# Chapter 26 Services of Mobile Commerce

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## **ABSTRACT**

Mobile phones have been coined by Martin Cooper with a thought of staying connected anytime anywhere. With the development of mobile phones in 1973 and its commercialization later; has proliferated not only the big business houses but also small businesses and individuals. Mobile phones have come a long way from talking on a mobile phone, texting a message to efficiently using internet. These days mobile commerce is the booming technology which has enhanced industries visibility and the way of conducting business. The customers are getting benefited by using these Apps they can shop anytime, anywhere; they get good discounts, companies are offering good return policies for better CRM and above all the customers have a provision to compare the cost before ordering and can pay COD. The study will focus on the concept of mobile phone, mobile commerce, characteristics of M-Commerce, Drivers affecting the mobile commerce, various services offered on mobile. The chapter focuses on potential of mobile commerce, how the customer is benefited from these services.

#### INTRODUCTION

Alexander Graham Bell invented the telephone in 1876. After that many researches have been conducted to make telephone portable and available anytime, anywhere. The first such research was initiated way back in 1900, on December 23 on the outskirts of Washington, D.C.; an inventor named Reginald Fessenden accomplished a remarkable work: He made the first wireless telephone call. He was the first to transmit the human voice via radio waves, sending a signal from one radio tower to another. In 1947, an engineer named William Rae Young, who used to work with AT&T, proposed that radio towers arranged in a hexagonal pattern could support a telephone network. Young's design allowed for low-power transmitters to carry calls across the network. AT&T offered few customers to use radio phones; phones were very basic and work more like a walky-talky. In year 1973, Martin Cooper, who was associated with Motorola, one of AT&T's competitors designed the first practical cell phone. It was called the Motorola DynaTAC.

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#### Services of Mobile Commerce

A mobile phone (also known as a cellular phone/cell phone) is a phone that can make and receive telephone calls over a radio link while moving around a wide geographic area. It does so by connecting to a cellular network provided by a mobile phone operator, allowing access to the public telephone network. In the era of Information Technology it is hard to find people without this magical gadget called Cell/ mobile phone. The cell phone is a tool of the smart-working elite, a way to squeeze more value-added time into long commutes, to check with clients, or to verify stock prices, weather forecasting, closest eating joints, malls, movie halls, hotels, cabs etc. This is a wireless communication. Here wireless stands for the data being communicated without physical attachments such as microwave, infrared and radio wave. It is a convenient alternative to network cable connections and it is gaining huge popularity because of its flexibility and the freedom technology offers.

Commerce is a division of trade or production which deals with the exchange of goods and services from producer to final consumer. In short, commerce means buying and selling of goods and services. Mobile as the name suggests Moveable, Portable etc. M-commerce as said by Timelabs (2000) is "selling and purchasing" of good and services using mobile communication devices" such as mobile phones, PDA's etc. M-Commerce is a subset of ecommerce that deals with electronic transactions using mobile communication equipment's for conducting businesses and transactions using wireless media. According to Durlacher (1998) M-Commerce can be described as "any transaction with a monetary value conducted via a mobile telecommunications network". As per Lehman Brothers (1995) M-commerce incorporates the use of mobile hand-held devices to communicate, inform, transact and entertain using text and data via connection to public and private networks. Mobile commerce is different from electronic commerce in at least one aspect: its unique feature is "user mobility", which makes M-Commerce dynamically dependent on the location in which the mobile user operates (Schneiderman, 2000).

## **Definition of M-Commerce**

M-commerce can be defined as "any electronic transaction or information interaction conducted using a mobile device and mobile networks that leads to transfer of real or perceived value in exchange of information, services or goods (Abott, n.d.). It is very convenient and efficient way to transact. It is being seen as a new wave and dimension of making business. M-Commerce applications involve using a mobile phone to carry out financial transactions. According to Durlacher (2001) this means user can pay online via mobile phones instead of visiting the bank in personal. M-Commerce systems and applications should be used to enhance and boost up the forms of existing applications.

# **History of M-Commerce**

Wireless communication was invented way back in 1895, when a 21 year old; Italian named Guglielmo Marconi, successfully transmitted radio waves without using wires. He had win Nobel prize in physics for his contribution in year 1909. He is also known as the father of "wireless communication". In 1940s, after world war-II; two-way car radios were installed by police, government etc. to stay in touch. There were many problems like they have only one central transmitter, one antenna via which the transmission was not powerful. It could be used by only 250 users. In year 1969, with the progress and advancement in mobile transmission, companies like AT&T and Bell introduced a commercial cellular radio operational on running trains from New York City to Washington, DC. In 1978, AT&T and Bell introduced Analog-based cellular telephone to general public.

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