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# A Study On Online Payment Systems Among Companies In Malaysia

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## ABSTRACT

The emergence of electronic commerce in the Internet in Malaysia has somewhat been hampered with the inability of the companies to use online payment systems. There are three available online payment systems; credit/debit cards based system, electronic checks based system, electronic cash based system, and micro payment based system. Generally, the level of knowledge on these existing payment systems is low, and this translates to the low level of awareness of the benefits that these online payment systems could bring to the company.

Many existing factors hinder companies from using online payment systems. These barriers can be divided into five; security, legal, technical, social, and business suitability concerns. These five concerns are highly correlated. However, among the five concerns, security and legal concerns are the most serious factors which hinder companies from using online payment systems.

The barriers to use the systems are highly correlated with the factors that will motivate the companies to use online payment. Therefore, initiatives, especially by the government, is needed to motivate the companies to use online payment as there are many barriers that need to be overcome. As there is no significant differences among the companies in relation to online payment systems knowledge, benefits, barriers, and motivators, the initiatives need to be broad and wide to cater for all types of companies and need not be very specific so as to cater for some industries.

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