



# SURVEY ON ONLINE TRANSACTION

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**Abstract:** The development of information and communication technology unlocked four doors for current payment systems. People's lives were made easier by the rise of smartphones and access to the internet, which led to digitalization. In addition to enhancing trade and commerce, digitalization also made payment transactions simple and quick. The entire essay is based on three reviews of the literature by different writers that discuss different digital payment mechanisms, their adoption, usage rates, and future prospects, among other topics. It is also a fantastic approach for the government's Digital India effort to succeed as a programme and advance our nation.

## I. INTRODUCTION

The development of information and communication technology has brought about many changes in peoples' way of life. ICT and digitalization have facilitated significant breakthroughs in industries like finance, marketing, operations management, and economics (Slozko & Pelo, 2015). There have been many changes in the globe since the shift from cash to digital for business transactions throughout the era of digital innovation and ICT. Ahmad, Haroon, and Najiran (2009). The advent of technological advancement in the global business environment forced nearly all organisations to switch from using paper money to digital payment platforms, often known as digital payment or e-payment systems.

The term "digital payment" refers to a platform used to conduct financial transactions for a variety of goods .

### 1.1. Definitions

The evolution of digital payments over the past 20 years has gradually drawn interest from users and researchers as it brought about changes in contemporary e-commerce. As it gained popularity, researchers began to describe it in a variety of ways with a focus on business, IT, accounts, and finance. In order to conduct financial transactions digitally, Briggs and Brooks (2011) define a digital payment as a method of payment supported by banks and interconnected between customers and banks. According to Peter and Babatunde (2012), a digital payment is a way to pay, transact, or transfer money using the internet.

### 1.2. Digital Payment

#### 1. Plastic Cards

These are cards that banks offer to account holders so they can use their password to withdraw cash from any ATM. In order to reduce paper waste, these cards are used to deposit money into banks. Debit and credit cards are the two types of cards that banks often issue. Credit cards are only given to one person based on their interests, but debit cards are given to all account holders.

Adeoti and Osoimehin (2012) mentioned digital payment as a method of payment in the same context.

## 2. UPI

The mobile app's payment method for making fund transfers is called the Unified Payment Interface. Using UPI apps, money may be moved between two 9 accounts. To use UPI apps, a registered mobile banking facility is required. At the moment, only owners of Android phones version 2 9 can use this service. A VPA or UPI ID can be created by downloading a UPI app. There are just too many excellent UPI apps available, including BHIM, SBI UPI, HDFC UPI, Mobile, PhonePe, etc. The UPI service is available without using the UPI app from a certain bank. Any UPI app can be downloaded and used.

## 3. Mobile Wallet

It is an alternative method of retaining digital money and using it in a variety of transactions. Any mobile wallet, such as Paytm, GPay, Phone pay, Sbi Buddy, Jio Money, etc., can be downloaded. To access the necessary funds, which are then utilised for bill payments, payments for goods and services, and other uses, they simply need to link their bank account or their plastic cards' numbers.



#### 4. Internet banking

NEFT (National 1 Electronic Fund Transfer), RTGS (Real Time Gross Settlement), ECS (Electronic Clearing System), and IMPS (Immediate Payment Service) are some of the different types of internet banking. These are electronic banking systems that enable people or groups to send money using the bank's website.

#### 5. Mobile banking

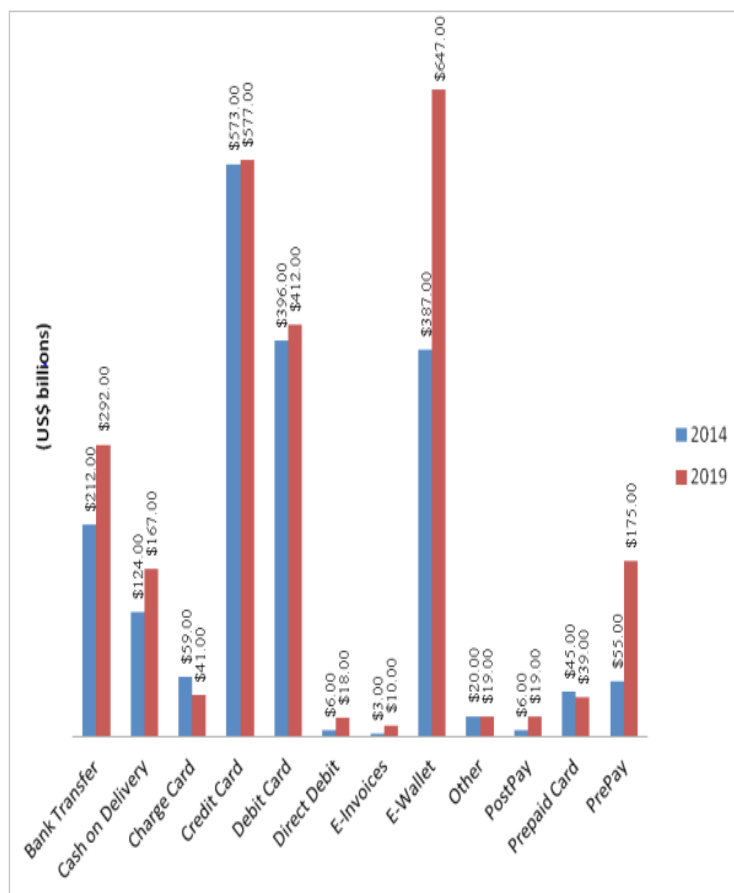
All banks offer this service to their customers, who must download the bank's application before using it to conduct transactions. You need a smartphone to use this application. We have only discussed a few of the more well-known methods of digital payment accessible in our nation and around the world. There are many more.

#### 1.3 Adoption/Economic Growth of E-Payment System

Innovation in technology has led to globalisation in the modern world. The skyline of payment systems has changed due to technological innovation, moving in the direction of e-World<sup>56</sup>. Unquestionably, modern innovation has transformed traditional payment methods into a more effective and practical system that is free from the cash-and-carry issue. Among other things, the efficiency of carrying out financial transactions as well as speedier and more secure access to funds have propelled the e-payment system ahead of the paper money-based framework in popularity<sup>3,4</sup>.

It's interesting to note that in Nigeria, e-payment infrastructure is becoming more popular to the point that customers desire to do financial transactions without visiting banks. As a result of the dominance of the cashless economy, the time of money-based payment framework is gradually fading.

Making the transition to a cashless economy in a country where 90% of the money is held outside of banks represents a significant change. Therefore, it is a huge test for the government, financial institutions, people, and other partners responsible for making this framework achieve its financial benefits. Economic, operational, financial, and advertising changes are most likely to occur and should be well managed.





## II. LITERATURE REVIEW

Kevin Foster, Scott Schuh, and Hanbing Zhang (2010) they examined the consumer payment methods with respect to cash holdings and withdrawals which was decreasing since 2010. There was an increase in card payment system with respect to 2009 in the year 2010, which resulted in less usage of paper currency. Since 2010 there was an increase in usage of debit and credit card compare to cash transaction which slowly took a decline giving rise to prepaid payments. Singh.A et.al (2012) in their study discussed how secure the internet network should be to make smooth transaction for all the parties and the merchants. The systems are made in such a way so that there is no fraudulent activity takes place people can use their card for transaction in a secure way so that no data is shared. People mostly do digital transactions for e-commerce but they find internet I not secure to do so. Therefore some strict protocol should be followed and managed to make transaction secure and the data is also protected.

Oladejo, Morufu et.al (2012) in their study examined the improvement of e-payment system in Nigeria. They explored what initiated the people to adopt the e-payment system. A structured questionnaire and some financial statements were collected to analyse the data. The results were such that when bank adopted e-payment system there was a change in the performance level of the banks. With the advent of e-payment system there was a rise in usage of ATMs

Nitsure (2014) in his study highlighted the issues that were being faced or observed in developing country like India in using the e-payment system which was due to the low spread of internet and technology. The paper focused on major issues such as security, rules, etc. IN a country like India there is a high risk where the poor's are given a chance to be informed about such facilities neither they are given any such information.

Rakesh H M & Ramya T J (2014), in their study analysed the factors that which was resulting in the adoption of internet banking in our country. It was found out that perceived reliability, Perceived ease of use and Perceived usefulness were the main reason for the adoption or usage of internet banking. Sanghita Roy, Dr. Indrajit Sinha (2014), discussed in their paper that in India there has been a sudden surge in the usage of digitalised payment. But still there is almost 90% transactions which are done through paper currency. They had used the TAM (Technology Acceptance Model) in this study to find out the factors which are strengthening the e-payment system the factors are innovation, incentives, and legal frame work and customer convenience.

Dennehy & Sammon (2015) has analyzed how in the 21st century the usage of digital payment has increased over the years. The main focus here was to find out how where will in the digital payment system in future stand. Many papers have been examined to find out what are the views regarding the digital payment system. With the passage of time the technology has been shifting very fast so with the innovation of technology the aim was to make people familiar with digital payment. The merchants also got a new platform to invest so as to cater the customers. Data was collected by following empirical method i.e. survey, interviews, etc. Lastly the study was only focused on Google data base that was a limitation about the study.

Sanaz Zarrin Kafsh (2015) made a study on "Developing Consumer Adoption Model on Mobile wallets in Canada", in her study she did convenience sampling from were 530 respondents were selected and there after the Partial least square model was used to test the data. As per the analysis the result perceived usage, perceived ease of use and perceived security is related to each for forecasting the adoption of digital payment.

Bezhovski (2016) has examined how internet and e-commerce has opened the gateway for digital payment system with the increment in technology people are adopting the new means of payment system and how they will be benefited and is there any pitfall of using it. When e-commerce was launched it was a unique way of trading so the digital payment is also a unique way of transaction which will also emerge as the ecommerce and in near future it will become the backbone of e-commerce. The future of these digital wallets will depend on the security and privacy that are provided by the companies as people are highly security concerns any pros and cons will decide the future of digital wallets. It is not only restricted to make transactions but it be used for booking airlines, movie tickets. Many offers are provide for making bill payments or buying any goods using these platforms. As the smart phones has removed many devices from our daily live and have clubbed in one device only so it is expected that digital wallet will also do the same which will become substitute for many other things.

Ravi (2017), has examined that India's two third population are residing rural areas so they play a very important role in the development of the economy, with the emergence of IT and Communication it is predicted that rural areas will have 50% of India's Internet users by 2020. Digital wallets should be used in rural places so that the people know the significance of using it and what benefit they will be getting by using it. The Government of India has also taken up the initiative of making rural people aware about Digitization. Adoption of technology has always been low in India



compare to other countries but in case of Digital wallet our country is going with the pace of other countries to become a cashless economy. As the two third population of India is in rural part so if the rural people with time adopt the digital payment system then in the coming years India will become a cashless economy. The government of India has taken up various initiatives to make the rural people become familiar with digital wallet. The urban people have adopted the digital system of payment, now it's time for the rural people too. If the rural people are made aware about digitalization soon it will roll out all over India. The best step that the National Payments Corporation of India has taken is that digital wallet will work on all mobiles with or without internet.

Singh (2017) in his study showed that how digital payment and digital wallet in India was get popularized due to demonetization. As there was a tremendous growth in the usage of internet and the no. of smart phone users were also increasing so people found it convenient to use as an alternative for cash. In this study he also pointed out that how different digital wallet companies were having competition to enter and expand the Indian market as it was the best opportunity for them to establish their company. It was also predicted that in future India will become a cashless economy and with digitalization people will surely adopt the digital mode of payment. ANOVA was used in this study to show that there is no significant variance in the consumer perception with respect to its demographic factors.

Baghla . A (2018) in his study identified the trends for adopting the digital payment system India. Further the paper talks about how after demonetization people started to use the digital platforms for transactions. How the government initiative to make our economy a cashless one and how consumer will be adopting such system are further discussed. A structured questionnaire was used to collect data and find out the future of digital payment system in India

Pandey and Rathore (2018) in their study discussed the impact of digital payment system. Due to modernisation and globalisation it was very important for the people to accept the modern method of payment. The study is based on secondary data and various literatures from past papers and government data. All data collected has been analysed and used to find the impact and adoption of digital payments by the people.

Pushpa S. Abbigeri and Rajeshwari M. Shettar (2018) talked about how the Digital India flagship program attracted large number of people to start using digital wallets , which people started to use as there was lots of cash back offers and coupons. After the digital India flagship program a lot of mobile wallet companies entered India and other methods such as UPI, NEFT to a surge. The initiative taken by the government and RBI was being accepted by the people as they were using such methods.

Shivathanu B. (2019) in his study adoption of digital payment system in the era of demonetization emphasised on how the digital payment system was used by the people or accepted by the people during demonetization. It was based on a conceptual framework where the sample size was 766 .The data analysed suggested that behavioural intentions and innovation resistance had an impact on the actual usage.

### III. DISCUSSION

The research from many articles reveals that using digital currency is much more practical than using traditional paper money. This method of payment is accessible everywhere around the clock. Anyone with access to the internet can do this type of payment transaction; there is no need to stand in queue or visit a bank. We all know how valuable time is, hence the most significant role played by the digital payment system is that it saves time and is far safer than handling cash. When we use this method of payment, it enables us to give the recipient of our money an exact amount even when we don't have the correct change.

The papers that were evaluated therefore came from all over the world, and the authors included their viewpoints in them. The majority of the papers were then analysed using information gathered from clients, businesspeople, organisations, etc. The writers have examined and interpreted the results based on the data they have gathered, using a variety of tests. According to the majority of the papers, consumers are utilising and accepting digital payment systems because they are simple to use, they offer rewards or cash back, they save time, they are a speedier means of transaction, and so on. In a nation like India, where a significant portion of the population began using the digital payment system, it has also been seen that demonetization had a significant influence after that.

As we all know, the government launched an initiative to make India a cashless society. After demonetization, this initiative should have some positive effects, and we can also see that during this crisis, i.e. because of Covid-19, we are all using the digital payment systems to the fullest. All e-commerce, including online grocery and other necessity shopping, does not accept cash; instead, it only accepts prepaid payments that can be made using a variety of digital payment systems.



#### IV. CONCLUSION

As part of the government of India's initiative to create a digital India, and as a result of the rise in smartphone sales and the availability of internet at a high speed and at an affordable price, this is one of the core initiatives. Digital payments not only help individuals to pay for goods and services or receive money, but also performs multiple functions like giving reminders about the due dates of any kind of payments that must be made, it offers various promotions to the user, and it saves a lot of time. There will be significant changes soon.

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