

**THE TRENDS OF MOBILE COMMERCE AND ITS IMPACT ON THE
BUSINESS**

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‘I hereby declare that the work of this research is mine expect for the quotations summaries that have been duty acknowledge’.

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DEDICATION

Special dedication of this grateful moment to my beloved parents, Ghazali bin Awang and Nor Asiah binti Razali for all their support, encouragement and inspiration not only to my study but also for my life and career. For the same time that they always believing me whatever that I do. Millions thanks to all my siblings for always support me when I needed help. Big thank to all my friend that always help and support in any situation to finish all. Lastly, I would like to thanks to UTeM that give me a opportunity to continues my studies.

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ABSTRACT

M-commerce are defined as a the exchange or buying and selling the product/services through the wireless devices or telecommunication such as smartphone, tablet and so on. As we know mobile commerce (M-commerce) is grow rapidly in the world and the mobile phone has become an part of our daily life. It has become one of the most commonly used in daily consumer goods throughout the world. M-commerce can be category the second technological innovation in the e-commerce. Using the Technology organizatinal enviroment (TOE) theoretical framework to investigate the impact of this trends (mobile commerce) to their business. From the information, the treoreticl framework helps to conduct the research. While some empirical scaled with conduct questionnaire to 236 respondents from the entrepreneurs. These questionnaire was distribute via email, google form and social media like facebook and instagram. The finding result that there are three factor that can effect the business performance.

Keywords : mobile commerce, TOE framework, impact of mobile commerce, performance.

ABSTRAK

M-dagang ditakrifkan sebagai pertukaran atau membeli dan menjual produk / perkhidmatan melalui peranti wayarles atau telekomunikasi seperti telefon pintar, tablet dan sebagainya. Seperti yang kita tahu perdagangan mudah alih (M-dagang) adalah berkembang pesat di dunia dan telefon bimbit telah menjadi sebahagian daripada kehidupan seharian kita. Ia telah menjadi salah satu yang paling biasa digunakan dalam barangan pengguna setiap hari di seluruh dunia. M-dagang boleh menjadi kategori inovasi teknologi kedua dalam e-dagang. Menggunakan teori teknologi persekitaran organisasi (TOE) untuk menyiasat kesan trend ini (perdagangan mudah alih) untuk perniagaan. Daripada maklumat, rangka kerja treoreticl membantu untuk menjalankan penyelidikan. Walaupun beberapa empirikal diskalakan dengan kelakuan soal selidik kepada 236 responden yang terdiri daripada usahawan. Soal selidik ini adalah mengedarkan melalui e-mel, borang google dan media sosial seperti facebook dan instagram. dapatan menyebabkan bahawa terdapat tiga faktor yang boleh menjejaskan prestasi perniagaan.

Kata kunci : perdagangan mudah alih, teori teknologi persekitaran organisasi, kesan perdagangan mudah alih, pencapaian

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CHAPTER 1

INTRODUCTION

1.1 Background of Study

Nowadays people tend to use the technology that can make their life easier and faster. It has become one of the most commonly used in daily consumer goods throughout the world and mobile phone is becoming our part of daily life. The technology such as the internet and related technology will change our life. As we know electronic commerce is the first trend that using the device such as the computer and electronic device to make a transaction and communication.

Electronic commerce is one of way to selling and buying a product and service, a transaction over the internet (online). E-commerce is the transaction of seller and buyer using the internet and electronic device. There are categories in the E-commerce. The concept of e-commerce, which refers to the business information sharing, carrying out business dealings and maintaining good business relations using information technology (Pitt, Parent, Junglas, Chan & Spyropoulou, 2011). Since its emergence, e-commerce has had a major impact on traditional commerce, and continues to change the commerce structure of market economies (Monno & Xiao, n.d, 2014).

According to the past research, mobile commerce is the second trend of the e-commerce. The traditional PC access to the Internet continues to be vital for exploiting the advantages of the Internet, the mobile access appears to attract more people because of flexible accesses to the Internet in a ubiquitous manner. Accordingly, e-commerce is now in the process of being converted into m-commerce (Sumita & Yoshii, 2010). The trends are changing from the electronic commerce to the mobile commerce. There are many definitions of the mobile commerce.

Mobile commerce refers to a wide range of online business transactions for applications, goods and services. "The use of mobile devices to communicate, interact via an always-on high-speed connection to the Internet." (Prof, Science, & Prof, 2015). Several applications for mobile commerce; for instance, users may download music or ringtones, trade stocks, play interactive online games, receive or send e-mails, shops for goods, carry out banking transaction and purchase tickets to performances (Alshboul, 2014). The mobile device is the important part of mobile commerce because there are no m-commerce without a mobile device.

The trends of mobile commerce give opportunity to the business, especially for the small medium enterprise (SME). Function of mobile phone were used for communication with each other. Currently there are advanced devices for users with not only a phone function but also with other applications which allow users to access sources of information (Internet, radio, e-book), sources of entertainment (games, music), calendar, etc (Kiba-janiak, 2014). Nowadays the mobile phone also can be a tool for business transaction.

The advancement of technology has enabled mobile phones to evolve from simple communication gadgets to complex tools of trade as entrepreneurs' continue to exploit the newly created platform. Modern smart phones are as well as computers and are continuing to get better as the two technologies converge in form of hand held gadgets like personal digital assistants (PDA), smart phones, tablets and net books (Abishua, Executive, & Capital, 2010).

1.2 Problem Statement

In the business, the company or firm have strived to provide better products and service to their customers to gain the competitive advantages in the industry. Mobile commerce is a positive development for businesses in the twenty-first century (Holdsworth, Chung, & Holdsworth, 2012). Small and Medium-sized Enterprises (SMEs) cannot ignore the technological advancements taking place rapidly. In the knowledge society, firms need to develop competitive advantages based on adequate and intensive use of information systems (IS), which are essential sources of innovation and success in today's market (Hoti, 2015).

The acceptance of the new technology to the large organization is more easy because they have many resources to use the technology, but no easy to SME to accept the new technology. This is because of resource limitation, SME are unable to develop new technology or to make a change in existing one.

Many SME has mobile site that are difficult to navigate. They are not responsive and the elements (i.e. images, buttons, and links) either aren't big enough or are too close together that they're difficult to tap. Additionally, some mobile sites make specific categories or products hard to access. Links or subcategories are on separate pages, thus increasing load time.

Smartphone users tend to spend much more time in apps than in web browsers anyway, so apps are arguably more important. Mobile commerce (m-commerce) is a large business and technology area with growing market potentials. In this research, we analyse the firm's perspective rather than the more often studied consumer perspective. The impact of the mobile commerce to the business (SME).

1.3 Research Question

The aim of the research question in this study is to lead the research during the process and it will define the research surrounding and will keep us focused on the content of our research. These are the main of the research question in this study:

1. Which are the factor lead firm to perceive high performance in mobile commerce?
2. Does the factor of mobile commerce affect the performance of mobile commerce?
3. How far the relationship between factors and performance of the business?

1.4 Research Objective

The purpose of the study to determine the impact of the mobile commerce.

1. To identify what are the factor lead firm to perceive high performance in mobile commerce in the business.
2. To investigate the direct effect of factors on the performance of mobile commerce.
3. To analyses the relationship between the factor of mobile commerce and the performance in the business.

1.5 Scope Of The Research

This scope of the research will be the SME in Malaysia. This due to the reason of technological development in the field of mobile telephone made it necessary for retailers to implement new business models of customer service strategy, which should include mobile phone solutions (Kiba-janiak, 2014).

In this research, the data collection is from a survey such as the questionnaire. The target respondent to answer the questionnaire is 200 – 250 respondents. The respondent will include male and female.

1.6 Significant of Study

The significance of this research is to make sure the owner is aware about the new trends of the mobile commerce to get the competitive advantages in the industry and the market. It is because Small and Medium-sized Enterprises (SMEs) cannot ignore the technological advancements taking place rapidly. In order to get the competitive advantage in the market, the firm must take the advantage of the new technology. This report is going to be discussed on the impact of the mobile commerce in their business.

1.7 Summary

In short this studies want to research about the trends of mobile commerce and its impact on the business. It is because the trends and the changing of technology in business is grow fast and the entrepernuer or the company shpuld aware about the trends in order to survive in the industry. So, this study is to investigate the trends of mobile commerce and how its impact on the business performance.

CHAPTER 2

LITERATURE REVIEW

2.1 Overview of mobile commerce

Mobile commerce (m-commerce) is defined as the buying and selling of goods and services through wireless handheld devices (Chong, 2013). M-Commerce can be viewed as an extension of conventional, Internet-based E-Commerce, which adds a different mode of network and accommodates different end users' characteristics (Jukic, n.d.). Mobile commerce offers an alternative channel for merchants to distribute their merchandise to consumers (Abishua et al., 2010). Mobile commerce can simply define as a tool that exchange product and service using the mobile device and internet.

There are few characteristics in the mobile commerce, which is the user can use the mobile commerce in anywhere and anytime. There are no limit to use the mobile commerce. According to (Ravindra, 2013), there are seven of characteristic in mobile commerce.

1. Ubiquity : The use of wireless device enables the user to receive information and conduct transactions anywhere and at anytime.
2. Accessibility: Mobile device enables the user to be contacted at virtually any time and any place. The user also has the choice to limit their accessibility to particular persons or times.
3. Convenience: The portability of the wireless device and its functions from storing data to access to information or persons.
4. Localization: The emergence of location specific based applications will enable the user to receive relevant information on which to act.
5. Instant Connectivity (2.5G): Instant connectivity or "always on" is becoming more prevalent with the emergence of 2.5 G networks, GPRS or EDGE. Users of 2.5 G services will benefit from easier and faster access to the Internet.
6. Personalization: The combination of localization and personalization will create a new channel/business opportunity for reaching and attracting customers. Personalization will take the form of customized information, meeting the users' preferences, followed by payment mechanisms that allow for personal information to be stored, eliminating the need to enter credit card information for each transaction.
7. Time Sensitivity : Access to real-time information such as a stock quote that can be acted upon immediately or a sale at a local boutique.

Mobile commerce as a further development on mobility side of e-commerce is defined by Ericsson (2010) as a trusted transaction service through mobile device for good and service exchange among consumer, trader, and financial institution. As long as the transaction or the flow of money is done by mobile device, it will be categorized as mobile commerce (Nabhani, 2015).

2.2 History of mobile commerce

In the year 1997, mobile commerce was introduced when Coca Cola installed cell phones enabled machines for the purpose of vending, in Finland. This enabled the company to send mobile invoice or details of payments to the vending machine using text message. It was in the same country and year, mobile commerce depended services of banking was established. Initially, mobile commerce platform of the internet was introduced by I-mode, which is a Japanese company during 1999 (Alshboul, 2014).

According to (Ravindra, 2013) M-Commerce server developed in the late Kevin Duffey and the First book to cover m-commerce was Tomi Ahonen's M-Profits in 2002. In 2003, university of oxford is the first university short to discuss on the m-commerce. M-Commerce is done with the help of electronic communication equipment such as smart phone and Personal Digital Assistant.

Smart phones are internet-enabled cell phones that can support mobile applications. These phones with a brain are becoming standard devices. PDAs and cellular phones have become so popular that many businesses are beginning to use mobile commerce. M-commerce led thousands of entrepreneurs to lunch M-Business.

The M-commerce industry that is vastly dominated by travel actually has hundreds of service oriented sites going every day. M-Commerce tech platform that helps retailers put up an online store in quick time (Ravindra, 2013).

2.3 Theoretical framework