

Module 6: Lecture Guide Part II

Overview:

The most frequent payment methods on the Internet are credit, debit, and charge cards (payment cards), while PayPal and other alternative payment methods are becoming more and more popular. Paper check payments are increasingly being replaced by biller-direct and consolidator electronic bill presentment and payment systems. The adoption of payment cards and different forms of prepaid accounts has mostly alleviated the problems caused by small and micropayments.

To accept credit and debit card payments, online firms need to open a merchant account with an acquiring bank. Then, either internally built payment processing software (for large organizations), acquired software, or contracted processing services are used to complete the processing (smaller companies).

Smart cards and magnetic strip cards with stored value are examples of tangible objects that store data, including cash value, for the cardholder. Magnetic strip cards contain a finite amount of storage. More data can be stored on a smart card's inbuilt microprocessor. Near field communication technology can be included into stored-value cards, which can be used at touchless card readers to complete transactions.

Users in nations without a developed infrastructure for processing card payments may find digital cash, a portable and anonymous type of online payment, to be an appealing alternative to actual cash. Although some digital cash solutions tout the lack of banking and governmental oversight as a perk, that independence can also be a disadvantage.

Online consumers can keep their payment card information, digital currency, and personal identifying information in digital wallets, which can be hardware- or software-based. Customers do not have to re enter their credit card and shipping information at each company's website thanks to software-based digital wallets. Installed on mobile devices and used for a range of financial purposes, hardware-based digital wallets are increasingly popular.

The majority of financial transactions are still handled by banks, and paper checks still account for a sizable portion of the total dollar volume of those transactions; however, banks frequently process those checks using Internet technologies, and business transactions are shifting to electronic funds transfer and online payments. In the United States, most retail transactions and consumer loan payments are now made electronically. The usage of mobile banking apps is expanding, and both small businesses and consumers are discovering that portable card readers made for mobile use, like Square, are practical solutions to accept card payments for purchases at various locations. Online financial institutions and their clients are seriously at risk from phishing attacks and identity theft.

The above information as it relates to debit and credit cards may be easy to comprehend but the world of mobile and digital payment is the wave of the future and then what about bit-coin and other EFTs. The following two videos go into detail about mobile payments and then cryptocurrency/NFT. Watch both videos and then be prepared to have whole class discussions about each.



What is Cryptocurrency?



Now that we understand NFT's implications on eCommerce: (Content that is related at the 2 minute mark) but the first two minutes explain how to explain the metaverse.



