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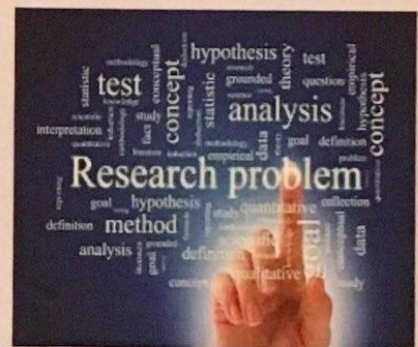
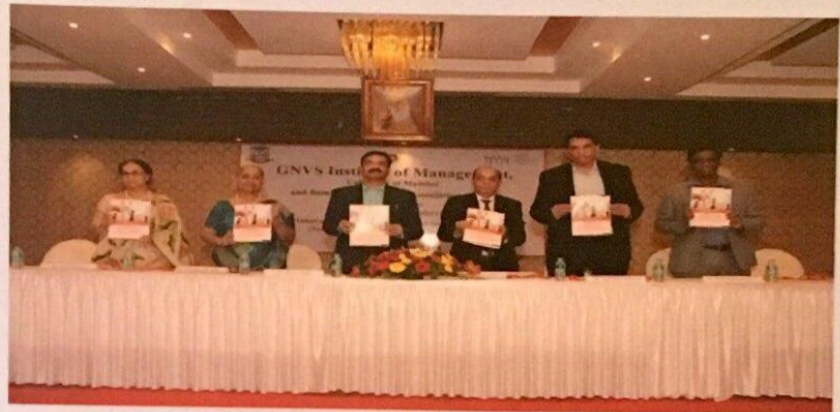


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## **A Study on Usage of ePayments for Sustainable Growth of Online Business**

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**Abstract:** *Now-a-days we all notice that more and more consumers are moving towards online shopping due to many reasons like convenience, variety, smart devices, etc. The ecommerce sector has boomed with the ease of purchasing and selling products or services, availability and connectivity of latest technologies over the Internet. As the trust level towards ecommerce platforms are increasing; the consumers are becoming progressively comfortable in using different applications like carts, catalogs, comparison, making online transactions. Although many consumers are getting tuned towards usage of various electronic devices and epayment platforms by installing and using numerous applications in their smart devices but there are still many consumers who prefer Cash on Delivery. So it is important for the online businesses specifically to understand the payment usage of ever changing consumers for better sustainable growth.*

*The study is conducted by selecting 100 sample respondents who are using epayments for purchasing products online; on the basis of age, purpose of usage, frequency of usage, various problem faced by using it and epayment effect on business growth. Then the major aspects and interpretation are discussed further in this paper providing a clear picture of findings and based on it the conclusion is drawn.*

**Keywords:** *ePayments, Consumer Behaviour, Online Payment Platforms, Sustainability*

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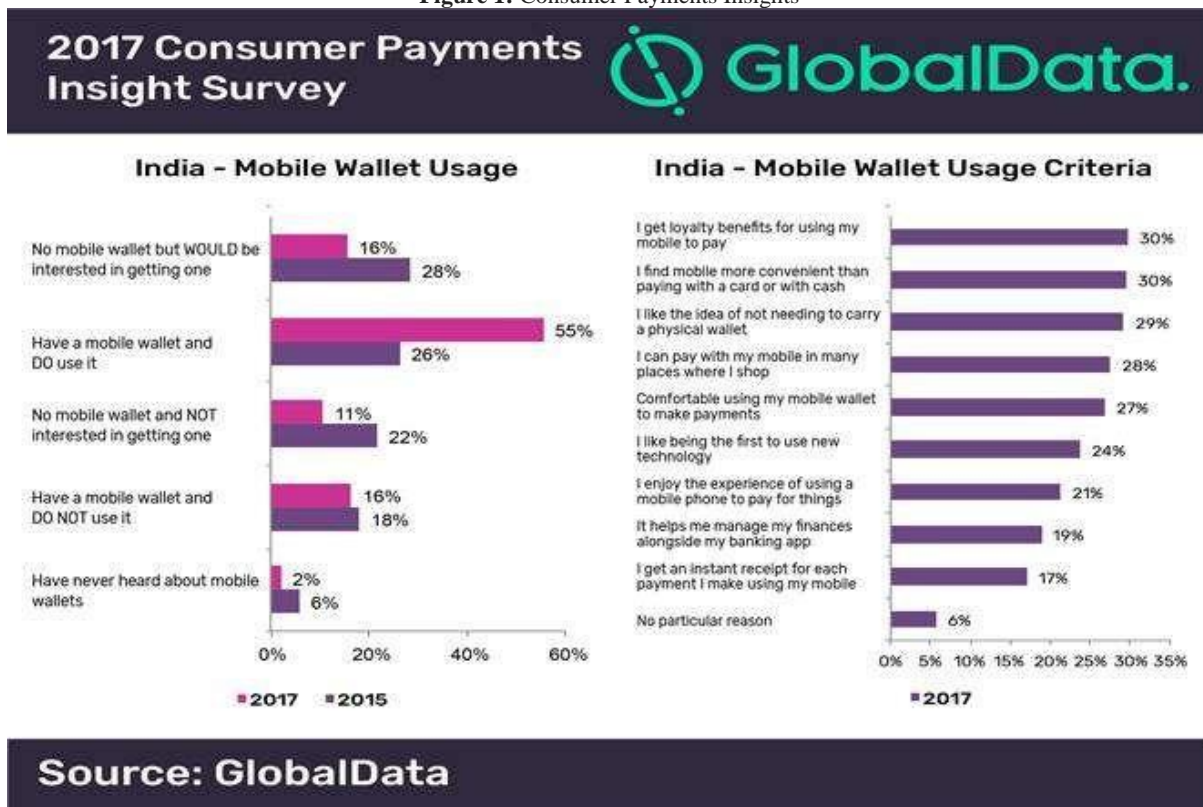
### **I. Introduction**

In today's digital era the usage of the internet has increased drastically. All counts of age are consuming and producing loads of data each second. Many organizations are analyzing and altering based on the study that they been able to capture from the consumer analysis. With the ease of smartphones and virtual accessibility of products, services and payments online have boosted the way people are shopping and making payments online. The ecommerce industry initially started with the Cash on Delivery basis for the people to get the feel of the new online industry and also to build up their trust. After the customers are well versed with the organization ns, the company started introducing various platforms of the online payments. E-Payment has given access to various financial platforms like debit card, credit card, net banking, digital wallets, etc. Cash has become a less common mode of transaction as the appearance of e-payments has allowed consumers and buyers with greater convenience, but at the same time it has raised a doubt or a threat as there has always been increasing issues regarding the fraud and privacy concern that has been the top fear in the minds of internet users.

We all have witnessed that the traditional payment modes have been replaced by various types of e-payments that are quick and efficient. In e-payment process both buyer and seller uses digital modes to send or receive money, it is an automatic process where seller and the buyer can avoid visiting their bank. It eliminates the physical cash that is risky to handle at times. Today consumers can make payment through electronic modes by using cards and other platforms that are made available through all types of smart devices. The acceptance of particular payments by sellers and businesses has an important influence on the purchases made by their clients, as the availability of the various modes help the consumer to choose that is suitable or available to them as well.

Past few years' smartphones are having a tremendous growth due to accessibility and availability of the internet. The mobile wallet providers like Paytm, PayPal, Mobikwik, etc. with the payback schemes also attracting many consumers to use epayment modes aiding the organisations with significant growth. The digital wallets are further enabling economies to a cashless society. Electronic wallets and mobile wallets are moreover digital version of the hard cash in physical wallet with more features and functions. E-payments wallets reduce cost of cash holding and handling for the retailers. Retailers on online platform have introduced lucrative discounts and cashback offers to get payment orders for all the cashless payments. The online platform retailers have encouraged more customers to choose a payment mode other than Cash on Delivery, it also helps a business to retain their customer. Consumers will return to the same website where his or her details are stored for making payments, this way the transaction process reduces making the online shopping smoother.

Figure 1: Consumer Payments Insights



Source: (TIWARI, 2018)

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:

**PayTM**

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.

## **II. Literature Review**

In this paper '*A Study on the Perception of Customers towards E-Commerce and E-Payments in Local Survey*' the authors S. Kowsalya, Swetha Krishnan, Mridhula. R, Sowmya. A. M. mentioned that the trust in Ecommerce mainly depends upon the online payment system which allows a customer to make payment to the online merchant or service provider. Consumers are becoming more and more comfortable in making online transactions and are concerned about conducting electronic business transactions and the risks involved that have a vital impact on the transition of electronic business. Increasingly more consumers are migrating to e-commerce to make electronic bill payments, to pay for information online, to purchase products, services. According to the authors E-Payments refers to the technological breakthrough that enables us to perform financial transactions online, thus avoiding hindrances and other hassles. E-Payments provides greater freedom to individuals in paying their taxes, licenses, fees, fines and purchases at unconventional locations and at whichever time of the day, & 365 days of the year. The authors found that credit and debit cards will become obsolete, because they saw the increasing development of mobile technology and the internet industry. (S. Kowsalya, 2017).

In this paper '*A Study on Usage of PayTM*', the authors Abhijit M. Tadse and Harmeet Singh Nannade mentions that Digital wallets are quickly becoming mainstream mode of online payment and mobile users can nowadays use their smartphones to make money transaction or payment by using applications installed in the phone. The authors through their survey states that the PayTm has to work upon the Payment gateway to improve the transaction efficiency as 70% people faced problem with payment gateway. Only 5% people claim to have got assistance every time they had a failure so the service could be improved to cater the needs of maximum customers. PayTm is currently performing well in terms of privacy but it has to work upon discounts/offers, transaction time and bring about innovation to increase customer satisfaction. (ABHIJIT M. TADSE, 2017).

In this paper '*E-Payment System on E-Commerce in India*' the authors Karamjeet Kaur, Dr. Ashutosh Pathak mentioned that the reliable and cashless payment system offers immunity against theft of paper and e-money, and adopting e-payment solutions or systems for different reasons. In addition to cost reduction, reference was made to a number of other benefits, including improved customer service, improved working capital, increased operational efficiencies and cycle times, processing efficiencies and enhanced compliance to organizational policies and procedures. This study also states that online e-payment provides greater reach to customers. Personal attention can be given by bank to customer also quality service can be served. Various strengths of epayment systems such as quality customer service, greater reach, time saving customer loyalty, easy access to information, 24 hours access, reduce paper work, no need to carry cash easy online applications etc. (Karamjeet Kaur, 2015).

From this paper '*The Future of the Mobile Payment as Electronic Payment System*' the author Zlatko Bezhovski states that with all the security and convenience provided by mobile electronic payment method, we can expect further growth of mobile payments worldwide even surpassing payments made by credit and debit cards. However, there are several barriers identified to the adoption of this payment method; so certain measures should be taken to grant this industry a promising future ahead. This study finds that customers are increasingly using mobile payment methods for their routine online purchases and for their on-site purchases as well. With growing advanced technology that supports mobile transactions and makes them transparent and more convenient, consumers have developed their trust and habits on using mobile payment systems. Enhancing the compatibility with a wide range of users, the use of latest technology and establishment of common standards for various service providers, and overcoming the security and privacy issues could help in facilitating faster adoption of electronic payment methods and advance the rising market of mobile payments. (Bezhovski, 2016)

## **Gap Analysis**

In the above literature reviews no study was aimed on how the epayments can actually help the businesses grow sustainably by addressing the consumer's quick, speedy payments online and at the same time assuring secured transactions by using latest epayment systems and technology at the back end.

## **Objectives**

- a) To understand the frequency of usage and the problems faced while using epayments.
- b) To examine the effect of epayments contribution towards the sustainability of the business growth.

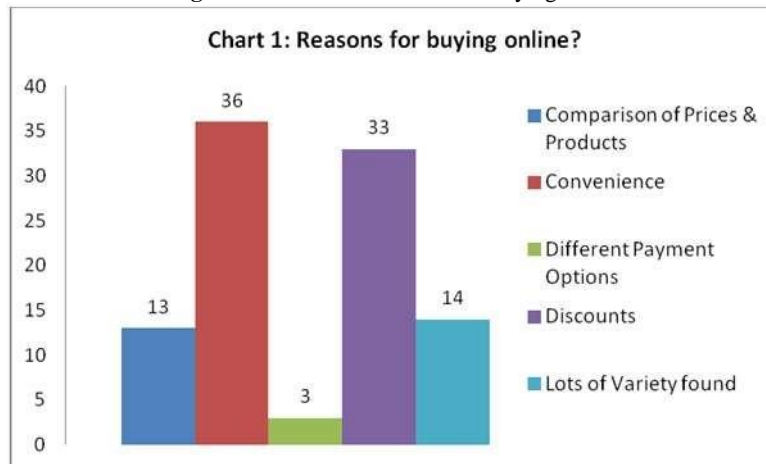
## **III. Research Methodology**

### **Data collection**

This is the descriptive research, the primary data was collected through a survey sent to diverse users of epayments; this is to understand their acceptance, usage level, problems and the impact on the organisations. The secondary data was also utilized such as research papers, white paper and various online data. The sample size of 100 participants was taken through random sampling technique and tools used were Pivot tables; frequency.

Observations

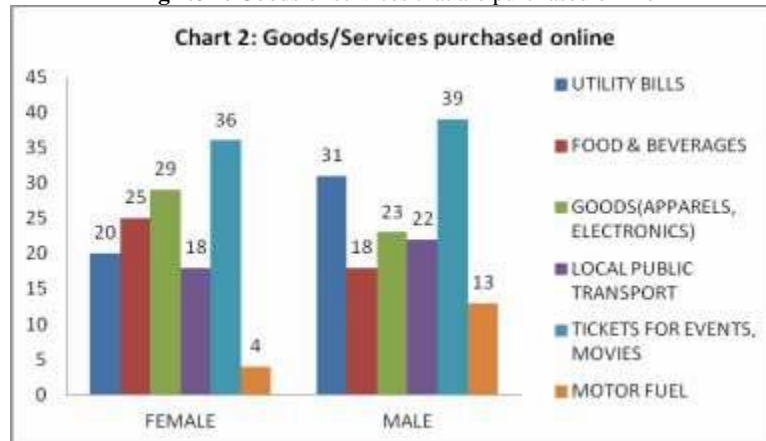
Fig No 1: Reasons of consumers buying online



Source: Primary Data

Here it can be noticed that maximum people purchase online for their convenience and discounts. Convenience would be in respect to the availability of variety, products being couriered at home or making payments online irrespective of different payment option or keeping too much cash at home.

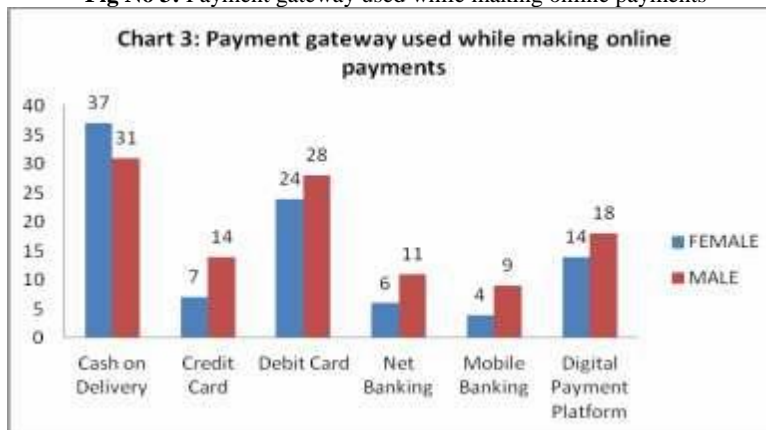
Fig No 2: Goods or services that are purchased online



Source: Primary Data

From the above graph it can be noticed that males from our sample tend to purchase events or movies and pay utility bills online whereas the females also tend to purchase events or movies apart from purchasing goods like apparels. Here it can be noticed that apart from purchasing things online people also prefer paying the utility bills online instead of standing in the line and convenience of online payments.

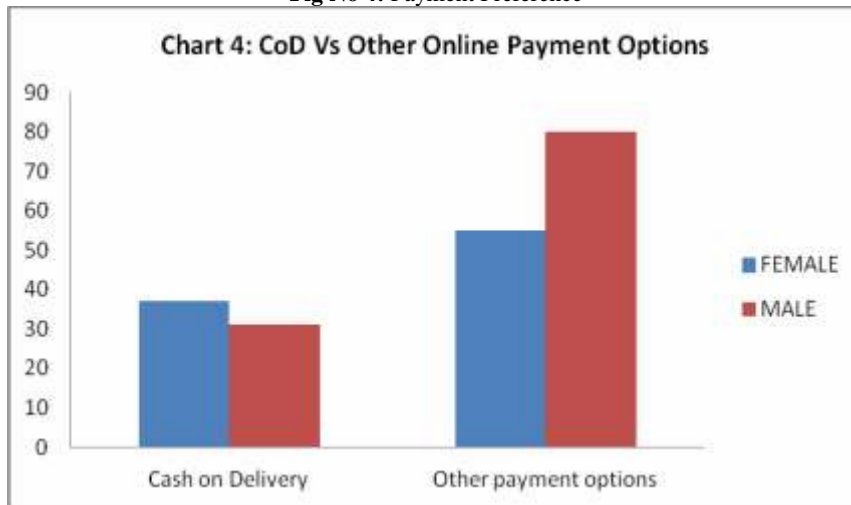
Fig No 3: Payment gateway used while making online payments



Source: Primary Data

From the above observations it can be noticed that maximum people chooses Cash on Delivery (CoD), but if we collate other payment options below are the interpretations.

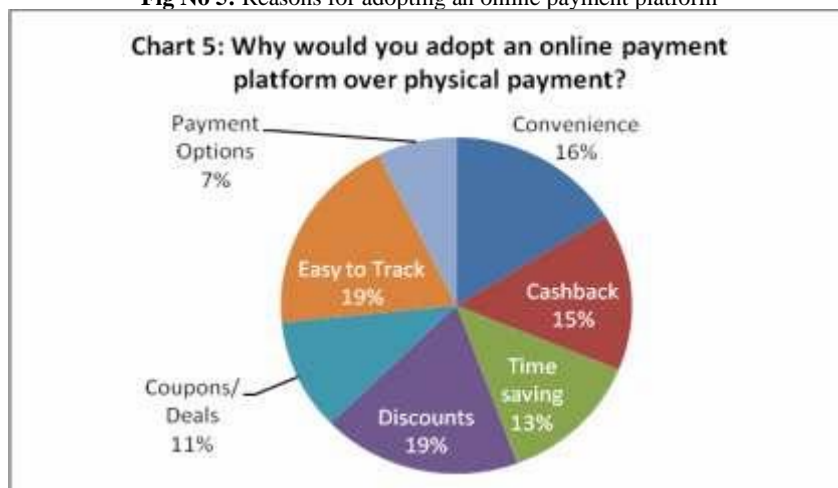
**Fig No 4: Payment Preference**



Source: Primary Data

There are various reasons that people are choosing the physical payments that is CoD over online payment platforms, below are the given bifurcation.

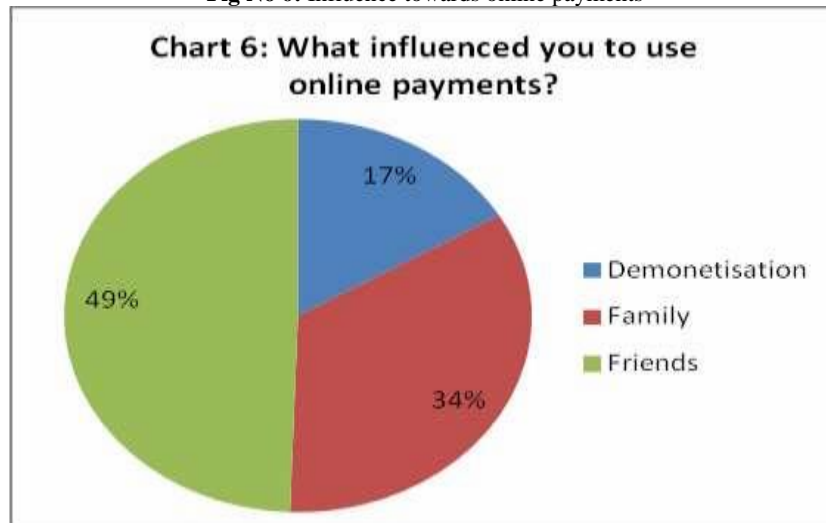
**Fig No 5: Reasons for adopting an online payment platform**



Source: Primary Data

Here we can notice that the users prefer mostly upfront discounts and the payments that can be tracked. From organisations point of view this helps in building trust and loyalist.

Fig No 6: Influence towards online payments

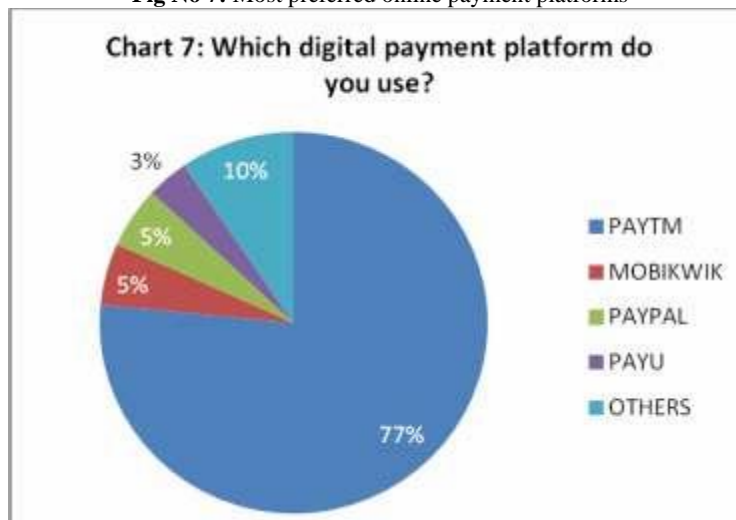


Source: Primary Data

It can be noticed that maximum influence are through friends and then family that people shift to online payments. Here it is observed that word of mouth has influenced the payment services. Many organisations have limited epayment platforms, so if the consumer wants to purchase anything from that particular website, they have to choose from the available platforms only, so to some extent the ecommerce platforms also influence the same. For example in Myntra any product purchased and if it is required to return, we have to download PhonePe App for getting the money refunded.

From various online payment platforms below is the option that is widely used.

Fig No 7: Most preferred online payment platforms



Source: Primary Data

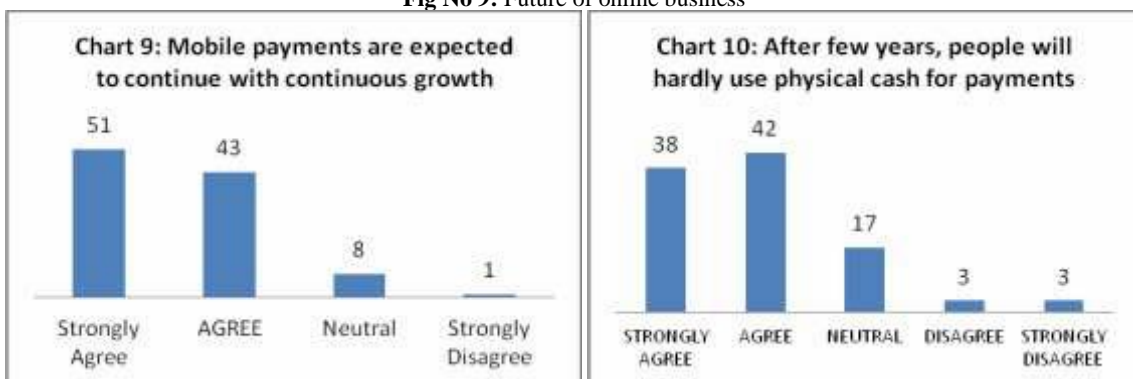
Fig No 8: Threat of using online payments



Source: Primary Data

From the observation it can be noticed that many agree that security and privacy are the biggest concern that many consumers agree. The epayment users would preferably like to stick with only one or two apps only, instead of sharing their bank details in various other platforms. Once the users use some particular app they build up their trust on that app only until and unless if they experience or hear a negative feedback they would switch immediately.

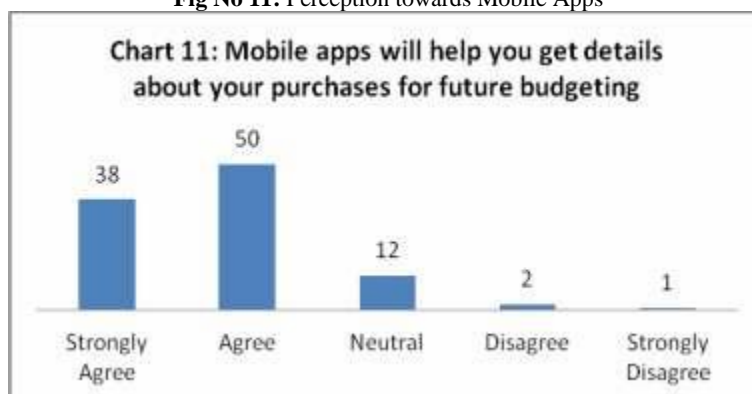
Fig No 9: Future of online business



Source: Primary Data

From above we can further intervene that people would prefer online payments more than that of the physical cash. As in many places wherever we travel or use their services or buy any product maximum people are already using the above mentioned apps which are also accessible through mobile phones. So there is no threat of carrying cash or card, so it's more like apps in your jeans.

Fig No 11: Perception towards Mobile Apps



Source: Primary Data

Although there are people concerned about the security but still the online users are ready for the next move in the digital evolution. The organisations know that the users are increasingly moving towards the cashless payments and also expect the online platforms providers to provide budget forecasting for managing their finance. So the organisations can help users to strategies their budget while or before purchasing any product in future.



Research findings suggest that the use of online payments have increasingly become popular due to the large and wide spread of smartphones. The users have over the period of time has developed trust on the epayments. It is observed maximum users purchase due to discounts and the convenience. It has been noticed that the advantages of epayment methods are frequently related to the benefits provided by the smartphones, which includes independent payments, easy to access the services anywhere anytime, door step services, easily tracked and to avoid the queues and cash payments. So from the above it can be understood that for the sustainable growth; the organisations should consider on working on how to further build more trust in respect of security and privacy concerns rather than only focusing on discounts or cashback offers.

#### **IV. Conclusion**

The digital evolution has triggered the way people are communicating, purchasing products, paying their utility bills online, exchange of information or performing business. The technology has altogether changed the consumer behaviour pattern towards purchasing and utilizing the products or services. They try to take advantage of the various digital platforms to expand their business and for sustainable development growth. The organisations through digital are able to share the experience by giving the consumers various options like variety, discounts, product/service comparison, payment preferences, etc. This has in fact exposed consumers towards the habitual use of browsing products, using different online payments that in turn develop trust and usually loyalty towards the products and/or payment platforms. At the same time companies get the necessary development in their businesses, as the advancement of technology has given them liberty for tracking the consumer's preferences, feedbacks, attitude towards the product, their search patterns, etc.

The organisations are trying their level best to attract the consumers towards using their ecommerce and payment platforms to increase their business, but there have been always a hitch in consumers mind regarding the security and privacy. For sustainable growth it is important for the organisations to consider various technologies to overcome the consumer's concerns. Technologies like blockchains are replacing the expensive, unproductive accounting and payment systems of the financial industry; it can also be used to improve efficiency of regulatory compliance procedures and save on the back-office costs, etc. Biometric it is an advancement of epayment technologies, many consumers usually forget the password or get scared to share the pin number, so biometric along with Internet of Things (IoT) and Artificial Intelligence (AI) will help consumer authenticate the purchase or bill payments through the finger print or a retina scan and also detect online fraud. This will help the consumers to build up the confidence and also improve user interface experience. These are few technologies that can be used to enhance the consumer's online epayment experience. WhatsApp using Unified Payments Interface (UPI) implementation where the user just select the WhatsApp contact, enter the amount followed by the four-digit UPI pin and the funds will be transferred. Many organisations tie-up with already existing payment gateways that have already built trust for example in merchants like Book-MyShow, redBus, Yatra, etc.; their customers can use Amazon Pay as well.

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