

A Study on Online Payment Platforms in India

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Abstract-The world is changing with fast pace so with technology. With the recent developments in technology there is change seen in payment systems. Starting from the barter system came coins then humanisation adopted Fiat Currency then net banking now app payment system. If current trend is analysed we will find that there are a number of payment platform. Every new day a bank is coming with its application used for online payment. Recently Government of India have Launched BHIM App. But here the question arises what is the success rate of these apps. Is it right to invest Crores and Billions of Rupees on the R&D of these applications? Is our country population ready to adopt this change? We will try to find out the answer in this Research Paper

Keywords- Technology; Payment systems; Applications; BHIM Application; Payment Platforms

I. INTRODUCTION

With the recent advancement in technology for designing mobiles coupled with the rising Internet speed have made it possible for humans to utilise those devices anywhere for performing e-commerce transactions plus services like e-mail access and web browsing are add on benefits. E-Commerce have helped people to overcome some basic problems like false currency, bouncing of cheques, change problems and forged signatures. Moreover it is much safer rather than carrying thousands of rupees in your pocket it is better to carry a login ID and password in your brain. With these benefits these intangible transactions are becoming more impactful in overall economies and their prompt transference at little cost, conventional systems of payment seems to be more expensive than the present-day strategies. And if the current data on application provided by various parties is analysed we will find they are thousands in number. From Airtel to Paytm, BHIM to Google Tez all are providing the platform for cash transfer.

II. OBJECTIVE

The main concern that will be addressed through this research paper is

“Is it right to invest on so many online payment applications?”
“Is our country ready to adopt the change in Payment method?”

III. RESEARCH DESIGN

The study basically follows “Descriptive Study” particularly through the study of secondary sources like reports of various companies, Data provided by RBI, UPI etc.

IV. RESEARCH METHODOLOGY

A. Sampling Method

Convenient Sampling

B. Methods of Data Collection

Overall project will be based on secondary data provided by:

- [1]. Official websites of Indian Government Agencies
- [2]. Past research reports
- [3]. Newspaper articles
- [4]. Financial Magazines

C. Data Preparation -

The data will be critically analysed and conclusion will be based on data provided by companies, However necessary assumption are to be made wherever sufficient data is missing, in acceptable manner.

V. TIME LINE OF E-COMMERCE

D. 1979

English inventor named Michael Aldrich comes up with the concept of long distance shopping to Videotext, credited with developing the predecessor to online shopping.

E. 1982

Minitel is introduced nationwide in France by FRANCE TELECOM and used for online shopping, stock inquiry, search phone directory and other services, and even online chat.

F. 1990

Tim Berners-Lee writes the first web browser, called World Wide Web (WWW), using the NEXT computer.

G. 1994

Netscape releases Netscape browser

H. 1995

Jeff Bezos launches Amazon.com and establishes. Jeff founded the first 24-hour broadcast of the non-commercial radio station.

I. 2002

PayPal launches online payment, which is acquired by eBay for 1.5 billion dollars.

J. 2015

Google launches Android Pay a prominent payment system similar to Apple Pay

K. 2016

BHIM (Bharat Interface for Money) is a mobile application developed by National Payments Corporation of India (NPCI), based on the Unified Payment Interface (UPI).

VI. TYPES OF ONLINE PAYMENT SYSTEM

L. Net Bank

Net Bank is a virtual counter of the bank to provide network technology for the customer to complete some traditional services such as opening an account, inquiries, transfer, online securities, investments and financial management. By comparison with traditional bank services, online banking cuts down operating cost. There are no time or location limits, the bank can offer services anytime and anywhere, even anyhow.

M. PayPal

PayPal allows money online in a more secure, convenient and efficient way. PayPal is the most popular third-party online payment system in the world. It has 8 million transactions every day and has over 137 million PayPal accounts in 193 markets and includes 26 currencies that it can transfer all over the world. (Aki 2015, cited: 30.09.2017)

N. Google Wallet

Google Wallet is a peer-to-peer payments service produced by Google Company. Google Wallet must link to an existing credit card or bank account in the US. Payment transfer is completed by using an email address or a phone number.

O. Amazon Payment

Amazon Payment was launched in 2007 by Amazon Company. It is an online payment system which is owned by Amazon.com. The customer does not have to leave the site to complete a transaction. It is safe and fast way to buy products online. (Aki 2015, cited: 30.09.2017.)

P. AliPay

In 2013, AliPay overtook PayPal as the world's largest mobile payment system. It is used by more than 5 percent of world's population. Up to now, there are 270 million user accounts.

Q. PayTM

Started as mobile and DTH Recharge service now a \$4 Billion Enterprise. Unlike other traditional gateways, it allows payments only from PayTM wallet. This service is now being used by Uber, Food Panda, Book my Show, Dominos Pizza etc.

VII. TREND IN ONLINE PAYMENT PLATFORM

- The total value of transactions via e- payment system hit a high of Rs 150 lakh crore (approx.) in March 2017, up from Rs 94 lakh crore in November 2016, but digital business fell to a low of Rs 107 lakh crore in July 2017 according to figures available from National Payment Corporation of India (NPCI).
- Transactions from mobile wallets initially surged from Rs 3,385 crore in October 2016 to Rs 8,353 crore by March 2017 but declined to Rs 7,262 Crore by August 2017, according to the RBI.
- UPI the Payment platform of NPCI promoted by RBI have taken a slow takeoff even after the launch of BHIM. BHIM gathered only 1% of the total amount of the total electronic payments in the country.
- According to the Statista (the Statistics Portal) there are 339 Million Smartphone users in India today and by 2022 India will be having 442.5 Million users.
- A Study on Mobile Banking and Applications by Nisha Sharma & Rupinderdeep Kaur stated that the private banks

they have the largest share in Mobile Banking about 71% followed by Public Banks 26% and then Foreign Banks by 3%.

VIII. FINDINGS

- There are a large no. of applications making an environment of confusion. There is no single application used by majority.
- Most of the Indians still don't have smartphones so they cannot make the use Online Payment Platform.
- If we go through the data we will find during the demonetisation period in India the use of E- Commerce was at it all time high but as soon as the time passes the people they shift to traditional method that is using Fiat Currency.
- The data itself reveal that Private banks are having the largest share in mobile banking but if go through the number of customer figure the public banks are having largest number of customers. There is a direct mismatch in this.

IX. CONCLUSION

- The step should be taken to bring some uniformity in using mobile application.
- "One Country one application" motto should be adopted.
- Rather than investing so much in new mobile applications the use of present application can be utilised.
- Our country India seems not truly ready to adopt such a significant shift of payment system major reason this is
 - 1) Habitual of using Fiat Currency
 - 2) Not all the population is having access to smartphones
 - 3) There is still a large population who don't have access to elementary education

X. LIMITATIONS

- While writing this paper time frame is a major factor.
- Since it is a very new topic so there is a lack of Research Papers

XI. REFERENCES

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