MERCHANT PAYMENTS ACCEPTANCE CORP

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Payment Processing 101 for the Success of Your eCommerce Business

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Whether or not your eCommerce company is considered high-risk, it can seem impossible to find a payment processing company that is secure, reliable, and able to uniquely cater to YOUR business model's needs.

Where do you even start? Well, as they say "knowledge is power," so that should be where you get started first, with equipping your eCommerce business toolbelt with the terms and techniques that are involved with payment processing.

If your business vertical is considered to be high-risk, the stark reality is that getting payment processing and high risk merchant solutions for your business is going to be harder than it would be for most, but not as difficult as it might appear.

The important thing is taking the steps to better your chances before you begin and work with a company that specializes in providing payment processing to high risk and low risk merchants, alike.

These tips may help you to get approved for a merchant account and decrease your overall costs, whether your payment processing method is to take credit cards online, use a credit card machine, or both.

When looking for the best of the best when it comes to payment processing, as it turns out, PayKings are a pretty strong contender in the high risk merchant provider game.

Here, we've done all the work to set you up with these helpful tips, tricks, and insight for getting your eCommerce business on the road to payment processing and accepting debit and credit cards online.

If you come across any questions regarding this information on payment processing, please feel free to give us a call (888) 255-9782 or shoot us an email info@paykings.com - we're more than happy to help you out and answer any questions you might have.

Top 5 Most Useful Tips for Successful Payment Processing

#1. Be Upfront With the Processor

Do not make the mistake of trying to lie or misrepresent your company when applying for merchant services. If you do not fully disclose the products or services you offer, the credit card processing company will find out anyway.

Your merchant account will likely be closed without notice and your company and revenue flow is going to be disrupted. If you are honest and utilize a reliable payment processing company from the start, it is absolutely possible to qualify for merchant account solutions.

Remember: getting a high-risk merchant account is not a bad thing; it just simply means that the payment processor knows the risks connected with your business and is ready for specific issues such as higher-than-average chargebacks.

#2. Provide Past History

In case you have had a merchant account before, give your previous processing history when applying for a new merchant account. This will permit the payment processing company to assess your history and make an informed choice. Even if you have been denied service or dropped from an aggregate previously, you can still find a payment processor who'll work with you and your specific needs.

#3. Renegotiate Afterwards

If your organization is new, you will probably have a more restrictive account with higher terms because you do not have any history. You're able to renegotiate your reserves, rates, and other terms along with your processor within a few months once you have enough background to review.

#4. Manage Chargebacks

A top chargeback ratio is one of the most common reasons for a high-risk merchant to have their accounts closed. The good news is that there are several actions you can take to stop chargebacks and address them before they become a problem. It is possible to keep your chargeback ratio reduced by:

Making your refund policy clear on your website and receipts. Make sure you have clients contact you directly if they're unsatisfied rather than contacting their credit card issuer. A crystal clear refund policy may also help you win invalid disputes.

Look for red flags that indicate fraud. You will require documents that a hacker or thief is unlikely to have, such as the card CVV and spoken confirmation to be sure the billing address matches the card issuer's supplied contact details.

Use a chargeback alarm system to alert you to chargebacks. This will give you 3 days to issue a full refund before the chargeback has been initiated.

Send follow-up emails or a confirmation phone call after sales to confirm that the customer is happy.

#5. Select the Ideal Payment Processor

There are many options for high risk merchants today, however they aren't equal. Just because your business is considered less than secure does not necessarily mean you can't qualify for excellent customer service and superior payment processing support.

Make sure that you choose the right processor, like PayKings, by selecting a business that handles PCI compliance without cancellation fees and costly term commitments. A high-quality processor will guarantee not to boost your markup rate afterwards.

PayKings knows how important card processing can be to the success of your business. Regardless of which kind of business you run, your volume, or your past calculating history, we provide top-rated high risk merchant account services and payment processing solutions to truly help your business thrive and grow.

Understanding the Procedure, Key Terms, Fee Arrangements, and Other Basics

Accepting online payments as a direct response company is attractive for several reasons, but if you are a new small business owner with no prior payment processing history, finding the proper payment processor for you may seem like an intimidating experience.

Let us take you through the fundamentals of all that you will need to know and understand about payment processing as far as the obligations of the ecosystem, the known rates and fees, and locating the right payment processing company for your business.

The Payments Ecosystem

When making a payment, you simply swipe your credit card to pay… it's like magic right? In the world of cellular and with other innovative payments technologies coming out daily, it's easy to believe that nothing else goes into it. However, payment processing is composed of an entire ecosystem.

Merchant — A retailer is a business, such as you, that sells goods and services to customers. The merchant has a contract with an acquiring bank or merchant processor to take card payments via a merchant account.

Gateway – A payment gateway offers merchants services to accept online payments with credit cards, debit cards, direct debit, bank transfers and real-time bank transfers via your merchant account.

Risk Control — Payments firms work to safeguard your business with risk management tools and services. These tools include security against chargebacks, that's the alteration of a sales transaction formerly processed by your company; help using PCI compliance and tokenization, which is when credit card numbers are replaced with a randomly generated series of numbers and letters known as tokens, which can't be used to create fraudulent purchases.

Processing – Payment processing can be placed on the processing of any sort of payment, also it has rules and regulations put from the payment systems. It's the online procedure for the exchange of data and funds between the customer, credit card, merchant, the payment service provider and the acquiring bank.

Obtaining – An acquiring bank is an alternative to your payment bureau. An acquiring bank is tied to the merchant/business, and enables retailers to accept payments online through their online merchant account and support services. When a customer purchases something, the funds have been deposited to the merchant's bank accounts, which can be held by the acquiring bank. They aren't the card issuer, which can be tied to the consumer.

Charge Card Institutions or Payment Networks — This term identifies the four major card brands, Visa, MasterCard, American Express and Discover. These networks regulate card acceptance rules for example processing compliance demands and interchange for their member financial institutions.

Issuer –A card issuer is a bank or financial institution that issues credit cards to consumers on behalf of the card associations (payment networks).

Client — A customer uses a credit card, obtained in the issuer to purchase a service or product.

To comprehend how the ecosystem fits and flows collectively, Paysafe has produced an infographic that explains the series of events involved with online payments.

Times are Changing - Payment Processing Must Change With It

In this highly digital, online for everything, technologically advanced world we live in, it's mind-boggling that there are still some companies that do not accept credit cards as a method of payment. Why is this? How are these businesses successful? The biggest complaint is the fees that merchants have to pay for credit card processing and many of them don't want to cover those costs.

However, as we head further into 2018, as far as payment processing goes this is no longer a good business practice. It's crucial, now more than ever, that businesses are available to credit card processing since so much revenue can be obtained through it. Businesses that don't accept credit cards are hindering their development, long-term growth financially, and their competitive edge.

Here are a few of the primary reasons why accepting credit cards as a form of payment processing is so very important for both online driven businesses and brick and mortars alike:

More People than Ever are Using Credit Cards

By 2025, the millennial generation (those born between 1981 and 2005) will make up over 75% of the workforce. Why does this matter? Well, they're currently earning more money, which means that they're spending more as well. How millennials invest their money and the ways they pay for products and services are hugely important.

It's vital for the longevity of your business that companies like yours have the ability to process the kinds of payments that millennials prefer to utilize, which is typically not writing checks or carrying around large sums of cash, for the most part, the preferred payment method is by credit card. Eighty percent of millennials have a minimum of one credit card, and 27 percent of millennials have said that more than half of the disposable income is spent using a charge card.

That is a great deal of credit card processing, as well as many missed sales and chances for your business to capitalize if you do not accept credit cards as a form of processing payments.

Online Stores

The majority of millennials do a lot of online shopping since it's preferable for them to be able to shop anytime they want and wherever they want. Online shops use credit cards as their primary source of payment processing (although other options, like gift cards, can also be available) because accepting debit and credit cards is the easiest payment processing option.

It is more than safe to say that the development of online shopping will only continue to increase. It is estimated that, by 2019, that online shoppers will likely be spending a whopping $39 billion, and credit card payment processing is the only way into this market. For this reason alone, it is critical that credit card processing can be obtained by merchants and that the processing fees are manageable for any given business. For those merchants that are considered to be high risk, PayKings offers payment processing for your online business, even when you have been declined everywhere else. Online shopping is here to stay, and merchants should be engaging with this shopping strategy of online purchasing to remain competitive.

Providing Options

Everyone likes to have choices. Your business accepting credit cards provides customers with the ability to choose the way they want to pay. Being given the option to pick their method of processing their payment can boost customer loyalty. In this way you have not only given your customer the ability to choose, you have given them an easier way to pay – an option that is secure and cost-effective for them. All these factors conjure up brand loyalty.

A customer who can not pay with their preferred way of payment, whether that be by debit or credit card, Visa or American Express, a customer is more likely to stop buying with you if they don't have the freedom to choose their preferred payment method – especially if your competitors are making it that much easier for them to shop elsewhere.

Credit card payment processing is a crucial part of succeeding in 2018 (and in the years moving forward) for any business, and the rise of the millennial generation has a heavy hand in that. Because millennials like to use credit cards to pay, particularly when they have cards that give them cash back, this propels the growth of credit cards payments and online shopping. The ease of online shopping has prompted many individuals to get at least a minimum of one credit card – which just having it ensures that they use it often.

If your company is unable to process credit cards as a form of payment, then you are missing out on a huge slice of the revenue pie, and allowing for your competition to gobble up your portion. If your business is considered high risk, your options for credit card processing become more limited and you'll need to apply for a high risk merchant account. Applying is relatively easy to do, once you narrow down a reliable and knowledgeable payment processing company – that said, you can get started with a quick and free quote with PayKings by clicking here.

Recognizing Rates & Fees

What exactly are the payment processing fees all about?

Payment processing charges are necessary because, as with any technology-heavy business, development and maintenance are costly. But, with all the millions of transactions worldwide, the impact on any one merchant is included.

What's interchange?

Interchange fees are transaction fees that the merchant's bank account must pay each time a customer employs a credit/debit card to create a purchase from their shop. Interchange contributes to the most significant portion of the credit card processing expense. The charges are paid to the card-issuing lender to pay handling costs, fraud and bad debt expenses and the risk involved with approving the payment. Interchange fees are also sometimes called Dues and Assessments. These are determined by the payment networks and are usually just passed along to the customer without any additional fees.

What's a processor fee?

A chip fee is charged by the payment processing company for its services. The charges can be computed in a variety of ways. Some payment processors using their own gateways have the choice of never charging a gateway fee to their client. It's not uncommon for chips to charge unique fees for services like NSF, Chargebacks and Address Verification to list a couple.

Finding the Right Processor for your Business

To find the right payment processor for the own business you need to discover the one that fits your needs and covers all parts of the payment processing value chain.

The capability to accept card-not-present (CNP) payments and other electronic transactions is essential for your direct response company. What's more, it is important to find a chip with strong banking connections with a number of banks so as to find the best bank for your company. And last but not least, it is vital to start looking for a payment processor that may truly be your spouse and provide the ideal support and advice, in addition to the infrastructure for growth.

The support for expansion is determined by the advanced products and services that a payment processor can offer. If they don't have a market- leading product offering that can be tailored to your requirements, then maybe they aren't the processor for you. Crucial products needed to process for direct response companies are: national and international omnichannel payment gateway and virtual terminal solutions that can process through the internet, phone, mail order/telephone order (MOTO), cellular, in-app, and in stores or on the move, and can easily be customized to integrate with any existing system.

If you find a payment processor that successfully meets all of the requirements in the payments value chain, then you might have found a winner.

High Risk Payments

Imagine with us, if you will, you are researching the next best industry to maximize your profits and fatten your wallet. During your probe, you come across something that causes you to pause. You discover that the industry deals in “high risk payments.”

Is this really something that should cause you to turn tail and run, especially if the industry is booming? Well, let’s explore what high risk, high risk merchant accounts, high risk payments, and high risk payment processors are really about.

High Risk Payments, What’s in a Name?

When acquiring banks classify a business as a high risk industry, what they are really talking about is high risk payment processing. And by payment processing, they specifically relate to debit and credit card payment processing.

With debit, credit card, and other forms of electronic payments rising in popularity and preference amongst consumers, banks become too wary of the risks associated with these high risk payments in certain industries.

High Risk Factors

There are a few factors banks and payment processors take into account before approving a business for a high risk merchant account. Here are a some of the factors that acquiring banks flag during their underwriting process.

- eCommerce Businesses: These are exclusively “card-not-present” merchants. Without a sales representative taking active measures to ensure the identity of a customer, these eCommerce business are rife with fraudulent high risk payments from debit and credit card transactions.

- Industry Regulations: These types of businesses deal with products that are under constant government scrutiny and regulations. For example, the vape industry, firearms merchants, and alcohol venders.
- Reputational Risks: Though not illegal, these industries have reputations in mainstream society as taboo or "hush-hush." Obviously the adult entertainment industry falls into this category along with vape companies, firearms, and multi level marketing models (or MLM) are just a few that frequently accept high risk payments.
- High Ticket Size Chargebacks: These businesses face higher than usual or high ticket size chargebacks compared to other industries. These businesses include travel booking businesses, high-ticket coaching, business consulting, and web design/SEO services are common in this category of high risk payment processors.
- Continuity or Recurring Billing Models: Consumers often forget about or are not aware of a continuity billing model after they have signed up for a one time service. Common industries are subscription boxes, shopping & membership clubs, background checks, and credit monitoring services.
- Bad Credit: No one is perfect, and some businesses and business owners have a history of dealing with bad luck or a down-turn of the economy. Banks rarely believe in second chances, but some payment processors, like we here at PayKings, believe in redemption.

No Risk, No Reward

As shown above, many of the highest grossing global industries can be labeled by payment processors as high risk. The vape industry alone is projected to boom to $61 billion by 2025 and the adult entertainment industry takes in billions of dollars year after year.

However, before you decide to set up your high risk business, you need to ensure you can get approved to accept debit and credit card payments through a high risk merchant account. Where many banks and payment processors like PayPal decline you due to high risk, the payment processing experts at PayKings have relationships with 20+ acquiring banks and know the ins and outs of high risk industries and will work our hardest to get your high risk merchant account approved at the best rates.

Payment Gateway Integrations and How It Works

Making a purchase online is no longer an innovative thing. It is now natural for most consumers, but none of that might have been possible without payment gateway integration which makes it works. How does it function?

Each eCommerce website which enables users to make purchases has a payment gateway. This instantly brings to mind companies like PayPal, but that is merely a payment gateway service provider. There are multiple online payment providers, such as Apple Pay, WePay, Stripe, and Square to name a few.

In general, all payment gateway integrations can be classified in four different ways:

- Simple checkout method
- Post method
- Server integration procedure
- Advanced integration procedure

The simple checkout technique is an external support and the user is directed to some other site, such as PayPal, to create the transaction.

This is the simplest way of integrating payment gateways into a website, but it will imply the customer has to leave the website, which might be considered a hassle, particularly if there are connection issues. This can lead to lots of dropouts.

Direct post method retains the trade on your site but sends the customer information into the secure gateway and the trade is handled there. Client data isn't handled on your site, much like the payment gateway is handled through PayKings. This allows branding to be kept and clients to stay on your site.

Server integration method, also known as SIM, provides the choice of managing transactions on your website, however a payment gateway service provider actually processes it. Each of the forms are on a single website, which aids branding, and clients are not aware that someone is managing the transaction. But this implies that security will require a boost since it manages customer data. You would also need to be PCI compliant or have an SSL certificate.

Advanced Integration Method (AIM) is like but you have complete control over transactions. Additionally, links to the payment gateway only need to be made once. SSL certificates are needed.

Payment gateway integration is a tricky issue. It completely depends on the character of the website, and of the client, to which kind of integration to utilize. However, there are surely plenty of options, but when your business occupies a high risk vertical, getting approval for a high risk merchant account from the popular payment gateway service providers and payment processors can be difficult.

If you’ve experienced issues with your business’ payment gateway integration or getting approved for a merchant account, PayKings can help.

Visit our homepage www.paykings.com to apply for a free quote or call us at 1-888-255-9782.