



Enhancing customer service through smart payments

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ABSTRACT:

India, one of the developing nations of the world, is growing rapidly after globalisation. However for a country like India which is rapidly growing, needs to adopt modern technologies in improving customer services like Digitalisation. As a part of digitalisation, Indian government recent initiatives such as “swiping cards” for travelling in buses and in trains across the country. So, it reduces money exchange during travelling. However, Indian government can also look into other improved technologies such as “contactless cards” which can be used in many service organisations. In this paper the researcher will explore contactless cards payment systems used in services organisations in foreign countries and their suitability to Indian context.

Key Words: Digitalisation, swiping cards, Contactless cards, Payment System.

INTRODUCTION:

“Albert Einstein”, one of the best scientists in the world had been quoted about India that “We owe a lot to the Indians, who taught us how to count without which no worthwhile scientific discovery could have been made”, being a part of such a greatest nation we are leverage to use advance technology like digitalisation to flourish the pride of India in terms of technology. There are 17% of Indian population own their smart mobiles, out of which 41% are using mobile wallets. So, there is large scope of usage of mobile wallets and also increase from 17% to 50% by 2025 in smart phone usage population as India is a dense populated country with increase in educated population year by year. The word Digitalisation already existed in India in the form of televisions, computers, laptops, electronic gachets, but it is the BJP government which promote “Digital India” for the first time in India. Digitalisation applications can exists in many forms. So, this paper is making an

attempt to go in details of such applications.

DIGITALISATION:

The word “Digitalisation” came from word “Digital” which describes about electronic technology that generates, stores and processes data. Digitalisation is new process which allows preservationist to ensure information contained within fragile, organic materials will still be viewable to future generations. One of mayor application of digitalisation is smart payments which are of different kind’s i.e., visa payments, swiping cards and contactless cards which enhance easy payments but used for different purposes like payment of bills, shopping, transfer of amounts etc.,

SMART PAYMENTS:

Smart payments (m- payments) are defined as transfer of money through electronically

or digitally between two parties in exchange goods and services from initialisation of payment to conformation of payments with a virtual card system or real cards . These smart payments enhance easy payments without risk of carrying money and with high security. Smart payments are classified as two type's i.e., swiping cards and contactless cards.

Conceptual clarity:

Online payments:

Whilst the ability to shop online to buy goods and services is an e-payment method, It generally involves using traditional solutions in terms of debit and credit cards to complete the transaction. However the mechanisms in place which facilitate these transactions are electronic in nature. Making a payment online could involve the following methods:

- Direct debit/ Standard order
- Credit/ debit card
- 3rd party payment facilitator/ PayPal.

Contactless payment systems:

Contactless payment systems, also known as “tap and go” or “wave and pay” is a method where a person pays for everyday items, by holding a transaction smart card, key fob or other device near or on a locator. The transaction under a specified amount is normally completed with no need to sign or key a number into a keypad. The advantage of using this method is that the transaction process is generally much quicker than traditional payment methods.

A contactless card payment exists in many forms:

Prepaid cards – these have a fixed amount of funds allocated to them such as the oyster card, and used as a form of electronic ticketing on public transport services within the greater London area. These cards can be “recharged” from numerous sales points. Now the government of India is making affords to introduce oyster cards in travelling systems for easy exchange of tickets with virtual money.

Mobile phones with Near Field Communications (NFC) – NFC phones or cards can be stocked up with credit and then used as payment. The user simply waves their phone over the reader and the payment is debited from their account or added to their credit card bill. When making larger payments, authorisation will be required. Unfortunately many of the mobile phones that are needed to do this are not widely available or accessible to blind and partially sighted people.

Self – service kiosks – These are alternatives to the traditional staffed checkouts and are quickly becoming a common sight within retail settings. They are being installed with the purpose of replicating the advantages of online shopping in-store, streamlining in-store operation with the potential of freeing staff to focus on customers. Unfortunately today, the majority of kiosks rely on touch screen technology that is not accessible. There is concern that the personal touch and social interaction provided by checkout staff is being lost by self service kiosks.

Mobile Phone Payment: Mobile phone payment or M-payment as it is referred to is a new and rapidly-adopted alternative payment method- especially in Asia, Africa and Europe . Instead of paying with cash, cheque or credit cards, a consumer can use a mobile phone to pay for a wide range of goods and services.

Different impacts:

Political:

Contact less cards have larger political impact on development of these words. For example ; BJP government strictly implemented ‘Digital India ‘.So this created on larger scope in development of contact less cards further. So, ICICI bank had taken an initiation step to implement this word in India from abroad.

Economical:

Also economically it has two major implementations.

(1) From the prospective of government.

(2) From the prospective of common man/user.

1: From the prospective of government: -

Implementation of these cards creates a possibility of accounting all the money transactions which can reduce black money/black currency in India.

Also there is an possibility of decrease human power, capital investment which is highly involved in money making and creating security to it. It is a kind of developing India in the form GPP from increasing 7% rate every year to at least

15% rate every year. And soon India can be seen as one of the “Developed Nation”.

2: From the prospective of common man/user of m-payment:-

They are provided with high security from the banks which increase value of customer services from banks.

Robbing of money from other can be reduced which future create safety. It is easy to carry. Because of high security loss of phones or cards will not impact on the individuals.

Social: As the country running in building ‘Digital Nation’ as in India now a days the educational standards are improving on par with International Standards and people are learning modern aids of communication.

Security:

Security can be explained in terms of two aspects.

Aspect1:

In terms of real card i.e, wifi debit/credit cards:

In this type cards security are provided by the banks with a choice of a PIN or signature as a security code. But the security is not so high, because in case of less of card the entire security is lost due to hacking of password from card.

Aspect 2:

In terms of virtual card; cards in the form debit/credit cards in the form of an app:

These virtual cards are given high security that the security is stored in

“cloud database” which can be known only at the time creating security.

While using this cards at payment of bills will be more secure because of generation OTP(one time password) and also in case of any loss of mobile also their nothing loss of card security because at the time of OTP also only 4 digit code obtains but not the entire numbers of code.

As it is just an app,in case of loosing mobile also it can generated in another mobile like new card as it is virtual.

Impact on Developed Nations:

Many developed nations like America, Australia, Britain and Europe are used these contactless cards at 58million, 8.5million, 31million, 19.1million population respectively. There is an enormous increase usage population by every year at rate of 2 to 5 % increase in usage people. These cards have their own impact in the financial sectors. So, preferable using of these cards by banking sector to its customers increase enormously.

Impact on India:

It has greater impact on India crucially on customer service sector because it increases financial status of every banking present in India. As a part of this, several banks making their steps in the similar paths, which are created by developed nations. Examples of such banks are ICICI bank which was created virtual contactless cards in month of March 2016 and gain attention of 15 thousand people from its customer.

Conclusion:

Contactless cards, being unique in its nature and in terms of its security it can perform several tasks just by waving. It can also used by a person with minimum education, if once it is installed in their mobiles by just waving at the time of payment. So, finally I conclude that it has a larger and a greater scope in the future for the coming generations.

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