

Third-party online payment solutions in China

Case study: Alipay

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ABSTRACT

The topic of this paper is third-party online payment solutions in China and the main purpose of this paper is to figure out the research question: What are the impacts of third-party online payment solutions on China?

Generally speaking, the third-party online payment solutions, including mobile payments, usually used by customer who purchase online and usually used in transaction platform. However, in China, people can use third-party payment solutions in different platforms.

In order to answer the question, the paper research and study from correspond contents and analysis the most popular online payment solutions in China, Alipay. The data was collected by interviewing five Chinese people who used Alipay. The ways of interview are face to face interview and sending the question list to the interviewees by email.

Finally, the result of the paper shows the impacts of the online payment solutions on China can divided in three aspects: bank, daily life and e-commerce. The paper also give the suggestions for how to develop the third-party online payment solutions and the future study.

Keywords: third-party online payment solutions, China, e-commerce, Alipay, impacts

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1 INTRODUCTION

According to the data from PBOC (People's Bank of China), during the second quarter of 2016, 32 billion electronic payment transactions were handled by banks and it worth 570.95 trillion yuan, containing 6.14 billion mobile payment transactions and it worth 29.32 trillion yuan. The number of mobile payments increase by 10 percent per year. In addition, non-bank payment institutions handled approximately 38 billion online payment transactions worth over 29 trillion yuan during the second quarter, up 111 percent year-on-year. (Jiang 2016.)

Chinese online payment systems market is already a remarkably well developed industry, especially considering its relatively last start. With e-commerce annual growth rate around 20%. Chinese online payments systems serve as a one of the most important technological enabler. Chinese online shoppers also grew to trust online payments and the vast majority is quite comfortable using it to pay for purchase on the Internet (Kaplan 2016).

1.1 Objectives

The objective of this paper is to describe and answer the research question: What are the impacts of third-party online payment solutions on China? In order to answer this question, the researcher has find the correspond content for the third-party online payment and the influences. Alipay, as the China's leading third party online payment, is the research object for the researcher, the researcher will introduce and analysis the Alipay and find the answer for the research question as well. In addition, the researcher has interview five people with different occupations and explores the impacts of third-party online payment in their life.

1.2 Thesis structure

The paper contains eight sections: introduction, research design, correspond the contents, Alipay, research method, conclusion and discussion.

For the first introduction chapter, the paper present the background, objectives and structure for the paper.

In the chapter two, the paper shows the research problem and framework of the paper with the framework figure.

The third chapter is correspond the contents which is based on the existing materials. The chapter correspond contents has the comprehensive description of third-party online payment, the impacts of online payments are focus on bank, e-commerce and daily life. In addition, it has the suggestion for the how to improve online payment solution in the future.

The chapter four is to describe and analysis the China's leading online payment platform: Alipay as the case study. In order to find out the answer for the research questions, the researcher analysis the data from the Alipay and also has the interview for the five people with different occupation who has used the Alipay.

The fifth chapter is research method. The researcher use deductive approach and use content analysis method to explore the research question. This chapter also show how the researcher collect and analysis the data.

The next chapter shows how researcher uses the chosen method in this study.

The seventh chapter gives the conclusion for the paper and suggestions for the third-party online payment solutions in China.

The last the chapter is discussion. The researcher shows the limitation, validity and reliability for the paper, gives the suggestion for future study as well.

2 RESEARCH DESIGN

To conduct a study, a research problem and research framework need to be established. This chapter discusses these two concepts.

2.1 Research problem

This paper present the online payment solutions in China, the goal of the paper is to introduce the Chinese online payment solution and analysis the impacts on China. The data is based on the background information, Alipay, which is the largest online payment platform in China and the data from the interview. According to the objectives, the main research question comes out: What are the impacts of third-party online payment solutions on China?

2.2 Research framework

For this paper, the conceptual is an appropriate choice, is an analysis tool contains with the contents and variation and it can clearly present the concepts and the relationships of the research.

According to the topic of the paper, there are four main contents for the study: Chinese online payment solutions, impacts, case study and conclusion. From the figure1 below, the topic online payment solutions in China leads to the research question and there are two main factors can be considered for the research question: definition of the online payment solutions. In order to resolve the research question, the paper focus on two main parts: the description of the Chinese online payment solutions which contains the background, developing process, background information, the influences in China and the suggestions. For the Alipay concept, the case is to analysis the Chinese leading online payment solutions Alipay. The part introduces the basic information of the Alipay. After that, analysis the Alipay from the marketing and the cooperation. In order to have the deeper analysis of the Alipay, the paper also compare the Alipay with other online payment system and having the interview to know the impacts on people's

daily life and their work. Last but not least, the conclusion resolves the research question and give the suggestions for the future develop of the Chinese online payment solutions.

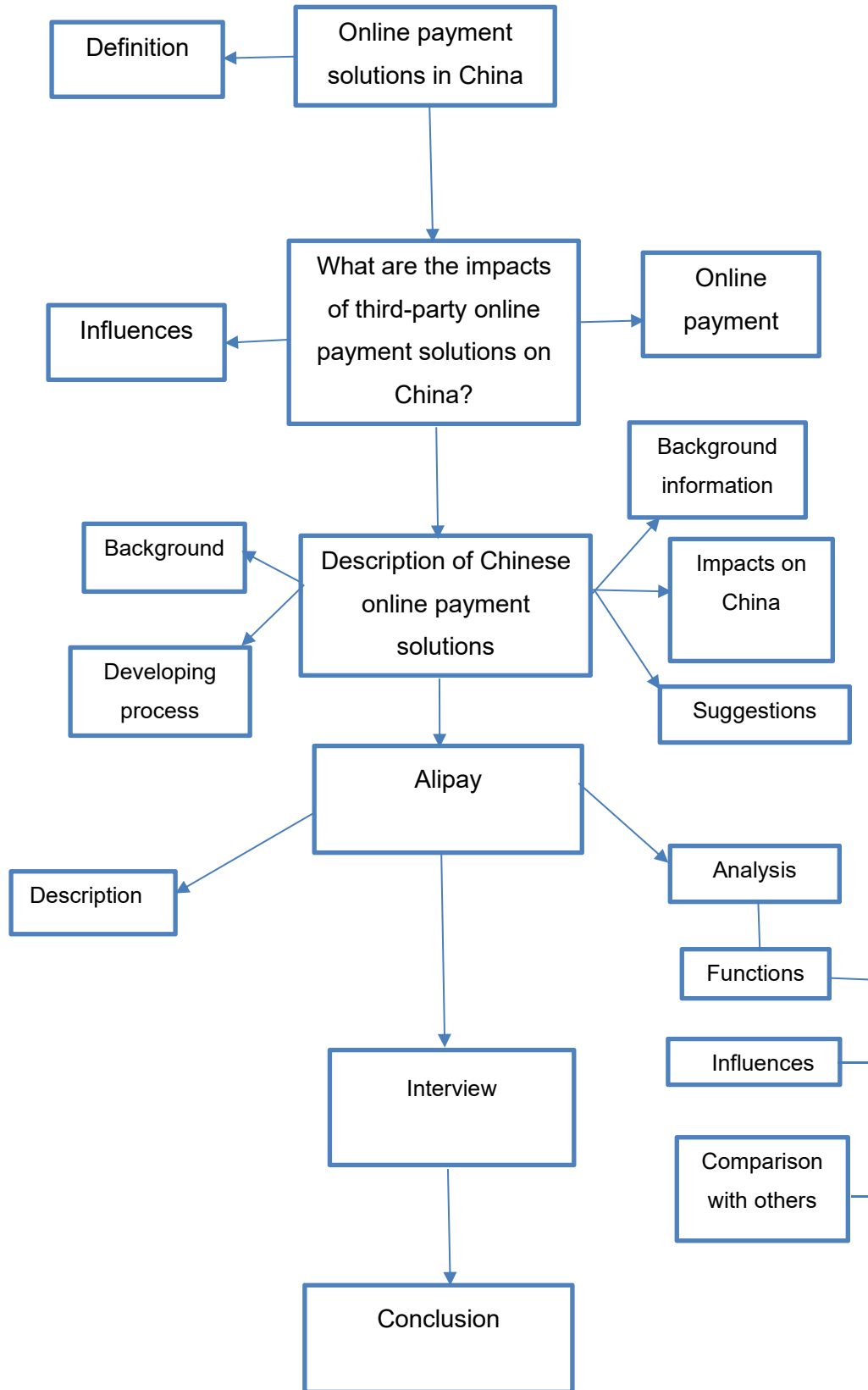


Figure 1 Research Framework

3 CORRESPOND THE CONTENT

In this chapter, for the sake of explore how third party online payment solutions impact on China, the researcher will reviews some existent material.

3.1 Third-party online payment solutions

3.1.1 Payment: a definition

Payment is the bridge between the product purchasing and supplier service. During the several years, due to the dramatic development of the technical creative, there are appears various type for the payment. The property and characteristic for the payment tools impacts people's options for the pay. (Hedman et al 2017.)

3.1.2 Online payment: the concept

Online payment as a carrier for money transfer via the Internet and is a form of electronic payment which is through a third party to provide payment interface with the bank between the real-time payment methods. In addition, providing complete finance support for the E-commerce or other services (Zhu 2011). The figure 2 below shows the procedure of online payment model.

There are three common forms for the online payment: bank card payment, electronic check and third-party online payment.

The bank card transfer payment means when e-commerce transactions are permitted by both parties, is the way to use the bank card to through the payment of the network transaction.

Electronic check is a new electronic payment tool which is use to implements the paper check function with electronic payment. Electronic check is similar with the paper check, adopting the electronic way, using the

digital signature and digital certificate to verify the payer, payment bank and bank account. The safety certificate for that is digital signature which has the public key cryptography. Electronic check is learn from the advantages of the paper check, using the electronic payment system to transfer the money between two individual accounts. The electronic check apply to the both personal payment and the large payment from different enterprises. (Zhu 2011.)

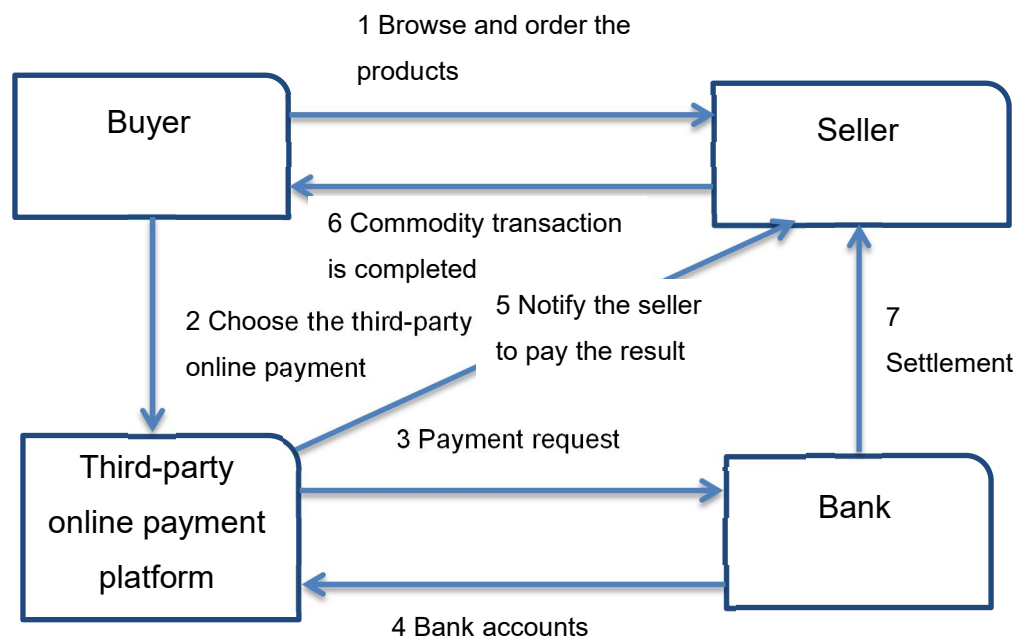


Figure 2 Business procedure of online payment model

3.1.3 Third-party online payment solutions

Third-party online payment is a special type from the online payment. Due to many banks which offers the internet payment service with the high price for the customer, the social credit system is not flawless, the direct payments is not absolutely safe, individual didn't totally trust it, the profit is

not ensure between two parties and the evolution of the online payments was restricted due to these reasons. Therefore, the third-party online payment came out for the sake of resolve these issues. The original online payments has three parties: buyer, seller and the bank, now the third-party platform was joined in these three parties. Therefore, now the payment process has four parties. The roles for the third-party payment is like a bridge to decrease the expenditure from the service of bank, and remove the suspect of the transaction parties. (Zhao & Sun 2012.)

3.1.4 Features of third-party online payments

Different with other payment methods, the third-party online payment has follow features.

Due to the third-party online payment connect with the internet system with the bank and the service which they offers is dependable and safety. The third-party online payment has the complete method, which transmitting the encryption data from the internet bank system across the safety of the certificates, make sure the account transactions from the customer is safe and the digital signature. Saving the expenditure of the payments is also an useful feature for the third-party online payment, on account of the third-party online payment has cooperate with different banks, the company for the third-party online payment has offers application interface which is uniform. Due to these measures, the customer only need to use one payment platform which has the different transactions with the disparate banks, and can help the customer save the spending, create the social values because of the new pattern. Therefore, the customer don't have to use the appointed channels from the bank. In addition, the different parties for the payment system will offers the unity methods for capital flow for the e-business activities, logistics and information flow due to the transaction from different parties will be integrated. Last but not least, the third-party online payment is suit for the small and medium size company or organizations. Because in the early stage, it's hard for the small and medium size company to use the online bank or make remittance for their

online business, there has some limit for the financial and technical problems from the online bank or remittance, it's hard for the bank to take in the business from the small and medium size company. But the third-party online payment can accept this situation. (Zhao & Sun 2012.)

3.2 Current situation of third-party online payment in China

3.2.1 Third-party online payment in China: some background

China's earliest third-party online payment companies were established in 1999, they are Beijing Capital science and Technology Co Ltd and Shanghai HuanXun e-commerce Co Ltd. They provide the services for B2C network. The second half of the year in 2004, the third-party online payment has more attention from the market, lots of business in China has set foot in the third-party platform services. In 2005, the Alibaba Group has push out their third-party online payment platform, Alipay. According to the data from the Alibaba, during 2006, the total transaction from Taobao exceeded 16.9 billion yuan, more than Wal-Mart (9.93 billion) in China's annual turnover. Therefore, Alipay becoming the most noticeably third-party online payment tool in China. The second half of year in 2015, Paypal, the biggest third-party online payment company has enter into China. (Yin & Tian 2009.)

Due to the continuous development of Chinese economy and online payment pattern, in recent years, with the revolution for Chinese online shopping behaviors, online payment in China has changed obviously. In addition, the development of the online payment industry, e-payment tools and the increase of the customer purchase and B2C market also has the huge effect for the Chinese online payment. (China payment service 2017.)

The figure 3 shows the growth rate for the Chinese online payment from 2009-2014, it is obvious that from 2009 to 2014, the growth rate has the

huge increase, especially in 2011, and the transaction size has has the dramatic increase in 2014.

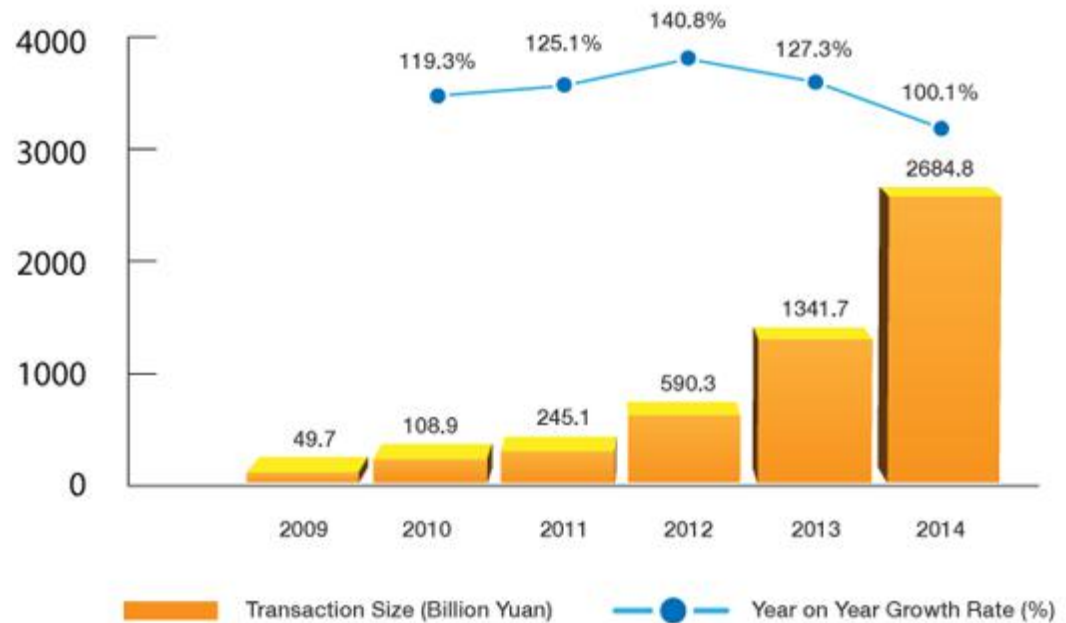


Figure 3 third-party payment in China 2009-2014

3.2.2 The evolution of third-party online payment in China

Because the larges of advantages of the third-party online payment, it has the obvious rising trend in China. Lots of leading online payment companies are appears in China, such as Alipay, Tenpay, China union pay etc. These companies developing dramatically due to their close connection with the large e-business network. In addition, there are also has some online payment which is leading by the financial-based payment enterprise, such as CUP, ChinaPNR and Quick Money, these companies put emphasis on improving the industrial application and consider the company's needs, these kinds of online payment platforms also has the successful operation in China.

3.2.3 Third-party online payment regulations in China

The China's central bank for non-bank institutions has announced specific rules for third-party online payment service in Beijing. The new regulations has requests all the non-bank payment account has to register the real name and divided the non-bank payment into three classes on the basis of the security levels. The range of the accounts for the payment size is from 1000 yuan to 200000 yuan each year. The central announce that the regulation can not limited the transaction through the third-party online platforms. If the sum of the money is too large for the third-party online payment accounts, it will exceed the bank savings insurance protection and the customer may have the risk for their account. Therefore, the target for the regulations is to avert the large amounts of money being saved in the third-party online payment accounts.

China's third party online payments has developed dramatically due to the established of Alibaba's Alipay. The online transaction from the payment institutions has reach 32.97 trillion yuan in the beginning of 2015, attaining 98.8 percent on an annual basis. Different with the third-party online payment which has the online platform, like Alipay and Tenpay, the majority of third party agencies begin with the some services, like peer-to-peer loan transaction, saving money for merchandise trade and so on. On account of they doesn't have the perfect third-party model. The new rules also forbids the payment institutions which company in use for the financial business from opening account in order to restrict the amounts of transactions. The new regulations will take effect from July1, 2016. (CHINADAILY 2017.)

3.3 Risks in third-party online payment in China

3.3.1 The financial risk

The capital precipitation risk: The common process of third-party is really simple. First the customer pay the money for the goods, their money

transfer to the third-party online platform, the money will transfer to the seller's account from the third-party online platform until the buyer get the product and confirms the payment. Due to the third-party online payment platform usually using the delayed payment. And because more and more people use the third-party online platform, there deposit lots of money, and there is no specific regulation for restrict the amount of money, and it cause the enhanced risk of precipitation.

The cash risk: Some third-party online payment platform offers the illicit channels in order to get the cash from the credit card, due to not all the third-party online payment platform are work with the real transaction.

The liquidity risk: On account of the competition from other industries, the operators and users from third-party online payment platform are up against the liquidity risk. If the third-party online payment didn't sent the money to the seller which they kept their deposit in the expected time and they lack of the inflow, the seller will faced liquidity risk. (Zhao & Sun 2012.)

3.3.2 The legal risk

There are two main concepts for the legal risk of China's third party online payment. The first concept is that the legal responsibility is fuzzy, because China doesn't have the specific legal for online payment, is hard for the law to protect the parties for the online payment if there has some dispute issues. Another legal risk is that the character of the business is undefined. The biggest risk for the provider of third-party online payment is they indistinct for the legal property and the range of the operations. Even through the business scope from the third-party online payment platform offers the same with the bank operations, they still don't have the relevant regulation for the banking practice. . (Zhao & Sun 2012.)

3.3.3 The credit risk

The credit risk means the parties to the transaction, the seller, buyer, third-party and the bank contract failed to perform the economic risk of the loss of obligations, in other words, default risk. Breaking contract from the buyer or seller will give rise of the operating cost from the third-party online platform and may leading to other risks. Moreover, the interests between buyer and seller will be damaged if the third-party payment operator defaults for the contract.

If the seller didn't offer needed products for the buyer within the prescribed time which means the seller breaks the contract, the buyer can default it, and it will cause the loss of time and money for the third-party online platform.

In addition, the liquidity risk will be caused by the overdue settlement account if the bank breaks the contract. In the transaction, whatever which party breaks the contract will cause additional risks. That's the reason why it is necessary for China to set up an integrated credit system. (Zhao & Sun 2012.)

3.3.4 The operational risk

The safety of the third-party online payment platform is a most fatal issue, due to the third-party online payment platform doesn't set up the perfect safety management system. In addition, it doesn't have the standard for the process which will lead to operational risks, such as carelessness from the user, breaching the duty from the internal worker. (Zhao & Sun 2012.)

3.4 The impacts of third-party online payment solutions on China

3.4.1 Positive impacts on the banks

The development of the third-party online payment can promote commercial banks to carry out new business. The commercial banks in e-commerce only has two operations before the third-party online payment grow up: transfer accounts and remittance. And the credibility between buyer and seller is not intensity which impact the operation of the economic. In addition, the occurrence of credit fraud will directly result in property loss. Not only this situation will make both buyer and seller lose confidence, but also has the serious impediment for the online financial security and go against the commercial bank to continue to innovate to carry out the relevant electronic payment business. The third-party online payment as an intermediary agent, depending on the commercial bank, becoming the credit intermediary between two sides, establishing a favorable credit environment, promote the development of the e-business. And it also increase the scope of business for the commercial bank, accelerate the innovation, expanding the business from B2B to B2C and C2C. And it also reduce the cost for the bank (Wang 2016).

The third-party online payment platform can also help the commercial bank increase the high quality customer resources. In general, the traditional commercial banks have the B2B model customer's credit status, dynamic funds and these kinds of information, but they didn't grasp the deeper information for the new mode of B2B and C2C, especially for C2C the buyer and the seller are mainly individual. The commercial bank can based on the third-party online platform can get the dynamic fund and record from the buyer and seller, have deeper understanding for their reputation from the individual and enterprise. Thus, the commercial bank can receive larger number of high quality customers. According to these customers, the commercial bank can setting the customized product service.

For the moment, most banks has their own online bank systems, users always face some issues, such as the internet didn't support the online bank which makes the user can't use it anytime. Due to the cooperation between the bank and third-party online platform, this issue has solved. Nearly all the third-party online platform supports the online payments for most bank card, provide the customer with a wide range of payment services. Furthermore, third-party platform can do the payment from PC terminals, mobile phones and other terminals, the user can use it anytime in anywhere. (Wang 2016.)

3.4.2 Negative impacts on the banks

Due to the scope of the third-party online payment extends to the bank and even replaced payment and settlement business of banking, grab the market share from the commercial bank. The third-party online payment also have trading guarantee function, the user don't have to register online banking, the price is lower and have more favor form the customer which brings more challenges for the commercial bank.

No longer depend on traditional gateway, third-party online payment is through a new virtual gateway system to obtain customer information and they gradually has huge customer base within a few years. It is also easy for third-party payment platform to build a closed circle and produce a strong customer relationship. The customer competition will becoming a big challenge for the commercial bank.

On account of the third-party online payment has a similar loan business with the commercial bank which cause the customer reduce the use of bank cards in online transaction and diverting the deposits of commercial bank. It's a big challenge of savings, loans, investment and other business for the commercial bank. (Wang 2016.)

3.4.3 The impacts on daily life

By reason of the development of third-party online payment, customers shopping behavior also has changes which concrete embodiment in the aspect of consumption idea, consumption patterns and consumption behavior.

Before the popularization of the third-party online payment, customer prefer to use the cash for the shopping which is safe and reliable. In general, the consumption idea is based on the customer's cognitive level and income level. Customers of different ages have their own to consumption idea. For example, 60s take care of the price of the product, 70s pay attention to the quality of the product, 80s and 90s pay more attention to the experience of goods. Until the appearance of the third-party online payment, people's consumption idea changes from the traditional consumption and payment to combination of traditional payment and online payment.

In addition, customer's consumption pattern also changes. Different people have different shopping behavior according to their different features and needs. For example, the business man or workplace elite prefer to use the online bank, because they have the high demands for the safety for their huge transaction. On the other hand, most young people prefer to use the third-party online payment, especially smartphone user, it is convenient for them to use the phone to pay and transaction. They only need to sweep the QR code instead of the cash.

3.4.4 The impacts on e-commerce

In the process of the development of e-commerce, the quick and safe third-party online payment platform is essential.

Safety

The third-party online payment solutions has the abundant capital which can establish a comprehensive secure payment platform. Due to the third-party online payment using the most advanced electronic payment technology, connect to each bank payment gateway, the account and password which user input in the third-party platform will directly connect to the user account in the bank, thus the bank can provide the payment security. On the other hand, the third-party payment platform has their own safety protection system with the SSL128 encrypted channel and PKI system of key, providing the secure payment security for the customer. (Yin & Tian 2009.)

Impartiality

The third-party payment platform create a favorable, trust trading environment for both buyers and sellers by adopting the liquidation mode of third-party payment platform. As the third-party organization, it can keep the effective trading information from the merchants and customers, providing the strong guarantee to safeguard the legitimate rights and interests of both sides. (Yin & Tian 2009.)

Efficiency

As an independent third-party payment platform, it has established relations of cooperation with e-commerce site and bank. If the user have purchase in the e-commerce website which has the cooperation with the third-party payment platform, it will provide an uniform payment interface, whatever the user's account belongs to any bank, they can all use this interface to purchase, which is efficient for the user's operation. (Yin & Tian 2009.)

Openness

The third-party payment platform is an open system, providing users with support of bank cars and the wide range of most species of payment services. In addition, the payment terminals also produced a diverse change, not only it can support all kinds of bank cards through the PC

terminal to pay, but also support payment of mobile phone, telephone and other terminal operations .(Yin & Tian 2009.)

3.5 Suggestions for third-party online payment solutions in China

3.5.1 Establish a sound legal security system

The market economy belongs to the legal economy, e-business as the representative of the network economy in the future will be more emphasis on the rule of law. In order to improve the necessary legal security system, the third-party online payment should legislate in time, establish the modern financial system, determine the qualifications of online banking, and stipulate the rights and obligations of both parties online as well. In addition, crack down the hacker crime, providing the safety online payment atmosphere.

3.5.2 Enhance security functions

Security is an important part of payment technology. The online payment system should improve the key technology and equipment, security and defense capabilities for the computer and mobile system. Adopting the client's code processing technology, firewall, digital visa, identity authentication and other technical measures to enhance the security of network. In addition, create a backup center, to ensure that when the network has been infringed, software failure and data lost can be recovery immediately (Sun & Liu 2001).

3.5.3 Strengthen business cooperation

Third-party online payment enterprise should strengthen cooperation with financial institutions, banks, establish a business relationship with different banks. At the same time, the third-party payment enterprise should also

explore the cooperation with the logistics, communications and other relevant institutions, in order to provide a variety of terminal products and services for the majority of users (Ma & Li 2015).

3.5.4 Improve mobile payment

With the popularity of smart phones, the mobile market will be more important. Third-party online payment agencies are using their advantages to develop the mobile payment. For instance, Alipay is cooperate with the convenience store and introduce the bar code payment, QR code payment to expand Alipay mobile payment software coverage. Especially when most of banks use the mobile bank payment transfer to collect fees, Alipay using the third-party payment platform with number of banks, achieving a free transfer of service. In addition, cooperating with the car-hailing application is also one of the method for Alipay to attract more customers.

3.5.5 Other suggestions

The third-party online payment can also consider to strengthen localized services, pay attention to the local payment needs. For example, provide payment platform for the local e-business company, local e-government, local utility payments such as water electricity, charges for the cable TV, payment for the local education, such as online education, exam training. The payment for the local tourism is also a choice for the online payments, such as traveling ticket, tourism specialty, hotel reservation, electronic ticket etc.

In addition, improve the types of payments. While providing the online payment system, the company can also provides mobile payment, telephone payment, pocket payment, virtual payment and other payments, in order to forming an integrated payment system (Ma & Li 2015).

4 ALIPAY

This chapter, the researcher will introduce and analysis the Alipay, as the China's leading third-party online payment solutions. This chapter contains the company backgrounds, functions of Alipay, impacts of the Alipay and the comparison with other third-party online payment solutions.

4.1 Company background

Alipay is established in 2004 by Jack Ma and is a member of Alibaba Group which is the China's even the world's biggest e-commerce platform, the objective of the company is to use the e-payment to make the business easier in anywhere. (Liu 2015). Since 2014, Alipay becoming the world's largest online and mobile payment platform in the world (Wikipedia 2017). The Alipay is utilize the third-party online payment platform in China which decreased the risk for online customer by offers the escrow payment service (Liu 2015).

Alipay regard as the China's leading third-party online payment solution, the target is to offering safe, easy-use and secure pattern to make and receive the online payments for millions of individuals and businesses. Alipay reaches more than 550 million enrolled users in December 2010 and achieve 8.5 million transactions on a daily basis. Not only for the Taobao and Alibaba, the numbers of external businessman are exceed 500,00 due to the Alipay offers online-payment solution in China and its main provides businessman for online retailer, digital communications, business services, online gaming, air-ticketing service and other payment transactions. In addition, it also provides the online payment solution to assists businessman in the world directly sell the products to customers in China and sustains online transactions in 14 main foreign exchanges. Alipay has the huge customer base, unique idea and has the prior options for the online payment solutions from the users, due to it has the innovative technology. (About Payments 2017.)

On the basis of Alipay internal structure, it is the main payment service platform for online shopping by more than 65 financial institutions. Alipay serves as the bridge, in order to sustain the online payment service for TaoBao, Tmall which belongs to Chinese large websites and other 460,000 Chinese domestic business and offering different services in China market for more than 300 businessman around the world to do the business (Liu 2015).

Alipay has the most users in China comparing with other third-party online payment services since it utilized user-friendly service, innovative technologies and remarkable multifunctional payment services. The Alipay also provide the free transaction fees during the online transaction. In addition for the security aspect, the Alipay allows the buyer check the goods have satisfied the purchase of the seller's money before they are transferred due to the Alipay offers the escrow service. According to this way, it can decrease the risk of online transaction and keep the rights from the online customers (Liu 2015).

4.2 How does Alipay work

4.2.1 Alipay account types

There are two categories of services of account that Alipay offered: enterprise Alipay account and individual Alipay account.

If the company want to expand the e-commerce business in China, whatever the company is interior or overseas, enterprise Alipay service can offers an escrow payment and serve as an appropriate partner. Therefore, the enterprise Alipay account is online payment platform that focus on the financial management, business-oriented and capital settlement.

支 支付宝 ALIPAY | 注册 Register

登录 | 注册 | 我的支付宝 | 服务大厅 | 提建议 | 更多

1 Create account 创建账户

2 Fill in the account information 填写账户信息

3 Corporate identities 企业实名认证

4 Registration successful 注册成功

Personal account 个人账户

Enterprise account 企业账户

Account name 账户名 输入电子邮箱 Enter your email

Verification code 验证码 请输入验证码 6CFJ

我同意支付宝服务协议 Alipay service agreement

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Figure 4 Registration on Alipay enterprise account interface

On the other hand, the individual Alipay account is focus on the individual person that has the online payment. If the person wanna has the online shopping, they can choose the individual Alipay account.

Figure 5 Registration on Alipay personal account interface

4.2.2 Alipay on PC

As the most concern third-party online payment solution in China, it is obvious that Alipay has the comprehensive functions which brings the customer convenience and efficient conditions to manage their fund. As the figure 8 below, is the home page interface when the user log in their Alipay account in the computer. In the home page, the user can see the basic information for their account and the basic menus as well in Alipay. There are some main menus at the same line with the home page, the account balance, account set and account access. Below the picture of the user's account, there six main functions for the Alipay account, Account balance, Yu'e bao, Ant check later, Zhaocaibao, other account and transaction record. For the Account balance, it is obvious that the user can check their balance when they log in the account, and there three buttons next to the account balance: recharge, withdraw deposit and transfer account. The purpose of

the recharge is that the user can charge the money into their Alipay account from their bank card, due to the bank card is connect with the Alipay account, the user can charge the money from their bank card into the Alipay account. On the other hand, the withdraw deposit button is opposite with the recharge button, the user can draw the money from the Alipay account into their bank card, one Alipay account can connect with different bank card. The last button for the account balance is the transfer account which means the user can transfer their money to another account, it is usually used when the user have the shopping online.

Blow the account balance, is the Yu'eobao which is an investment product and aims to make the balance of financial service. The main function for the Yu'eobao which Alipay provided is that the user can put their money into the product, in other words, the user invests the funds. Yu'eobao didn't limit the amount of the amount and it is fine that the user want to withdraw their money anytime. User can get benefits if they put the money into the Yu'eobao. The computational formula of the benefits is: $\text{day income} = (\text{funds in Yu'eobao}/1000) * \text{per million earnings}$. If the funds of the Yu'eobao is 9000yuan, the day per million earnings is 1.25yuan, after use the formula, the day income is 1.13yuan. Tianhong Asset Management Co manage the funds of Yu'eobao. (Zhang 2014.)

Ant check later is a platform that if the user don't have the enough money in their account, they can advance the money to purchase the product and refund in next month. When the user shopping online, they can choose the Ant check later platform to buy the product, when the user receive the product, they should refund next month based on their receiving time. The user can going to the official website to refund and they can also set the automatic payment, the money can deduct from the bank card, Alipay and Yu'eobao whatever the user choose. In addition, the user can also apply for the installment repayment, the amount of the time are 3 months, 6 months, 9 months and 12 months respectively (Ant check later 2017).

Zhaocaibao is a financial information service platform that focus on the investment financial management and financial transaction. The Zhaocaibao platform have two main investment varieties, first is small and medium enterprises and individuals which through the platform released by the borrowing products and provided security protection by banks, insurance companies and other financial institutions or large guarantee institutions. Another is all kinds of financial institutions which have been approved by the institutions through the platform released financial products. The investors can be through the platform to the financing directly or purchase the financial product in order to obtain the return on income.

For the other account part, there have three main account, bank card management, Alipay account management and Ant check later management. When the user click each one of the button, the user can going to the see and manage the situation of the account and manage them.

In the end of the figure 8, there is the transaction record, the user can check their transaction and see the detail information of their transaction. The user can also download the electronic document. Below the transaction record, there is a recent transaction that the user can check the record from recharge record, withdraw record and refund record. It will show the nearest transaction record in the page, the user can check all the transaction record as well.

Figure 6 Alipay home page interface on PC

In the application center, there different types of applications for Alipay account. The figure 9 shows the transfer payment of the Alipay account. The Alipay has several different ways of transfer payment. The user can transfer the money between Alipay's with bank account, transfer the money from bank card to Alipay account as well. The AA gathering is that the user can search the friends who in the AA gathering interface, and choose collect money or refund, and all the users can do it at same time if they all in the AA gathering, is really convenience and efficient way for the user. I want to collection is the user can collection money from others if has the agreement. The Shangyin collection is the bank of Shanghai to Alipay's real name authentication users to provide online cross –border remittance business and support to the company, personal type of bank account remittance. The

close payment is use for the user with their relatives, friends and couples. For instance, the father can open the close payment with the mother, if the mother buy something online, she can use the close payment to deduct the money from the father, which means the mother can use father's money to pay the product. And the father will receive the consumption amount reminder. In addition, father can set the maximum amount of consumption to prevent the mother overdraft. The red pocket is China traditional custom, if the person want to gives the money to someone as the gift, they should put the money into the red pocket. In the Alipay, there also has the red pocket that the user can send the money to others as the gift. The mobile Alipay payment is that the user can connect the mobile with the PC to use the Alipay.

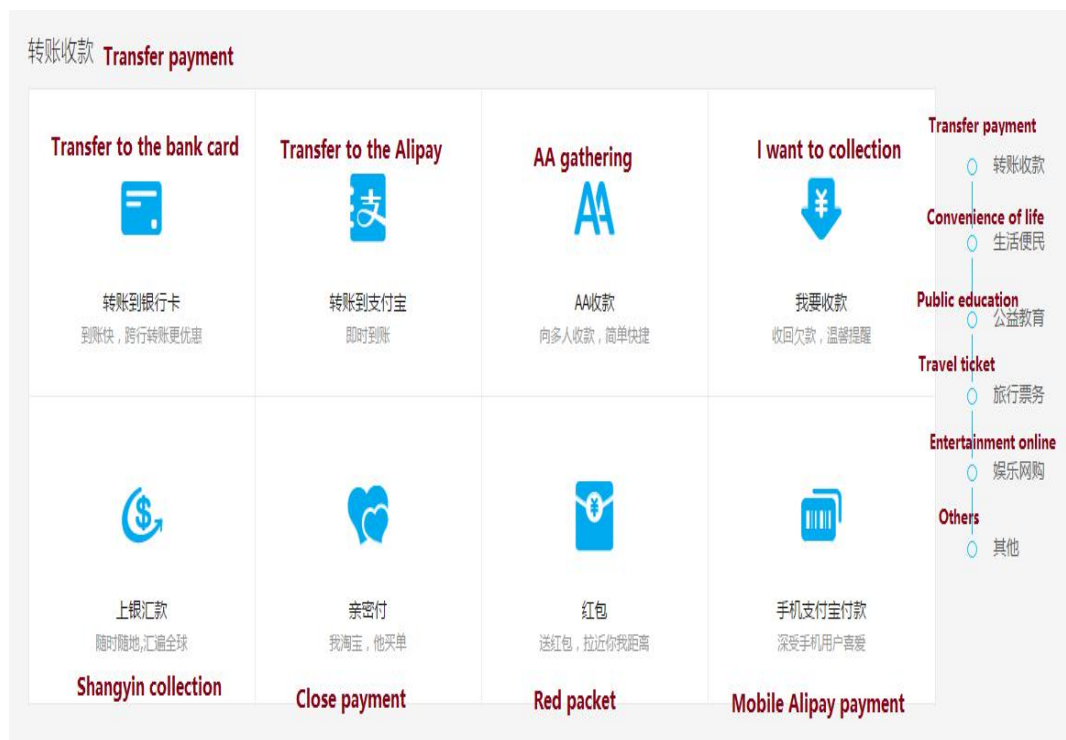


Figure 7 Alipay transfer payment interface on PC

From the Figure 10, there are present the functions from the convenience of life and public education. Convenience of life, just as its name implies, the functions are benefits for the user. The user can use the Alipay account charge the phone bill, refund credit, charge for cable TV, fixed broadband, charge fuel card, water and electronic coal, even for the hospital registration as well. On the hand, these functions also reflect the Alipay has the big influence for the people and change their life as well. The public education is focus on the public service activities, the user can take part in the activities just use the Alipay which is benefits for the social development. And it can help the university student to solve the current problem if they can't afford the tuition fee at the moment.

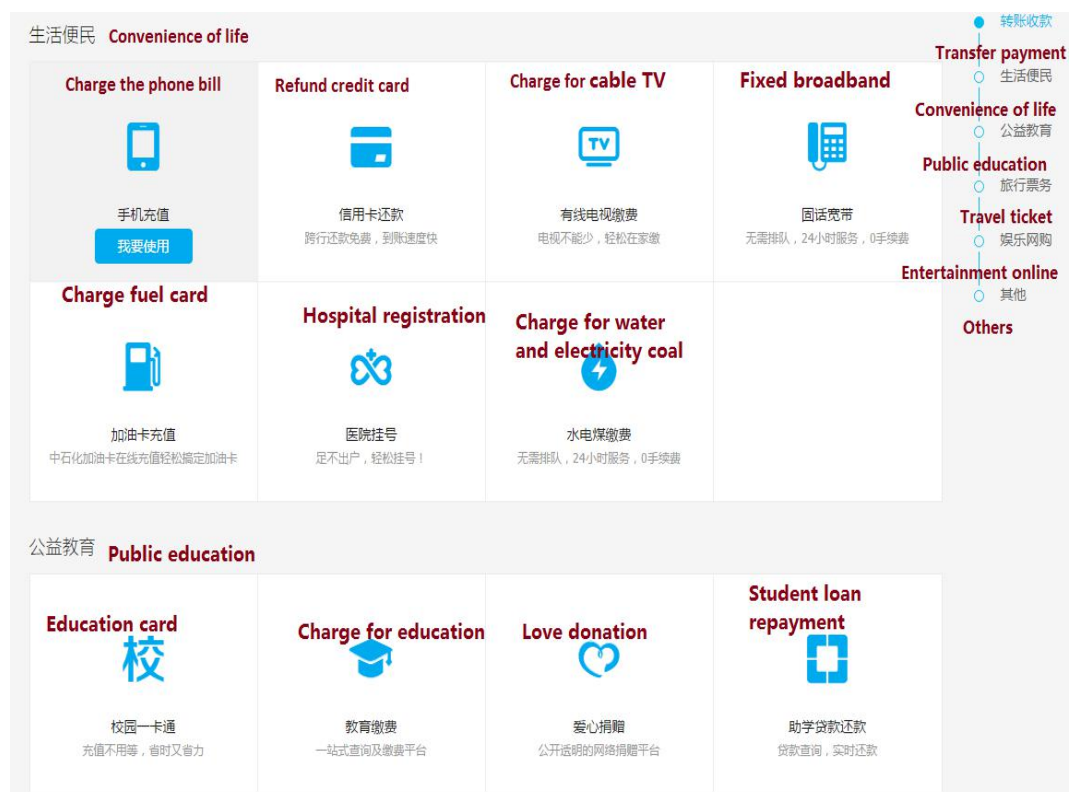


Figure 8 Alipay everyday life and public education interface (PC)

The user can booking anything in the travel ticket part, the bus, airplane and booking the hotel, even travel aboard. The entertainment online part provide some entertainment activities for the user, such as lottery, game recharge,

movie and shopping online. The others part offers some extra functions, such as net business loan, loan from the Taobao and Alibaba etc.

Due to the Alipay provides such comprehensive functions for the user, the user can deal anything by using the Alipay account, and have the convenience and efficient life.

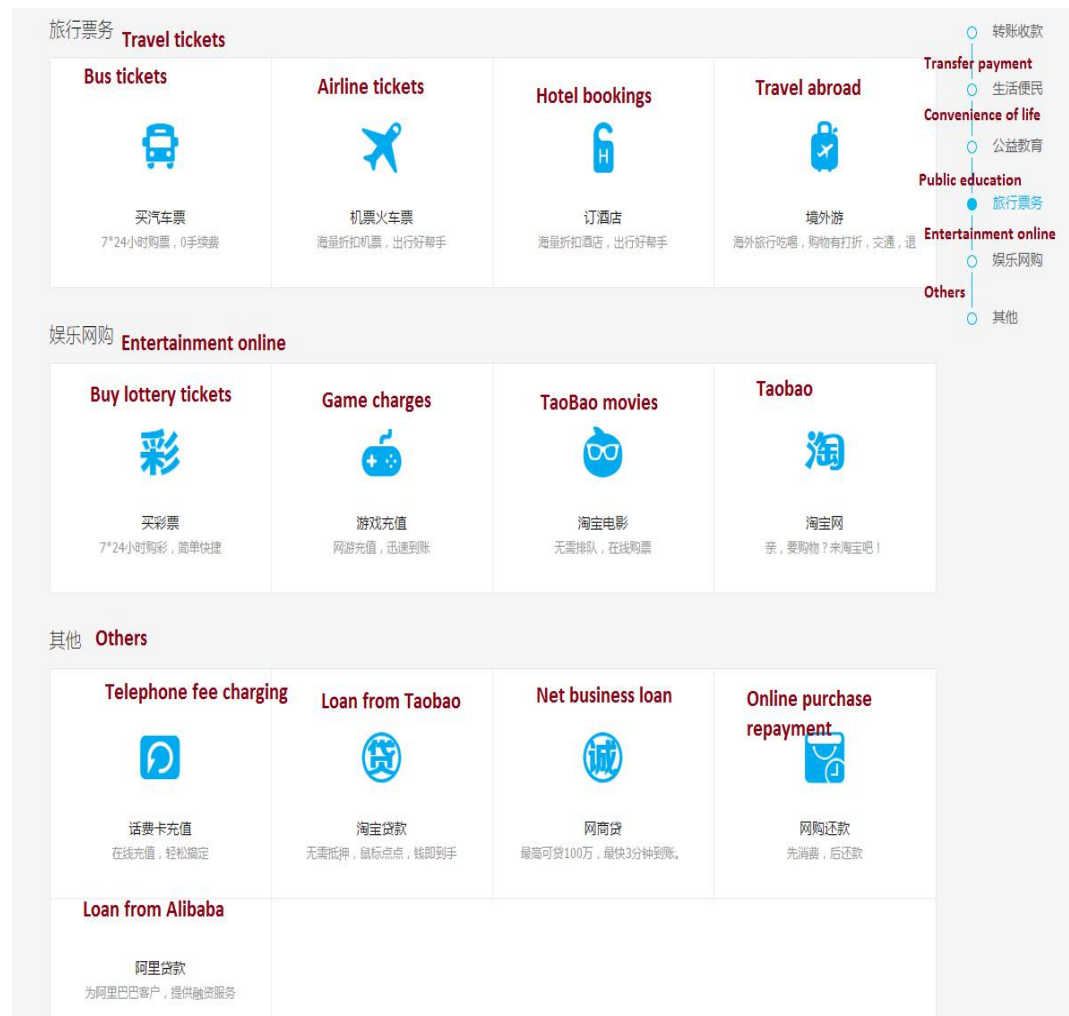


Figure 9 Alipay travel ticket & entertainment online & others interface (PC)

4.2.3 Alipay on mobile systems

The Alipay also provide the mobile application for the user that the functions are similar with the PC, but it still has some different function which is aims at the mobile phone. The figure12 below is the Alipay mobile homepage interface, it shows the similar functions with the Alipay in PC. However, the mobile is more convenient and fast than PC. In the search bar, the user can search the information what they interested in. The scan button is use for scan the QR code, for instance, if the user wanna add the friends or transfer the money for someone who also has the Alipay account, they just need to use the scan button to scan the QR code, the deal will be success. The pay button is that if the user choose it, they can see their own QR code for their Alipay account and show it to the merchant, after merchant scan the code, the user has already finished payment. Nowadays in China, nearly all the stores has the Alipay payment option, whatever in restaurant, supermarket, normal store, the user only need to show their QR code to the merchant, and they can pay the money only buy scan the code. Different with the pay button, collect money button is totally opposite with the pay button. When the user choose the collect money button, it will also shows the QR code for the user, but when someone scan that code, they will pay the money for the user. The card bag button is for the user to add their certificates and licenses to their account that can help the user retain their information and security. The functions such as the transfer accounts, change center and credit card payment and so on are same with the PC, it has some extra function for mobile phone, such as uber. The record my life part is kind of like social media, the user can write anything in there with the pictures, the friends can see their friend circle and send the message with the friend. In the home page it also shows the user's monthly bill information and the information from the friends.

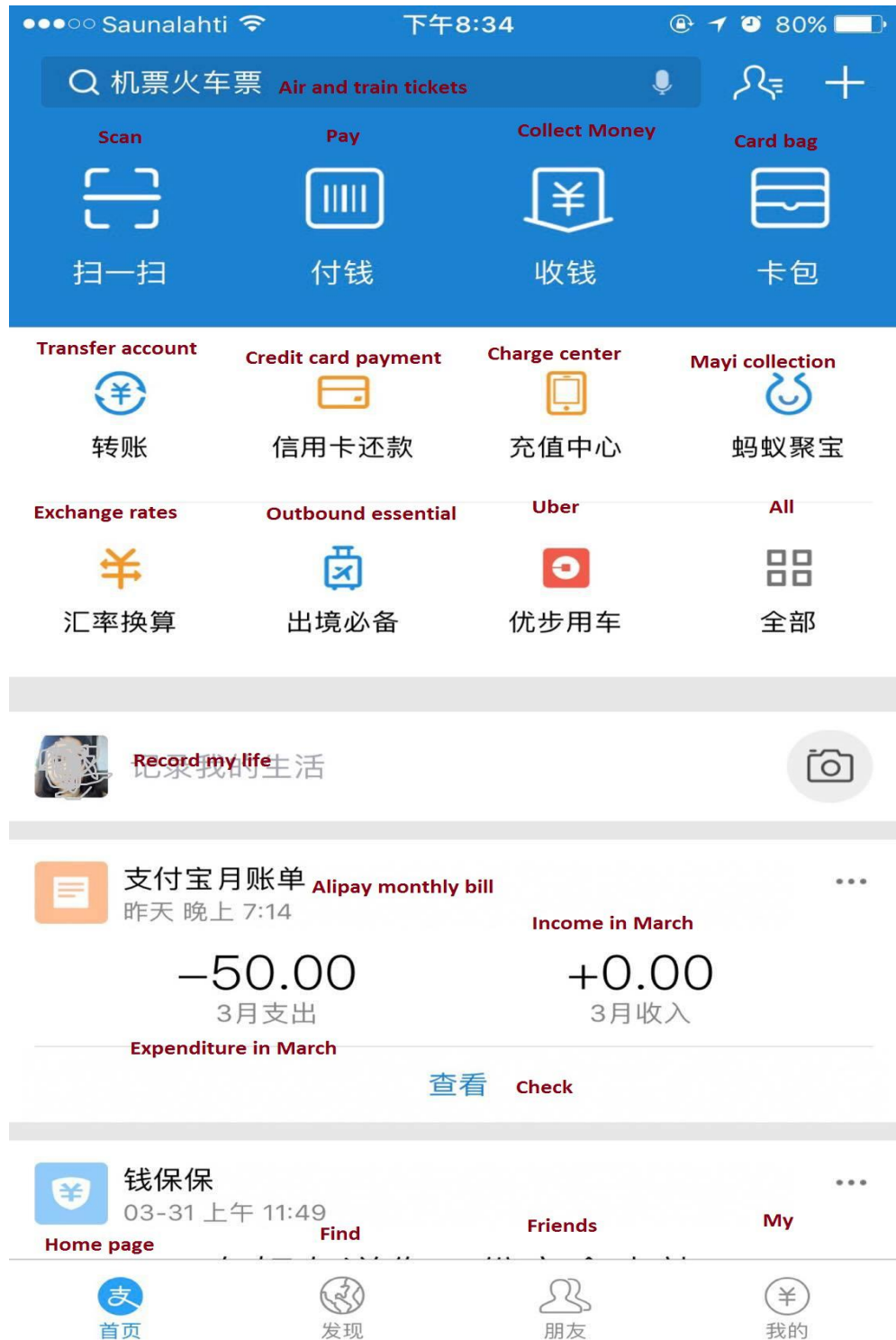


Figure 10 Alipay home page interface on mobile phone

4.3 Other popular third-party online payment systems

With the increasing of the number of online shoppers, is expected that in 2020, the spending of online shopping will reach 1 trillion dollars. According to the statistics, nearly 18.9% of online shoppers prefer to choose the domestic third-party online payment solutions as their online payment tool in China (Go-Globe 2015). In order to offer the customer safe and secure payment, there are nearly 10 million third-party online payment solution are provided, such as Alipay, Tenpay, 99Bill etc. In addition, for other countries, there also has some popular online payment solutions, the PayPal, Amazon payment, Google wallet and so on. Although the effects of these online payment solution are similar, it still has some differences.

4.3.1 Popular systems in China

Wechat payment

Wechat payment is a third-party online payment solution under the Wechat application which is the China's hit social network application. And is belongs to Tencent Holdings, which is founded by Chairman and CEO Pony Ma in 1998. The functions of Wechat pay is that user can transfer money between Wechat users, make online payment and offline retailers which participated as well. Even though the Wechat payment solution only established less than five years, it has already been a big rivals with the Alipay. Server as the communication platform, Wechat payment has their own community building platforms which is provides more than Alipay do from the Wechat groups. By means of the Wechat application, the user can delivery the foods, order anything, book the taxi, send the money to other users, using Wechat payment as well. In order to strengthen and attract more users, the Wechat also has the strategy to undertake all applications and services which related to Alibaba, containing prohibition of use Alipay in their platform (Fintechasia 2015).

Tenpay

Tenpay is also belongs to the Tencent Holdings, the company offers mobile, Internet, telecommunication services as well in China, and for the payment industry, is also the primary competitor with the Alibaba. The functions of Tenpay users are payment transactions, charge mobile and for game account, withdraw money from bank account, book the air ticket as well. And the QQ (Quite Quality) instant message service under Tencent has 818 million active users every month. There are two options which Tenpay provided, one is escrow, no set up, transaction and withdraw fees and is totally free. Another option is instant payment, is free for user to set up and the transaction fee is cost 1%. The Tencent has launched another payment service, QQ wallet, which is planning on compete in mobile payment market and Alipay market share. During the World Cup, the QQ wallet has hosted an activity, the user can make a bet for the winning or losing team during the game, which may probably attract more than one million users make the bet in the QQ wallet payment platform. On the basis of data from the iResearch Global Inc.'s, Alipay takes up 48.3% business of third-party online payment market while Tenpay accounted 20.1 in the same time at first quarter of 2013. Compare with the Wechat payment, the majority of user of QQ wallet are comes from lower tier cities and countryside while the user for Wechat payment are most comes from the big cities. Therefore, QQ wallet will extend to the remote regions where the Wechat payment has not involved (Maruma 2013).

Due to the instant message is the most popular application in China and it contains 84% of internet users in China. In order to compete with the Wechat in Tencent, the Alibaba launched Laiwang application, which enable the user has the chat group with 500 users, and share all the information they want, such as video and map. The unique function for the Laiwang is that it contains a new function for message which called "burn after reading", and the improvement of private photo albums, screen lock etc. The Wechat allows the payment system through the application for the users, on the other hand, the Laiwang only define the application as the social platform (Vaseem 2013).

China Union Pay

China union pay is established in 2002 and organized by China government. Is a Chinese financial services and bankcard association that offers bank card services (About Payments 2017). The innovation of China union pay provides the consumers choices for their bank customers: pay now with debit, PA advance prepaid or pay later with product of credit. Nowadays, people wherever from the major cities or remote regions are becoming more and more dependent on digital money and mobile technology to use their money at any time, shopping online, funds transaction, access to normal financial service as well (About Payments 2017).

Due to the concerted effort of the China Union pay and other commercial banks, the utilization of bankcard network has been deepen constantly. Not only the China Union pay extends the large and middle-sized cities in the eastern areas, but also they expands to the middle and western areas, even the small and middle-sized remote regions. The bank card network business, POS terminals and ATM machines are grown by 40%, 38% and 31% respectively. In China, the scale of bankcard acceptance network has been formed. The bankcard transaction also increase fast due to the development of acceptance surroundings for the bankcard and the utilization of network (China Union Pay 2017.)

4.3.2 Popular systems in other countries

PayPal

PayPal is a leading online & mobile payment platform which enables online and mobile payments on behalf of customers and merchants around the world. The PayPal allows their customers to access and transfer their money anywhere, anytime, for any platform and from different equipment. The PayPal offers safe, simple and easy ways for all kinds of business which accept using the payments from the merchant sites, application,

mobile equipment and the offline retail outlets that can be achieved through a variety of payment solution on the PayPal payment platform (PayPal 2015).

In 2015, the parent company for eBay and PayPal decided to removed PayPal as the separate company and encouraging both PayPal and eBay development independently. Go ahead, the PayPal focus on the mobile payment due to the intense competition from other third-party online payment platforms, such as Alipay, Apple pay and Google wallet etc. More than a quarter of customers made their payments in PayPal by mobile devices in 2014. Following this trend, the PayPal create a new mobile priority functions called PayPal One Touch. The use don't have to download PayPal application or log into the PayPal account, they only need to pay with a single touch.

With 165 million users, PayPal is used in 203 countries in 26 currencies and charges an average of 12.5 million payments per day. Comparing with the Alipay, they focus on different segments. PayPal still focus on the core of its business payment processing while Alipay is shift its core into other related segments. Paypal has set up its brand publicity, is extensively used in US, Europe and parts of Asia. On the other hand, Alipay is main focus on the Chinese market. Alipay is more integrated into the people's daily life and provides a more complete experience for the customer while the PayPal only requires in the final payment transactions (Hendrichs 2015).

Google Wallet

Google Wallet is established by Google and is a peer-to-peer payments service which allows the user of smartphone store information of credit card and debit for online or in-store purchases. The aims of Google wallet is for the transaction of money (Google Wallet 2017).

Google Wallet allows the users to send and receive the money in Gmail, which is easily as send the picture. If the user doesn't have the Gmail

account, they can still send and receive the money to the friends or families by clicking the “send money” button from the Google wallet website. It is work for the Google Wallet mobile application as well. The user’s financial information in Google Wallet is safety in a secure location. The user can create a pin code in Google Wallet and use it when they has they make the transactions on Google Wallet (Google Wallet 2017).

Comparing with the Alipay, the websites categories for Google Wallet is focus on the shopping, virtual arts design, home & garden, consumer electronics and other 69 categories while Alipay has better utilization in more categories in websites. The categories contains internet & telecom, arts & entertainments, people & society, business & industry as well as other 144 categories. Alipay is used in most countries, containing China, United States, Germany, Russia and other 152 countries while Google Wallet is popularized in Puerto Rico, Jamaica, Benin and other 6 countries (SimilarTech 2017).

4.4 Alipay’s impact

Due to the development of e-commerce and third-party online payment platform, it brings different kinds of influences for different fields, the Alipay also has brings different impacts in China, which reflected in some main aspects, daily life, e-commerce, bank economy and booming of the mobile payment.

4.4.1 The impacts on daily life

Ten years ago, people may still can’t image what the concept of online shopping is going on, and nowadays, online shopping is not a curious things, like Taobao, ebay which has the majority of people visited. And due to the appearances of the functions for Alipay which provides the integrity degree of the online shopping, promoting so many people enjoy the convenience of

online shopping and fun. With the development and improvement of Alipay, more application appears and for people, now the biggest temptation of Alipay is not just the convenience of payment, but is the new addition, more practical, more humane business. For example, Yu'eobao is a value-added business which is build the balance of value-added services by Alipay. The user can transfer the money to Yu'eobao to get the benefits from the fund and it can also use for the online shopping anytime.

Not long ago, more and more the elderly use the Alipay to go to the supermarket are reported by the major media. And lots of cities are launched the use of Alipay to take a taxi business. The Alipay has issues the exclusive QP code for the taxi driver, the passengers can book the taxi and pay it buy Alipay during one day. In addition, Alipay pay attention to expand the line of payment business as well, even for the newsstand. Alipay has gradually penetrated the lives of the people.

At present, Alipay contains transfer, pay the fees, refund, assurance, manage money matters (insurance, funds, lottery) such different areas and brings the people convenient and efficient life. The user of Alipay can pay the utilities, mobile fees, fixed-line broadband etc without go out and extra fees. And it also work for the domestic 31 bank credit card repayment which also without the extra fees. Alipay even cooperate with the hospital, opened more than 600 hospitals nationwide and thousands of doctors on the appointment of expert's appointment services. According to these functions of Alipay, it reflects Alipay is standing in the customer's point and save the time and money for customers. It can be said that Alipay increasingly into people's daily life and strive to become an indispensable part of people's life.

On the other hand, Alipay still have some negative influences for the people's daily life. First is the legal security, due to the legislation for the network law in China is not complete so the payment security is not guaranteed. Alipay facing the security issues and the Alipay's services are similar with the bank's online banking services which can be same as the

object of counterfeit and attack. The transaction dispute is also a negative influence for the people's daily life. Even though the Alipay has the feasible function for the credit intermediary, after the user pays the purchased item, the ability to control the funds for the buyer will be basically lost. If the buyer facing the transaction dispute, buyer only has the right to apply for refund, but the seller can control the financial rights. And sometimes if the user make the mistake, such as transfer the money to the wrong person, the transaction can't cancel by the user. (Liu 2015).

4.4.2 The impacts on e-commerce

As the new payment model for the third-party online payment, the use of Alipay can make the transaction in e-commerce more feasibility and stability.

Alipay adopting the way to cooperate with different numbers of banks and is provides the convenience of online transactions for the e-commerce. For the Chinese customer, bank is the assurance of integrity and reduce the risk for the online payment. If the user suffer loss from the Alipay, they can get the full settlement. This institution also obtained the trust from most users. In addition, Alipay offers value-added services, help business website to resolve the real-time query, transaction system analysis, offers convenient and timely refund and payment services. Alipay keep the details of the transaction record for the merchants and customers. It also saving the fees for large number of small and medium size enterprises to provide the gateway interface development and maintenance costs.

4.4.3 The impacts on bank

Due to the dramatic booming of Alipay, the bank economy has affected by it as well.

The Alipay has the impacts on the customer base of commercial banks. Alipay has accumulated a large number of customers during the development process, these customers including both online shoppers and the e-business in their own platform. Because of these customers, Alibaba can carry out internet financial smoothly, the bank doesn't have the advantage as the Alipay for the business transformation of internet financial. On the other hand, the internet has been integrated into people's life and has influenced their mode of life, the services from the bank is unable to satisfy the needs of vast number of users in the future. Alipay has a significant product- Yu'eobao. For the commercial bank, the current deposit will affected by money fund in the long term. However, Alipay focus on the young group, because their economic conditions are limited, they hope they can use their limited fund to achieve a stable value, the deposit interest rate in Yu'eobao is outclass than commercial bank, the customers are very reliable of Yu'eobao, they even transfer their current deposit to the Yu'eobao. These situations make the bank suffered the loss and blow.

In addition, the Alipay also has the influence for bank financial product. For the product Yu'eobao, it contains both the function of financial management and the function of consumption. And Yu'eobao is a low-income product, the settlement proceed are calculated on a daily basis. Comparing with the financial product in bank, not only the Yu'eobao can make the holding money get the higher reward, but also the user can retrieve funds in anytime if they want. Moreover, there is no minimum purchase amount for the user of Yu'eobao.

5. RESEARCH METHOD AND DATA COLLECTION

5.1 Research method

There are two main research methods: qualitative research and quantitative research. The qualitative research is aims to find the deeper reason, motivations and opinions from the research. In addition, is discover the potential thoughts into the problem. The common way for the qualitative research are data collection, interviews and observations.

For this paper, the researcher is aims to find out the impacts of third-party online payment solutions on China. By collecting the data, analysis the data and interview. The case study of the research is the Alipay, which is present for analysis the influence of the online payment solutions in China.

Therefore, the qualitative research is conform to this paper.

There are two basic approaches for the research: one is deductive, another is inductive. The main difference between this two approaches is that the inductive is to making generalization based on individual cases, which means from the data to theory. On the hand, the deductive approach is to testing how a theory works in the data, like the figure11 below, which is from theory to data, collect the data to testing the theory.

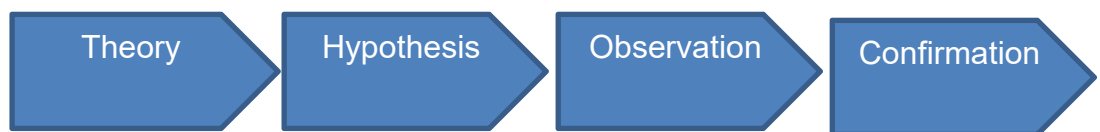


Figure 11 Deductive approach

For this paper, the deductive approach is chosen as the research approach. The topic and case study are decided then the research question comes out, the topic is about the online payment solutions in China and analysis: what are the impacts of third-party online solution on China, which means the

data should be collected to verify the theory. In order to answer the research question, the paper start with correspond content is to define the third party online payment solutions and shows the situation of the online payment solution in China. And the introduction of the case study Alipay is also used to present and analysis the impacts on China. In addition, the interview is also use for collect the data and get the theory. The whole study is utilized the deductive approach to uncover the data to support the theory and use the data to testing the theory.

5.2 Interview review

In order to explore the details of the influences for the Alipay, the researcher has choose five people with different occupations: university student, graduate student, business man, bank worker and employed mother. The motivation of selecting those people is that they can represent broad masses to demonstrate how Alipay influence their daily life or the occupation related with them.

During the interview, the researcher find all of these five interviewees have the experience for using the third-party online payment solution, they have at least 2 type online payment solutions and one of them must be Alipay.

In addition, all the interviewees are satisfied with the Alipay and think it has brings the huge impacts in their life as well as their working areas.

The table below demonstrates the interviewees experience, suggestions and the impacts of daily life and their relevant sections from the Alipay.

	Age, Gender and occupation	Experience of using Alipay and suggestions	Impacts of daily life and relevant section

Person A	<p>23</p> <p>Female</p> <p>University student</p>	<p>“I have using Alipay about 3 years, is really convenient for me, when I go out with my friends, we all use the Alipay instead of cash, whether we shopping or go to the restaurant, and is also convenient for us to transfer the money to each other “.</p>	<p>“I don’t have to take cash when I go out or at home, I can pay every thing just by Alipay. I can order the take-out, order the taxi and shopping online at home. I think when I begin to use the Alipay, my life is easier, I don’t have to use the cash, Alipay contains all the payments in my life.”</p>
Person B	<p>Male</p> <p>24</p> <p>Graduate Student</p>	<p>“I have use Alipay about 6 years, I really like shopping online, because I often buy the foreign products online, it can save the time and enable for the real-time exchange rate. I hope the Alipay</p>	<p>“Alipay has huge influence in my life, it makes me more and more enjoy shopping online, which can save the time for me to go out, and when I go out, I don’t need to take cash.</p>

		can cooperate with more overseas sites in the future”.	
Person C	Male 46 Business man	“I have use Alipay about 4 years. I don’t like shopping online and I always take the cash when I go out. I always use Alipay when I don’t have enough cash and when I want to book the taxi, I prefer to use the Alipay. In addition, I always use Alipay for receipts and payments, because most of my customer prefer to use Alipay. And I hope Alipay can not charge the withdrawal fee in the future”	“The impacts of the Alipay is more reflected in my work environment. Because of my business, I always need to remittance transfer, is really waste the time if I do this every time in the bank. Alipay is really useful for me, I can transfer the money with my customer and manufacturers in time and save the time”.

Person D	<p>Female</p> <p>27</p> <p>Bank worker</p>	<p>“I have use Alipay about 7 years, I like shopping online and also using the Alipay in the physical store, because it can save my time to find the money and for loose change, and reduce the time to touch the cash, which can avoid the germ when I use Alipay to instead of the cash. I hope in the future, Alipay can pay more attention for the security, not charge the withdrawal fee, and because of my job, I have Alipay can have more cooperate with more banks.”</p>	<p>“For myself, I think the impact of Alipay is it can save my time and is easier for me to complete all the deals in my life. For my job, because I work in the bank, I think Alipay promote the cooperation of banks, achieve the win-win situation. E-bank provides the function of online payment, with the development of payment platform, to provide customers with convenient payment has become an important means of bank service competition.</p>
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			Cooperating with Alipay can share customer's resources and develop together."
Person E	Female 48 Employed mother	"I have use Alipay about 3 years, I always use the Alipay to charge the water and electricity fees when I at home. I prefer to use the credit card when I shopping in physical store, but when I shopping online, book the taxi, I prefer to use the Alipay as the payment tool."	"I think the most influence on my life is I can enjoy more free time after work. I don't have to spend time to pay the water and electronic fees, and I can buy anythings online, I can save much time to do the things I like."

Table 1: interviewees experience, suggestions and impacts from the Alipay

5.3 Data collection from the interviewees

For collecting data, the most common methods for the qualitative are review the documents, observations and interview (Creswell 2009.)

The aims of the interview is to explore the viewpoint, experience motivations of individuals.

Due to the researcher want to find the impacts of third-party online payment solutions on banks, e-commerce and daily life. The data was collecting by interview five people which has use Alipay more than three years, and the five people has the different occupations and different using experiences.

University student and graduate student

The two interviewees has the experiences for using the third-party online payment solutions more than three years. Especially the graduate student, she has already using the Alipay about 6 years and she has the deeper user experience for the third-party online payment solution. The reason for choosing these two people is that they can represent the young people, because in China, the university student has the largest component for the use of third-party online payment solutions.

The researcher interviews the university student in the school library, the researcher ask 7 questions, the list of questions can be found in the appendix. The interview was record by the handwriting from the researcher. For the graduate student, because he is study in the England, the researcher just send the question list by the email and collect the data by interviewee's answer. There are two main questions which the researcher pay more attentions for the interview (Table 1).

Question1: The experiences of using the Alipay and the suggestions for the Alipay

For the university student, she has already using the Alipay about three years, she found is really convenient for her life and she always using the

Alipay instead of cash whether she shopping or going to the restaurant and she said is also convenient for her to transfer the money with her friends.

For the graduate student, he has already using the Alipay about 6 years and he said because of the Alipay, he is more and more enjoy shopping online, because he often buy the foreign products online and it can save the time. The suggestions from him is that he hope the Alipay can cooperate with more overseas sites in the future.

Question 2: The impacts on the daily life and the relevant section

According to the answer from the university student and graduate student, both of them has the similar impacts from the Alipay. Both of them think using the Alipay can save the time, and they all prefer to use the Alipay instead of cash when they go out. And the Alipay provides the easier and convenience in their life.

Business man

The researcher interviews the business also by send the question list by email and record the data from the answers. The reason for choose this interviewee is that he can represent the people who works in the e-commerce area, he has the both physical store and online store for his business.

For the question 1, the business has the experiences of using the Alipay about 4 years. He doesn't like shopping online and he prefer to take cash when he go out. He use the Alipay if he doesn't have enough cash or he want to book the taxi online. But for his job, he always use the Alipay for receipts and payments, due to the most of his customers like to use Alipay. And he hope the Alipay can not charge the withdrawal fee in the future.

From the question 2, he think the impacts of third-party online payment solutions is more reflected in his working environment. Because of his job, he always need to remittance transfer and is really waste the time if he do it every time in the bank. He think the Alipay is useful in his work, he can

transfer the money with the customer or manufactures in time and it also save his time.

Bank worker

The researcher send the question list for the interviewee which works in the bank about three years. She has using the Alipay about seven years. The reason for choose her as one of the interviewee is that she works in the bank and she has the longest using experience for use the Alipay.

From the answer for the question 1, the bank worker likes to shopping online and use the Alipay in the physical store as well. She think it can save the time and energy to find the cash and for loose changes. For the suggestions, she hope the Alipay can pay more attention to the security, not charge the withdraw fee and have more cooperate with banks due to her job.

For the impacts from the question 2, the interviewee said the impacts of third-party online payment solution for herself is it can save the time and is easier for her to complete all the deals in her life. The impacts for her job, because she works in the bank, she think the Alipay promote the cooperation of banks, achieve the win-win situation. Due to the competition with the third-party online payment solutions, the e-bank provides the function of online payment, with the development of payment platform, in order to provide customer with convenient payment has becoming an important means of bank service competition. In addition, she said cooperating with Alipay can share customer's resources and develop together.

Employed mother

The way of interview with the employed mother is sending the question list as well. The interviewee has using the Alipay about three years, she need to take care of most housework after she get off work. The reason for choose

her as the interviewee is that she can represent both employed mother and the housewife.

According to her answer from the question 1, she said she always use the Alipay to charge the water and electronic fees when she at home. She prefer using the credit card when shopping in the physical store and when her shopping online or booking the taxi, she prefer to use the Alipay as the payment tool.

For the impacts from the question 2, the interviewee said the most impacts on her life is she can enjoy more free time after she works, she don't have to spend time to purchase the water or electronic fee and she can spend more time for herself.

5.4 Data analysis

In order to analysis the qualitative data, the data should be organized. The content analysis method is the suitable method for analysis the data from the interview. Content analysis method is a method which is used to analysis verbal, written or visual communication message (Cole 1988). The researcher can use this method to test theoretical issues to improve the understanding from the data. The data in this paper was collected by interview. The content can be analyzed on two levels, descriptive and interpretative. The descriptive will explain what is the data and the interpretative will analysis the useful information from the data. For the interview, the researcher choose five interviewees with five occupations. The reason for choose theses five people is in order to find out the influences not only for their daily life, but also for their work. They can represent different people with different occupations.

The objective of analysis the data is to figure out the answer for the research question: What are the impacts of third-party online payment solutions on China?

5.41 The impacts on daily life

From the collection of the data by interview, it is obvious that most of the interviewees like to use the third-party online payment solutions in their daily life, especially the university student, graduate student and the bank worker. The employed mother use the third-party online payment solutions for her housework and shopping online , in the real store she prefer to use the credit card. And the business man only use the third-party online payment solutions when he doesn't have enough cash and for his jobs. It can also shows the the third-party online payment solutions has the more impacts on the young people in their daily life. They prefer to use the online payment solutions in both online and physical stores. Like the chapter 3.43, the customers of different ages have their own to consumption idea. On the other hand, even though the business man and employed moth didn't use third-party online payment solutions in everywhere, it still impacts their daily

life and change their consumption idea, consumption pattern and consumption behavior, their consumption idea changes from traditional consumption and payment combination of tradition payment and online payment which is same as the chapter 3.43.

5.42 The impacts on banks

According to the data from the interview with the bank worker, the impacts on the bank is the third-party online payment solutions can promote the cooperation with banks achieve the win-win situation, which can also understand as the third-party on line payment solutions brings the new business for the banks. Cooperating with the online payment solution can also help the banks to share the customer resources, which can also be analysis as the third-party online payment solutions can provide the high-quality customers for the banks, and is suit for the impacts on banks of the 3.41 chapter in the paper. On the other hand, due to the competition with the third-party online payment, the bank focus on to provide the function of online payment with the development of payment platform and provide customer with convenient payments.

5.43 The impacts on e-commerce

From the data for the interview with the business man, it is obvious that the interviewee's customer and manufacturers prefer to use the third-party payment solutions for the purchase and transfer. Even the business man also has the physical store in his business, he still use the third-party online payment in his business. Because he think it can save the time, and according to the chapter 3.44, the third-party online payment solutions provides the e-commerce safety and efficiency transaction environment.

By using the content analysis method, the data from the interview shows the similar impacts with the impacts from the chapter correspond the content. And it verified that the third-party online payment solution really has the impacts on bank, e-commerce and people's daily life.

6. RESERACH PROCESS

The research process in this paper can be divided in two main aspects:

- Data collection

- Data analysis

In the paper, the data is collected by the interview and the researcher choose the deductive approach because the researcher want to retest existing data to solve the research questions. From the existing information and resources, the researcher explore that the main impacts of third-party online payment solution on China can divided as three aspects: bank, daily life and e-commerce. From these three aspects, the researcher has chosen five people for the interview in order to collect the data. There are two reasons for choose these five people, first is they can on behalf of the people with different ages for using the online payment solutions, another reason is in order to make further exploration for the impacts on bank, daily life and e-commerce, these five people with different occupations is corresponding with these three aspects. The data from the interview will help the researcher to identify :

- if the third-party online payment solution really has the impacts on bank, daily life and e-commerce

- explore the further impacts on bank, daily life and e-commerce

The method of analysis data is the content analysis method, from the content of the interview, the researcher record all the answers from the interviewee and analysis the useful information for the paper. By analysis the data from the answer of the interview, and combination with the existing resources. For example, one of the interviewee is work as the bank worker, she has provide the data for not only the impacts of third-party online payment solution in her daily life but also for the bank, and this data is suit for the existing data which researcher founded. The researcher analysis the

content for the answer from the interviewees, find the useful data for the paper and summarize the conclusion.

7 CONCLUSIONS

The objective of this paper was to figure out the answers for the research questions: What are the impacts of third-party online payment solutions on China.

The third-party online payment solutions can be used in different situations. In China, online payments is closely related with people's life. Whether for the online shopping or daily consumption, the online payments nearly undertakes all the payments in Chinese people's life, some people even go out without take the cash. From the data of the interview, the young people like to use the online payment instead of cash while the middle age people still prefer to use the cash or credit card when they shopping in the physical store.

The result shows the impacts of third-party online payment on China can be divided in three main aspects: e-commerce, bank and daily life. For the e-commerce, third-party online payment accelerate the development of it, improve the credibility and attract more users for the e-commerce. The third-party online payment solutions provide the e-commerce with the safety, impartiality, efficiency and openness environment. For example, the institutions which Alipay provided can make users more willing to purchase online. The impacts on the bank is due to the cooperation between the bank and third-party online payment platform, the bank can increase the high quality customer resources, raising the scope of business for the bank. In addition, they can share the resources of the customer and achieve the win-win situation. Even though the third-party online payment makes the bank reduce some credit card users, it still can make the bank pay more attention to develop their own payment platform business, innovation and optimize the bank free payment platform. For the impact on daily life, the third-party online payment changes people's shopping behavior, an increasing number of people prefer to use the online payment tools to replace the cash. And it also provide the convenient and efficient life for the people.

Furthermore, the suggestions for the development of third-party online payment solutions can be summarized as expect the improvement of the security and regulations, they should pay more attention for the cooperation with different areas, such as bank and other organizations.

8. DISCUSSION

8.1 Limitations

The objective of this paper is to explore the impacts of third-party online payment solutions on China. The method for researcher to solve the answer is to find the useful information from correspond the content, Alipay and interview.

Due to the resources which researcher can found is limited, the researcher only summarized impacts of third-party online payment solution on China from three aspects: daily life, bank and e-commerce.

In addition, the research was willing to find both positive and negative impacts for daily life, bank and e-commerce. But only the bank has the specific positive and negative impacts, daily life and e-commerce only have the limited information for the negative influences.

However, despite the information is limited, the paper still has the useful resources for the future research in this filed.

8.2 Validity and Reliability

Validity and reliability are two element which researcher should be concerned for design the study. (Golafshani 2003).

The case Alipay is the China's leading third-party online payment solution in China. The data from Alipay is based on the Alipay official website which makes the study credible.

The interview are from five people with different occupations. Every interviewee has used third-party online payment solution in China as least 2 years and they know the influences from online payment solution in their life and their jobs.

8.3 Future study

The paper is focus on the impacts of third-party online payment solutions on China. Due to the materials is limited, the researcher only find the impacts for daily life, bank and e-commerce. And only the bank has the both positive and negative impacts.

Moreover, the future study can explore more impacts of online payment solution on China and try to figure out the impacts for both positive and negative sides.

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APPENDIX

The interview is made with 5 Chinese people who have the experience for using Alipay and other online payment solutions

The forms of interview: face-to-face interview and written interview

Person A	Age: 23	Female	University student
Person B	Age:24	Male	Graduate student
Person C	Age:46	Male	Business man
Person D	Age:27	Female	Bank worker
Person E	Age:48	Female	Employed mother

Table 2: Personal data for interviewees

Questions for interview

1. How long did you use Alipay or other third-party online payment solutions?
2. Which third-party online payment solution do you use most? Why?
3. Do you prefer to use cash or online payment solution to purchase in-store, why?
4. Do you think the online payment solution influenced your life? In which part?
5. In which situation do you prefer to use the online payment solution?

6. Do you think the online payment solution will replace the cash in the future?

7. Can you give some suggestions for how to improve Alipay?