



Research Article

The Impact of Mobile and Smartphone Usage on E-Commerce in India: An Empirical Investigation

Priyanka Kumari^{1*}, Dr. Anita Das^{2*}

¹Research Scholar, Department of Commerce, Patliputra University, Patna, Bihar, India

²Associate Professor, Supervisor, College of Commerce, Arts and Science, Patna, Bihar, India

Corresponding Author: *Priyanka Kumari

DOI: <https://doi.org/10.5281/zenodo.14990059>

| Abstract | Manuscript Information |
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| <p>The proliferation of mobile/smartphone usage in India has revolutionized the e-commerce landscape, transforming the way consumers shop, interact, and transact online. This empirical investigation aims to explore the impact of mobile/smartphone usage on e-commerce in India, examining the factors that influence consumer behavior, adoption, and retention. A mixed-methods approach was employed, combining both qualitative and quantitative data collection and analysis methods. A survey of 1,000 respondents was conducted, supplemented by in-depth interviews with 30 e-commerce experts and consumers. The results reveal that mobile/smartphone usage has a significant positive impact on e-commerce adoption, with factors such as convenience, accessibility, and mobile-friendly interfaces influencing consumer behavior. The study also identifies key challenges, including concerns about data security, limited digital literacy, and inadequate infrastructure. Furthermore, the findings highlight the importance of mobile optimization, personalized marketing, and seamless payment gateways in enhancing the e-commerce experience. This research contributes to the existing literature on e-commerce and mobile commerce, providing valuable insights for e-commerce businesses, policymakers, and stakeholders seeking to leverage the potential of mobile/smartphone usage in India's rapidly evolving e-commerce market.</p> | <ul style="list-style-type: none"> ▪ ISSN No: 2583-7397 ▪ Received: 19-01-2025 ▪ Accepted: 15-02-2025 ▪ Published: 02-03-2025 ▪ IJCRM:4(S1); 2025: 44-48 ▪ ©2025, All Rights Reserved ▪ Plagiarism Checked: Yes ▪ Peer Review Process: Yes <p>How to Cite this Article</p> <p>Kumari P, Das A. The impact of mobile and smartphone usage on e-commerce in India: An empirical investigation. Int J Contemp Res Multidiscip. 2025;4(S1):44-48.</p> <p>Access this Article Online</p>  <p>www.multiarticlesjournal.com</p> |

KEYWORDS: Mobile/smartphone usage, E-commerce, Consumer behavior, Adoption, Retention, Mobile commerce Digital literacy, Data security, Mobile optimization

1. INTRODUCTION

The rapid proliferation of mobile and smartphone technology has significantly transformed the landscape of e-commerce, particularly in emerging markets like India. This empirical investigation seeks to explore the utilization of mobile devices for e-commerce activities in India, analysing the factors that drive consumer adoption, the challenges faced, and the overall

impact on the retail industry. Given India's diverse demographic and socio-economic context, understanding the role of smartphones in facilitating online transactions offers valuable insights into consumer behaviour, technology acceptance, and the future trajectory of digital commerce in the region. This study will employ quantitative methods to assess user engagement, purchase patterns, and the effectiveness of mobile platforms in

enhancing the e-commerce experience, thereby contributing to the broader discourse on mobile commerce in developing economies. The proliferation of smartphones has significantly transformed the e-commerce landscape in India. With the rapid adoption of mobile internet and increasing affordability of smartphones, consumers now have unparalleled access to online marketplaces. This shift has been further felled by the penetration of 4G networks and government initiatives to promote digital literacy. Smartphones have become a primary tool for accessing e-commerce platforms, offering convenience, accessibility, and personalized shopping experiences. Features such as mobile applications, push notifications, and seamless payment integrations have enhanced user engagement and streamlined purchase processes. Furthermore, the rise of mobile wallets and Unified Payments Interface (UPI) systems has revolutionized transaction mechanisms, making mobile commerce a dominant force in the e-commerce sector. Empirical studies indicate that mobile-driven e-commerce has spurred growth in Tier II and Tier III cities, bridging geographical barriers and democratizing access to goods and services. However, challenges such as cybersecurity risks, data privacy concerns, and digital exclusion persist. This investigation aims to analyze the multifaceted impact of smartphone usage on e-commerce in India, focusing on consumer behaviour, market trends, and technological innovations that drive this dynamic sector. By understanding these factors, stakeholders can better harness mobile technology to optimize e-commerce operations and foster inclusive economic growth. The Proliferation of Smartphones and Internet Connectivity India's rapid smartphone adoption and improved internet infrastructure have been pivotal in driving the growth of e-commerce. With over a billion mobile subscribers and around 700 million internet users, India stands as one of the largest and fastest-growing digital markets globally. The affordability of smartphones, coupled with declining data costs, has democratized internet access, bringing millions of new users online. As a result, mobile devices have become the primary mode of accessing the internet, particularly for e-commerce transactions.

Consumer Behaviour and Preferences

Mobile devices offer convenience, accessibility, and a personalized shopping experience, factors that significantly influence consumer behaviour in India. The younger demographic, particularly millennials and Gen Z, exhibit a strong preference for mobile shopping due to its ease of use and the variety of options available at their fingertips. Additionally, mobile apps provide a seamless and integrated shopping experience, including features such as personalized recommendations, secure payment gateways, and quick delivery options. These features have contributed to the increasing trust in online transactions and the overall growth of the e-commerce sector.

Impact on Retail and Business Models

The widespread use of smartphones for e-commerce has forced traditional retail businesses to adapt or risk obsolescence.

Retailers are increasingly adopting Omni channel strategies, integrating their online and offline operations to provide a cohesive shopping experience. Small and medium-sized enterprises (SMEs) have particularly benefited from the rise of m-commerce, as they can now reach a broader audience without the need for a physical presence in multiple locations. Moreover, mobile payment solutions such as digital wallets and Unified Payments Interface (UPI) have streamlined transactions, reducing the dependency on cash and promoting financial inclusion.

Rural and Semi-Urban Penetration

One of the most significant impacts of mobile-driven e-commerce in India is its penetration into rural and semi-urban areas. Traditionally underserved by conventional retail infrastructure, these regions are now experiencing a retail revolution, driven by mobile connectivity. E-commerce platforms are increasingly tailoring their offerings to meet the needs of rural consumers, including vernacular language support, cash-on-delivery options, and affordable product offerings. This expansion has not only boosted consumer access to goods and services but has also provided local businesses with new avenues for growth.

Challenges and future outlook

Despite the impressive growth, several challenges persist in the mobile e-commerce sector in India. Issues such as digital literacy, cybersecurity, and the digital divide between urban and rural areas remain significant barriers. Additionally, while mobile payments are growing, there is still a segment of the population that remains hesitant to adopt digital payment methods due to concerns over security and privacy. However, the future of mobile-driven e-commerce in India appears promising. The continued expansion of 4G and the upcoming rollout of 5G technology are expected to further enhance mobile connectivity and speed, making online shopping even more accessible and efficient. Moreover, the government's initiatives to promote digital transactions and the increasing adoption of artificial intelligence (AI) and machine learning (ML) in e-commerce platforms are likely to drive further innovation and growth in the sector.

2. LITERATURE REVIEW

M-Commerce: The field of study on mobile commerce (M-commerce) and its implementation is still in its early stages, especially given the rapidly developing markets and mobile technologies. The amount of research focused on M-commerce apps, adoption, and frameworks is quite little. A large amount of this research concentrates on M-commerce's technical features. The study of mobile commerce was segregated into 5 main streams by Ngai and Gunasekaran (2007): theory, examples and applications, wireless network infrastructure, mobile middleware, and wireless user interface. Roughly 50% of this research deals with the diffusion and behavior of Mcommerce users. Mobile commerce is the use of mobile phones for trading or commerce. Everybody uses a smartphone these days for

convenience. The main uses of smartphone technology among consumers are for gaming, shopping, and teaching/learning. However, a few studies about consumers' and users' intentions to take on mobile-payments have been conducted in India.

Mobile Payment System

To facilitate financial transactions, whether for personal or business usage, Liebana *et al.* (2014) define mobile payment, sometimes referred to as M-payment, as any activity utilizing an electronic device connected to a mobile network. M-payment is the use of a mobile device to make payments, with or without the use of middlemen, according to Mallat (2007). However, the focus on using mobile phones for this purpose is what makes M-payment unique (Schierz *et al.*, 2010). There are two sorts of mobile payments: proximity payments and remote payments. In order to process payments, remote payment systems like mobile banking and mobile internet payment services need to be connected to. On the other hand, proximity payments involve using mobile devices to make payments directly without establishing a connection with a distant server. Paying for various services, meals, and bus fares are a few instances of proximity payments (Zhou, 2013).

Mobile Applications

Software fulfills the necessary tasks for users (Hew *et al.*, 2015); mobile apps vary from websites since they may be downloaded via mobile application stores. Such databases motivate mobile users to implement the available apps (Wong, 2012). There are numerous apps that a user can download from stores to make his or her life easier. There exist mobile wallet applications for gaming, entertainment, teaching, and learning, such as YouTube, Zoom, and Microsoft Teams, shopping applications like Amazon, Flipkart, medical apps, etc.

Mobile Payment Applications

Applications through which mobile payment transfer occurs are termed as M-payment applications. Users of M-payment applications must create login credentials and link their M-payment accounts to their bank accounts. Users are permitted to continue using the current service, even if it is not the best one, because of the formalities involved in launching a new mobile payment application (Wang *et al.*, 2019).

Mobile Wallet

The current situation demonstrates that mobile technology, specifically smartphones, is the most essential component of every human life. Instead of using it for conversation, consumers have access to other services. Use of cell phones has increased the number of transactions has rapidly expanded since it is readily accessible, easy for everyone, and allows for "Anywhere" and "Anytime" transactions. A report released in July 2019 by the Telecom Regulatory Authority of India (TRAI) states that the overall wireless tele-density was 88.50% in July 2019 and grew to 88.64% in the following month. In July 2019, Rajasthan came in at the fourth position regarding the monthly increase in the total number of cellular customers. As a result, the smartphone

offers a wealth of services to the user, including internet connectivity, Bluetooth connectivity, entertainment options, health, and wellness data, and even payment options. These devices can be used for payment services as well. It is a route that makes it possible for customers to use mobile devices to pay (smartphones). These are some of the easiest and most convenient ways for consumers to pay.

Definition of Mobile Wallet

"The user can utilise money from their mobile device or tablet's Mobile Wallet (M-wallet), a digitalized version of virtual currency, to make hassle-free purchases of products and services whenever and wherever they choose." (Robin Arnfield, 2015).

Meaning of Mobile Wallet: A sophisticated, elegant application, M-wallet was created specifically for customers to make payments conveniently. For consumers, these are comparable to real wallets. It is a pre-paid account that requires the customer to sign up and attach their bank account info, like their PIN and CVV number, to immediately pay merchants without any difficulty. The consumer must save their credit card data in the mobile application on their mobile device. It offers a simple method for any business or commerce that enables customers to purchase any goods or use any services. Mwallet, e-wallet, and mobile money are other names for mobile wallets. Overall, M-wallets are a type of mobile technology that lets users send or receive money using their mobile devices at any time. Customers can carry their digital wallets in their pockets just like they do their real ones. Without using cash or credit cards, the consumer can promptly pay their utility bills, transfer funds, book tickets, make online purchases, etc. M-wallets are often virtual funds that customers upload to their smartphones or tablets to make instantaneous purchases of products and services online.

Mobile commerce (m-commerce) has become an integral part of e-commerce, with mobile devices accounting for over 70% of e-commerce transactions in India (KPMG, 2020). Studies have shown that mobile/smartphone usage has a significant positive impact on e-commerce adoption, with factors such as convenience, accessibility, and mobile-friendly interfaces influencing consumer behavior (Kumar *et al.*, 2017; Singh *et al.*, 2019). However, concerns about data security, limited digital literacy, and inadequate infrastructure have been identified as key challenges to m-commerce adoption in India (Sahoo *et al.*, 2018; Sharma *et al.*, 2020). Furthermore, the importance of mobile optimization, personalized marketing, and seamless payment gateways in enhancing the e-commerce experience has been emphasized (Gupta *et al.*, 2019; Jain *et al.*, 2020).

Consumer Behaviour and Engagement

Smartphones have revolutionized consumer behaviour by providing convenience, accessibility, and personalized experiences. Empirical studies demonstrate that mobile apps for e-commerce platforms, such as Flipkart and Amazon, are key drivers of consumer engagement. Features like push notifications, user-friendly interfaces, and AI-driven recommendations encourage repeat purchases. Research also highlights a growing trend of impulse buying due to the

ubiquitous nature of smartphones, enabling consumers to shop anytime, anywhere.

Future Research Directions

Future events will always be uncertain. Every element will be unique, particularly in terms of mobile phones. Smartphones were mostly used by consumers for communication, but the situation has changed, and these devices are now beneficial for conducting business. Since consumers may now buy things using their smartphones instead of carrying physical cash, this modified function has proven to be a helpful tool for customers. The mobile wallet firms encountered several chances and difficulties.

Rural and Tier-II/Tier-III Market Expansion

The role of smartphones in penetrating previously untapped markets is well-documented. Literature shows a marked increase in e-commerce adoption in Tier-II and Tier-III cities, largely attributed to mobile accessibility. Platforms such as Meesho and Jio Mart cater to rural consumers, leveraging vernacular content and low-bandwidth app designs. Empirical evidence points to a correlation between increased smartphone usage and the democratization of e-commerce, empowering smaller retailers and customers in remote areas. Technology as an enabler, technological advancement, such as secure payment gateways, mobile wallets, and UPI (Unified Payments Interface), have enhanced the mobile e-commerce experience. Research underscores the significant role of digital payment systems in fostering trust among Indian consumers. Furthermore, innovations in mobile technology, such as 5G, augmented reality (AR), and voice-assisted shopping, are set to redefine the e-commerce landscape

3. METHODOLOGY

A mixed-methods approach was employed, combining both qualitative and quantitative data collection and analysis methods. A survey of 1,000 respondents was conducted, supplemented by in-depth interviews with 30 e-commerce experts and consumers. The survey questionnaire was designed to gather information on demographics, mobile/smartphone usage, e-commerce behavior, and perceptions of m-commerce.

Opportunities

Rural Areas: Rural areas represent an important part of the Indian economy. Regrettably, in rural regions, where more than half of the population lives, users had no access to bank accounts.

Loyalty: Most consumers were loyal to the goods under their brands, which encouraged them to purchase those goods frequently. This is an opportunity for providers of mobile wallets to provide different incentives and cash backs on their own mobile wallets in an effort to keep customers from using them to make payments.

Ownership of smartphones: An increased use of mobile payment methods appears to be correlated with the prevalence of smartphones. As a result, mobile wallet providers will have the chance to encourage customers to use mobile wallets as their

preferred payment method instead of using any other payment method.

Implications

It is evident from the literature review that customers believe mobile wallets to be more practical, user-friendly, and convenient than traditional payment options. The first management and business implication that can be made from this study is that organisations should emphasize making their m- m-wallet services simple to use, practical, safe, and suitable with their users' lifestyles in order to get customers to utilise them. As a result, mobile wallet providers must concentrate on streamlining the user interface and enabling personalization and customization of the features in mobile wallets. Furthermore, M-wallet providers can utilise this platform to advertise their goods and services because working executives and students routinely engage in social media interactions and activities

4. RESULTS

The results of the survey and interviews revealed several key findings:

1. Demographics: The majority of respondents (70%) were between 18-35 years old, with a slightly higher proportion of males (55%) than females (45%).

2. Mobile/smartphone usage: Over 90% of respondents owned a smartphone, with the majority (75%) using Android devices.

3. E-commerce behavior: The majority of respondents (80%) had made an online purchase in the past six months, with clothing and electronics being the most popular categories.

4. M-commerce adoption: Over 60% of respondents had made a mobile purchase in the past six months, with factors such as convenience, accessibility, and mobile-friendly interfaces influencing adoption.

5. Challenges: Concerns about data security, limited digital literacy, and inadequate infrastructure were identified as key challenges to m-commerce adoption.

5. DISCUSSION

The findings of this study highlight the significant impact of mobile/smartphone usage on e-commerce in India. The convenience, accessibility, and mobile-friendly interfaces offered by m-commerce have led to increased adoption and retention among Indian consumers. However, concerns about data security, limited digital literacy, and inadequate infrastructure must be addressed to further drive m-commerce growth in India. E-commerce businesses must prioritize mobile optimization, personalized marketing, and seamless payment gateways to enhance the e-commerce experience.

6. CONCLUSION

This empirical investigation has provided valuable insights into the impact of mobile/smartphone usage on e-commerce in India. The findings highlight the significance of m-commerce in driving e-commerce growth in India and emphasize the need to address key challenges to further drive adoption and retention.

Recommendations

1. E-commerce businesses: Prioritize mobile optimization, personalized marketing, and seamless payment gateways to enhance the e-commerce experience.
2. Policymakers: Develop policies and initiatives to address concerns about data security, limited digital literacy, and inadequate infrastructure.
3. Stakeholders: Invest in digital literacy programs and infrastructure development to support m-commerce growth in India.

Limitations

This study has several limitations, including the sample size and geographical scope. Future studies can build on this research by exploring the impact of mobile/smartphone usage on e-commerce in other emerging markets.

Future Research Directions

1. **Cross-cultural comparisons:** Explore the impact of mobile/smartphone usage on e-commerce in different cultural contexts.
2. **Technology adoption:** Investigate the factors influencing the adoption of emerging technologies, such as artificial intelligence and blockchain, in e-commerce.
3. **Sustainable e-commerce:** Examine the environmental and social implications of e-commerce growth in India and explore strategies for sustainable e-commerce development.

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