

## Easy Payments, the Latest Customer Strategy for E-Commerce Operators

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**Abstract.** The purpose of this paper is to examine easy payment as the latest customer strategy for e-commerce operators in today's business world. The concept of easy payment was examined in relation to e-commerce discussing how this impacts on customers as well as financial institutions and merchants (E-commerce operators). It was discovered that, despite the fact that easy payment strategy opens up vast opportunities for both customers and operators (merchants) benefit them at both ends, certain issues as regards the security and guarantee of transactions need to be looked into. The author conclude that it is vital for financial institutions as well as operators to try to come up with measures to safeguard their interest in the implementation of the easy payment system so as not to run into a loss.

**Keywords:** Easy payments, E-commerce, customer strategy

### 1. Introduction

In a world that plunges deeper into the pool of globalization by the minute, the importance of e-commerce cannot be over emphasized. Today, e-commerce decisions more and more often are treated not as a competitive advantage, but as a necessity, which helps to avoid the lagging behind competitors [20]. Consequently more and more companies become interested in E-commerce as a vital instrument for business efficiency and improvement such that E-commerce is no longer treated as a marketing instrument (as it used to be) but as an important part of business performance that can that can bring about value to organizations.

Furthermore the growth of the internet as a shopping medium has revealed the evolution of the behaviour of e-customers as they acquire e-purchasing experience [11]. As more customers embrace e-commerce by the day they have high expectations about services and support to enable them shop online which makes customer service applications in e-commerce more critical than in conventional sales since customers do not come face to face with merchants [18].

In other to remain competitive in an increasing 'e-commerce traffic' therefore organizations continue to come up with a plethora of strategies from time to time to better serve ever demanding customers on the one hand and to boost company efficiency and profitability on the other. One of the recent innovations in this regard is the introduction of Easy payment systems which this paper intends to examine as a customer strategy for E-commerce with the aim of having a glimpse of how effective this system could be in annexing and winning the hearts of customers.

### 2. What Is an Easy Payment System?

Firstly it important to point out the fact that the concept of “Easy payment” in E-commerce is yet to be explored by researchers in the academic world which explains the lack of literature on the concept in addition to the fact of its novelty as a business strategy in E- commerce. Easy payment as business strategy to annex customers in e-commerce today is understood as a means of instalment plans made available to customers to purchase goods and services from accredited easy pay (EP) merchants by the use of credit cards to pay for the purchase whether wholly or partly by such instalments subject to specified terms and conditions [7].

Easy payments are made available to customers by both financial institutions and merchants. When they are made available by financial institutions specific merchants are often specified by the financial institution for purchase such that the financial institution serves a bridge between the merchant and the customer. This is often done for security reasons. On the other hand, quite a number of merchants also operate the easy payment plans for customers who are ready to meet their own specified terms and conditions of payment. Here specific personal details that gives the merchant access to deduct specific amounts at specified space of time from the customers’ account or credit card. The major advantage of easy payment is that it reduces the burden of having to pay huge amounts at once, thus increasing the possibility of customer purchase of more and more products online.

### **3. E-commerce Business Models**

Within the aspect of business processes, e-commerce can be defined as the use of electronic networks with the objective to simplify and fasten all phases of business processes – from the production of goods to their sale and delivery [20]. It focuses on the electronic exchange of using information and telecommunication infrastructures particularly the World Wide Web (WWW) and the internet. Just as there are quite a number of definitions of E-commerce (depending on the perspective from which it is being viewed) so are there many forms of E- commerce. Kalakota and Whinston [14] for instance propose three types of e- commerce namely, inter-organizational (business to business); intra-organization (within businesses) and customer to business.

Industries (especially retail and banking) all over the world have embraced e-commerce to help improve their performance as well as gain competitive advantage over their competitors as there are quite a lot of advantages to using the internet to conduct business and sell products. For instance, e-commerce can reduce an organization’s costs, particularly across supply chains, improve customer service, create additional revenue streams and create new business relationships [21].

In the view of Cheng *et al.* [5] the strategic decision to adopt e-commerce requires an organization to re-examine their business operations as well as their business relationships with customers and suppliers. Yet, the decision to embrace e-commerce may soon be a matter of survival and less strategic in nature. Love and Gunasekaran [16] are also of the opinion that that inter-organizational collaboration enabled by electronic information exchange and sharing can create a competitive advantage for organizations that re-engineer their supply chains and by implication optimizing the benefits of collaboration as well as reducing risks associated with information technology (IT) implementation.

Despite the benefits that could be deprived from e-commerce both from the perspective of the customer and the organization, it is an indubitable fact that organizations face quite a number of barriers in the implementation and sustainability of e-commerce so as to sustain competitiveness. Notable among this challenges/barriers is the need to continuously come up with security measures as well as meeting the complex demands of e-customers who online like offline customers have their peculiarities.

### **4. Customer Strategy**

Put succinctly, a customer strategy is a proactive plan for how organizations want to acquire, retain, and grow its customers. It is how organizations focus and align themselves to each and every customer segment. Customer alignment here would also mean how a company structures the organization business processes and incentive systems to be consistent with the needs and expectations of each customer segment. A strong customer strategy is built around the interactions with customers, in order to maximize the value of every customer touch. Unfortunately however, too many organizations leave it to chance when it comes to retention and growth of customers, focusing most of their resources on customer acquisition[1].

Due to the fact that the needs of most companies have gone beyond the simple automation of broken processes, there is the need for well tailored industry-specific applications. Companies must operate within and optimize across

demand chains that vary significantly by industry and require appropriately varying levels of technological support (Mitch 2002). This situation has led most companies to adopt CRM (Customer relationship management) in order to better retain their customers and maximize profit.

## **5. Easy Payment as the Latest Customer Strategy for E-commerce**

In a quest for better and more effective ways to retain and satisfy customer especially with the advent of E-commerce, quite a handful of organizations today have come up with easy payment plans and schemes which makes purchase and especially payment easier and bearable for customers; thus structuring organizational business process and incentive towards the needs and expectation of customers [19].

Every customer wants comfort and convenience and this is the tool which easy payment plans adopt. In the midst's of limited resources (on the part of the customer) he or she with the help of easy payment schemes can still purchase as much as he wants such that he does not really feel the weight since payments are made in bits and not in full. Moreover not every customer can afford to purchase and pay for items at once, easy payment as an E-commerce customer strategy will therefore lure more customers who wouldn't have purchased to go ahead with purchasing.

## **6. Discussion**

The benefit of the internet to business on a global scale is obvious as transactions can now be done from anywhere at any time; thanks to E-commerce. Apart from the apparent benefits that organizations gain from this, they also have to combat certain challenges on a daily basis. Prominent among these challenges are stern competition and the struggle for customer retention as the scramble for larger market shares continues on a global platform as a result of which strategies need to be developed to keep customers coming without which all business efforts would be in jeopardy.

Easy payments as provided by financial institutions and merchants for customers is one of the most recent customer strategies that firms are beginning to embrace to encourage purchasing/spending habits in customers. Easy payment as explained above saves customers from having to pay for goods and commodities at one shot but in bits within a specified and agreed span of time between the merchant and the customer. In most cases, the customer gives out certain details that authorize such charges from his or her credit card or bank account at the allotted time.

A critical look at the whole idea of easy payments especially on its long term effect on customers reveals that it might lead customers into purchasing more than what their income can cater for thus leading to an accumulation of debt and in extreme cases bankruptcy (on the part of the customer). On the part merchants and firms, easy payment could also affect profitability in situations when customers are unable to meet up to their payment plans or in the case of customer demise. It should be noted here that easy payment plans in E-commerce is very different from bank loans where collateral are placed by the customer. Thus one wonders how merchants intend to get back their money in the case of death or high default rate (to so many merchants) on the part of the customer. This is a very important issue that companies/merchants offering the easy payment scheme should take into cognizance.

## **7. Conclusion**

Although easy payment as an e-commerce customer strategy has a lot of benefits for both customers and organizations, it should be noted that just like the internet in general has its drawbacks, e-commerce (and easy payment by extension) also has its own drawbacks some of which have been mentioned and alluded to above. One of the greatest threats to e-commerce in general is the security of the internet as credit card theft (which is the tool for easy payment) has become a phenomenon that financial institutions and great nations such as the United States of America grapple with on a daily basis.

In conclusion despite the fact that easy payment as any e-commerce customer strategy help to encourage customer purchase and increase loyalty (retention), it is important for financial institutions as well as easy payment operators to try to come up with measures to safeguard their interest in the implementation of the easy payment system so as not to run into a loss should customer fail to meet conditions or in the occurrence of unforeseen from the customer angle.

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