

A Comparative Study on Various Payment Options in Online Shopping

Chirag Parmar

Research Scholar, Suresh Gyan Vihar University, Jaipur

Abstract:- E-commerce is increase rapidly in India in the form of online shopping. An IT firm Accel Partners has released some data's on online shopping in India. According to them Indian online shopping industry have a turnover of 700 crore Rs. by 2015 and around 30 lacs Indian shopper used online shopping. The main objective of this research is to study, especially what is the major option for payments in online shopping. There is several option of payment in online purchasing such as credit card, debit card, cash on delivery, EMI option, gift voucher or wallet Rs. of particular site. To this end, a survey was conducted and the 120 questionnaires were distributed among the people of different markets and the general public in Bikaner. The replies have been analyzed by table analysis. The results of study reveal that on-line shoppers in India are significantly affected by various payment options which are describe above. The results of the study could be further used by the researchers and practitioners for conducting future studies in the similar area.

Keywords: E-commerce, on-line shoppers, payment option.

I. INTRODUCTION

Online Shopping

Online shopping is growing in India day by day with the use of internet. Retailer expands their market with that customer who may not otherwise visit the physical store. The main significance of online shopping is to get attention of that customer who use internet most the time. And the other benefit of online shopping is their unique online payment methods which attracts customer for purchase online. If there is so many benefit in online shopping on other side online shopping also come with potential risk and dangers that customer wants to be aware. In the future, we can expect online stores to improve their technology tremendously, allowing for an easier and a more realistic shopping experience.

Recent use: - A company that wants to market their items online can establish an online store by developing a website. These stores usually consist of several department areas with the merchandize organized accordingly. The consumer may view the products' picture, item details, materials, sizing, etc. If the consumer chooses to add the item to his or her virtual shopping cart, they are usually given the option to continue shopping or proceed to checkout. Once the consumer proceeds to checkout, the online payment option is completed and the item is prepared and shipped from the retailer to the consumer.

Many physical retail stores have expanded their market by using the Internet. By having both a virtual store and a physical store, companies get the best of both worlds. Stores that are marketing their products in both areas can take advantage of the high demand for online shopping availability. The ability to shop for products online gives consumers the option to purchase goods off of the Internet with the convenience of not even leaving his or her home.

Others; however, still enjoy and prefer to go into a physical store to make purchases. For some consumers their method of purchase is not because of a preference but because of generation gap.

Also rising in popularity, are online websites, such as flipkart.com, amezone.com, jobong.com which allow consumers to sell and purchase to each other. Payment Systems have made shopping online much easier. "Customers with a virtual wallet for online global shopping, empowering a new segment of consumers to buy products and services on the web ' without the use of a credit card" (DBS and PayPal, 2010). This payment option allows for safe transactions between two private parties.

Different method of payment in online shopping:-

1. Credit card
2. Debit card
3. CoD (cash on delivery)
4. Net Banking
5. EMI option
6. E- Gift voucher
7. E- wallet

1. **Credit Card:** - A credit card is a payment card issued to users as a system of payment. It allows the cardholder to pay for goods and services based on the holder's promise to pay for them. The issuer of the card creates a revolving account and grants a line of credit to the consumer (or the user) from which the user can borrow money for payment to a merchant or as a cash advance to the user.

In online shopping process if the customer wants to pay via credit card than he/she have to give all the information of credit card on bill desk of the shopping web site. Many bank in India provide credit card and most of the online shopping website have their payment getaways with credit cards. The

most popular bank's credit cards in India are HDFC, ICICI, CITI, AXIX, SBI and PNB. In India the use of credit card is limited because of limited number of credit card holders.

2. **Debit card:** - A debit card is a more convenient way of spending money than carrying cash around all the time. You put your cash (or a check) into a checking account, and you can swipe your debit card to deduct money from that account to pay for your purchases. It's a great way to buy things without having to worry about going into debt or losing your money.
Debit card have the same process of payment in online shopping as same as credit card. In India Debit card is also known as ATM card. All Nationalize and private bank gives the facility of debit card. Number of user of debit card is more than credit card in India.
3. **CoD (cash on delivery):-** It's a famous method of payment in online shopping in India. A type of transaction in which payment for a good is made at the time of delivery. If the purchaser does not make payment when the good is delivered, then the good will be returned to the seller. COD allows the purchaser to pay at the time of delivery instead of having to pay upfront. "CoD offers a fairly risk free trail process for a new user" says Dhall. Payment is made to the shipping company, and the shipping company then relays the payment back to the seller.
4. **Net Banking:-** Net banking is an electronic payment system that enables customers of a financial institution to conduct financial transactions on a website operated by the institution, such as a retail bank, virtual bank, credit union or building society. Online banking is also referred as Internet banking, e-banking, virtual banking and by other terms. For using net banking facility user have set up a Id and password and on the time of payment by using this ID and password costumer can pay the required amount.
5. **EMI option:** - EMI means 'Equated Monthly Installment - EMI' A fixed payment amount made by a borrower to a lender at a specified date each calendar month. In India Many online shopping website gives EMI option for payment of their purchase. This facility is given by website to only those customers who have a credit card. In our country this method of payment is not so much popular. Because of the limited number of credit card holder.
6. **E-Gift Voucher:** - E-Gift voucher work just like regular Gift voucher; however, this kind of gift voucher is emailed to the recipient. A copy of the E-Gift

voucher will also be sent to the purchaser as confirmation that the email was sent. This method of payment are very limited in online shopping because online shopping firm distribute very less number of voucher to the customer.

7. **E- Wallet:** - A digital wallet refers to an electronic device that allows an individual to make electronic commerce transactions. Every online shopping website has their E- wallet with different name. Customer of online shopping can fill their E- wallet by using different payment option and can pay their order whenever they need.

II. RESEARCH OBJECTIVE

To analyses and identified the various payment option of online shopping with people of different market and general public in Bikaner city.

III. RESEARCH METHODOLOGY

Under sample design the method of Random Sampling is been used to collect data from the respondents.

METHOD OF DATA COLLECTION

A Questionnaire method is used to collect data from the respondent.

SAMPLE DESIGN

Under sample design the method of Random Sampling is been used to collect data from the respondents.

SAMPLE SIZE

Sizes of 120 respondents are taken for the collection of the data.

DATA ANALYSIS AND INTERPRETATION

In data analysis and interpretation method of Pie chart and tables is used to analyze the data.

In this survey there are some question asked to the 120 respondent from which 90 answered. And from this 90, 81 shop online. In the Questionnaire some question were asked such as age, sex, whether they do online shopping or not, and if they doing which channel they use for payment etc.

Following are the tables and pie diagrams of data interpretation

1. Out of 90 respondent 63 are male and 27 are females

| | |
|--------|----|
| Male | 63 |
| Female | 27 |

Out of 90 respondent 63 are male and 27 are females

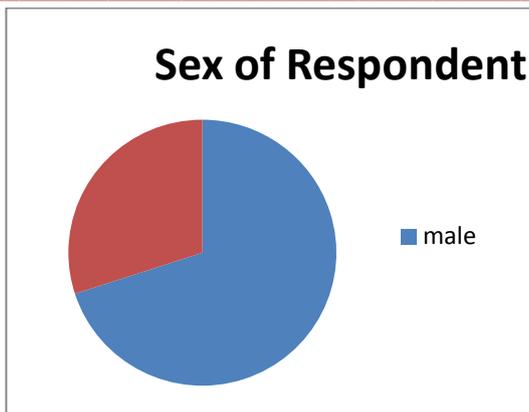


Figure 1. Male Female Ratio Of Respondents

2.

| Age Group | Respondent |
|--------------|------------|
| 16-30 | 48 |
| 31-50 | 35 |
| 51 and above | 07 |

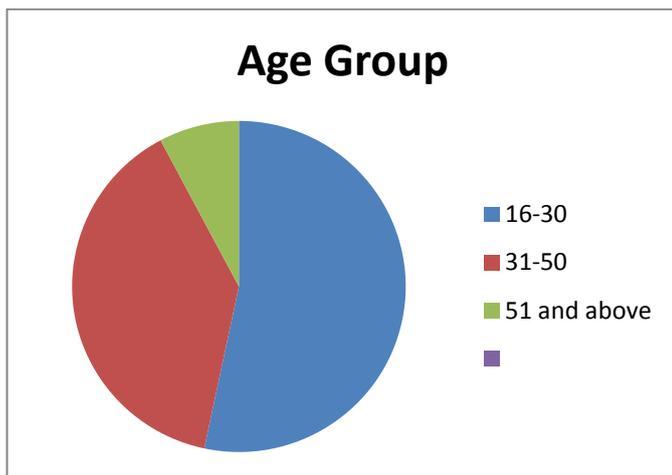


Figure 2. Different Age Group of Respondent

Out of 90 respondents mostly are in age group of 16-30.

3.

| Method of Payment | User |
|-------------------|------|
| Credit card | 08 |
| Debit card | 21 |
| CoD | 29 |
| Net Banking | 16 |
| EMI | 04 |
| E-Gift | 03 |
| E-Wallet | - |

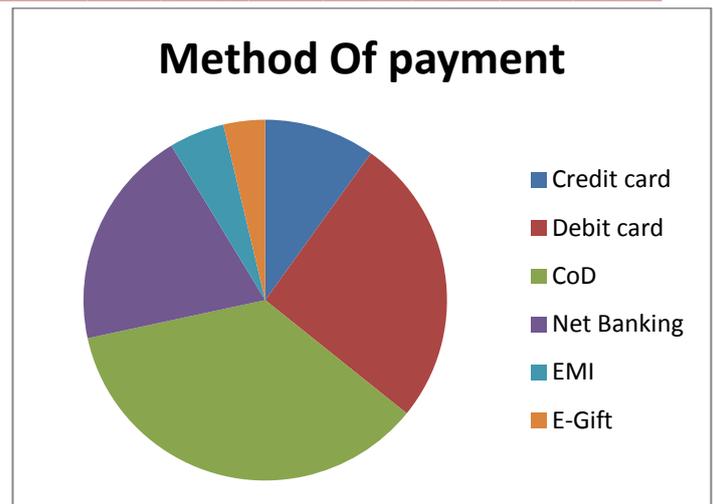


Figure 3. Various Options of Payment use by Respondents

IV. CONCLUSION AND SUGGESTION

The work deals with an analysis of Comparative study of various method of payment method in online shopping. The study was based on empirical data obtained through surveys of questionnaires with the general public of city in various areas such as shopping complex, restaurants, book stalls etc. The overall result proves that most of the respondents of research are using online shopping and the major age group which shop online is 16-30. The number clearly shows the project growth of online shopping. The main object of research is to identified various payment option in online shopping and the result shows most the respondents using cash on delivery option in city because of its easy to use and risk free nature of payment transaction. On second number people use debit card option because it's easily availability and use. Now a day's net banking also become popular among people shows the research. Credit card and EMI option is following net banking. The number of credit card holder is very less in city so this option is also very less frequently used. There is less number of respondents using EMI option because EMI facility only those people can avail who have credit card. E-Gift option is not very popular among the respondent because of its low popularity. This result can also be used by various organization to improve the payment transaction method and improve those method which frequently used by online shoppers.

REFERENCES

- [1] Dr.Gagandeep Nagra, Dr.R Gopal (2013), "An study of Factors Affecting on Online Shopping behavior of consumers", International Journal of Scientific and Research Publications, Vol. 3
- [2] Michal Polasik, Piotr Fiszeder (2009), "Factors determining the acceptance of methods by oline shops in Poland"

- [3] Chakravorti, S. and Roson, R. (2006), 'Platform competition in two-sided markets:The case of payment networks', Review of Network Economics, Vol. 5, Issue 1, pp. 118-143
- [4] Koyuncu, C. and Bhattacharya, G. (2004), "The impacts of quickness, price, payment risk and delivery issues on on-line shopping", Journal of Socio-Economics, Vol. 33, pp. 241–251.
- [5] Frank, H.-J. (2004), "E-payments: modern complement to traditional payment system", E-Conomics, Deutsche Bank Research, No. 44, May 6.
- [6] <http://trak.in/ta>
- [7] gs/business/2014/04/04/indian-e-commerce-growth-stats/