

Online Payment System For Sustainable Growth On E-Commerce In India: A Current And Future Scenario

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ABSTRACT: *Now-a-days we all notice that an ever increasing number of consumers are moving towards online shopping because of numerous reasons like accommodation, assortment, smart devices, and so forth. The ecommerce segment has blasted without any difficulty of acquiring and selling items or administrations, accessibility and network of most recent innovations over the Internet. As the trust level towards ecommerce stages are expanding; the consumers are getting continuously agreeable in utilizing various applications like trucks, indexes, correlation, making online exchanges. Albeit numerous consumers are getting tuned towards use of different electronic devices and online-payment stages by introducing and utilizing various applications in their smart devices however there are as yet numerous consumers who favor Cash on Delivery. So it is significant for the online businesses explicitly to comprehend the payment use of consistently changing consumers for better maintainable growth. The rise of ecommerce has made new budgetary needs that by and large can't be adequately satisfied by the customary payment systems. Perceiving this, for all intents and purposes every invested individual are investigating different sort four classes: Online Credit Card Payment System, Online Electronic Cash System, Electronic Check System and Smart Cards based Onlione Payment System. This system is overseen by reserve bank of India (RBI). It is giving a valiant effort to support elective technique for payment which will carry security and proficiency to payment system. In future online Payment Industry has a broad potential for growth thinking about the growth of Internet.*

KEYWORDS: credit cards, RBI, smart cards, electronic cheques, e-Payments, Consumer Behaviour, Online Payment Platforms, and Sustainability.

INTRODUCTION

In today's digital era the usage of the internet has expanded radically. All tallies of age are devouring and creating heaps of information each second. Numerous associations are dissecting and changing dependent on the examination that they had the option to catch from the shopper investigation. Without breaking a sweat of smartphones and virtual availability of items, administrations and payments online have supported the manner in which individuals are shopping and making payments online. The ecommerce business at first began with the Cash on Delivery reason for the individuals to get the vibe of the new online industry and furthermore to develop their trust. After the clients are knowledgeable with the association ns, the organization began presenting different foundation of the online payments. E-Payment has offered access to different money related stages like check card, credit card, net banking, advanced wallets, and so forth. Cash has become a less normal method of exchange as the presence of e-payments has permitted consumers and purchasers with more prominent comfort, and yet it has raised an uncertainty or a risk as there has consistently been expanding issues in regards to the extortion and protection worry that has been the top dread in the psyches of internet clients. We as a whole have seen that the conventional payment modes have been supplanted by different sorts of e-payments that are fast and effective. In e-payment process both purchaser and vender utilizes computerized modes to send or get cash, it is a programmed procedure where dealer and the purchaser can abstain from visiting their bank. It disposes of the physical cash that is dangerous to deal with now and again. Today consumers can make payment through electronic modes by utilizing cards and different stages that are made accessible through a wide range of smart devices. The acknowledgment of specific payments by merchants and businesses has a significant effect on the buys made by their customers, as the accessibility of the different modes help the buyer to pick that is reasonable or accessible to them also. Recent years' smartphones are having a colossal growth because of openness and accessibility of the internet. The mobile wallet suppliers like Paytm, PayPal, Mobikwik, and so on with the restitution plots likewise pulling in numerous consumers to utilize e-payment modes supporting the organisations with critical growth. The computerized wallets are further empowering economies to a cashless society. Electronic wallets and mobile wallets are besides computerized rendition of the

hard cash in physical wallet with more highlights and capacities. E-payments wallets decrease cost of cash holding and taking care of for the retailers. Retailers on online stage have presented rewarding limits and cash back ideas to get payment orders for all the cashless payments. The online stage retailers have urged more clients to pick a payment mode other than Cash on Delivery, it likewise encourages a business to hold their client. Consumers will come back to a similar site where their subtleties are put away for making payments, thusly the exchange procedure lessens making the online shopping smoother.

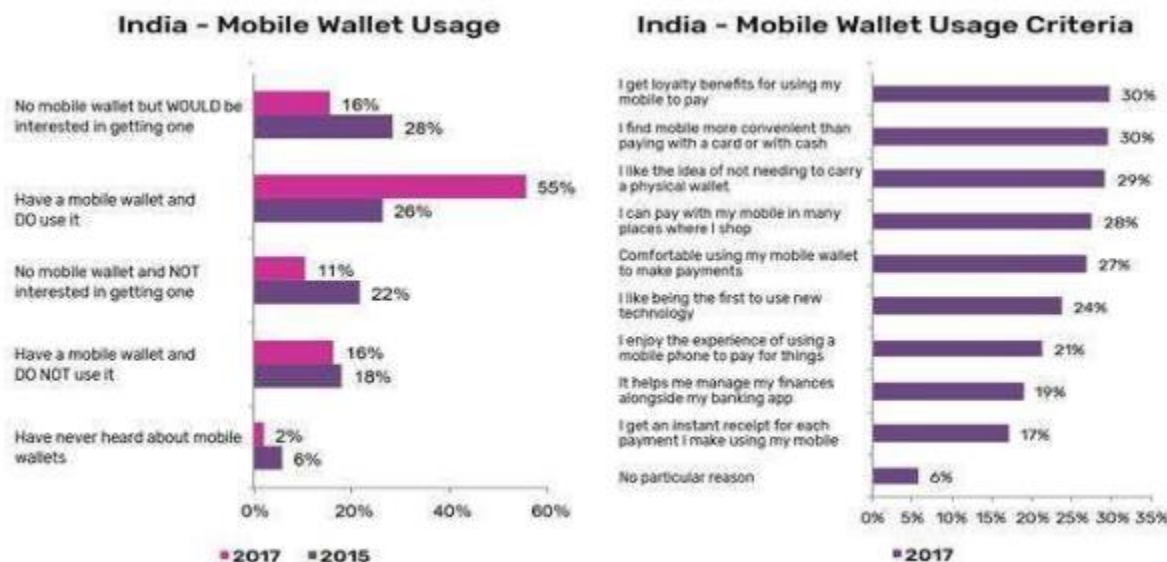


Figure 1: Consumer Payments Insights

Keeping money in electronic wallet can be used whenever required for making payments for various reasons or send money to anyone. E-payments empowers organizations, governments, businesses, individual to avoid hard cash and make cashless payments for various services Food & Beverages; Tickets for events, movies, rail, bus, air, etc.; Local Public Transport (Uber, Ola, Taxi, Rickshaw, etc.); Goods (Apparels, electronics). Various payment platforms like: **Pay-TM:** India’s largest payments platform is currently handling millions of transactions. This platform which makes instant payments was founded in 2010. It is a platform which provides a digital wallet to store money. PayTM wallet can also be used to make bill payments, transfer money and avail services from travel, entertainment and retail industry. Payment links, reporting links, payment methods, are the rich solution feature of PayTM. PayTM has the largest saved cards repository.

MobiKwik: It is an independent mobile payment network that supposedly connects 25 million users with 50,000 retailers and more. It was founded in 2009 Guru gram. It provides a digital wallet and mobile based payment services. MobiKwik allows its users to use cards, net banking and even cash on delivery service for the purpose of paying bills, recharge and shop in the market. Recently MobiKwik has tied up with grocery, restaurants and other offline merchants which are large and small time. There are total 10,000,000+ numbers of installs of MobiKwik.

PAYPAL: An American company is operative in a global online payments system that supports online money handovers and serves as an electronic alternative to traditional payments methods. EBay is the parent company of PAYPAL. PayPal is the faster, safer way to send money, make an online payment, receive money or set up a merchant account. PAYPAL operates as a payment processor for online vendors, auction sites, etc.

PayUMoney: It is a Gurgaon based company which provides online payments solutions and enables the users to store cash and make payment for various transactions, goods and services. In order to differentiate themselves from other players, they provide a wide range of benefits that include one-touch check out and discounts / cashback offers on every transaction made. PayUMoney also ensures the right purchase and customer satisfaction by providing instant refunds on cancellation of an order also by protecting buyer’s right. There are total 100,000+ numbers of installs of PayUMoney

BHIM: It is a mobile app, developed by the National Payments Corporation of India. It is based on the Unified Payment Interface (UPI), where the bank details or even internet is not required to make payments. Simply using mobile number, aadhar card number, name or any banks UPI ID anyone can send or receive money in any preferred language.

LITERATURE REVIEW

Rakesh H M and Ramya T J (2014) in their examination paper titled "A Study on Factors Influencing Consumer Adoption of Internet Banking in India" attempted to look at the variables that impact internet banking appropriation. It is discovered that internet banking is impacted by its apparent unwavering quality, Perceived usability and Perceived convenience. During the time spent internet banking administrations master ought to underline the advantages its selection gives and mindfulness can likewise be improved to pull in consumers" regard for internet banking administrations.

Rachna (2013) depicts that onlione Payment system is the premise of on line payments and it make onlione Payment whenever through the internet legitimately to deal with the e - business condition. The hazard to the on line payments are robbery of payments information individual information and deceitful dismissal with respect to client.

Aasthagupta(2013) portrays that RBI assumed a noteworthy job in building up the payment system in the country through its foundation .ATM likewise give better option in contrast to customary payment system .RBI additionally improve the payment system by presenting MICR,RTGS ,Card based clearing and so forth.

Singh Sumanjit (2009) featured that as payment is an indispensable piece of trade process, onlione Payment system is an essential piece of ecommerce. The rise of internet business has made new money related needs that as a rule can't be adequately satisfied by conventional payment systems.

KaramjitKaur (2015) portrays that spread of e-payment utilization fluctuate unevenly between nations incompletely because of contrast in components, for example, nature of administrative structure and availability of media transmission framework. Epayment system is secure .there ought to be no danger to the client credit number smart card; payment can be carryout without association of outsider. It makes e payment whenever through the internet straightforwardly to the exchange settlement and structure e business condition.

Sanghita Roy, Dr. IndrajitSinha (2014) .expressed that E-payment system in India, has indicated colossal growth, yet at the same time there has parcel to be done to build its use. Still 90% of the exchanges are cash based. Innovation Acceptance Model utilized with the end goal of study. They discovered Innovation, motivator, client accommodation and legitimate structure are the four components which add to reinforce the E-payment system. E-payment systems are significant components utilized by individual and associations as a verified and advantageous method for making payments over the internet and simultaneously a door to innovative headway in the field of world economy (Slozko and Pello, 2015).

KartikeyaBolar (2014)In his exploration paper "End-client Acceptance of Technology Interface In Transaction Based Environment "expressed that Creators and financial specialists of innovation need data about the customers" assessment of their innovation interface dependent on the highlights and different quality measurements to settle on vital choices in improving innovation interfaces and contend on different quality measurements.

Nitsure (2014) in his paper saw that the issue being looked by creating nations like India in the selection of E-banking activities because of low dispersal of Information Technology. The paper featured the issues, for example, security concerns, rules, guideline and the board. In India there is a significant danger of the development of a computerized split as the poor are avoided from the internet thus from the money related system.

BalazsVinnai, head supervisor, Digital Channels, Misys(April 25, 2016), says that "It is basic for banks to think about new advanced channels as a component of a coordinated technique and develop from first to second era computerized banking: changing computerized from a supporting job, to the essential deals and correspondence channel for banks," says Vinnai. "Reengineering forms around the client isn't simple, yet banks must grasp advanced banking to stay focused and applicable."

CONVENTIONAL VS.ONLIONE PAYMENT SYSTEM PROCESS

To get into the profundity of online Payment process, it is smarter to comprehend the handling of customary or conventional payment system. A traditional procedure of payment and repayment includes a purchaser to-vender move of cash or payment data (i.e., check and credit cards). The real settlement of payment happens in the budgetary

handling system. A cash payment requires a purchaser's withdrawals structure his/her bank account, an exchange of cash to the vender, and the dealer's store of payment to his/her record. Non-cash payment instruments are settled by modifying for example crediting and charging the fitting records between banks dependent on payment data passed on by means of check or credit cards.

1. Process of Conventional/Traditional Payment System: Cash moves from the buyers' bank to sellers' bank through face-to-face exchange in the market. If a buyer uses a non-cash method of payment, payment information instead of cash flows from the buyer to the seller, and ultimate payments are settled between affected banks, who notation ally adjust accounts based on payment information.

2. Process of Online Payment System: Online Payment systems have been in activities since 1960s. After the advancement of traditional payment system, EFT (Electronic Fund Transfer) based payment system appeared. It was first electronic based payment system, which doesn't rely upon a focal handling middle person. An electronic reserve move is a money related utilization of EDI (Electronic Data Interchange), which sends credit card numbers or electronic checks by means of verified private systems among banks and significant companies. To utilize EFT to clear payments and settle accounts, an online payment administration should add capacities to process requests, records and receipts. In any case, a milestone came toward this path with the improvement of computerized money. The idea of advanced cash or electronic cash reflects that of paper cash as a method for payment. In that capacity, advanced money payment systems have indistinguishable points of interest from paper cash payment, in particular secrecy and comfort. As in other online Payment systems (for example EFT based and middle person based) here too security during the exchange and capacity is a worry, despite the fact that from the alternate point of view, for advanced cash systems twofold spending, forging, and capacity become basic issues while listening in and the issue of risk (when charges are made without approvals) is significant for the notational reserves move.

MODES OF ONLIONE PAYMENT SYSTEM

Onlione Payment system can be broadly divided into four general types:

Online Credit Card Payment System: It seeks to extend the functionality of existing credit cards for use as online shopping payment tools. This payment system has been widely accepted by consumers and merchants throughout the world, and by far the most popular methods of payments especially in the retail markets. This form of payment system has several advantages, which were never available through the traditional modes of payment. Some of the most important are: privacy, integrity, compatibility, good transaction efficiency, acceptability, convenience, mobility, low financial risk and anonymity. Added to all these, to avoid the complexity associated with the digital cash or electronic-cheques, consumers and vendors are also looking at credit card payments on the internet as one of possible time-tested alternative. But, this payment system has raised several problems before the consumers and merchants.

Electroniccheque payment system: Electronic cheques address the electronic needs of millions of businesses, which today exchange traditional paper cheques with the other vendors, consumers and government. The e-cheque method was deliberately created to work in much the same way as conventional paper cheque. An account holder will issue an electronic document that contains the name of the financial institution; the payer's account number, the name of payee and amount of cheque. Most of the information is in uncoded form. Like a paper cheques e- cheques also bear the digital equivalent of signature: a computed number that authenticates the cheque from the owner of the account. Digital chequing payment system seeks to extend the functionality of existing chequing accounts for use as online shopping payment tools.

Electronic Cash Payment System: Electronic cash is a new concept in online payment system because it combines computerized convenience with security and privacy that improve on paper cash. Its versatility opens up a host of new markets and applications. E-cash is an electronic or digital form of value storage and value exchange that have limited convertibility into other forms of value and require intermediaries to convert. E-cash presents some characteristics like monetary value, storability and irretrievability and security. All these characteristics make it more attractive payment system over the Internet. Added to these, this payment system offers numerous advantages like authority, privacy, good acceptability, low transactions cost, convenience and good anonymity.

Smart card based onlione Payment systems: Smart cards are receiving renewed attention as a mode of online payment. They are essentially credit card sized plastic cards with the memory chips and in some cases, with

microprocessors embedded in them so as to serve as storage devices for much greater information than credit cards with inbuilt transaction processing capability. This card also contains some kinds of an encrypted key that is compared to a secret key contained on the user's processor. Some smart cards have provision to allow users to enter a personal identification number (PIN) code.

CURRENT SCENARIO OF E-PAYMENT SYSTEM

The payment system activities taken by Reserve bank of India have brought about more profound acknowledgment and infiltration of non-cash payments modes. An investigation of payment system in India uncovers that growth of online Payments has been amazing.

- India has a few payment systems, extending from paper – based systems to the electronic reserve move systems that offer genuine – time settlement. These payments are overseen by numerous elements and are directed by the Reserve bank of India.
- Based upon the application they could be characterized into Systemically Important Payment Systems (SIPS) and Retail Payment System (RPS).
- RBI's pushed on innovation in payment systems have brought about obvious enhancements in the settlement forms in the SIPS ,where over 70% exchanges are dealt with electronically.
- Retail payment systems incorporate checks clearing systems, electronic clearing systems and the card – based systems.
- Increased acknowledgment of online Payment systems brought about the growth of retail electronic clearing
- Board for Regulation and supervision of payment and Settlement Systems (BPSS) were comprised to endorse strategies identifying with the guideline and supervision of all payment and settlement systems, set principles for existing and future systems.
- To assist BPSS, RBI constituted a Department of Payment and Settlement Services.

FUTURE OF ONLINE PAYMENT SYSTEM

There are wide assortments of payment systems accessible to a purchaser today. Anyway there emerges a need to give a solitary all inclusive payment system that gives the upsides of all the current payment system. In an exertion towards this heading, an association called Joint Online Payment Initiative has been framed. The goal of this gathering is to characterize a lot of conventions and interfaces that can bolster the utilization of a wide assortment of payment techniques for arrange commerce. Credit Card Payments have embraced SET as a standard for payment exchanges. In any case, no convention is currently accessible for electronic check payment. Financial Service Technology Consortium (FSTC) is progressing in the direction of getting a standard for electronic checks. FSML has been acquainted with create secure money related records like checks. Nonetheless, it is yet to be acknowledged as an industry wide standard. Electronic Cash items like E-cash that don't utilize banking framework are thinking that its hard to push into the market. Anyway smart card systems like Mondex are not well known in the market in light of not being sponsored up by significant banking organizations. Online Payment Industry has a broad potential for growth thinking about the growth of internet.

CONCLUSION

The digital evolution has set off the manner in which individuals are conveying, buying items, taking care of their utility tabs online, trade of data or performing business. The innovation has out and out changed the buyer personal conduct standard towards buying and using the items or administrations. They attempt to exploit the different advanced stages to extend their business and for economic improvement growth. The associations through computerized can share the experience by giving the consumers different choices like assortment, limits, item/administration correlation, payment inclinations, and so forth. This has in truth uncovered consumers towards the routine utilization of perusing items, utilizing diverse online payments that thus create trust and as rule unwaveringness towards the items as well as payment stages. Simultaneously organizations get the important improvement in their businesses, as the headway of innovation has given them freedom for following the shopper's inclinations, criticisms, frame of mind towards the item, their pursuit designs, and so on. Innovation has inarguably made our lives simpler. It has cut crosswise over separation, space and even time. One of the mechanical

advancements in banking, fund and commerce is the Online Payments. Online Payments (e-payments) alludes to the mechanical leap forward that empowers us to perform money related exchanges electronically, subsequently evading long queues and different issues. Payment system is spine of the monetary foundation of the country and improves globalization. There is have to make payment system that are productive solid and reasonable.

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