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A Review paper on Payment System on E-Commerce in India

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Abstract

In this paper, we are focusing on importance of E-commerce & how it is beneficial in india. E commerce provides us the capability of buying and selling products whatever we want, information and services on the Internet and other online environments are provide these facilities. In an e-commerce method, payments take the form of money exchange in an electronic form, and are therefore collected cash called Electronic Payment. E-Payment system is more protected there should be no threat to the user credit card number, smart card or other personal detail, payment can be carried out without involvement of third party, It makes E payment at any time through the internet directly to the transfer settlement and form Electronic -business environment. Studied have been carried out on Electronic Payment system. E-Payment system an internal part of electronic commerce. For making online payments and buying product is useful. Payment system is also make secure by using different secure technologies.

Index Terms: E-commerce, E payment system.

1. INTRODUCTION

1.1 E-commerce and Electronic Payment

Systems:-

Electronic -Commerce is based on the online perspective of the business. Electronic-commerce provides the capability of buying and selling products online, information and services

on the Internet and other online environments. As for any trading activity, the issue of safe money exchange between transacting parties is essential. In an e-commerce environment, payments take the form of money exchange in an electronic form as online payment, and are therefore called Electronic

Payment (Abrazhevich D & Markopoulos,2009).[1] The merchant sell the goods to customer and customer pay the bill of buying product with the help of E-Payment system .In offline world the payment are made with cash or through cheque .In online sales accepting payment is a curial aspect of the transaction. The spread of electronic-payment usage vary unevenly between countries partly due to differences in factors such as quality of regulatory framework and readiness of telecommunication infrastructure. New payment services based on the Internet and mobile phones proliferate in the advanced economies (eg. phone pay). E-Payment system is secure and most reliable. There should be no threat to the user credit card number, smart card or other personal detail, payment can be carried out without involvement of third party ,It is best part of e-payment system .It makes E payment at any time through the internet directly to the transfer settlement and form Electronic -business environment.

The following steps are carried out for payments during online procedures: -

1. The payment procedure is carried out by the applicant. The applicant selects a bank and his bank account.
2. A payment request is sent to the bank that contains an XML message file with a redirection URL that points to the government application. In response, the bank opens a session and forwards the user to the given URL .for user log in process.
3. The identification application forwards the applicant on to the online banking application of his . bank. After he has been authenticated person, the payment transaction is carried out by the transaction system.
4. Before the transaction is carried out, the bank checks if there is still a connection open between the bank and the authority of an customer.
5. After the connection is confirmed by the authority, the bank carries out the money transfer.. Main objective of machine is fertilizer spraying, seed sowing & cultivating .For solving this purpose we have designed this type of machine. For user interface purpose.

6. A confirmation message is sent to the authority stating whether the payment was successful or not or complete or not.
7. The authority responds with an acknowledgement message .given by the bank.
8. The payment process is finalized and the applicant is referred back to the authorities application, authorities is required for security.

1.2 Types of E-payment system:-

1) Credit cards:- A Credit card is a piece of plastic material , 3-1/8inches by 2-1/8 inches in size, that carries information that allow you to make purchase now pay for them later and payments carried out. (Kaur M,2012).[2]Credit cards from visa ,master card or any other network allow you to pay for purchase or services by borrowing from the credit card company. To purchase goods from merchant who accept credit card such as merchant has credit card reader to purchase the payment transaction to\ withdraw amount cash from ATM. You then repay by making monthly payment toward the amount of borrowed, that is you don't have to repay the whole borrowed amount in fill at one go and payment. (Joseph P.T &S.J,2008; Kumaga D, 2010).

2) Debit Card:-

Debit card is a plastic money prepared card and also known as ATM card. An customer has to open an account with the issuing bank which gives debit card with a personal id number and password when he makes a purchase he enter his pin number on shop pin pad. When the card is slurped through the electronic terminal data it dial the acquire a banking system either master card or visa card that validate the pin and finds out from the issuing bank whether to accept or decline the transaction the customer can never overspend because the system reject any transaction of bank which exceeds the balance in his account the bank never face a default because the amount spent is debited immediately from the customer account for payment With almost every bank account you are issued a debit card for smar use. (Kaur M,2012; Joseph P.T& S.J,2008; KumagaD,2010).[2,5,6]

3) Smart card:-

Smart card was first introduce in Europe most of these method are known as stored value card of smart code protected card

.A smart card is about the size of a credit card, made of a plastic with an embedded microprocessor chip that holds important financial, and security information and personal information. The microprocessor chip is loaded with the relevant information and sequenced recharged. In addition to these pieces of information, systems have been developed to store cash onto the chip for secure purpose. The money on the card is saved in an encrypted form and is protected by a password to ensure the security of the smart card solution for instant secure purpose . In order to pay via smart credit is necessary to introduce the smart card into a hardware terminal. The device necessary a special key from the issuing bank to start a money transfer in either direction. Smart cards can be disposable or rechargeable. (Kaur Manjot,2012; Joseph P.T &S.J,2008; Kumaga D, 2010).[2,5,6].

4) Digital Wallet (Electronic wallet):-

Electronic wallets being very useful for frequent online shoppers for buying online products are commercially available for pocket, palm-sized, handheld, and desktop PCs. They offer a secure, convenient, and portable tool for online shopping and e-payments.. They store personal and financial information such as credit cards, passwords, PINs, and much more(Kaur M ,2012)for secure online transaction .To facilitate the credit-card order process, many companies are introducing electronic wallet services.E-wallets allow you to keep track of your billing and shipping information for online payment purpose so that it can be entered with one click at participating merchants' sites. E-wallets can also store e checks, e-cash and your credit-card information for multiple cards (Joseph P.T& S.J,2008; J yang,2009).

5) Electronic Cheque:-

Electronic cheque is messages that contain all the information that is important for found on an ordinary Cheque but it uses digital signature for signing and endorsing and has digital certificate to authenticate bank account. There are many websites that accept Electronic Cheque for e-money .An electronic payment process that resembles the function of paper cheques but offers great security and more feature. Electronic checks are typically used in orders processed online and secure payments are governed by the same laws that

apply to paper checks. Electronic checks offer protective measures such as authentication and digital signatures to safeguard digital transactions of secure payments data.(Kaur M,2012; Joseph P.T & S.J,2008; J yang,2009).

6) Electronic cash:-

Similar to regular cash, e-cash enables transactions between customers without the need for banks ,needs only account info or other third parties. When used, electronic -cash is transferred directly and immediately to the participating merchants and vending machines. Electronic cashes a secure and convenient for payment of alternative to bills and coins. Electronic-cash usually operates on a smartcard, which includes an embedded microprocessor chip. The microprocessor chip stores cash value info and the security features that make electronic transactions secure. when e cash created by one bank is accepted by other reconciliation must occur without any problem cash must be storable and receivable. Most E-cash is transferred directly from the customer's desktop to the merchant's site for payment of product . Therefore, e-cash transactions usually require no remote authorization or personal identification number (PIN) codes i.e pass code at the point of sale. (Kaur M,2012; Joseph P.T & S.J,2008; J yang ,2009;

2. RESEARCH METHODOLOGY

Different study have been carried out on Electronic-Payment System. Data used in this study collected basically from the secondary user sources. Primary data also collected through personal interview method conducting the person who is supposed to have knowledge about the topic of online shopping and payment. Secondary data have been collected from various sources including websites, newspapers, various published and unpublished article about pre-primary education for understand purpose etc.

Fig 1.-Graph represented the number of people Disagreed is shown:-

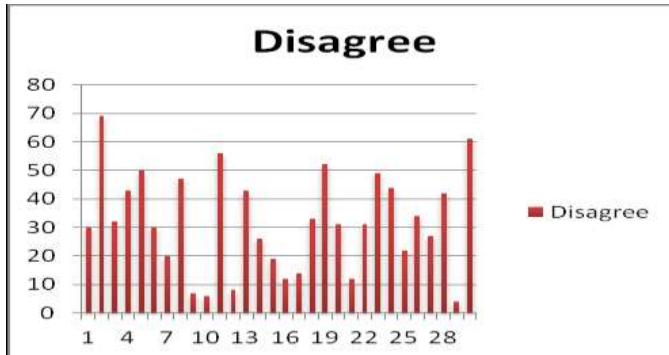


Figure no.1:-Disagree

Maximum no. of people (69) Disagree on Q no.2 Electronic-Payment system is better than offline payment system. Most of the people disagree on transaction cost hidden, satisfaction of user, smart card helpfully for small transaction. Minimum no. of people (4) Disagree on Q no.29 In Electronic -Cash Payment system bank issue tokens to the customer. Less number of people disagree on legal record of business communication. Many people think that e payment system is not reliable, in which many mistakes can occur.

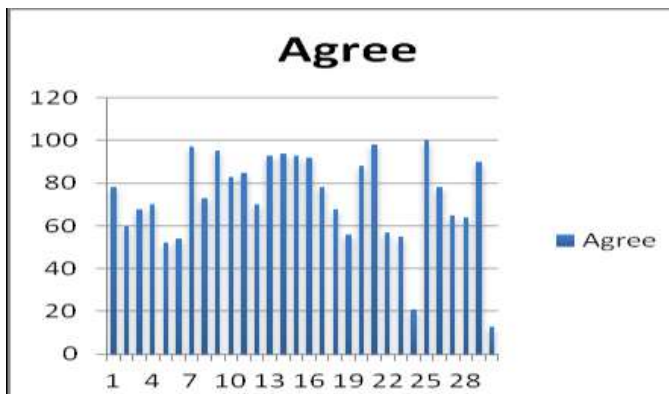


Figure no.2:-Agree

Most of the people are using the payment method of e cash payment and they love to pay by that way.

Most of the payment ways are really important of payments on online shoppers for active payments method .

3.Future Scope

Throughout our experience researching online payment systems we have learned about many recent trends and new technologies involving these systems, such as using PayPal

,paytm, ,Phonepay or using Safety Pay’s Online Cash Payment Platform. You ask yourself, what are some future trends of on e-payment systems? We have researched and discovered that credit and debit cards will become obsolete, because we see the increasing development of mobile technology and the internet industry. We see the development of new online mobile payment technologies for online payment purpose which will help make your mobile device extremely flexible, because you will be able to store credit and debit card information on your SIM card. How will a consumer be able to use this technology to purchase and buy from a certain website? When you reach the payment page on the website, your mobile device recognizes it and suggests a type a payment. After you pick your payment choice, authorization of the transaction is done by the system.

Fig.-Graph represented the number of people Strongly agreed is shown:-

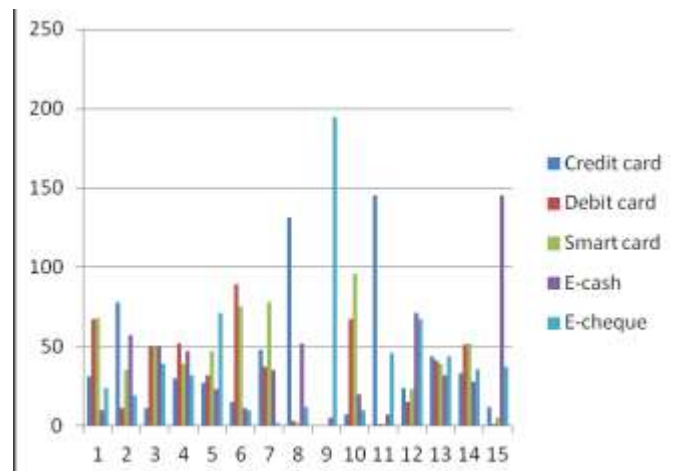


Figure no.3: -Strongly agree

Maximum number of people (113) Strongly agree on Q no.12 Gateway play important role in Electronic -payment system. Mostly people strongly agree on save time, reduce paper work, exchange money its important way of e-payment .Minimum no. of people(7) Strongly agree on Q no.26 E-cheque clearance is not easier than paper cheque. Lesser no

of people strongly agree on e-payment system is not safe for security purpose.

4. Conclusion

E payment system is secure way of transferring of money with the help of internet medium .Technology has arguably made our lives easier. One of the technological innovations in banking online finance and commerce is the Electronic Payments. E- Payments (electronic-payments) refers to the customer technological breakthrough that enables us to perform financial transactions electronically payments on cards , thus avoiding long lines and other hassles. Electronic Payments provides greater freedom to the customer 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. After analysis and develop app& payment through bank.

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