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Assignment 2 Summary

1. **What are payment management systems?** A Payment management system in e-commerce is a system through which sellers receive funds and buyer move money for products or services. In these systems payment is safe to spend and receive. Payment management systems allow customers to make cashless payments for products and services through cards, mobile phones or the internet.

2. **What are the capabilities/limitations of these systems?** These systems present some advantages, including cost and time savings, increased sales and reduced transaction costs. Speed of transaction and overall convenience are major draws for consumers. But they are vulnerable to illegal action such as theft and fraud, and could possibly increase business expenses.

3. **Identify seven payment systems. What are the strengths and weaknesses of each of these systems? What are their cost structures?**

    1. Due: Online credit card processing is one of the most popular ways people who sell things get paid. In the end, your bank is responsible for processing each transaction, the deal you sign will be with a payment gateway provider, like Due. While very common, there are disadvantages to online credit card processing plans. For instance, rates tend to be high. This is extremely important for start- ups that cannot yet depend on a significant minimum monthly transaction amount. Due is among the lowest-priced payment gateway operators available thanks to its flat-rate fee structure.

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2. <mark>Paymill</mark>: Paymill takes care of processing debit cards, credit cards, and pre-paid cards on your website. Paymill is based in Europe, but serves transaction needs worldwide. It charges no monthly or set-up fees, making it an attractive choice for new store owners looking for a flexible payment processor. Debit card processors like Paymill should be easy to integrate, often with little more than a few lines of code added to a website.

3. <mark>Adyen</mark>: Adyen offers stores a combined payment platform for sales channels worldwide. With over 250 payment methods pre-integrated, stores can expand quickly into new markets and new channels. Adyen's raised and flat supporting surface is completely built in house covering ecommerce, POS, Mobile, App, and MOTO Payments.

4. <mark>PayPal</mark>: PayPal is arguable the most popular and universally recognized payment processors on the market. Buyers and sellers can utilize the service. It works by separating bank accounts and PayPal accounts. Transactions occur separately from individual bank accounts, this works by loading the account with credit. The credit can be transferred into the user's bank account. This classifies it as a managed bank service. This creates a level of trust between sellers and their customers. PayPal can even settle arguments on a customer's behalf. The do charge transaction fees which can make it an expensive choice when dealing in large quantities.

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5. ==Cash on Delivery With FedEx==: Cash on Delivery is rarely used as a payment processing service in stores. However, C.O.D remains the most common form of payment in Europe and India. If a store serves customers who expect to be able to pay in cash, they will need to use a courier service that can accept cash and reliably issue checks. FedEx distinguishes itself by accepting cash.

6. ==Bitcoin==: Bitcoin is a fairly new payment system. Cryptocurrencies are not yet in wide use but offer a range of payment options for businesses. Bitcoin's greatest appeal is the ability to make safe and unnamed payments to and from people in an untraceable way. This has made it a first choice for questionable services. Implementing bitcoin doesn't automatically brand a seller as a criminal though. Bitcoin has received endorsement from a highly regarded individuals. This makes it a great for businesses in the technology market.

7. ==mBill==: mBill is a mobile billing service that specializes in direct carrier payment processing services. This method helps customers to pay for goods and services online. Their purchases are charged to their mobile phone bill. mBill is compatible with widely recognized carriers.

4. **Address some basic safety issues connected with these systems.** Electronic payment systems are rapidly evolving. However, this doesn't negate the fact that they are threatened by viruses, worms and Trojan horses. Viruses disrupt electronic communications. Malicious software can interfere with mobile banking payment systems by stealing credentials from

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unsecure web browsers or any cached information. Worms are viruses spread through direct internet connections unlike viruses which are downloaded or executed unintentionally. Trojan horses pose the greatest threat to ecommerce. They have the ability to bypass authentication methods commonly used in online transactions. They collect data and send it back so it may be used to take over systems remotely. Denial-of-service attacks (DoS) or distributed denial-of-service attacks (DDoS) send a substantial amount of requests to an intended target can debilitate systems. Lastly, phishing and pharming are employed to solicit personal information by posing as a trustworthy organization to commit identity theft.

5. **Make a recommendation to the client for which system you feel best meets their needs.**

    We recommend PayPal because it is the world's most widely used payment system. PayPal payments are made through a user's existing account or with a credit card. There are no setup or maintenance fees. Money can be sent directly to an email address, thus prompting the users to sign up for a new PayPal account. You can also send money through PayPal. According to the PayPal merchant fees, PayPal takes 2.9% + $0.30 per transaction.