

Top 5 Preferred Payment Modes for Online Marketplaces In India

TechRounder PDF Edition

Live article:

<https://www.techrounder.com/finance/top-5-preferred-payment-modes-for-online-marketplaces-in-india/>

By Vipin PG | Published April 19, 2021 | Updated March 8, 2026 | Format: Analysis | 4 min read

In brief

With the introduction to Digital India and the increasing popularity of E-commerce, cashless transactions are getting more and more popular.

With the introduction to Digital India and the increasing popularity of E-commerce, cashless transactions are getting more and more popular. Another reason behind this is demonetization due to which finding new currency became a daunting task, the Government is encouraging people to make digital payments and go cash-free.

These are the biggest reasons why people are looking for online payment methods. The good news is, there are a variety of online payment modes that are available in the market. E-commerce platform owners as well as other merchants are using an online payment gateway that helps in accepting a wide range of payment methods. Let's learn about the most popular payment modes available in India!

Popular Payment Modes And Online Payment Gateway

A few years back, Indians were a little too scared to pay using credit and debit cards online or even using net banking options. Cash on delivery while shopping online was considered to be the best and secure method.

The main reason behind this reluctance was the fear of being scammed. People used to think that someone would use their banking information to commit fraud and to empty their bank accounts. But things escalated really fast, while options like cash on delivery are still there, customers rarely use it. In fact, they even find it very inconvenient, all thanks to the reliable online payment methods.

Online payment gateway provided by Cashfree: Cashfree, is by far one of the best payment solutions companies that have transformed the way the transactions are processed on a large scale. Almost every merchant today has incorporated at least one online payment gateway into its business.

For those who don't know, an online payment gateway is a payment system that allows merchants to accept digital payments from multiple payment modes. It acts as a mediator between the banks of both the customer and the merchant.

That's about how today's merchants prefer accepting their payments. Now, let's talk about the popular payment modes in India :

1. Credit and Debit Cards

Debit or credit cards or simply banking cards are among the most popular payment modes in India. And not just India, they are popular in the whole world. They offer more control, security, and convenience to the users. Banking cards present a variety of options for the users to choose from, there are credit cards, there are debit cards and then there are prepaid cards. They are superior when it comes to digital transactions.

The best part about using banking cards is, they offer 2-factor authentication that enhances the level of security while making payments on the internet. Users have the power of OTP as well as their PIN for making payments. Some of the most common cards used in India include Rupay card, Visa, and MasterCard.

Using these cards, customers can get indulged in online payments without worrying about anything. They can make bank transfers, purchase goods, pay their bills, and what not.

2. UPI (Unified Payments Interface)

UPI has become more popular over the past 2-3 years. This payment mode is getting so popular that it has even left banking cards behind. Almost every user today is making payments via UPI. Not only on eCommerce and other online platforms but UPIs are also applicable almost everywhere. Every little and big shop owner, as well as the customer, has their UPI ID which they use to make and accept payments.

Unified Payments Interface or simply UPI is a payment system that aggregates many bank accounts on a single platform i.e a simple mobile application. From fund transfers, to make digital payments to paying utility bills, UPI is a one-stop solution. In fact, almost every online payment gateway offers a "pay with UPI" option to their customers.

3. Mobile Wallets

Mobile wallets or e-wallets are also very popular payment options in India. They allow users to carry their cash in digital wallets. So, you can go cash-free with cash in your secure digital wallet. To use mobile wallets, users need to link their bank accounts and credit cards to the mobile wallet application. Once done, you can use this wallet just like your physical wallet, for shopping, transferring funds, etc.

A good reason behind the increasing popularity of mobile wallets is the attractive offers they present for their users. From cashback to great deals and discounts, e-wallets never fail to reward their users. In fact, many online merchants collaborate with these wallets to offer deals to their customers.

4. Internet Banking

The next favourite payment mode of Indians is internet banking or virtual banking. It is an electronic payment method that helps the users or customers of a bank to make transactions using a mobile application or a website.

5. E-cards

Last but not the least, there are e-cards. Users can get these virtual cards and use them in the same way as a hard or plastic card.

So, these are the most popular payment modes available in India. A business can deploy any of all to meet its customers' payment needs.

References

1. cashfree.com - payment-gateway-india - <https://www.cashfree.com/payment-gateway-india>

2. [searchsecurity.techtarget.com - definition / two-factor-authentication -
https://searchsecurity.techtarget.com/definition/two-factor-authentication](https://searchsecurity.techtarget.com/definition/two-factor-authentication)