

Payment Gateway with Accepting Credit Cards Online

An often overlooked and under analyzed segment of building your eCommerce business is the backend processing of your orders. Entrepreneurs invest lots of money and time into making sure their site design is just right, but often gloss right over their order processing systems. Invest a fractional of your time spent in making design tweaks into choosing the right payment gateway, merchant processor, and bank account, and you will save yourself a lot of money!

Payment Gateways

Quite simply, a payment gateway is the system used to transmit your customer's payment information from your secure website to your secure merchant processor. Think of it as the terminal that collects, encrypts, and securely transmits the data to your merchant account. There are many different services to choose from when picking your payment gateway, although, it is important to know that the gateway you choose must be compatible with your eCommerce solution. PLEASE be sure to get a list of the different gateways your eCommerce solution accepts, and contact each one to learn of their rates and service offerings.

All-In-One (Payment Gateway and Merchant Processor)

PayPal (and other bundled solutions) offer an all-in-one service where you get the payment gateway and the merchant processor together. The advantage here is that you do not have to manage two separate accounts. Rates, however are usually on the higher end of the spectrum.

For example, one of PayPal's services boasts a flat rate (for national sales) based upon your sales volume. The more you sell, the less they charge you to process the transaction. The benefit here is that regardless of which credit card is used (MasterCard, Visa, Discover, or the dreaded American Express), or whether the card is qualified, you get charged the same flat rate. This is unique to PayPal and other all-in-on services.

Merchant Processors

The payment gateway transmits the encrypted billing data to your merchant processor who is then responsible for routing this data to the credit card network. The credit card network verifies that your customer's credit card is valid/has enough funds to cover the transaction, then notifies the payment gateway, which then communicates with your eCommerce solution. If the transaction is approved, then the merchant processor will transmit your settled orders to your bank account (sometimes this requires a manual process).

What to Know

Payment Gateway's - when choosing a payment gateway verify and review the following:

Gateway Setup Fee - many payment gateways will require an initial payment to configure your gateway.

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When reviewing this data make sure that you understand all the fee's and requirements. Authorize.net had a package for high volume sites where they charged \$50 a month, but provided 2,000 free transactions plus .07 per transaction thereafter. Added up over time, you can save thousands of dollars per year!

Services like PayPal charge a flat percentage of the transaction (usually around 2.9% depending on volume), plus the per transaction fee. Most merchant processors charge in the range of 2.2% - 2.65%.

About the Author

Awebdesk is the only membership software to accept internet banking/debit card payments via [EBS Payment Gateway](#). Awebdesk [shopping cart with ccavenue](#) and [shopping cart software](#) integrated subscription software is a single time integration process for future upgrades.