

A Conceptual Study on Awareness of Online Payment System among Rural Merchants

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Abstract: Demonetisation is the act of stripping a money unit of its status as legal tender. It is necessary whenever there is a change of national money. The old unit of money must be retired and exchange with a new money unit. Rural Merchants are not equipped with facilities for online payment system for accepting card payment or any online payment systems like Paytm. The study focuses on the level of awareness among the rural merchants towards online payment system.

Keywords: Credit card, Debit card, E-Money, Electronic fund transfer, Mobile banking, Smart card.

I. INTRODUCTION

E-Commerce is the procurement and vending of things and facilities, or the spreading of moneys or records, over an online network, chiefly the internet. These business dealings occur either as business to business (b2b), business to consumer (b2c), consumer to consumer (c2c) and consumer to business (c2b). The terms e-commerce are regularly used interchangeably.

E-Business is the behavior of business procedures on the internet. These online business procedures include procurement and vending crops, provides and facilities; servicing consumers; processing payment; handling manufacture control; cooperating with business collaborators; distribution knowledge; passing automated worker facilities; employing and more.

The leverage of online payments is not only for E-Business but for any economy where demonetization has been implemented. Demonization is an essential monetarist step in which a money unit's status as a legal tender is confirmed unacceptable. This is frequently done whenever there is a change of national money, exchanging the old unit with a new one. Such a step, *were taken in few countries* for example India, Europe and Singapore..

E-commerce sites use online payment, where online payment refers to paperless fiscal transactions. Online payment has

transformed the business dispensation by lessening the paperwork, transaction costs, and employees cost. Being user friendly and less time-consuming than manual dispensation, it helps business organization to enlarge its market reach / development. Listed below are some of the modes of online payments:

- Credit Card
- Debit Card
- Smart Card
- E-Money
- Electronic Fund transfer
- Mobile Banking

A. Credit Card

Payment using credit card is one of most public mode of online payment. Credit card is a small plastic card with a unique number fixed with an account. It has a magnetic strip embedded in it that is used to study the credit card via card readers. When purchaser procurements a product via credit card, the credit card issuer bank pays on behalf of the purchaser and the buyer has a sometime period after which he / she can pay the credit card bill. It is regularly in the credit card monthly payment cycle. For example: Visa or MasterCard.

B. Debit Card

Debit card, also resembles as credit card and it is a small plastic card having the UID (Unique Identification Number) is attached with separate bank account number. The customer need not carry the cash thereby they can buy the products easily. The major difference of debit and credit card is that the constraints of using the amount is high in credit card but the customer can spend the amount only with the total amount exists in debit card.

C. Smart Card

Smart card is also just as a credit card or a debit card in its appearance, and small micro processor attached in it. In smart card, the possibility of storing individual and customer's work related information is possible. This is one of the major advantages in Smart card. The bank generally allocates PIN number for security purpose and the same have to be given while operating the personal transactions. Smart Mondex and Visa Cash cards are some of the examples of smart cards.

D. E-Money

E-Money transactions are quite popular pertaining to transfer the money from one financial body to another. This saves considerable amount of time thereby the transactions can be carried out quickly and easily. This is the reason E-Money transactions are preferred by business people to a greater extent. In addition to E-Money transactions, e-cash also becoming one of the channel for exchanging the currency.

E. Electronic Fund Transfer

Nowadays the popularity of mobile banking is its highest level due to easy mode of exchanging the money across anywhere by "just a click" manner. In general, there are two possibilities of transfer the money i.e. Intra bank and Inter bank transfer. Due to the advancement of technology, the applications of online banking have widespread among the business and society. NEFT and RTGS are the two ways through which transfer of money is quite easy for business people and fulfils the divergence of society's purpose. Besides the charges are also comparatively meager by adopting the applications of mobile banking.

F. Mobile Banking

In present scenario the role of mobile banking occupies predominant position in everyone's life. The customers are generally prefers for many reasons pertaining to the applications and usage of mobile banking. Besides there are various benefits offered by various banks in par with one another due to hectic competition prevails in the sector. The simplicity, free maintenance and easy operability of mobile banking are the some major reasons which incline the customer towards acceptability of mobile banking.

II. REVIEW OF LITERATURE

(Jiaqin Yang, 2005) "This paper discusses current trend and enlargement of online-banking for small and community banks in rural areas through a case study. The applications of online-banking of several local banks in rural areas are considered and observed. The exploration objective is to investigate the trends and level of frequency of online banking focusing on some

developing disputes and contests".

(Pawar, 2017) "E-Commerce market is surprisingly rising throughout the world. Due to growth in online transaction, Debit or Credit card fraud and personal information security are major concerns for customers, merchants and banks. This paper presents a new evolution for offering limited communication only that is necessary for fund transfer during online shopping thereby preserving the customer data, improving customer self-assurance and avoiding identity robbery. A novel family of graphical password systems built on top of CAPTCHA (Completely Automated Public Turing test to tell Computers and Humans Apart) technology. It addresses a number of security problems altogether, such as online estimating outbreaks. The method uses blend of application of CAPTCHA and visual cryptography for this purpose".

(Venkateswaran, 2014) "A rapid growth in E-Commerce market is seen in current time throughout the world. With ever growing admiration of online shopping, Debit or Credit card fraud and personal information security are major concerns for customers, merchants and banks specifically in the case of CNP (Card Not Present). This paper presents a new method for offering limited report only that is essential for cash move during online shopping thereby protection customer data and collective customer self-assurance and preventing identity theft. The method uses shared application of steganography and visual cryptography for this purpose".

(Banphot Vatanasombuta, 2008) "The propagation of the Internet has not only permitted businesses to suggestion their harvests and facilities through web-based applications, but it has also damaged their talent to retain their clientele. It has decreased search costs, opened up obstacles to entry, and weakened particularity of firms. Actual holding of customers allows firms to grow in size and acceptance, thereby collective their profitability. We extended Obligation-Trust theory, a probability-confirmation model and technology approval theory to improve a model of IS protraction purpose of consumers of web-based applications. Connection promise and trust were found to be central to IS protraction purpose. Also, perceived authorization influenced relationship aptitude, while perceived safety influenced trust. Our findings thus reinforced old-style purpose factors, importance the role of trust as a tougher forecaster of purpose than commitment but, contradicting findings from marketing research, trust was found to be a tougher forecaster of holding in the e-commerce context".

(Abeer Musa, 2015) "This paper inspects the issues that affect the purchasers' purpose in adjusting Mobile Payment Device technology in a low-cost. Unified Theory of Approval and Use of Knowledge Model is engaged as evolving the basis for the suggested exploration model. A questionnaire survey is used as a tool to gather the data. Research results reveal that preparation probability, community motivation, and seeming communication safety have straight important assets on purchasers' behavioral purpose to adapt the MPD. It is also originate that power probability has indirect effect on purpose through presentation expectation. Demographic

factors such as gender, age, and self-reported knowledge about MPD reasonable the relationship between behavioral intention

to adopt MPD and the predicting variables. Inferences for consultants and investigators are discussed”.

III. PROCESS OF ONLINE PAYMENT SYSTEM

The online payment is a service provided i.e., integrated with the credit card and transfers the online payment information between the merchant and the payment processor.

Steps	Description
1	In first step, the concerned bank provides credit card to its customer based on request and activation also taken care by the bank.
2	The respective bank furnishes all pertinent information to its prospective customer in banks’ website.
3	As third process, the bank seeks required clarification with the customer in the form of type of card they like to purchase which varies in terms of customers’ usage and their value.
4	The card issuing company normally verifies the credit card information about the potential customer during the purchase period and if satisfies then the sale slip will be generated the same slip given to customers.
5	The general merchant produces the sales slip with its concerned bank and receives the service charges for the same.
6	The bank normally requests the card brand company to settle the credit amount and receives the payment.
7	As part of final step, the concerned card company seeking with the issuer to make the clearance from the respective bank and the same will be transferred to card brand company.

IV. FRAME WORK

Fig. 1 explains the various options available to a rural merchant for receiving online payment from his customers.

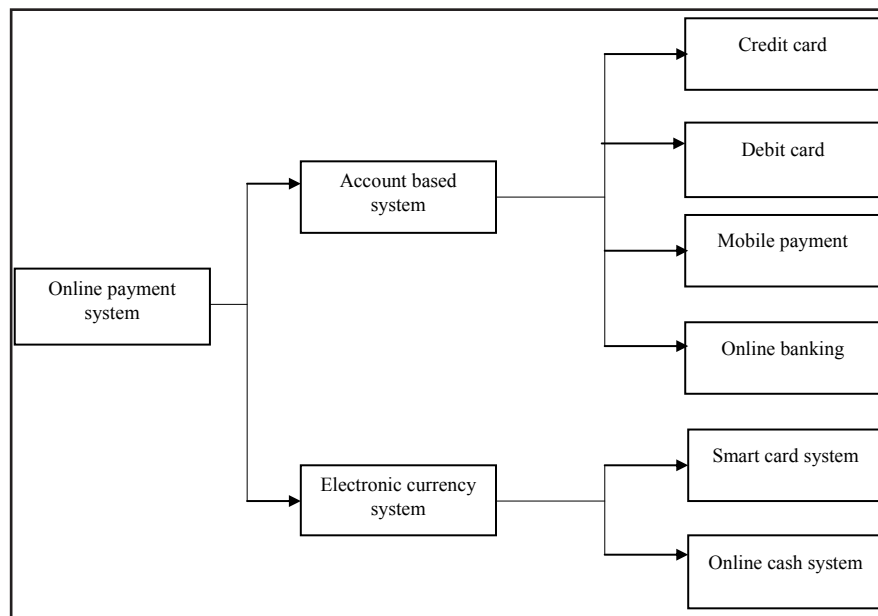


Fig. 1: Online Payment Options Available to a Rural Merchant

V. CONCLUSION

Demonetization affected the rural merchants as the government implemented it suddenly without any prior notification. The Rural merchants were not aware about demonetization and also they do not have a sufficient knowledge receive the online payment for their business. The government and the banks need to take measures and create awareness about online payment system among the rural merchant.

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