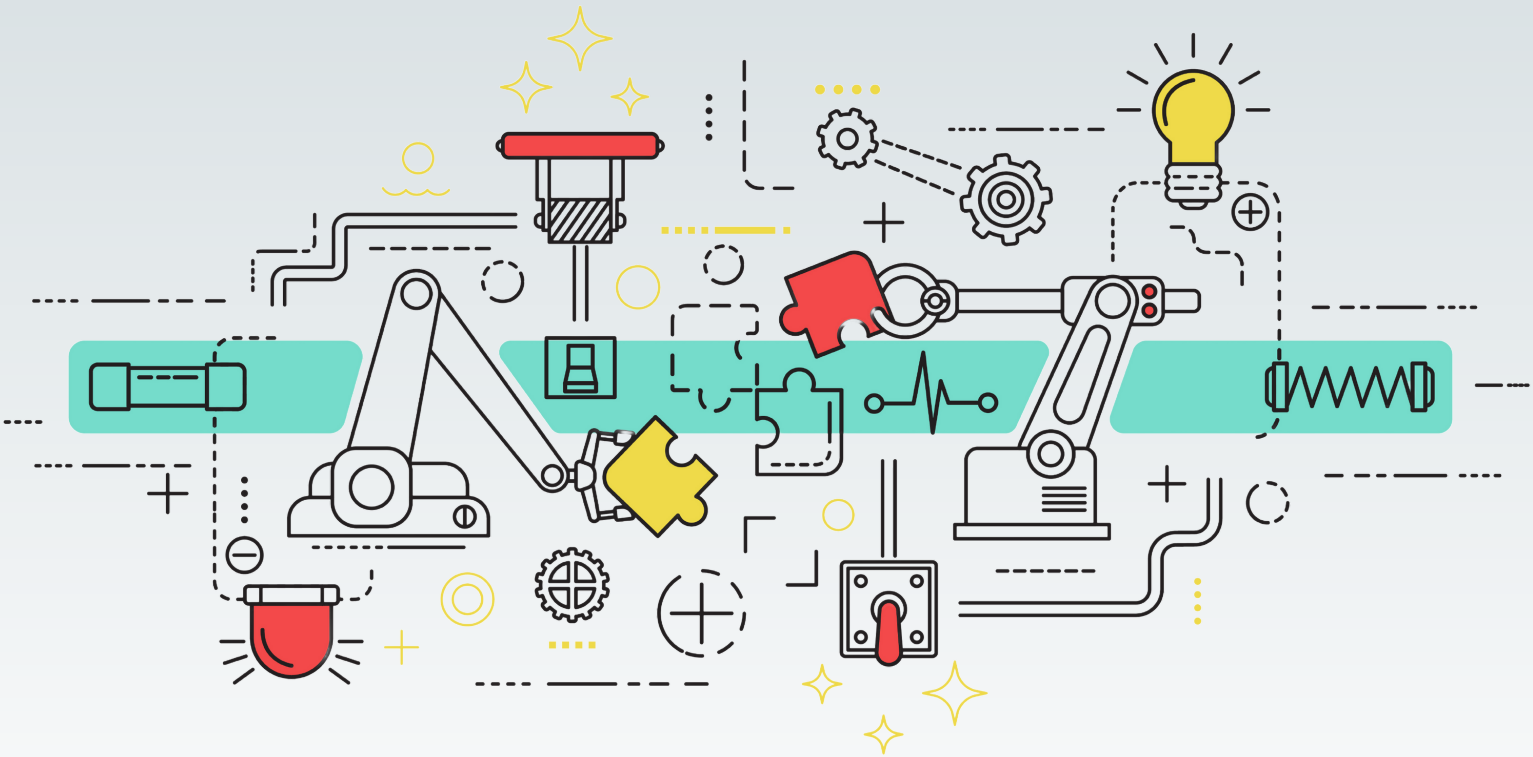
Il giornale indipendente del CdL in Economia e Commercio

CLEC MAGAZINE

YOUNG WRITERS FOR WORLD ECONOMIC CHALLENGES

N9, SEPTEMBER 2023



NAVIGATING THE PAYMENT PROCESS MAZE:

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SINCERE GRATITUDE AND BEST WISHES

IN THIS MONTHS OUR PRECIOUS MEMEBRS OF THE EDITORIAL STAFF LUDOVICA APOSTOLICO, GIULIA VERDONE, DOMENICO CAVICCHIA, FIREHIWOT BEKELE EJIGU AND ANGELINA NIKITIUK GRADUATED AND WILL START A NEW PART OF THEIR CAREER.

ON BEHALF OF THE ENTIRE TEAM OF THE MAGAZINE, WE EXTEND OUR SINCERE GRATITUDE FOR YOUR OUTSTANDING CONTRIBUTIONS DURING YOUR TIME WITH US. YOUR DEDICATION, TALENT, AND IDEAS HAVE LEFT AN INDELIBLE MARK.

WITH LOVE,
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Il giornale indipendente del CdL in Economia e Commercio

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A CRITIQUE ON ECONOMIC MODELS FOR THE FINANCIAL MARKET

BY VANESSA PETRARCA

The economic system is theoretically explained through economic models, which are defined as a simplification of the reality, aiming at the provision of verifiable hypotheses about the economic phenomena attempting to analyse. Economic models are explained through mathematical equations, built in a way such that they can describe, in numbers, economic behaviours. The financial market is as well technically explained through models and its features and characteristics depend on the model employed. During the time, a debate arose among economists on how to describe the financial market, and about which model was better equipped to represent the reality.

Until the breakdown of the Global financial Crisis, the mainstream model was based on the Efficient-Market Hypothesis (EMH), developed and supported by Neoclassical economists – Fama, Samuelson and Mandelbrot among others – who grounded the theoretical foundations of the model onto the typical features of that school of thought.

The theory behind the model has been developing since the XXVI century and it has been better developed by Eugene Fama in the last century. In particular, his theory states that markets are *informationally efficient* (Cochrane, 2013). The model is described a *frictionless market*, based on **perfect competition, no transaction costs in the market, perfect informational symmetry** which made *prices perfect signals of information*, and **profit maximizing rational economic agents** acting in the market. In this model, the only way to make profits for the investor in the financial market is to undertake risky investments, and under this approach, any disequilibria would adjust automatically.

The model has been distinguished in three types (Fama, 1970), as follows:

- *Weak form of EMH*, according to which stock prices reflect past available information.
- *Semi-strong form of EMH*, according to which stock prices reflect newly published information.
- *Strong form of EMH*, according to which stock prices are able to detect any hidden information in the market.

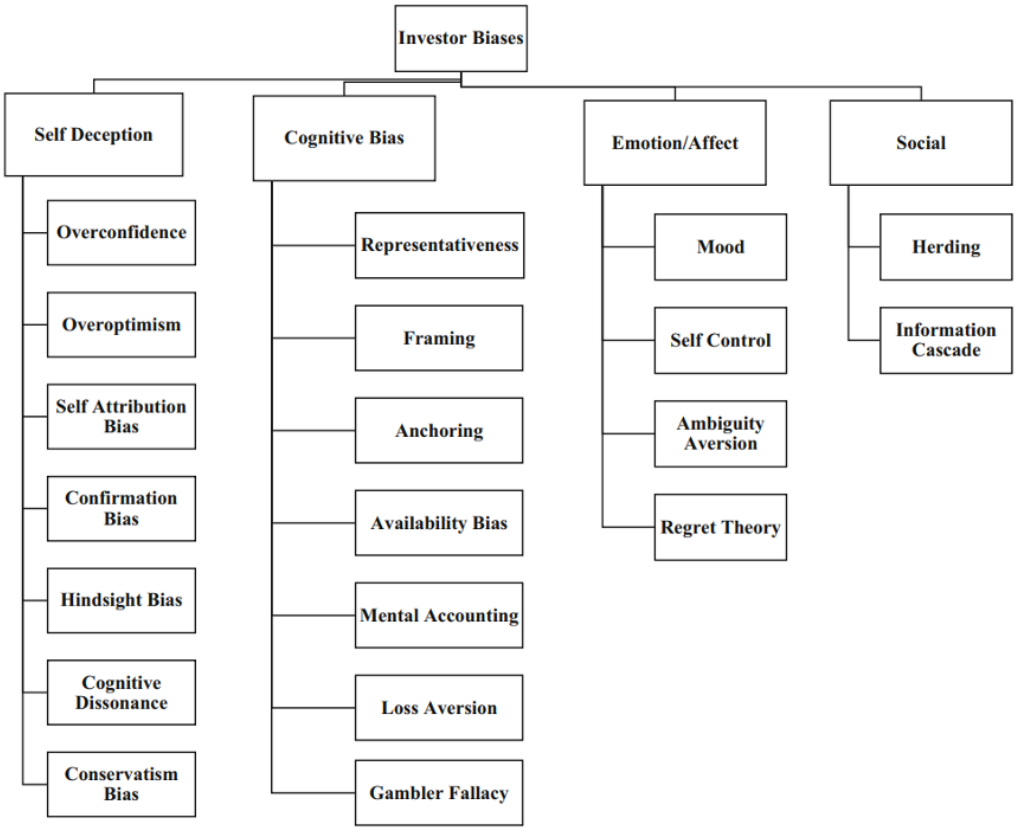
However, beyond the technical framework, with the breakdown of the Global Financial Crisis, some negative features of EMH arose:

- the inability to conceptualize a bubble in the model;
- the overconfidence of policymakers on the self-adjusting character of the financial markets, that led to a progressive deregulation;
- ·the underestimation of risky situations.

Immediately after that catastrophic event, the economic world was suffering and economists tried to find an alternative model. Their attention focused on another model, developed by Kahneman, Thaler and Tversky: the Behavioural Finance approach.

The latter is a work derived from three different fields: psychology, sociology, and finance. It promoted a more realistic description of the market by giving attention to the nature of the humankind, so to the irrationality of the economic agents, and by giving attention to the lack of informational symmetry which was not making prices as perfect signals of information.

In particular, investors were subject to innate biases, as shown in the following figure *(source: Comlekci and Ozer, 2018)*.



The motivations for which investors behave irrationally are:

- **social biases**, such as the pressure to conform to other groups behaviour, in order to be accepted by the group.
- **cognitive biases**, i.e., the belief that if many people take a decision to buy a specific asset, this is less likely to be wrong.

Furthermore, as previously mentioned, Behavioural Finance approach highlighted a fundamental characteristic of the financial market, that is to be informationally asymmetric (thus also *informationally inefficient*). This is associated with another limit of the financial market, that is the inability to quantify a mathematical probability which should have allowed to measure the risks of undertaking alternative investments.

This heterodox model was highly criticized and not well appreciated by Neoclassicists, because of the lack of strong theory behind it. In particular Neoclassicists defined Behavioural Finance approach as *primarily observational*, i.e., simply describing the market.

Thus, economists thought to combine the two models in one, building the Adaptive Market Hypothesis, which implies that the notion of market efficiency depends on the conditions of the economic environment.

However, the debate on which model to adopt will never end, because there will always be proponents from one side and some from the other side.

RENEWABLE ENERGY FROM WASTE

BY FIONA FEROLAS

INTRODUCTION

Most EU countries suffer from energy supply problems due to the increasing global energy demand. The primary threat to the EU is energy dependency. In the last years, the use of fossil fuels, which are mostly imported, has been falling, however, the strong demand coupled with supply shortages due to the war and the attempt to reduce dependency on Russia caused a strong surge in prices. This led to a further acceleration of inflation and called EU policymakers to speed up the transition process toward renewable energy.

The EU aims to attain a carbon-neutral energy market by 2050 and set up a plan to switch from fossil fuel to renewable energy [1]. The objectives are clear, to reduce carbon emissions to lessen the consequences of climate change on people and the environment while reducing environmental harm. The international world and EU Member States are working extremely hard to make the necessary transition from a high-carbon economy to a low or even zero-carbon one. The "Action Plan for a Clean Planet for All" by the EU is a clear sign that the era of fossil fuels is ending.

The EU is increasing the production of renewable energy from all sources. Among them, energy derived from waste management is particularly important because it can absorb part of the increasing production of waste in urban regions across Europe. The energy from waste is important as it reduces dependency and creates jobs while being inexhaustible. It is also seen as more important to the environment than landfills.

[1] EUROSTAT - ENERGY PRODUCTION AND IMPORTS

The abundance of municipal solid waste (such as from households, small businesses, and public institutions) threatened the environment and hazard to human health. EU's long-term waste management policies are meant to reduce its environmental and health impacts while increasing energy recovery. Energy recovery from waste is a well-established and well-proven method to support the EU's energy transformation.

This approach offers two key benefits: Wastes are processed while valuable resources and energy are retrieved, and further greening the EU economy. Efforts to decarbonize the electricity industry benefit from energy recovery from waste.
This approach offers two key benefits: Wastes are processed while valuable resources and energy are retrieved, and further greening the EU economy. Efforts to decarbonize the electricity industry benefit from energy recovery from waste. Waste fuels like refuse-derived fuel (RDF), solid recovered fuel (SRF), and MSW biogas production can be used as fossil fuel alternatives. The production of energy through waste can be achieved with two different techniques: Waste to Energy (WTE) and Anaerobic Digestion (AD). These methods are either fully renewable or partly renewable with 50-80%.

The WTE strategy promotes the elimination of pollution from landfills, the use of fossil fuels, and the utilization of the non-recyclable waste fraction by direct mass-burning of waste-derived fuel. Both urban and rural areas are using this strategy for zero waste.

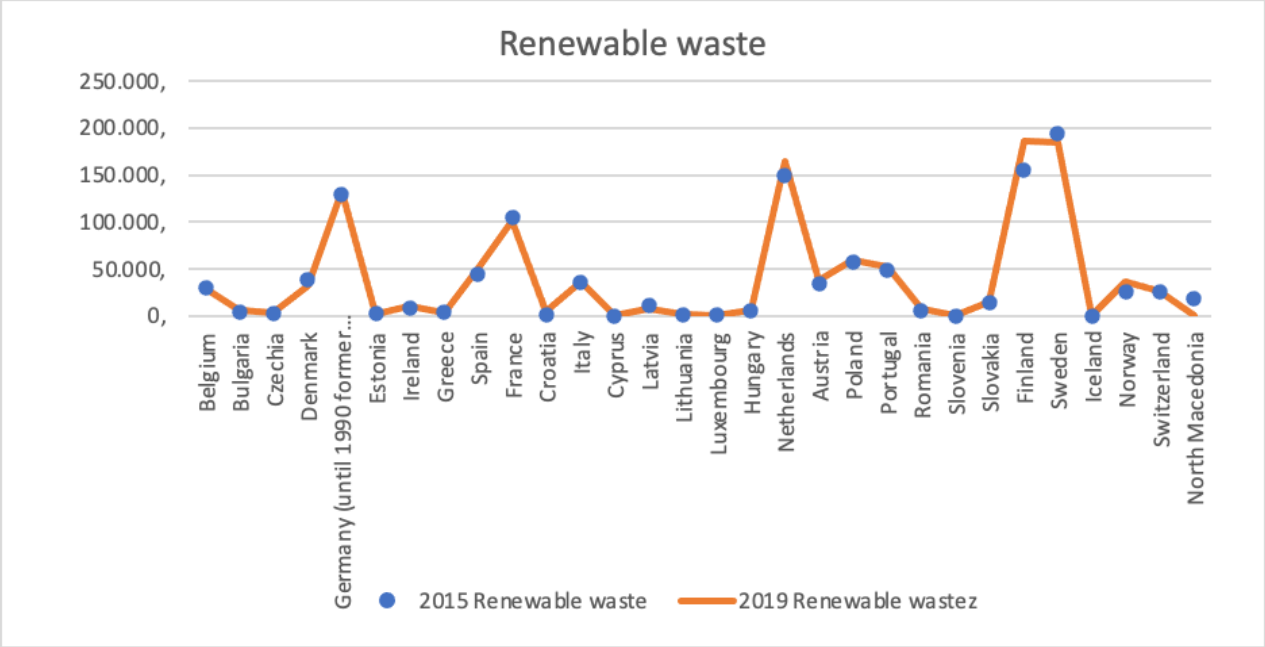
Waste-to-energy plants are used to produce electricity from MSW. These plants are used in the European Union as they have less landfill space. EFW (energy from waste) facilities can transform useless or unrecyclable waste into usable heat and power as a kind of energy recovery, which offers several advantages. This waste-to-energy technique has gained popularity and is regarded as a workable waste management strategy.

Anaerobic digestion (AD) is a biological process that produces gas by degrading organic matter. It is bio mechanization as the entire process is without oxygen and the sludge is used as fertilizer. Its vital function is the production of biogas, compressed methane, carbon dioxide, and other gasses. AD plants primarily use organic wastes, sewage sludges, energy crops, and other waste materials. The ability to reduce the cost of sewage sludge volume is also a benefit for the European digestive market. By 2030 updated renewable energy by the EU is subjected to 32%

of the share of renewable energy sources to final consumption [2].
In Europe Sweden generates the highest renewable waste energy, followed by the Czech Republic, Denmark, and Finland.

CONCLUSION

Energy recovery from waste looks to play a small but substantial part in the EU power market, with the potential and ability to increase its share while simultaneously promoting the circular economy and energy transition in several ways.. Energy recovery from waste offers a valuable tool and strategy that has been used successfully for many years to combine waste management with power generation to reduce waste volumes, recover valuable resources, and reduce carbon emissions from both power generation and waste management operations.



[2] EUROPE ANAEROBIC DIGESTION MARKET 2020-2026 | INDUSTRY REPORT. (N.D.). RETRIEVED DECEMBER 12, 2022

BAMBINI E L'ECONOMIA: COME SI SVILUPPA LA PSICOLOGIA ECONOMICA DEI PIÙ PICCOLI

ROBERTA LASOCHA, REBECA CAVALCANTE DE SOUSA AND MARTINA FILOSA

Psicologia ed economia sono discipline così separate tra loro?
Questa è una delle domande che ci siamo poste. L'economia studia la produzione, il consumo delle risorse, gli investimenti e così via, mentre la psicologia studia, tr ale altre cose, il comportamento umano, delle emozioni, dei pensieri. Tra queste due discipline, apparentemente diverse, ci sono dei punti di contatto.
Secondo l'approccio neoclassico, le decisioni economiche dovrebbero essere prese in modo razionale, ma non sempre è così poiché capita spesso che l'uomo nella vita quotidiana prenda decisioni economiche irrazionali che possono essere spiegate con la psicologia, in quanto sono scelte prese in determinati ambienti e condizioni.
"Ad esempio, un fenomeno come il "bank run" ovvero la corsa agli sportelli per ritirare il denaro depositato, per colpa di una crisi finanziaria, è comprensibile, prevedibile e spiegabile in termini psicologici e non dal punto di vista puramente razionale."[3]
Con questo esempio capiamo come la psicologia e le decisioni economiche si possano influenzare a vicenda in quanto esistono fenomeni economici, come la disoccupazione, che possono avere un impatto rilevante sul benessere psicologico dell'individuo. Per questo, esiste una branca della psicologia, chiamata psicologia economica, che guida le scelte economiche degli individui e viene sviluppata in ognuno di noi fin da piccoli. Considerato ciò, ci siamo chiesti come i bambini percepiscono la realtà economico-finanziaria di tutti i giorni e quali sono i fattori importanti che determinano la formazione di questa consapevolezza. Abbiamo intervistato bambini in fasce di età comprese tra i 4 e i 12 anni, e le loro

[3] HTTPS://WWW.RPSTRATEGY.IT/PSICOLOGIA-ECONOMICA-CHE-COSE-E-A-CHE-COSA-SERVE

realtà diverse ci hanno portato alle stesse conclusioni: tutte le loro conoscenze sono state apprese a casa con i genitori, con gli altri familiari e con i giochi ma la scuola, che dovrebbe essere il primo istituto ad insegnare come prendere scelte economiche meno irrazionali possibili, non ha mai approfondito questo argomento.

CHE COS'È LA PSICOLOGIA ECONOMICA?

La psicologia economica è una scienza che studia come i processi psicologici influenzano le decisioni economiche degli individui. Si occupa delle conseguenze che hanno sui consumatori i fattori economici, come ad esempio la qualità di vita e il benessere. Quest'ultima si basa sul fatto che le persone non agiscono sempre in modo razionale, per prendere decisioni in ambito economico, ma si fanno influenzare da fattori psicologici che modificano il loro comportamento finanziario.

LA PSICOLOGIA ECONOMICA E L'EDUCAZIONE FINANZIARIA

Questa disciplina ha diversi ambiti di applicazione, in particolare si occupa dell'educazione finanziaria, la quale studia come i bambini e gli adolescenti si rapportano con il denaro e il modo in cui l'educazione familiare può influenzare il comportamento in ambito economico e finanziario.
I bambini imparano a comportarsi "economicamente", grazie all'osservazione degli adulti e l'ambiente che li circonda. Da un punto di vista educativo questo approccio fa si che i bambini maturino una consapevolezza circa le loro scelte economiche, l'altruismo e la cooperazione. L'educazione finanziaria deve essere insegnata ai bambini e in loro deve maturare in modo tale che questi crescano e diventino uomini e donne capaci di prendere decisioni razionali in ambito economico.

RISULTATO DELLE INTERVISTE

Basandoci sulle interviste fatte ai bambini da parte delle autrici dello studio [4] sono stati riscontrati dei comportamenti comuni legati alla fascia d'età di appartenenza e gli argomenti trattati sono stati divisi in concetti chiave:

[4] ILARIA CASTELLI E ANTONELLA MARCHETTI- COME DECIDONO I BAMBINI. PSICOECONOMIA EVOLUTIVA. RAFFELLO CORTINA EDITORE, 2011

IL DENARO

- **4-5 anni:** i soldi sono sempre disponibili, perché vengono dati dai genitori e per questo non c'è la consapevolezza sulla provenienza del denaro;
- **6-9 anni:** i soldi sono il risultato del lavoro; quindi, chi lavora ha più denaro a disposizione;
- **10-12 anni:** i soldi derivano anche dal risparmio, dalla vendita dei propri beni, o possono essere presi a prestito dalle banche.

GLI ACQUISTI

- **Età 4-5:** incomprensione della relazione tra denaro e beni da acquistare;
- **Età 6-7:** i bambini capiscono che il denaro serve a fare acquisti ma non sanno determinarne il valore;
- **Età 8:** iniziano a capire il valore del denaro (tanti zeri=più valore);
- **Età 9-12:** comprensione del concetto di prezzo di un bene e di resto.

LA BANCA

- **4 anni:** luogo dove si può attingere liberamente al denaro;
- **6 anni:** comprensione del fatto che i soldi presenti in banca sono stati depositati in precedenza da qualcuno;
- **8-10 anni:** i soldi vengono messi in banca per risparmiare e per maggiore sicurezza;
- **11 -12 anni:** i concetti vengono appresi in modo più chiaro e la loro conoscenza si amplia anche su argomenti più specifici come ad esempio il prestito bancario, il tasso d'interesse, la maturazione del capitale depositato;

IL RISPARMIO

Il concetto di risparmio si evince, dalle interviste che abbiamo effettuato, che nei bambini si sviluppa a partire dai 7 anni perché prima che preferiscono comprare subito quello che desiderano.

7-12 anni: i bambini/ragazzi sono convinti che nel momento in cui ricevono la paghetta o denaro come regalo delle feste, se decidono di mettersela da parte (nel salvadanaio o portafoglio se sono più grandi), settimana dopo settimana questa cifra crescerà e potranno comprare ciò che desiderano come ad esempio una maglietta nuova, un giocattolo nuovo, un biglietto per il cinema...

LA PAGHETTA

La paghetta è un modo per rendere i bambini autonomi nel loro piccolo a gestire consapevolmente il denaro. Possono decidere se mettere da parte i soldi per più tempo in modo tale da acquistare un bene con un prezzo elevato oppure dividere la paghetta per risparmiarne una parte mentre con l'altra comprare ciò che desiderano in quel determinato momento. I bambini la vedono come un riconoscimento che i genitori o nonni gli danno, se magari aiutano nelle faccende domestiche o se vanno bene a scuola. Con questa consapevolezza il bambino crescendo riconoscerà nello stipendio, la paghetta data dal datore di lavoro come pagamento per il lavoro svolto.

IL RUOLO DELLA SCUOLA

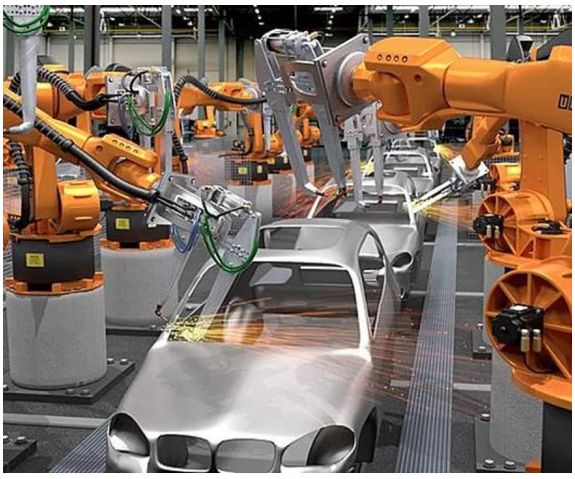
I bambini sviluppano fin da piccoli una propria psicologia economica, questa competenza si costruisce gradualmente con l'esperienza e l'educazione, ed è cruciale per la loro futura autonomia e benessere.

Le autrici dello studio hano riscontrato il ruolo fondamentale delle famiglie nella crescita della psicologia economica nel bambini, ma argomentano che questo ruolo dovrebbe essere svolto anche dalla scuola che ha il compito di promuovere la capacità degli studenti di dare senso alla varietà delle loro esperienze e di spiegare alcuni fondamentali concetti economici come il significato del lavoro, l'importanza del risparmio, da cosa dipende li valore dei beni economici e tante altre tematiche, tra cui la necessità di sapersi accontentare ed evitare spese inutili, in linea con quanto auspicato nell'Agenda 2030.

EUROPE'S COMPETITIVE EDGE: UNLEASHING THE EXPORT POTENTIAL OF INDUSTRIAL ROBOTS

BY FIREHIWOT BEKELE EJIGU

The desire to increase efficiency, productivity, and precision in the execution of tasks opens the door for the creation of robots. The word "robot" is derived from the Czech word "robota," which is used to describe forced labor or hard work. Robotization is the process of using robots to automate tasks that were previously carried out by people through the use of innovative technologies, including robotics and artificial intelligence (AI), to assist or substitute human labor across a range of sectors.



Industrial robotization has become increasingly important over the past century, and since the 1950s, it has drastically changed the industrial landscape. George Devol and Joseph Engelberger built "Unimate," the original modern robot, in 1954. Unimate is a robotic arm created for industrial purposes.

Despite the fact that industrial robots have been present for some time, the adoption of robotics began to pick up steam in the 1990s. By 2015, there were four times as many robots in the EU as there were in 1995. The primary applications of industrial robots are repetitive manual tasks like handling, welding, and molding, which is a rather limited range of tasks. Only three industries—automotive, rubber and plastics, and metal products—acquire 73% of all robot adoption in the EU, accounting for 50% of all robots.

Some of the advantages of using industrial robots include the ability to handle complex tasks efficiently, increased productivity, improved quality, and precision, increased consistency and accuracy in performing repetitive and dangerous tasks, cost reduction, enhanced workplace safety, increased flexibility, improved technological innovation and advancement, job creation, skill development, and competitive advantage.

The challenges and shortcomings of industrial robots include high initial investment costs, slow workforce adaptation, job displacement (a reduction in the need for human labor in certain areas), and the need for ongoing maintenance and technical expertise.

According to the 2021 World Robot Report, the Industrial application of robots is expanding dramatically in factories all over the world: The average global robot density, which serves as a benchmark for measuring the level of automation adoption in the manufacturing sector globally, has increased to 126 robots per 10,000 employees, which is over twice as many as it was in 2015 (66 units). The average robot density in Europe is 123 units. Next to the top three nations, South Korea, Singapore, Japan, Germany, and Sweden are the fourth and fifth most automated nations in the world, respectively. (Figure 1)

EU is a leading actor in the robotics industry, producing almost one-third of all robots worldwide. By incorporating robotics into industrial processes, the EU preserves its export leadership while expanding its competitiveness and opening up new trades. Comparing the international trade of industrial robots and robotic appliances in the EU-27 countries for the years 2010 and 2021 (Figure 2), the export has been raised by 58.2%, this suggests that European nations are becoming significant players in the global robotics market, potentially due to advancements in robotics technology and the competitiveness of their manufacturing sectors and the import has been raised by 38.2%, this indicates an increasing demand for robotic technologies in the manufacturing sectors.

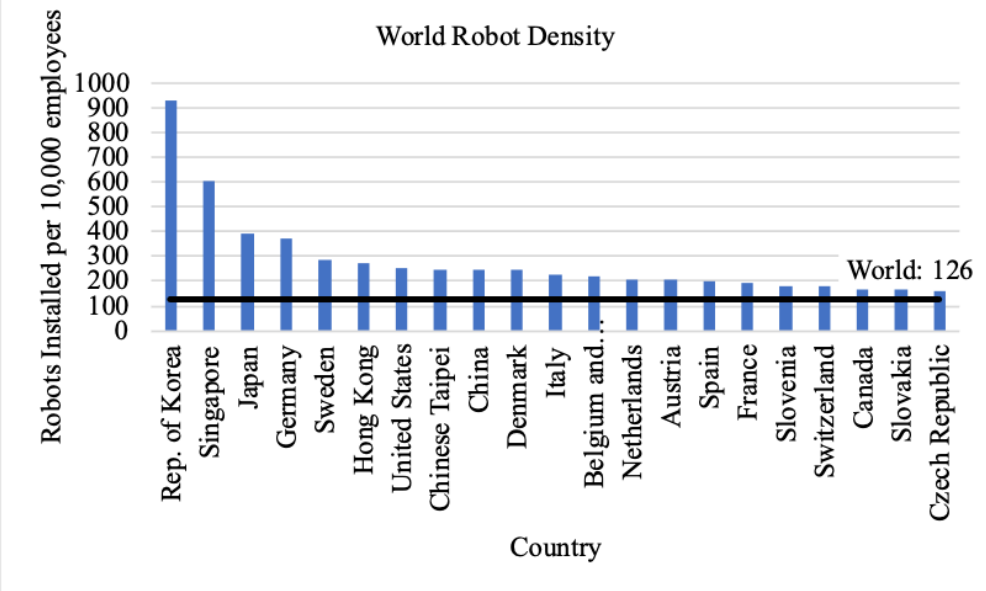


FIGURE 1: ROBOTS INSTALLED PER 10,000 EMPLOYEES [1]

[1] SOURCE: WORLD ROBOTICS 2021, ROBOT DENSITY NEARLY DOUBLED GLOBALLY - INTERNATIONAL FEDERATION OF ROBOTICS (IFR.ORG)

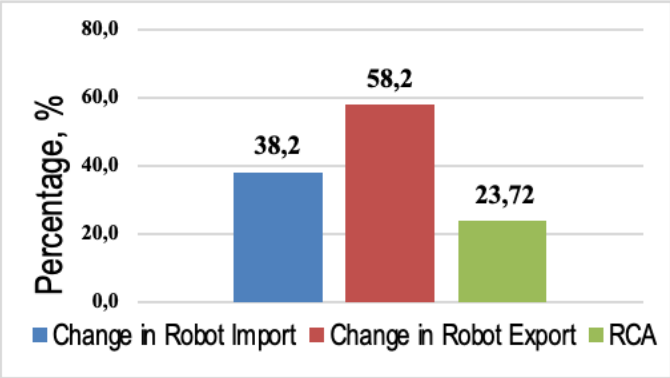


FIGURE 2: CHANGE IN EXPORT, IMPORT, AND RCA OF INDUSTRIAL ROBOTS AND THEIR APPLIANCES IN THE TOTAL EU BETWEEN 2010 AND 2021

The relative comparative advantage (RCA) on the export of industrial robots refers to the ability of a country or region to produce and export industrial robots more efficiently and competitively than other countries or regions. RCA is calculated as:

$$RCA_{,Country} = \frac{\frac{IRE}{RE}\times 100\%}{\frac{TIRE}{TRE}\times 100\%}$$

Where:
IRE=industrial robot export of a country;
RE= total export of a country;
TIRE=total industrial robot export of the EU;
TRE=total export of the EU.

RCA depends on several factors that contribute to a country's competitive edge in the global market. These factors include: the established robotics industry, cost efficiency, market access & trade policies, market diversity & specialization, innovation & collaboration and focus on quality & reliability.

Comparing the RCA of EU-27 on industrial robots and robotic appliance exports for the years 2010 and 2021, it is found that RCA has increased by 23.72%. This indicates that a comparative advantage exists for Europe and a number of European nations have become major players in the international trade of industrial robots.

The European industry has been significantly impacted by robotization and advanced automation which changed how work is done, enhanced efficiency in the utilization of resources, cut down wastes, and uses less energy, resulting in more environmentally friendly production methods.

I believe that industrial robotization in Europe will continue to accelerate thanks to programs like the European Green Deal and the European Digital Strategy, which boost highly advanced and environmentally friendly enterprises.

NAVIGATING THE PAYMENT PROCESS MAZE: UNRAVELING MODERN CHALLENGES AND SOLUTIONS

BY ANGELINA LOBANOVA

INTRODUCTION

The role of e-businesses in propelling the global economy cannot be overemphasized. As more and more businesses shift their operations online, payment processing models have become an essential component of e-commerce transactions. Therefore, an analysis of payment processing models in e-business is essential to understand how businesses can improve revenue and retain customers. Payment processing models are evolving rapidly due to advancements in technology and changing consumer demands. E-businesses must stay ahead of these changes by adopting new payment methods that align with their customer needs while ensuring secure transactions.

Understanding the significance of different payment processing models employed by e-businesses is vital for organizations that seek long-term financial success. By evaluating these factors closely through proper research methodology, business owners can make informed decisions about which payment methods they should implement to maximize profits while retaining customers' trust.

CURRENT PAYMENT ISSUES

The world of e-commerce has revolutionized the way businesses operate, and one of its most critical aspects is payment processing. According to the "Analysis on online payment systems of E-Commerce", understanding the various payment processing models and their impact on businesses is crucial (Yang, 2017). Having reliable online payment systems is important because they play a vital role in building customer trust and loyalty. There exist different types of online payment options. Each model comes with unique features catering to specific needs depending on the nature of one's business. Regardless of which model a company chooses when implementing its payments system it should keep customers' trust and financial standing in mind. To ensure competitiveness while still maintaining security standards regarding sensitive data provided by customers, enterprises could provide diverse options in terms of payment processing models or use partners with reputable third-party service providers such as PayPal, Stripe or Square.

In today's fast-paced world, one major benefit of using electronic payments is that it provides significant cost savings on paper-based payments (Fatonah, Yulandari, & Wibowo, 2018). By reducing the need for physical currency or checks, companies can save on printing costs associated with producing checks or bills. Moreover, elimination of paper-based transactions reduces document handling errors which saves time and resources that would otherwise be used to rectify mistakes made during manual transactions. On the other hand, traditional payment processing methods offer a greater sense of security for both consumers and merchants alike.

As the world economy becomes increasingly digitized, payment processing models have become an essential pillar of business operations. However, with this increased reliance on electronic transactions comes a heightened risk for fraud and security breaches. In response to these dangers, companies must prioritize the implementation of robust security measures in their payment processing systems. As Chiodo et al. (2020) stated: "Security measures are crucial in payment processing models to prevent fraud". One common method is two-factor authentication - requiring users to provide two forms of identification before accessing an account - to add additional layers of protection against unauthorized access attempts. Additionally, implementing encryption technology can safeguard customer data by rendering it unreadable should it fall into the wrong hands. However, even with these protective measures in place, there is always some degree of risk involved when conducting online payments. Therefore, companies must also establish protocols for responding quickly and effectively in case of any suspected fraudulent activity. By prioritizing both proactive prevention strategies and reactive responses to threats as they arise, organizations will be better equipped to maintain secure payment processing models while simultaneously protecting their customers' financial information from theft or misuse.

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CHARACTERISTICS OF THE MOST POPULAR ONLINE PAYMENT MODELS TODAY

Payment processing models are essential for businesses that conduct transactions online. There are various models available for payment processing, each with its own advantages and disadvantages. In this analysis, I will discuss the different payment processing models, how they work, and their pros and cons.

1. DIRECT PAYMENT MODEL/ MERCHANT ACCOUNT:

In this model, merchants set up their own payment processing infrastructure, allowing customers to make payments directly to their merchant accounts. While ensuring direct control over the payment process, this method can be costly to maintain and requires taking action to preserve privacy and security.

2. PAYMENT GATEWAY MODEL:

Payment gateways act as intermediaries between sellers and financial institutions, securely transmitting payment data and authorizing transactions. Despite the simplified integration and improved security feature, additional transaction fees are possible with the payment gateway and delays in accessing funds.

3. PAYMENT AGGREGATOR MODEL:

Payment aggregators consolidate payments from multiple merchants, allowing businesses to accept payments without creating separate merchant accounts, but they may face problems such as delayed payments, freezing of funds, or account closure.

4. WALLET MODEL:

Wallets are digital platforms that store payment information, allowing users to conveniently make payments using the payment methods they have saved. Wallet payments can provide a fast transaction processing time. However, strong security measures must be implemented in wallets, including encryption, multi-factor authentication, and secure key management.

5. SUBSCRIPTION PAYMENT MODEL:

This model assumes periodic payments for subscription-based services or products, which are usually charged at regular intervals. So far, this processing model is a convenient and predictable revenue stream, but it is worth remembering that there may also be difficulties in processing refund requests and managing subscription cancellations and difficulties in processing periodic payments and ensuring uninterrupted billing to customers.

6. MOBILE PAYMENT MODEL / QR-CODE / NFC TERMINALS:

Mobile payment models use mobile devices, QR codes or NFC terminals to make contactless payments. This method increases security through tokenization and biometric authentication. However, implementation and compatibility can be obstacles for mobile payment models, as not all devices or merchants can support the required technology. Connectivity issues and potential risks associated with QR code or NFC forgery are also a concern.

7. DIRECT CARRIER BILLING (DCB) PAYMENT MODEL:

DCB allows users to debit funds for purchases directly from a mobile phone account, making it easier to pay for digital goods and services. It is worth remembering that DCB may face restrictions in transaction amounts, the lack of universal support for all operators, as well as difficulties in resolving disputes and customer support.

8. CRYPTOCURRENCY PAYMENT MODEL:

Payments in cryptocurrency involve the use of digital currencies, such as Bitcoin or Ethereum, to ensure the security of transactions and independence from traditional financial systems. Cryptocurrencies have inherent privacy functions through the use of cryptographic methods. But cryptocurrency payments can face challenges such as price volatility, limited acceptance among sellers, scalability issues, and potential regulatory hurdles. There may also be concerns about the security of the wallet and the risk of losing access to funds.

To conclude, payment processing models have evolved to cater to the changing needs of merchants and consumers. Traditional, mobile, and cryptocurrency payment processing models have their unique features, advantages, and challenges. The choice of payment processing model depends on the transaction volume, security requirements, costs, and acceptance by stakeholders.

CONCLUSION

Payment processing models play a crucial role in the success of e-businesses. The choice of payment processing model can have significant implications for both revenue and customer retention. According to the “White Paper Addressing E-Payment Challenges in Global E-Commerce" (World Economic Forum, 2018), the widespread adoption of e-payments has facilitated seamless transactions, making it easier for businesses to access customers from all over the world.

An effective payment processing model is integral to success in e-commerce today. By staying abreast of new technologies and trends while keeping customer convenience top-of-mind, businesses can create an ideal shopping experience for consumers while simultaneously driving sales growth over time. Thus, choosing the right method goes beyond just facilitating transactions; it truly shapes every aspect of your online business's operations.

We are pleased to introduce you three new members of the team

ROBERTA LASOCHA

Sono del 2002 e studio economia e commercio. Sono bilingue parlo italiano e polacco. Mi piace vedere il mondo attraverso una lente creativa e trovare ispirazione ovunque.
Sono appassionata di viaggi e ho il desiderio di esplorare molti luoghi , scoprire culture diverse e scoprire quant è bello il mondo fuori. Sogno di diventare una marketing manager, far parte di un team e implementare strategie innovative per far crescere i marchi.

REBECA CAVALCANTE DE SOUSA

Mi chiamo rebeca, sono una studentessa brasiliana iscritta al corso di economia e commercio. Mi sono trasferita qui all'età di 16 anni quando ho iniziato a sviluppare la passione per la musica e la lettura. Questi hobby mi hanno insegnato la pazienza e a sviluppare meglio la creatività. Credo che questo corso di studi sia molto adatto a me dato che sono una persona molto curiosa di natura e sono anche convinta che capire come funziona l'economia significa essere consapevoli di ciò che succede nella nostra realtà.

MARTINA FILOSA

Sono Martina, ho 23 anni e sono una studentessa del corso di Laurea in Economia e Commercio iscritta al terzo anno. È da quando sono piccola che ho la passione per il disegno. Oltre al disegno, adoro trascorrere il tempo con i miei amici, viaggiare e ascoltare musica. In tutto ciò lo studio dell'economia è stato la realizzazione di un desiderio che da sempre mi ha appassionato e interessato, poiché credo che al giorno d'oggi capire i fenomeni economici voglia dire comprendere cosa accade nel mondo.

THE CLEC MAGAZINE TEAM

#9th issue

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