

A Study on the usage of E-Payment Systems in E-Commerce

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Abstract : This research paper investigates the utilization of electronic payment (E-Payment) systems within the realm of electronic commerce (E-Commerce). The study delves into the factors influencing the adoption and usage of E-Payment systems, considering both consumer and business perspectives. Through a comprehensive analysis of existing literature, statistical data and case studies, the paper aims to shed light on the current trends, challenges and opportunities in the E-Payment landscape. Insights derived from this research can inform stakeholders in the E-Commerce industry, including businesses, policy makers and technology providers to enhance the efficacy and security of E-Payment systems.

Keywords: Purchase, Sale, and Exchange of Commodities, Transfer of Goods, Producers to Consumers, Human Lives.

Introduction - Commerce includes purchase sale and exchange of commodities. Therefore, it can be defined as an exchange of commodities or all activities involved in transferring goods from producers to consumers commerce has been a major part of human lives since the beginning of history. The implementation of the Internet has created a paradigm shift in the way businesses are conducted today. The past decade has witnessed the emergence of a new kind of commerce known as E-Commerce.

Evolution of E-Commerce- Electronic Commerce of today started with the launch of the World Wide Web and browsers in the early 1990. The relaxation of government restrictions in the telecommunications sector and innovations have helped in the rapid growth of E-Commerce.

Objectives of research article :

1. The study of E-Commerce and E-Payment systems.
2. To identify the most commonly used E-Payment methods
3. To examine the factors influencing consumers decisions to use E-Payment systems.
4. Presenting a study on the benefits of e-payment in e-commerce.

Revive of literature

The rise of e-commerce has significantly changed how businesses operate and how consumers shop. A crucial component of this transformation is the adoption of electronic payment (e-payment) systems. This literature review aims to explore various studies on the usage of e-payment systems in e-commerce, focusing on their benefits,

challenges, security concerns, and future trends.

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Research Methodology

E-Commerce – Electronic commerce, commonly written as E-Commerce is the trading in products or services using computers networks, such as the Internet Electronic commerce draws on technologies such as mobile commerce electronic fund transfer, supply chain management, internet marketing, online transaction processing, electronic data interchange. Inventory management systems and automated data collection systems, modern E-Commerce typically uses the w.w.w. for at least one part of the transactions life cycle, although it may also use other technologies such as E-Mail.

E-Payment system- An E-Payment system is a way of making transactions or paying for goods and services, through an electronic medium, without the use of checks or cash. It's also called an online payment system. The electronic payment system has grown increasingly over the last decades due. The growing spread of internet based banking and shopping.

When you purchase goods and services online. You pay for them using an electronic medium. This mode of payment without using cash or cheque is called an E-Commerce payment system and is also known as online or electronic payment systems. Paperless E-Commerce payments have revolutionised the payment processing by reducing paper work, transaction costs and personal cost. The different types of E-Commerce payments in use today are-

1. Credit Card – The most popular form of payment for E-Commerce transactions is through credit cards. It is simple to use. The customer has to just enter their credit card number and date of expiry in the appropriate area on the seller's web page to improve the security system, increased security measures, such as the use of a card verification number have been introduced to online credit card payments. The CVN system helps detect fraud by comparing the CVN number with the cardholder's information.

2. Debit Card – Debit cards are the second largest E-Commerce payment medium in India customers who want to spend online within their financial limits prefer to pay with their Debit cards with the debit card. The customer can only pay for purchased goods with the money that is already there in his/her bank account as opposed to the credit card where the amounts that the buyer spends are billed to him/her and payments are made at the end of the billing period.

3. Smart Card – Smart card is a plastic card embedded with a microprocessor that has the customer's personal information stored in it and can be loaded with funds to make online transaction and instant payment of bills. The money that is loaded in the smart card reduces as per the usage by the customer and has to be reloaded from his/her bank account.

4. E-Wallet – E-Wallet is a prepaid account that allows

the customer to store multiple credit cards, debit card and bank account numbers in a secure environment. This eliminates the need to key in account information every time while making payments. Once the customer has registered and created E-Wallet profile he/she can make payments faster.

5. Net banking – This is another popular way of making E-Commerce payments. It is a simple way of paying for online purchases directly from the customer's bank. It uses a similar method to the debit card of paying money that is already there in the customer's bank Net banking does not require the user to have a card for payment purchases but the user needs to register with his/her bank for the net banking facility. While completing the purchase the customer just needs to put their net banking id and password.

6. Mobile Payment – One of the latest ways of making online payments are through mobile phones. Instead of using a credit card or cash, all the customer has to do is send a payment request to his/her service provider via text message. The customer's mobile account or credit card is charged for purchase. To set up the mobile payment, the customer just has to download a software from his/her service provider's website and then link the credit card or mobile billing information to the software.

7. Crypto Currency – Cryptocurrency is a digital currency secured by cryptography. Which makes it nearly impossible to counterfeit or double spend. There are many types of cryptocurrencies and they can be purchased from popular crypto exchanges cryptocurrencies are a new paradigm for money and they promise to streamline existing financial architecture to make it faster and cheaper.

8. Pay Pal – Pay Pal is a digital payment service that allows users to send and receive payments online. It was founded in 1998 and acquired by eBay in 2002, the later spun off as an Independent company in 2015 Pay Pal is widely accepted by online merchants and is a popular payment method for E-Commerce transaction.

9. E-Cheque – An E-Cheque, also known as an electronic cheque is a digital version of a traditional paper cheque. It is an electronic payment instrument that allows individuals and business to make payments online E-Cheques offer a secure fast and cost – effective payment solution for individuals and businesses and their use is expected to continue growing in the digital payment landscape.

10. UIP-UPI or Unified Payments Interface is a digital payment system that allows users to make and receive payments through mobile devices. Prepaid payment instrument in UPI refers to digital wallets like Phonepe, Paytm, Amazon Pay, Google Pay and Freecharge.

Here are some benefits of an e payment system :

1. Highly Secure - An e-payment system is highly secure, safeguarding cardholder data and preventing payment fraud better than paper based payments can achieve.

2. **Control** - Gives you better control over your money.
3. **Time saving** - A feature rich e-payment system lowers associate process time by automatically initiating and processing payments.
4. **Track and monitor data** - An e-payment system makes it easier to track and monitor data to ensure adherence to complex compliance regulation and all business rules.
5. **Accessibility** - E-payment can be made at any time, providing round the clock access to financial transactions.
6. **Reduced the cost** - E-payment systems reduce the cost of processing paper based payments.

Analysis and discussion- This research paper provides a comprehensive investigation into electronic payment (E-Payment) systems within the realm of electronic commerce (E-Commerce). It aims to elucidate factors influencing the adoption and usage of E-Payment systems from both consumer and business perspectives. Through a thorough review of existing literature, statistical data, and case studies, the paper examines current trends, challenges, and opportunities in the E-Payment landscape. The study underscores the importance of E-Payment systems in modern E-Commerce, emphasizing their role in enhancing security, convenience, and transaction speed. It advocates for stakeholders in the E-Commerce industry to prioritize investments in secure and user-friendly E-Payment solutions to maintain competitiveness. Moreover, the paper highlights the necessity of robust security measures and transparent privacy policies to address consumer concerns and foster trust. Overall, it concludes that E-Payment systems will continue to be integral to the growth and evolution of E-Commerce, serving as a cornerstone for digital transactions in the future.

This research paper offers a thorough exploration of electronic payment (E-Payment) systems within the domain of electronic commerce (E-Commerce), emphasizing

factors influencing their adoption and usage across consumer and business perspectives. By synthesizing existing literature, statistical data, and case studies, the paper illuminates current trends, challenges, and opportunities in the E-Payment landscape. It underscores the critical role of E-Payment systems in enhancing security, convenience, and transaction efficiency in modern E-Commerce. The study advocates for stakeholders in the industry to prioritize investments in secure, user-friendly E-Payment solutions to maintain competitiveness. Additionally, it highlights the imperative of robust security measures and transparent privacy policies to address consumer concerns and build trust. Ultimately, the research predicts that E-Payment systems will remain pivotal in driving the growth and evolution of E-Commerce, serving as foundational elements for digital transactions in the future.

Conclusion : The study highlights the significance of E-Payment system in E-Commerce with security convenience and speed being the primary drivers of adoption. E-commerce businesses should prioritize investing in secure and user-friendly E-payment solutions to stay competitive. Addressing privacy and security concerns through robust security measures and transparent privacy policies is crucial. The findings suggest that E-payment systems will continue to play a vital role in the growth and development of E-commerce.

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