerce and its impact in the global economies especially in the developing economies.

M-commerce is used to refer to the practice of using wireless handheld devices to conducting business and other promotional activities. The mobile revolution has in many strides had unprecedented impact in the global economy. Development of mobile phones and related handheld devices has enhanced not only communication but also commercial and economic activities. The aim of this paper is to evaluate the impact of m-commerce on both South Korea and South Africa. Impact of M- Commerce on South Korea South Korea has one of the world's highest numbers of consumers doing their transactions online at 90 %. This high number has been attributed to m-commerce.

Between December 2009 and December 2010, the web traffic increased by 75 %, most of traffic comes from smart phones (Richards, 2011). This simply means that almost all purchases done online by South Koreans are conducted using phones. It is estimated that all South Koreans have mobile

phones (Google, 2011). The advancement of M-Commerce in South Korea is attested by the fact that Tesco, a retail supermarket, has launched virtual supermarkets in the country.

It put up posters in subway stations in Seoul displaying pictures of its goods that resembled a store and shelves. The posters had codes that consumers could scan using their mobile phones. The consumer can then build his/her basket and make delivery plans which would be done that same evening. The number of transactions has been increasing ever since, more than doubled in just three months. This simply means that many residents of Seoul are now doing their shopping using phones.

In those three months that Tesco tried the virtual supermarkets, the number of people registering for online increased by 76% (Davis, 2011). Other areas where M-Commerce has become of prominence in South Korea is in M-banking, shopping (purchasing, reservations and tickets purchasing). These mobile transactions have been facilitated via mobile services MONETA and K-MERCE. Mobile operators have formed alliances with banks to enhance these services (Park et al, 2004). The country has also seen an increase in mobile advertising in the past few years (Ji-hyun, 2010).

In the year 2010, the mobile advertisement requests increased by 5139%, making it the fastest growing nation for web traffic (Richards, 2011). Impact of M-Commerce on South Africa South Africans have come to embrace mobile banking in the past few years as a better alternative to conventional banking. MTN has been on the fore front in providing services as they enable subscribers make bank transactions using their phones at their own

convenience. Subscribers and utility service providers can now pay and receive their bills using these services. This eliminates the late payments that were very common in the past.

As a result, many people don't have to worry about time wastage during the payments and also being denied of these services (Twinomugisha, 2009). Services such as 'Wizzit' enable subscribers to have 'banks in their pockets' (Jonathan et al, 2008). South Africans have also taken up purchasing goods and services using their mobile phones. It is estimated that almost 60% South Africans have purchased a digital product via their mobile devices. Many of them prefer this form of transactions to PC transactions (Michael, 2011). This simply means that M-Commerce is taking on more prominence in South Africa.

M-Commerce Trends in South Korea and South Africa  
The general trend in the world is a fast rising M-Commerce activities. The mobile market is the fastest growing form of telecommunication market in the world (Sadi et al, 2011). This is no exception to both South Korea and South Africa. Mobile phones are having a great impact on South Korea's digital growth. As the paper had already mentioned, 100% of South Koreans have mobile phones.

Considering that total E-Commerce in 2009 was worth \$17 billion and that the number of people buying smart phones has been increasing, it can be concluded that a sizable sum of this total was through M-Commerce (RIM, 2010). About 20 million of South Koreans have smart phones as more people are now acquiring smart devices (Vagus, 2011). This simply means that activities of M-Commerce will increase in the coming years. In deed the

country's biggest mobile service provider is testing NFC-powered wallets in South Korea's busiest business street. The success of such a pilot project will pave the way for more M-Commerce.

This is supported by the fact that many South Koreans have shown one of the biggest interests in M-Commerce (M-Commerce Trends, 2011) South Africa has also experienced a boom in mobile and internet connectivity in the recent past. It is believed that more than 40% of internet users in South Africa do so using their mobile phones (Press Releases). South Africa boasts almost 100 % mobile phone connectivity (Smith, 2009). As the paper had already mentioned, almost two thirds of the country's mobile phone users have tried out M-Commerce. However, a majority of them have yet to open up to the use of M-banking (Hutton, 2011).

Using the figures from recent years, it can be concluded that both South Africa and South Korea are primed for more wireless transaction in the future. However, South Korea's M-Commerce growth will be tremendous. This is attested by the fact that the number of transactions has been increasing and the general interest in M-Commerce. The fact that more and more people are buying smart phones attests to this growth. Additionally, the success of Tesco suggests that more and more businesses will also conduct some form of M-Commerce.

This can also suggest that this service may not be limited to retail shops only. MONETA and KMERCE may take on more prominence in the activities of M-Commerce. The scenario is the same for South Africa although it may not be as fast as South Korea's. The convenience of paying bills using mobile

phones means that more and more people will be using these tools. Perhaps this convenience may lead other public utility sectors such as hospitals to also subscribe to the services.

This is because the same service has been very successful in Kenya where M-Pesa is now used to pay a wide variety of bills and contributing to charities (The Economist, 2010). However, this growth will not be limited to South Africa alone but the whole developing countries. Opportunities for South Korea and South Africa The population of South Korea has been hailed as the second most hardworking in the world (Blueliner, 2011). This simply means that M-Commerce will become even more popular as many people will appreciate its convenience as they go about their activities. South Korea has already integrated M-Commerce in almost all sectors of the economy from retail, transport to health.

This simply means that many South Koreans can access many services and pay them at their own convenience. The country has been one of the leading lights in the world in adapting to M-Commerce as other developed countries like USA and European countries have been reluctant to do so. This means that the country has explored almost all avenues applicable to M-Commerce. However, only Tesco has tried M-Commerce in the country, and it was only in the capital Seoul. Its success means that all retail businesses should be encouraged to copy this practice and apply it to the rest of the country. This will enhance their activities which would translate to more sales.

Thus, the country will experience more economic growth. South Africa has also seen an increase in M-Commerce. However, the country has failed to

integrate it fully in the retail sector. South Africa has one of the highest murder and crime rates in the world (Rogers, 2009). This simply means that the country has to take up M-Commerce sooner rather than later.

When almost all transactions are done at the comfort of homes, people won't have to carry cash around to buy products. People could order their goods which would then be delivered by sellers, who more often than not have better security measures. This will bring reduce the crime rates in the country. Additionally, it will be beneficial to the country as transactions will be conducted even at night without fear of attack. This will drive the economy further forward. Therefore, the government has to encourage mobile retail services rather than the service being limited to M-banking and bill payments only.

Conclusion Mobile connectivity has been increasing the world over. The advancement of technology and smart phones has facilitated mobile transactions. Many countries have experienced exponential growth in the recent past. Japan and South Korea have been the countries that have fully integrated M-Commerce in their economic activities with mobile transactions dominating almost all sectors of the economy. South Africa has also been embracing M-Commerce. This has specifically been applied in the banking industry where people can access their bank accounts as well as withdraw and deposit using their phones.

Wizzit's invention is expected to play a major role in the country's mobile commercial activities. This simply means that M-Commerce will be very crucial in the coming years in South Africa. All in all, M-Commerce the future

of conducting business, not only in South Africa and South Korea but the whole world.