Online Payment System at Saudi Arabia

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Abstract : Technology has changed the ways of doing businesses and discharging business obligations. Technology has strongly impacted on professional as well as personal lives of people. Saudi Arabia has established centralized system of online payment that has enabled individuals and corporations to send or receive payments via electronic channels. Such system of payment has given birth to new era of business opportunities with the empowerment of ecommerce technologies. Organizations can deliver products and services at door step of customer on-demand basis whereby generating electronic invoicing and receiving electronic payments at the click of buttons. SADAD is online payment system whereas government and private sector organizations have attached to centralized system of SADAD. Customers can make online shopping, payment of utility bills, government service payment, tuition fees of universities, and discharging other obligations.

Introduction

Technology has changed ways of working and living life where technology has influenced hundreds of year oldest traditions. Generations have undergone the process of revolution and change management where technology has brought about change in communication behaviour, educational system and ways of learning (Bean, 2010). People was addicted to shopping at brick and mortar stores where invention of online payment has introduced online shopping options. Let us consider the revolutionary option of online payment system in Saudi Arabia.

SADAD online payment Mode

Saudi Arabia's monetary agency has launched online payment system named as SADAD. SADAD is the name of online payment system that would allow streamlining and facilitation in business operations. It would allow collection and despatch of payment in short time span where the system has created as intermediary between banks and business sector of economy. It is electronic mode of payment that has established internet based electronic system to transfer money between various accounts. It was established in 2004 where it has provided following channels of banking as mobile banking, short messaging service, online

banking, phone banking, banking at branch and automatic teller transactions (saudi.gov.sa, 2015).

SADAD is made to meet modern banking needs of growing economy where previous system was inefficient and time taking that could not process payments quickly. SADAD has brought ecommerce revolution in Saudi Arabia where people can making on-demand buying and selling on 24/7 basis from local and international vendors. For instance, Americans are able to shop through Woot.com, eBay, Wal-Mart, Target American, and Eagle etc.

(qSaudi.com, 2014)

Pros and Cons of System

Online payment options have provided flexibility and convenience to enjoy virtual shopping experience while going online while at home or at office. Saudi citizens can enjoy new world of opportunities while having goods and service delivered at their doorstep. People in Saudi Arabia can enjoy the shopping experience with effective use of smart

phones, tablets, and desktop or laptop computers.

On the other side, online payment options have delivered flexibility and convenience but most of people have fear of being caught through cybercrimes and online frauds (Mitchelstein & Boczkowski, 2009). However, online payment system is quite safe and sound that avoids risk or errors or frauds so people are gaining confidence in electronic payment system. It means that people are developing online shopping habits from physical shopping experiences.

SADAD processing

SADA may perform its processing through following manner:

- SADAD may despatch summary of online payments to biller at predefined dates

- SADAD will executes the process of validation before entering billing details of customer at database

- SADAD will impose its authority in case any dispute or discrepancy in billing details

- SADAD will comply with the request of customer on behalf of particular bank

- SADAD has to make sure that its database is retrievable on-demand

- Online payment system allow bill payment at single click of customer whereby it will just select bill and respective amount

- Bank that is connected with the network of SADAD will debit customer account while confirming the transaction.

- The database of SADAD is linked with listed banks so bank makes confirmation of transaction

- Customer can obtain reconciliation from bank via SADAD to enable break up of transactions

- Customer gets notification on regular basis and gets settlement of

transaction by having status of being settled.

- SADAD does not interact with individuals but through long list of connected billers.

- Connected billers contain education institutes, financial service providers, government subsidiaries; private commercial organizations among transporters, utilities, media and technology vendors.

- SADAD has met the needs of customers while accomplishing their expectations under one roof. It acts as intermediary between bankers and customers while materializing the dream of electronic world.
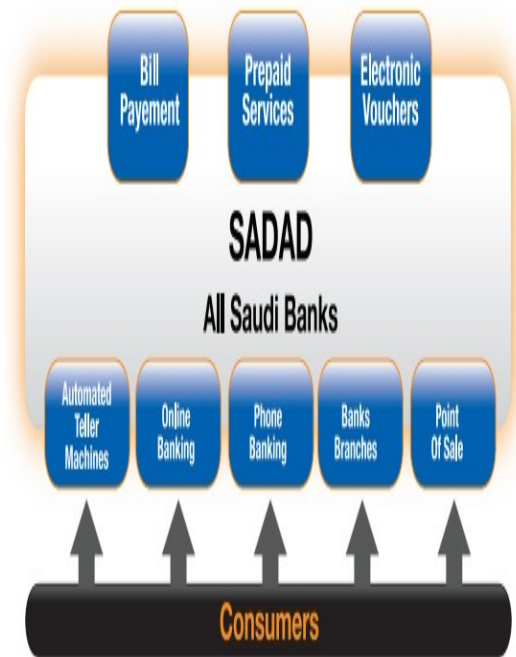
E-Commerce Solutions

Online payment system has delivered secure technology platform equipped with state of art that makes encryption of transactions every time. Electronic payment has provided numerous payment options to meet ever growing industry needs while incorporating credit cards of Visa and Master cards. It also allows integration of PayPal and convenient bank transfers. As described above, electronic payment options have rendered platform of

ecommerce transactions while sending electronic invoicing.

It is just means of ecommerce solutions while giving birth to different ecommerce models. It includes business to business (B2B), business to customers (B2C), business to government (B2G), government to citizens (G2C), government to government (G2G) and customer to customer (C2C). It means that electronic payment opportunities have laid down numerous electronic business models described above.

PAYFORT

Although, SADAD has laid down pioneer electronic platform in Saudi Arabia but Payfort like international service providers have penetrated the market of Saudi Arabia to enhance their presence. Saudi Arabia is world's fastest growing economy so there is great room of internet penetration whereby 25% population rely on online payment to perform their business transactions

(PAYFORT, 2013). There is greater urbanization and per capita income of people is rising where there is increasing trend of online procurement of shopping and services. Adequate security has enhanced trust of people while overcoming cybercrimes. There is double digit growth of internet users at Saudi Kingdom among other Middle East countries.

Conclusion

SADAD has introduced online payment system that is payment gateway not only for Saudi citizens but for foreigners making or receiving payment across the borders. SADAD is empowered by technological innovations whereby millions of customers are getting on-demand services through connected organizations with SADAD online system. Saudi citizens are able to shop on 24/7 basis without distinction of geographical places. Online payment system is connected with centralized database where individuals are direct customers of

SADAD so they can require billing details

or transactions summary processed by

company. SADAD has allowed customers

to receive verified transaction list in order

to resolve their conflicts or any error.

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