



Future of the Mobile Payment as Electronic Payment System

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ABSTRACT

The development of the Internet and the arrival of e-commerce fostered digitalization in the payment processes by providing a variety of electronic payment options including payment cards (credit and debit), digital and mobile wallets, electronic cash, contactless payment methods etc. Mobile payment services with their increasing popularity are presently under the phase of transition, heading towards a promising future of tentative possibilities along with the innovation in technology. In this paper, we will evaluate the current state and growth of mobile payments and other electronic payment systems in markets around the world and take a look at the future of this industry. We analyze various systems of electronic payment services, security issues related to them and the future of the mobile payment mode. This paper will also examines the factors affecting adoption of mobile payment methods by consumers. With all the security and convenience provided by mobile electronic payment method, we can expect further growth of mobile payments worldwide even surpassing payments made by credit and debit cards. However, there are several barriers identified to the adoption of this payment method; so certain measures should be taken to grant this industry a promising future ahead.

Keywords: e-commerce, m-commerce, Payment Systems, Mobile Payments, e-business

INTRODUCTION

In the year 1990, the advent of electronic commerce (e-commerce) introduced a unique way of doing trade business to the consumer and business world. Since then, e-commerce has grown and changed incredibly with producing extraordinary benefits for customers and business all around the world. With a large number of organizations conducting business this way, it has become evident that the field of e-commerce has a promising future ahead and businesses are going to obtain maximum benefit from it. Most of the popularity gained by e-commerce is due to its online perspective of doing business. It enables buying and selling of goods online, provision of various services and information on the internet and instant exchange of money between transacting parties. Using e-commerce, business payments have taken the form of exchanging money electronically and are called as electronic payments.

The electronic payment system is considered as the backbone of e-commerce and one of its most crucial aspects. It can be defined as a payment service that utilizes the information and communication technologies including integrated circuit (IC) card, cryptography, and telecommunication networks'. An efficient electronic payment system lessens the cost of trading and is thought to be essential for the functioning of capital and inter-bank markets. With the advancement of technology, electronic payment system has taken many forms including credit cards, debit cards, electronic cash and check systems, smart cards, digital wallets contactless payment methods and mobile payments and so on.

E-commerce has become a rapidly growing market today. With the proliferation of tablets and smartphones, the use of electronic payment methods has grown up to 21% in 2018. The use of credit cards was the major international means of online payment that dominated in a variety of transaction markets. It was estimated that 95% of all e-commerce transactions in the United States are performed using credit cards. Other widely used online payment alternatives are debit cards (with rising number of users worldwide) and online payment systems like Paypal, Stripe or Skrill. With the availability of a variety of electronic payment means including mobile payments, mediating services, and electronic currency, an appropriate option can be chosen for a particular type of transaction.

As we know that security is the main concern of people today while using any technology because the use of every technology is exposed to fraud, data theft, and stealing. It becomes more dangerous when the data contains significant financial information (Raja et. al., 2008). Thus, despite the fact that e-commerce is a growing field with an increasing use of its online payment services, its further development and widespread use in future are dependent upon the security and authentication stability of various electronic payment systems.