

# A Conceptual Study on Awareness of Online Payment System Among Rural Merchants

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**Abstract-***Demonetization is the act of stripping a money unit of its status as legal tender. It is necessary whenever there is a change of national money. The old unit of money must be retired and exchange with a new money unit. This paper describes a recent past years, demonetization have been implemented. The rural area merchants were not awareness on this online payment system. So this study going to find out the awareness among the rural merchants.*

**Keywords-**Credit Card, Debit Card, Smart Card, E-Money, Electronic Fund transfer, Mobile Banking.

## I. INTRODUCTION

E-Commerce is the procurement and vending of things and facilities, or the spreading of moneys or records, over an online network, chiefly the internet. These business dealings occur either as business to business (b2b), business to consumer (b2c), consumer to consumer (c2c) and consumer to business (c2b). The terms e-commerce are regularly used interchangeably.

E-Business is the behavior of business procedures on the internet. These online business procedures include procurement and vending crops, provides and facilities; servicing consumers; processing payment; handling manufacture control; cooperating with business collaborators; distribution knowledge; passing automated worker facilities; employing and more.

Demonetization is an essential monetarist step in which a money unit's status as a legal tender is confirmed unacceptable. This is frequently done whenever there is a change of national money, exchanging the old unit with a new one. Such a step, for example India, Europe and Singapore.

E-commerce sites use online payment, where online payment refers to paperless fiscal transactions. Online payment has transformed the business dispensation by lessening the paperwork, transaction costs, and employees cost. Being user friendly and less time-consuming than manual dispensation, it helps business organization to enlarge its market reach/ development. Listed below are some of the modes of online payments:

- o Credit Card
- o Debit Card
- o Smart Card
- o E-Money
- o Electronic Fund transfer
- o Mobile Banking

### 1.1 Credit Card

Payment using credit card is one of most public mode of online payment. Credit card is a small plastic card with a unique number fixed with an account. It has a magnetic strip embedded in it that is used to study the credit card via card readers. When a purchaser procurements a product via credit card, the credit card issuer bank pays on behalf of the purchaser and the buyer has a sometime period after which he/she can pay the credit card bill. It is regularly in the credit card monthly payment cycle Example: Visa or MasterCard.

### 1.2 Debit Card

Debit card, like credit card, is a small plastic card with a unique number mapped with the bank account number. It is needed to have a bank account before receiving a debit card from the bank. The major modification between a debit card and a credit card is that in case of payment through debit card, the amount gets subtracted from the card's bank account immediately and there should be adequate balance in the bank account for the transaction to get finished; whereas in case of a credit card transaction, there is no such obligation. Debit cards free the customer to carry cash and cheques. Even merchants accept a debit card readily. Having a constraint on the amount that can be withdrawn in a day using a debit card helps the purchaser to keep verify on his/her expenditure.

### 1.3 Smart Card

Smart card is again parallel to a credit card or a debit card in appearance, but it has a small microprocessor chip entrenched in it. It has the capability to store a customer's work-related and/or individual information. Smart cards are also used to store money and the amount gets subtracted after every transaction. Smart cards can only be accessed using a PIN that every customer is allocated with. Smart cards are

secure, as they store information in encoded format and are less luxurious / delivers quicker dispensation. Mondex and Visa Cash cards are examples of smart cards.

#### 1.4 E-Money

E-Money transactions refer to condition where payment is finish over the network and the amount gets transferred from one financial body to another financial body without any engagement of a middleman. E-money transactions are quicker, appropriate, and saves a lot of time. Online payments done via credit cards, debit cards, or smart cards are examples of e-money transactions. Another popular example is e-cash. In case of e-cash, both purchaser and merchant have to sign up with the bank or company delivering e-cash.

#### 1.5 Electronic Fund Transfer

It is a very popular online payment method to exchange the money from one bank account to another bank account. Accounts can be in the same bank or various banks. Fund transfer can be done using ATM (Automated Teller Machine) or using a computer. Nowadays, internet-based EFT is receiving popular. In this case, a purchaser uses the website delivered by the bank, logs in to the bank's website and registers another bank account. He/she then places a request to transfer certain amount to that account. Purchaser bank transfers the amount to other account if it is in the same bank, otherwise the exchange request is promoted to an ACH (Automated Clearing House) to transfer the amount to other account and the amount is subtracted from the purchaser's account. Once the amount is transferred to other account, the purchaser is notified of the fund transfer by the bank.

#### 1.6 Mobile Banking

Mobile banking comes in as a part of the banks creativity to offer multiple channels banking offering practicality for its purchaser. A versatile multifunctional, free maintenance that is reachable and accessible on the display of mobile phone. Mobile phones are playing great role in Indian banking- both straight and unconventional. They are being used both as banking and other channels.

(Kalakota) (H. ALBERT NAPILER)

## II. REVIEW OF LITERATURE

(Jiaqin Yang) “This paper discusses current trend and enlargement of online-banking for small and community banks in rural areas through a case study. The applications of

online-banking of several local banks in rural areas are considered and observed. The exploration objective is to investigate the trends and level of frequency of online banking focusing on some developing disputes and contests“.

(Pawar) “E-Commerce market is surprisingly rising throughout the world. Due to growth in online transaction, Debit or Credit card fraud and personal information security are major concerns for customers, merchants and banks. This paper presents a new evolution for offering limited communication only that is necessary for fund transfer during online shopping thereby preserving the customer data, improving customer self-assurance and avoiding identity robbery. A novel family of graphical password systems built on top of CAPTCHA (Completely Automated Public Turing test to tell Computers and Humans Apart) technology. It addresses a number of security problems altogether, such as online estimating outbreaks. The method uses blend of application of CAPTCHA and visual cryptography for this purpose”.

(Venkateswaran2)“A rapid growth in E-Commerce market is seen in current time throughout the world. With ever growing admiration of online shopping, Debit or Credit card fraud and personal information security are major concerns for customers, merchants and banks specifically in the case of CNP (Card Not Present). This paper presents a new method for offering limited report only that is essential for cash move during online shopping thereby protection customer data and collective customer self-assurance and preventing identity theft. The method uses shared application of steganography and visual cryptography for this purpose”.

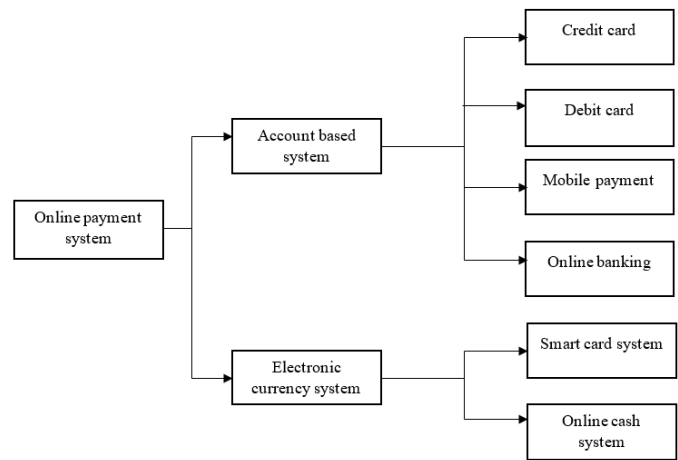
(Banphot Vatanasombuta)“The propagation of the Internet has not only permitted businesses to suggestion their harvests and facilities through web-based applications, but it has also damaged their talent to retain their clientele. It has decreased search costs, opened up obstacles to entry, and weakened particularity of firms. Actual holding of customers allows firms to grow in size and acceptance, thereby collective their profitability. We extended Obligation–Trust theory, a probability –confirmation model, and technology approval theory to improve a model of IS protraction purpose of consumers of web-based applications. Connection promise and trust were found to be central to IS protraction purpose. Also, perceived authorization influenced relationship aptitude, while perceived safety influenced trust. Our findings thus reinforced old-style purpose factors, importance the role of trust as a tougher forecaster of purpose than commitment but, contradicting findings from marketing research, trust was found to be a tougher forecaster of holding in the e-commerce context”.

(Abeer Musa)“This paper inspects the issues that affect the purchasers’ purpose in adjusting Mobile Payment Device technology in a low-cost. Unified Theory of Approval and Use of Knowledge Model is engaged as evolving the basis for the suggested exploration model. A questionnaire survey is used as a tool to gather the data. Research results reveal that preparation probability, community motivation, and seeming communication safety have straight important assets on purchaser’s behavioral purpose to adapt the MPD. It is also originate that power probability has indirect effect on purpose through presentation expectation. Demographic factors such as gender, age, and self-reported knowledge about MPD reasonable the relationship between behavioral intention to adopt MPD and the predicting variables. Inferences for consultants and investigators are discussed”.

**III. PROCESS OF ONLINE PAYMENT SYSTEM**

Steps	Description
1	Bank issues and activates a credit card to the customer on his/her request.
2	The customer presents the credit card information to the merchant site or to the merchant from whom he/she wants to purchase a product/service.
3	Merchant validates the customer's identity by asking for approval from the card brand company.
4	Card brand company authenticates the credit card and pays the transaction by credit. Merchant keeps the sales slip.
5	Merchant submits the sales slip to acquirer banks and gets the service charges paid to him/her.
6	Acquirer bank requests the card brand Company to clear the credit amount and gets the payment.
7	Now the card brand company asks to clear the amount from the issuer bank and the amount gets transferred to the card brand company.

**IV. FRAME WORK**



**V. CONCLUSION**

This paper conduces that the demonetization affect the rural area merchants. Because the sudden action implemented by the government. This study have been analyzed that rural merchants were not awareness on demonetization and also they does not have a sufficient knowledge to do the online payment system for their business. So the government or the banking sector need to give the awareness about online payment system.

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