

## A STUDY ON VARIOUS METHODS OF PAYMENT IN ONLINE TRANSACTION

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### ABSTRACT

The success of e-transaction depends on effective electronic payment method. Today's e-transaction is increase due to digitalization-payments transaction process is a without paper document. Payment system in India are debit card, credit cards, e-wallet, e-cash etc. Different mode of e- payment transactions is available throughout the world. But it is not all mode of system are accept to transaction. My research on what are the challenges and types of method of online method prefer by youth. The aim of research paper is to study the different online payment method. Random sampling has been used to collect data from the 100 responded in Aurangabad city. The result of the study reveal that online transaction are very convinents.

**Keywords-** Credit card, Debit card, Net Banking, EMI option, E- wallet.

### 1. INTRODUCTION

The growth of internet and Smartphone era are increased. The online transaction are online purchase and selling without face to face conversation. People initially use credit cards and debit cards but now use an e-wallet like Paytm etc. Its shows customer with virtual wallet for online payment and empowering to buy product and service on the web. <sup>[1]</sup>

#### 1.1 CREDIT CARD: -

A credit card is a payment card issued by the bank for transaction of payment. It may have the goods and services promise have to pay. Method of credit card are

card has to creates amount and then grants a credit to the consumer. It give a proper information of both the parties. The most popular banks provide credit cards are SBI, PNB, BOM, HDFC, ICICI, AXIX, and IDBI. Credit card usage are not much in India. <sup>[2]</sup>

#### 1.2 DEBIT CARD: -

One of the easiest convenient way of spending money without cash is debit card. Method is, person has to swipe your debit card to deduct money from that account to pay your purchases. It all kindly provide a proper information of both the party. <sup>[2]</sup>

**1.3 NET BANKING: -**

It is another method of transaction payment method. It can operated by virtual bank. It is also known as online banking i.e. internet banking, e-banking, etc. It has been more secure because it generated persons user Id and password with connect your mobile and e-mail address.<sup>[2]</sup>

**1.4 EMI OPTION: -**

EMI means 'Equated Monthly Installments. It is fixed payment amount can be ducted by persons amount holder of a specific date of each calendar.<sup>[2]</sup>

**1.5 E- WALLET: -**

It is today one of the simple method of e-transaction. Its reduce time and paper. The benefits are it is no counterfeit, each and every transaction are recoded. Customer and consumer have different mode of option to pay their order whenever they need.<sup>[2][5]</sup>

**2. OBJECTIVE OF THE STUDY**

1. To analyze and identify different methods used in online transaction by the people.
2. To identify the preference of payment option in online transaction.

3. To study the factors considered for online transaction.
4. To identify the problems faced during online transaction.

**3. HYPOTHESIS OF THE STUDY**

H0: People are not aware of the different methods of online transaction.

H1: People are aware of different methods of online transaction.

H0: People do not prefer to use payment option in online transaction.

H1: People prefer different methods of online transaction for their daily.

**3. LITERATURE REVIEW**

E-commerce has been change today's socio-economic trends in India. The decade ago people scare about the use debit card, credit card but today people are use new technological instrument is e-wallet as well as net banking. Payment transaction are absolutely change cause of awareness and the methodology. The initially payment transactions are take much time, risk and sometime uncertainty.<sup>[3]</sup>

According to David B. Humphrey, Lawrence B. Pulley, and Jukka M. Vesala (November 1996): describe that it's consist of initiated, processed and received electronically. The scope of the

e-payment services provider are change the business concepts person to person.<sup>[4]</sup>

#### **4. RESEARCH METHODOLOGY**

The intention of the study is to assess how people use various methods of payment in online

##### **4.1 COLLECTION OF DATA**

Collection of data through questionnaire. The method are used a survey.

##### **4.2 RESEARCH DESIGN:**

Descriptive research and exploratory research method is used. Descriptive design is used to describe has no control threw over the variables. The responded characteristics in the population that use different payment option in their online transaction. Descriptive research helps in getting more relevant data which helps in finding the solutions to the problems. Exploratory research helps to identify the theoretical study to determine conceptual distinction determine the data collection.<sup>[6]</sup>

##### **4.3 TYPES OF DATA:**

Primary data is collected from questionnaire. Secondary data is the data collected from the research articles, journals, books, magazines, and newspaper etc.<sup>[6]</sup>

#### **4.4 METHODS OF DATA**

##### **COLLECTION:**

Questionnaire Design- A standardized questionnaire to collect data on belief, feelings and attitudes from respondents. A questionnaire was made and survey was carried out. The questionnaire included 12 questions. The emphasis was given on ensuring accurate and honest data collection for rich data analysis.<sup>[6]</sup>

##### **4.5 SAMPLING METHODS:**

Non probability sampling is used. The validity of non-probability samples can be random selection method.<sup>[6]</sup>

##### **4.6 SAMPLE SIZE:**

The sample size for this research is 100 respondents.

##### **4.7 SAMPLE AREA:**

The sample area for this project is Aurangabad city, Maharashtra.

##### **4.8 SAMPLE UNIT:**

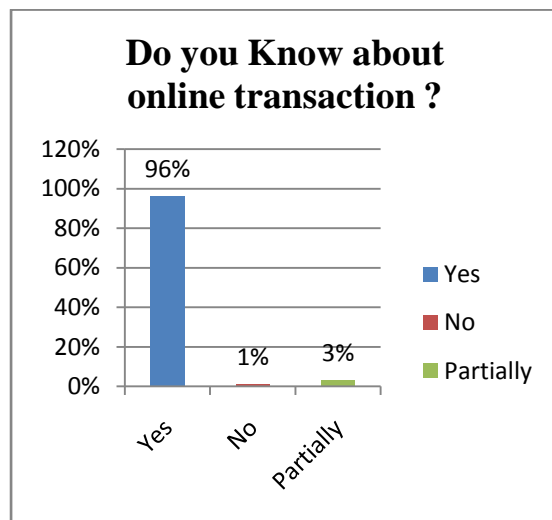
The sample unit for this research paper are the people transacting online in the Aurangabad city.

## 5.DATA ANALYSIS & INTERPRETATION

### Q.1 Do you know about online transaction?

Sr.No	Do you know about online transaction?	FREQUENCY	PERCENTAGE
1	Yes	96	96 %
2	No	1	1 %
3	Partially	3	3%
	Total	100	100

Table No 1



Graph No 1

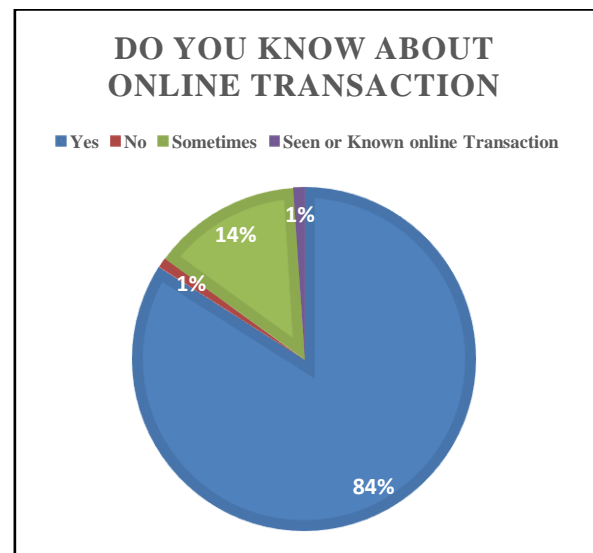
#### Interpretation:

According to the above column, 96% respondents know about online transaction and 1% respondents don't know about online transaction. Hence most of the people know about online transaction.

### Q.2 Do you transact online?

Sr.No	Do you know about online transaction?	FREQUENCY	PERCENTAGE
1	Yes	84	84 %
2	No	1	0
3	Sometimes	14	14 %
4	Seen or known online transaction	1	1 %
	Total	100	100

Table No 2



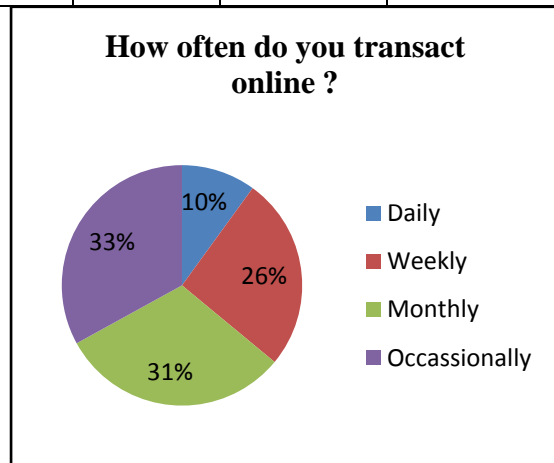
Graph No 2

#### Interpretation:

According to the above Pie diagram, 84% respondents transact online and 14% respondents transact sometimes. Hence maximum no of people prefer to transact online.

**Q. 3 How often do you transact online?****Table No 3:**

Sr.No	How often do you transact online?	FREQUENCY	PERCENTAGE
1	Daily	10	10 %
2	Weekly	26	26 %
3	Monthly	31	31 %
4	Occasionally	33	33 %

*Graph No. 3***Interpretation:**

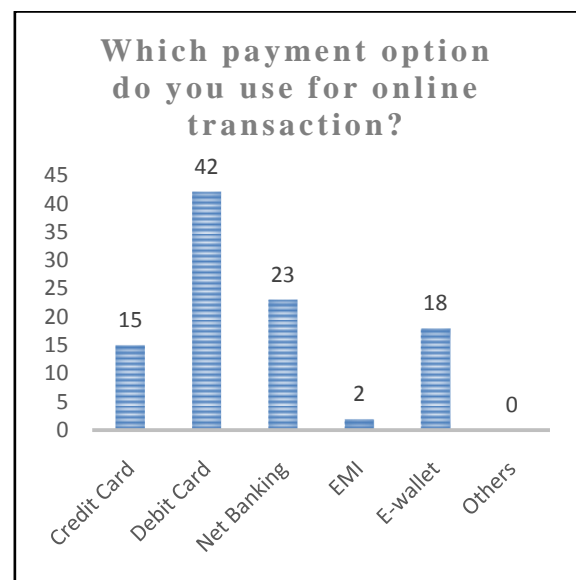
According to the above Pie diagram, 33% respondents do the online transaction occasionally, 31% respondents do the online transaction once in a month, and 26 % respondents do the online transaction weekly. Hence the proximity of transacting online is more occasionally and monthly.

**Q. 4 Which payment option do you use for online transaction?**

*(Rank the following option most important while transaction 1-5 scale)*

*(Credit Card-1, Debit Card-2, Net Banking-3, EMI-4, E-wallet-5)*

Sr.No	Which payment option do you use for online transaction?	FREQUENCY	PERCENTAGE
1	Credit card	15	15 %
2	Debit card	42	42 %
3	Net Banking	23	23 %
4	EMI	2	2 %
5	E-Wallet	18	18 %
6	Others	0	0 %

*Table No 4**Graph No 4***Interpretation:**

According to the above Chart, 42 respondents do the online transaction by Debit card, 23 respondents do the online transaction by Net Banking, and 15 respondents do the online transaction by Credit card and 18 respondents by E-Wallets. Hence the consumers prefer

debit card as compared to other online payment options.

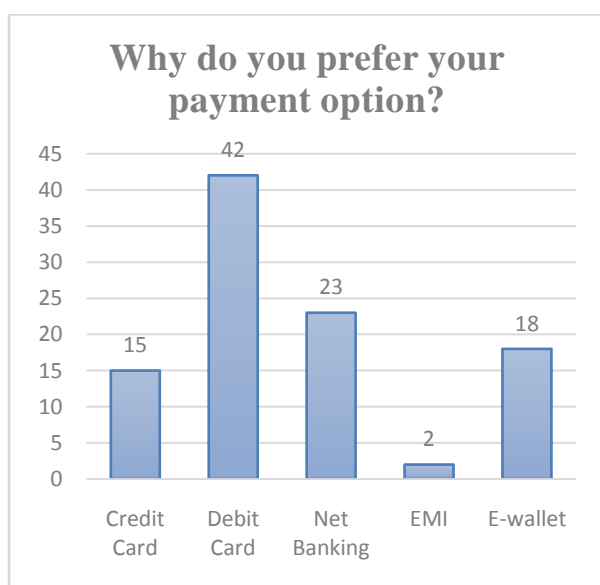
### Q.5 Why do you prefer your online payment option?

(Rank the following most prefer payment option 1-5 Scale)

[Convenience-1, Easy to use-2, Security-3, Speed-4, Cash back/Discount-5]

Sr.No	Why do you prefer your payment option?	FREQUENCY	PERCENTAGE
1	Convenience	22	22 %
2	Easy to use	18	18 %
3	Security	36	36%
4	Speed	3	3 %
5	Cash back/Discount	21	21 %

Table No 5



Graph No 5

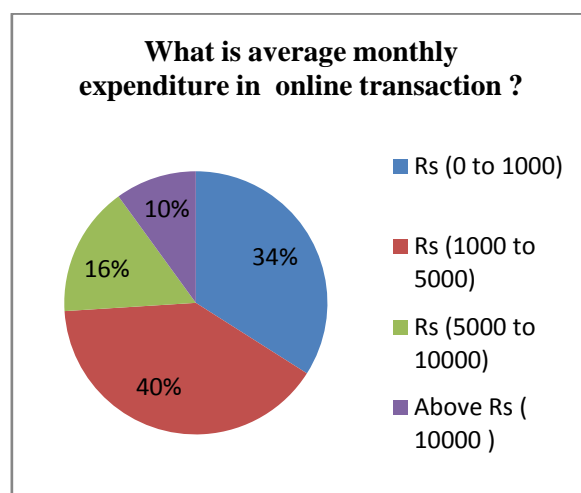
### Interpretation:

According to above chart 15% respondent use credit card payment option, 42 % is most prefer payment option, 23 %, 2 %, and 18 % use net banking, EMI, and e-wallet as a payment option.

### Q. 6 What is average monthly expenditure in your online transaction?

Sr.No	What is average monthly expenditure in your online transaction?	FREQUENCY	PERCENTAGE
1	Rs (0 to 1000)	34	34 %
2	Rs (1000 to 5000)	40	40 %
3	Rs (5000 to 10000)	16	16 %
4	Above Rs ( 1000 )	10	10 %

Table No 6:



Graph No. 6

**Interpretation:**

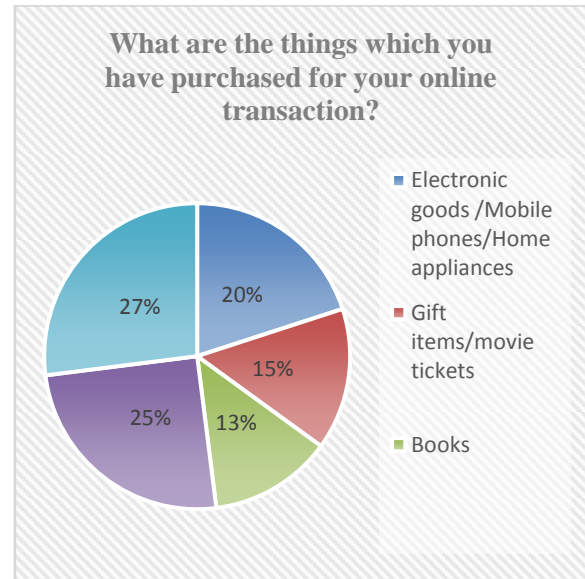
According to the above Chart, 40% respondents average monthly expenditure is from Rs(1000 to 5000) ,34% respondents average monthly expenditure is from Rs(0 to1000). Hence the average monthly expenditure of the consumer in online transaction is from Rs (0 to 5000).

**Q. 7 What are the things which you have purchased for your online transaction?**

*(Rank the following option are most purchased for online.1 to 5 Scale)  
[Electronic good/Mobile phone/Home appliances-1, Gift item/Movie tickets-2, Books-3, Mobile Recharge/DTH recharge- 4, Clothes/Shows/Wallets- 5.]*

Sr.No	What are the things which you have purchased for your online transaction?	FREQUENCY	PERCENTAGE
1	Electronic goods /Mobile phones/Home appliances	20	20 %
2	Gift items/movie tickets	15	15 %
3	Books	13	13 %
4	Mobile Recharge/DTH recharge	25	25 %
5	Clothes/Shoes/Wallets	27	27 %

Table No 7



Graph No 7

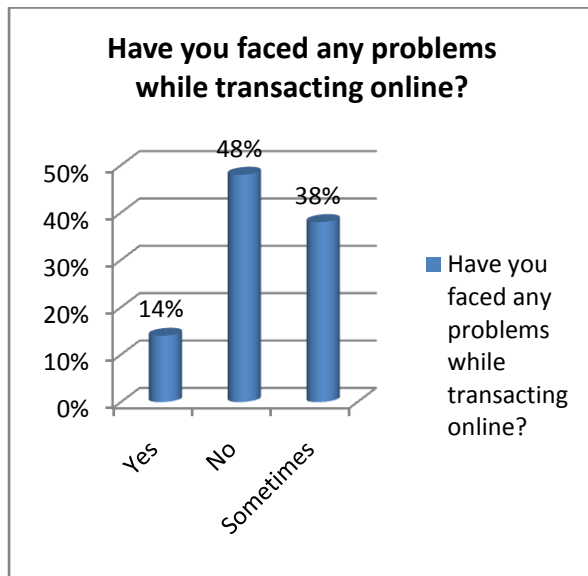
**Interpretation:**

According to above Chart shown that, 20 respondent use of online transaction for electronic goods/mobile phone/home appliances, 15 respondent use Gift item and movie ticket, 13 % use for books, 25 respondent are Mobile recharge/DTH recharge and 27 for Cloths, shoes, and wallets .

**Q. 8 Have you faced any problems while transacting online?**

Sr.No	Have you faced any problems while transacting online?	FREQUENCY	PERCENTAGE
1	Yes	14	14 %
2	No	48	48 %
3	Partially	38	38 %

Table No 8



Graph No 8

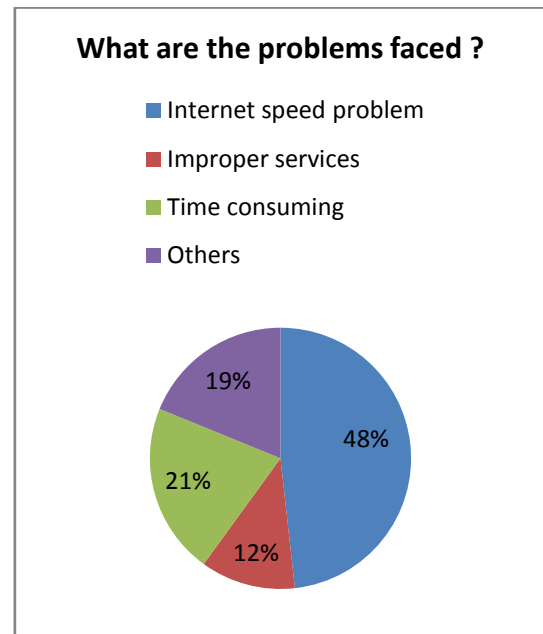
**Interpretation:**

According to the above Chart, 48% respondents don't face the problems while online transaction and 38% respondents sometimes face problems while online transaction. Hence max respondents don't face problems while transacting online.

**Q. 9 What are the problems faced?**

Sr.No	What are the problems faced?	FREQUENCY	PERCENTAGE
1	Internet speed problem	41	61 %
2	Improper services	10	14 %
3	Time consuming	18	26 %
4	Others	16	24 %

Table No 9



Graph No 9

**Interpretation:**

According to the above Chart, 48% respondents face the problem of internet speed, 21% respondents says that the process is time consuming. Hence the major problem faced is internet speed problem.

**Q. 10 What are the factors you prefer while selecting your online Payment method?**

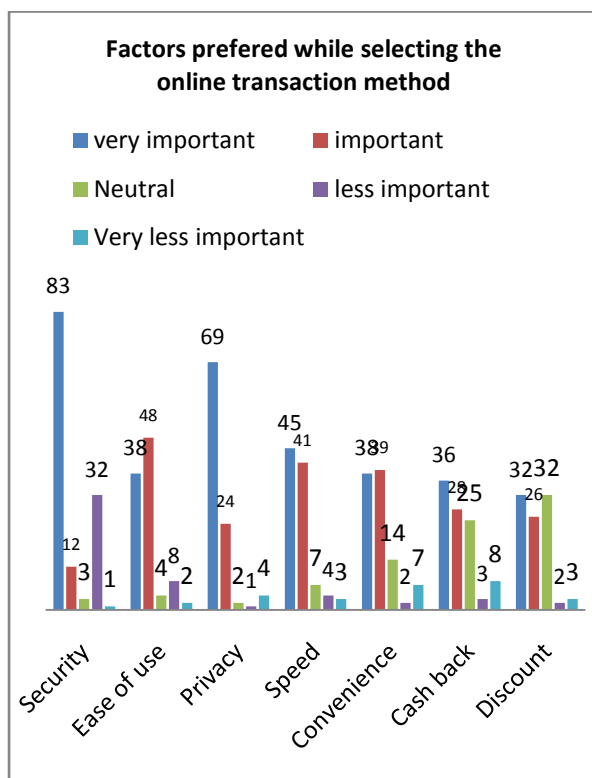
*[Rank the following 1-5 Scale]*

*[Very Important-1, Important-2, Neutral-3, Less important-4, Very less important]*



Sr.No	What are the factors you prefer while selecting your online transaction method?	Very important	Important	Neutral	Less important	Very less important
1	Security	83	12	3	1	1
2	Ease of use	38	48	4	8	2
3	Privacy	69	24	2	1	4
4	Speed	45	41	7	4	3
5	Convenience	38	39	14	2	7
6	Cash back	36	28	25	3	8
7	Discount	32	26	32	2	3

Table No 10



Graph No. 10

**Interpretation:**

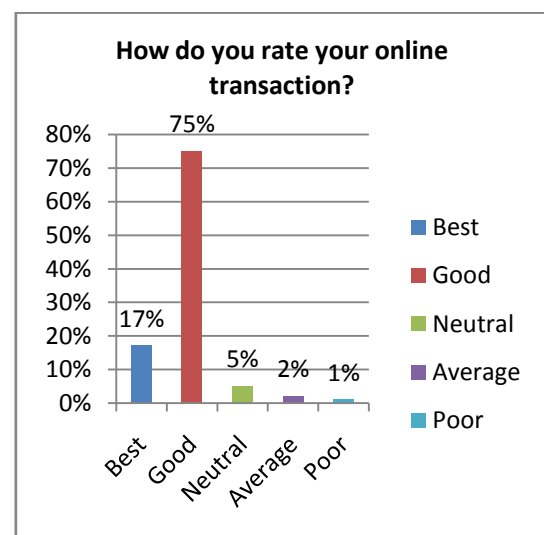
According to the above Chart, 83 respondents prefer security as very important, 69 prefer due to the privacy 21 respondents says that the process is time consuming. Hence the important

factor preferred for selecting of the online transaction method is Security.

**Q. 11 How do you rate your online transaction?**

Sr.No	How do you rate your online transaction?	FREQUENCY	PERCENTAGE
1	Best	17	17 %
2	Good	75	75 %
3	Neutral	5	5 %
4	Average	2	2 %
5	Poor	1	1 %

Table No 11



Graph No. 11

**Interpretation:**

According to the above Chart, 75% respondents rate their payment option as good, 17% respondents rate their payment option as best. Hence consumers rate their payment option as good.

### Q. 12 Will you recommend your payment method?

Sr.No	Will you recommend your payment method?	FREQUENCY	PERCENTAGE
1	Yes	96	96 %
2	No	4	4 %

Table No 12:

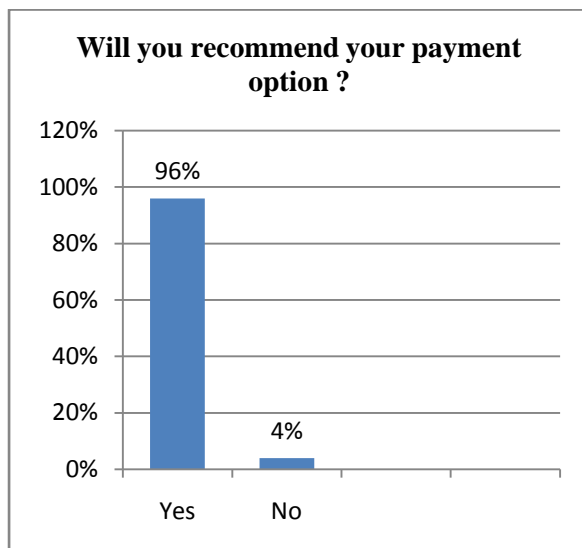


Table No 12:

#### Interpretation:

According to the above Chart, 96% respondents recommending their payment option, 4% respondents don't recommending their payment option. Hence consumer recommends their online payment option.

### 6. FINDING

As per my findings:

1. The awareness of online transaction amongst the respondents are 96% I observed, 1 % are didn't know about any of the method of transaction.
2. I found that respondents prefer online transaction more than the physical as 84 %. Sometimes are 14% and 1 % respondents didn't know about online transaction.
3. The online payment option is preferred 22 responded are it is convenience, 18 respondent are easy to use, 36 is the highest respondent are security, and 21 & 3 respondents are cash back and speed.
4. I found the method while transaction on online, 42 respondents are debit card, 15 respondent are credit card, 23 are net banking, 18 are e-wallet.
5. The important factor while transaction among the respondent, Security are very important as 83 respondent, 12 as important, 3 are neutral, 1 are less and very less important. Ease of use factor, 38 respondent are very important, 48 is important, 4, 8, and 2 are neutral, less important and very less important. Privacy factor as very important are 69 respondent, important are 24, and 2, 1, and 4 are neutral, less important

and very less important. Speed factor of respondent are, 45 are very important, 41 are important, 7, 4, and 3 are, neutral, less important and very less important. Convenience 38 are very important, 39 are important, 14, 2, and 7 are neutral, less important and very less important. Cash back 36 are very important. 28 are important and 25, 3, and 8 are neutral, less important, and very important.

6. I found monthly average expenditure, 34 respondent are Rs. (0 to 1000), 40 respondent are Rs. (1000 to 5000), 16 respondent are Rs. (5000 to 10000), 10 respondent are above Rs. (1000).

## 7. SUGGESTION

- The security provided for the different payment option should be more, and strong.
- The user interface should be user-friendly.
- The data which is essential for the transaction should only be collected from the user.
- The transaction should be fast.
- The confidentiality of the user's data should be maintained in online transaction.
- The awareness of online transaction should be created by conducting

seminars, workshops for the people who are unable to use online transaction.

## 8. CONCLUSION

Awareness e-transaction is good. E-transaction are most simple method of transaction. But respondent are risk of personal data. Banks provide a sufficient as well enough security method. The internet speed/ process is one of the another challenges on e-transaction. Any new methods people cannot accepts sudden. The successful implementations depends upon the socio-economic development of nation.

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