

# Analysis On Online Payment System In Ecommerce

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**Abstract-** This era of Internet has changed the business trade style and put across copious business chances to the e-business. E-commerce is characterized as the acquiring and proffering of items and services on the web. These business dealings occur either as business to business (b-to-b), business to consumer (b-to-c), consumer to consumer (c-to-c) or consumer to business (c-to-b). Here these transactions are carried out through computers, fax machines, barcode readers, automated teller machines (ATM), telephones, credit cards, debit cards or other electrical devices which does not include the exchange of paper-based documents or physically moving to a shopping mall. It includes activities such as procurement, order entry, transaction processing, online payment, authentication, inventory control, order fulfillment, shipment, and customer support. This paper is intended to examining and escalating awareness about a variety of concepts associated with Electronic Payment Systems (EPS) that includes its different modes and their case study. There's many possibility of payment in on-line payments like master card, COD, debit card, Equated Monthly Installment (EMI) option, gift voucher or wallet Rs. of participating website. To accomplish this, a survey was carried out in which 125 questionnaires were distributed among the folks of various markets and also the general public in Jalandhar. The respond has been explored by table analysis. The outcome of study reveals that on-line buyers in India are considerably littered with varied payment choices that are mentioned above. The results of the study may well be additional employed by the researchers and practitioners for accomplishing future studies in the similar area.

**Keywords-** E-commerce, on-line buyers, Electronic Payment System, payment choices.

## I. INTRODUCTION

E-shopping: E-shopping is growing rapidly day by day in India with the utilization of internet. Retail merchant expands their market therewith client who might not otherwise visit the physical store. The main advantage of online shopping is to induce attention of those customers who surf net most the time. And also the alternative benefit of on-line shopping is their distinctive on-line payment modes that attracts client for purchasing their goods or services on-line. There are, however, some pitfalls that can easily overwhelm the potential benefits of E-payment system. Primarily, E-payment system is not free from variety of risks and dangers that client needs to be conscious. In the coming time, we can be expecting on-line stores to boost their technology awfully, granting a neater and more rational business experience.

## A. Recent use

A party that wants to build its business online will establish an on-line store by developing its website. Such on-line stores are organized with the assistance of many menu choices that further assist the buyers to their desired departments accordingly. Here, the buyer will explore the items by viewing their pictures from completely different angles, along with the complete product details. When the customers choose to add the things in their cart, they are generally asked to proceed to checkout or to continue shopping. Once the customer opts to checkout, the net payment possibility is completed and also the item is organized and shipped from the merchant to the buyer.

Many physical retail stores have extended their business by exploitation the web. By having an on-line store as well as a physical store, firms get the most of each world. Stores that are promoting their merchandise in each area will take edges of the high demand for on-line shopping accessibility. The power to buy for products on-line provides consumers the choice to get product off of the web with the convenience of not even going away his or her residence. However, many people still get pleasure from and like to travel into a physical store for shopping. For a few customers this mode of purchase isn't due to a preference however due to generation gap.

Also gaining popularity constantly, there are immense numbers of on-line websites, such as snapdeal.com, amazone.com, jobong.com which permit consumers to sell and buy to each other. Electronic Payment Systems have made it much easier to make transactions online. "Customers with a e-wallet for on-line global shopping, allowing a new section of customers to shop for goods and services on the net ' while not the utilization of a credit card" (DBS and PayPal, 2010). This payment mode permits for secure transactions between two or more personal parties. Different technique of payment in on-line shopping:-

1. Credit card
2. Debit card
3. E- Gift voucher
4. E- wallet
5. EMI option
6. Cash on Delivery (CoD)
7. Net Banking

## 1. Credit Card:

A credit card could be a payment card issued to users as a system of payment. It permits the cardholder to get hold of product and services supported the customer's promise to pay for them. Then a revolving account is created by the issuer of card that grants a line of credit to the user from which the customer could lend funds to a mercantile or as a money advance to the user.

During the process of online shopping if payment is made through credit card then the card holder must provide all the data about credit card on bill-desk of the merchant website. In India, there are number of banks like HDFC, ICICI, CITI, AXIX, SBI and PNB which offer credit cards to their customers and most of the online shopping websites have their payment gateways with credit cards

## 2. Debit card:

The other and more convenient mode of making payments than carrying money with you all time could be a debit card. User would then deposit his money (or a check) into a bank account, and would be able to swipe his card to deduct cash from that account to make payment for the purchases. It's an excellent way to get things while not having to stress concerning going into debt or losing your cash.

Debit card have an equivalent method of payment in on-line shopping as same as credit card. Debit card is also referred as ATM card in India. All Nationalize and private sector banks provide the facility of ATM card.

## 3. CoD (cash on delivery):

It's a renowned technique of payment in online shopping in India. In this type of transaction payment for the goods and services is done at delivery time. If the buyer doesn't pay money for the product when it is delivered, then the product is returned back to the vendor. With COD, the buyer can pay at the time of delivery rather than having to pay upfront. "CoD offers a reasonably risk free method for a new user" says Dhall. Payment is created to the shipping company, and also the company then relays the payment back to the vendor.

## 4. Net Banking:

Net Banking:- internet banking is associated with electronic payment system that allows customers of a financial organization to conduct monetary transactions on an internet site operated by the institute, like a retail bank, virtual bank, credit union or savings and loan association. On-line banking is also referred as net banking, e-banking, virtual banking and by many other terms. To make utilization of internet banking facility, a user has to create a user ID and password which he would use on the time of payment.

## 5. EMI option:

EMI is shorted for 'Equated Monthly Installment - EMI' a predetermined payment quantity created by a borrower to a loaner at such date every calendar month. In India several on-line shopping web site provides EMI choice for payment of their purchase. This facility is given by web site only to those customers who hold a credit card. In our country this technique of payment is not most fashionable because of a few number of credit card holder.

## 6. E-Gift Voucher:

E-Gift voucher work a bit like regular Gift voucher; but, this sort of gift voucher is emailed to the recipient. A duplicate of the same voucher will be sent to the buyer as confirmation that

the e-mail was sent. This technique of payment is not very common in on-line shopping because very limited number of vouchers is distributed by such firms to their customers.

## 7. E- Wallet:

An E-Wallet refers to that electronic device that enables a user to create electronic payment transactions. Each on-line shopping web site has their digital wallet with completely different name. Client of shopping website will fill their E-wallet by opting different payment choice and could pay their order whenever they require.

## II. RESEARCH OBJECTIVE

To analyze and know the assorted payment options of online searching with folks of various market and general public in Jalandhar city.

## III. RESEARCH METHODOLOGY

The method of random sampling has been used to conduct the research.

### A. DATA COLLECTION METHOD

The method of questionnaire has been used to collect the data.

### B. SAMPLE DESIGN

Under sample design the tactic of random sampling is been deployed to collect information from the respondents.

### C. SAMPLE SIZE

Total number of 120 people has been taken as sample size for the research purpose for the gathering of data.

### D. DATA ANALYSIS AND INTERPRETATION

Method of pie charts and tables is used in data analysis and interpretation.

120 respondents have been put some questions, out of which 90 people answered the questions. And from this figure, 81 look for on-line shopping. In the questionnaire they were asked the questions about age, sex, whether or not they do on-line shopping, and if they do online shopping then which channel they use for payment etc. [3]

Following are the tables and pie diagrams of information interpretation

1. Out of 90 respondent 25 are male and 65 are females

Table 1: Number of male and female included in the survey

Male	Female
25	65

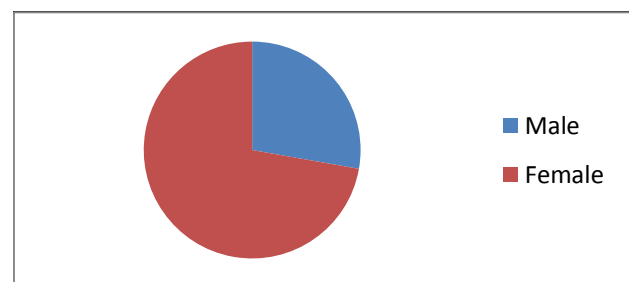


Fig.1: Male-Female Respondent Ratio

2. Out of Most of the respondents are in age group of 16-30.

Table 2: Different Age Group of the Respondents

Age Group	Respondent
16-30	48
31-50	35
51 and above	07

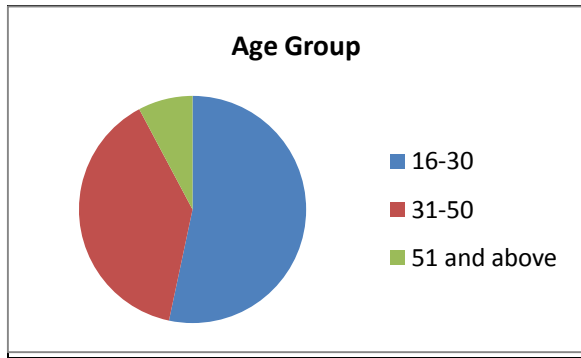


Fig.2: Different Age Group of Respondent

3. People included in the questionnaire were asked “Do you use online payment?” 99% of respondents came back with “Yes”, only 1% of respondents replied “No” and only 1% responded that they will use online payment system in future. The below table shows the data in percentage of the question Have they experienced online payment system before?

Table 3: Have they experienced online payment system before?

Do you have experience of online payment system before?	Yes	No	I will use it later
	98%	1%	1%

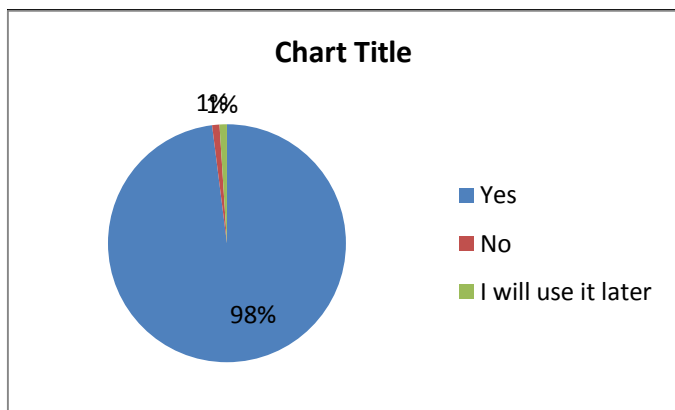


Fig.3: Have they experienced online payment system before?

4. The question was asked to the respondents “Which online mode of payment are you aware of?” As this question was an objective type question, the respondents could choose any of the choices and even more than one choice. The people were also provided with an open option in which they can answer about any other mode of payment which was not included in the list. [5] Following online payment modes were mentioned: Credit Card, Debit Card, CoD, Net Banking, EMI, E-Gift, E-Wallet.

Table 3: Different modes of payment known to respondents

Method of Payment	Number of User
Credit card	53
Debit card	59
CoD	87
Net Banking	22
EMI	45
E-Gift	3
E-Wallet	48

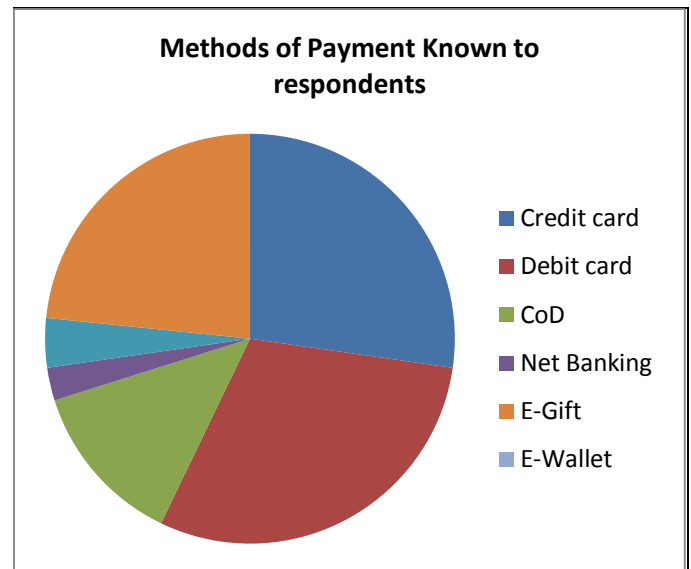


Fig.4. Various modes of Payment known to Respondents

5. The next question asked to the respondents was which online payment systems they prefer most.

Table 5: Different modes of payment preferred by respondents

Method of Payment	Number of User
Credit card	13
Debit card	21
CoD	23
Net Banking	10
EMI	02
E-Gift	03
E-Wallet	18

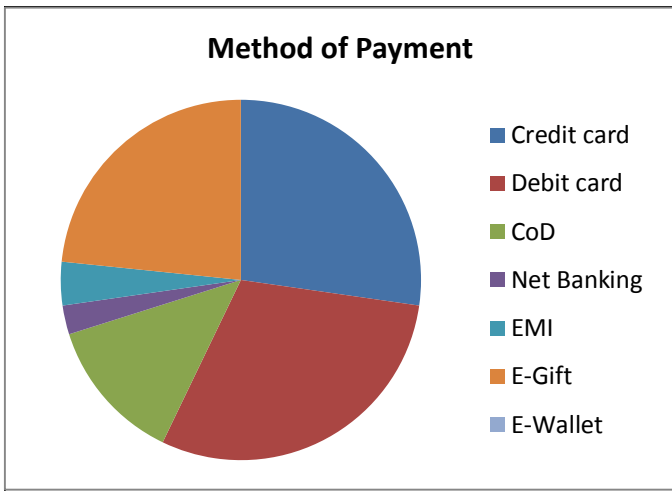


Fig.5: Various modes of Payment preferred by Respondents

6. Afterwards folks were questioned about the total percentage of their spending through E-payment system. It was “How much percentage of your income do you spend via digital payment system every month?” [4] The following tabular data depicts the % of expenditure used every month via E-payment system.

Table 6: Percentage of income spent via digital payment system every month

Number of People	Expenditure (in percentage)
5	10%
17	29%
18	21%
21	38%
29	41%

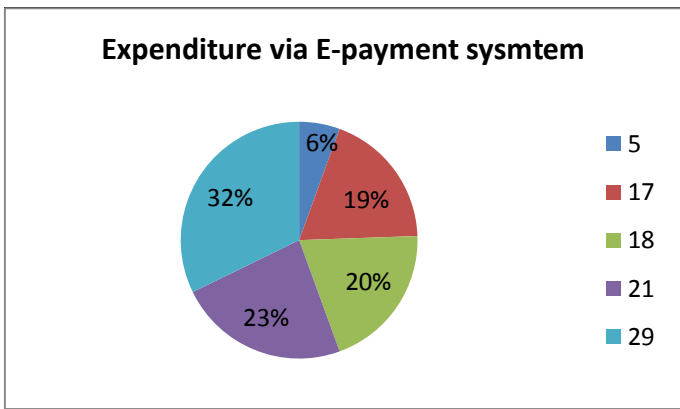


Fig.6: Percentage of income spent via digital payment system every month

7. The last question of the survey was about [2] pros and cons of E-payment system. Both of the questions were objective type questions. They were able to tick more than options and “others” as an open option was there if the pros or cons were not mentioned the list.

7.1 [6]The options included in the list of pros of online payment system were: ease, efficiency, automated, fast speed, less risk of theft and others. The total number of respondents were 90, selected answer were 245.

Table 7: Pros of online payment system

Ease	68
Efficiency	52
Automated	32
Fast Speed	60
Less Risk of Theft	31
Others	2

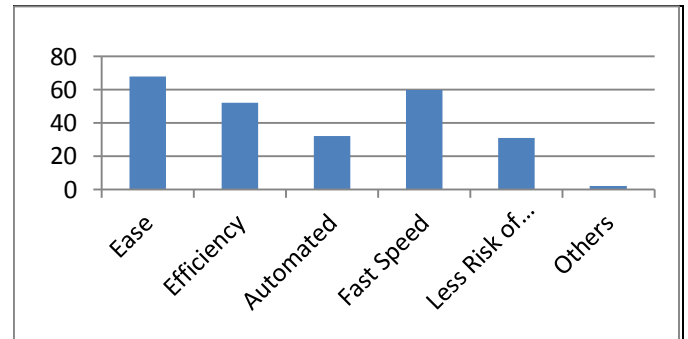


Fig.7: Pros of online payment system

7.2 [6] The options included in the list of cons of online payment system were: service fee, inconvenient for offline sales, vulnerability to cyber criminals, reliance on telecommunications, technical problem, it may take time to get started, others. The total number of respondents were 90, selected answer were 245.

Table 8: Cons of online payment system

Service Fee	30
Inconvenient for offline sales	31
Vulnerability to cyber criminals	38
reliance on telecommunication	16
technical problem	43
it may take time to get started	2
others	3

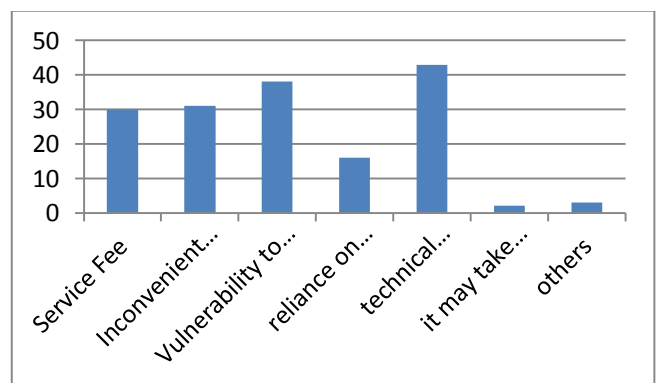


Fig.8: Cons of online payment system

#### IV. CONCLUSION AND SUGGESTION

The work deals with an analysis of Comparative study of various method of payment method in Ecommerce. The study was based on empirical data obtained through surveys of questionnaires with the general public of city in various areas such as shopping complex, restaurants, book stalls etc. The overall result proves that most of the respondents of research are using e payment system and the major age group which shop online is 16-30. The number clearly shows the project growth of e-commerce. The main object of research is to identified various payment option in e-payment system and the result shows most the respondents using cash on delivery option in city because of its easy to use and risk free nature of payment transaction. On second number people use debit card option because it's easily availability and use. Now a day's net banking also become popular among people shows the research. Credit card and EMI option is following net banking. The number of credit card holder is very less in city so this option is also very less frequently used. There is less number of respondents using EMI option because EMI facility only those people can avail who have credit card. E-Gift option is not very popular among the respondent because of its low popularity. Considering this, the monthly expenditure via e-payment system is becoming more common. People are also aware about the advantages of this mode of payment system such as time saving, easement, efficiency and automation. However, this system is not free from many shortcomings like cybercrime, technical errors, and adaptation of E-system etc. The content of this research can also be used by various organization to improve the payment transaction method and improve those method which frequently used by online shoppers.

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