

Intro to Ecommerce

Online payment processing made easy



BNP



Introduction

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- 👉 How does online payment processing work?
- 👉 How do I know what my ecommerce needs are?
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- 👉 5 key steps when choosing an ecommerce provider
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You're ready to make an important move and launch an ecommerce website. Awesome! You're looking to increase sales, reach new shoppers, and create a more engaging customer experience.

Building your ecommerce site can be a daunting task – one which can easily become overwhelming. This is especially true when it comes to payment processing. We're here to help.

What is ecommerce?



Consumers no longer want to deal with lineups, congregations of shoppers, and busy shopping centre hallways when they can easily shop from the comfort of their own home or office. It's no surprise selling online has now become a necessity in business.

Ecommerce is a term for any type of company that involves the transfer of information or sale of product through an online store. Ecommerce covers a wide range of businesses from retail sites, music sites, and services sites, as well as all those in between.

Any business that wants to sell a service or product by accepting payments through its website or online store is part of the ecommerce world.

How does online payment processing work?

Many online merchants have questions about online payment processing. They know their customers want to buy online, but in many cases, they're just not sure how processing works or how they can accept these payments.

Setting up processing

The first step in online credit card processing is setting up the system. Most merchants will partner with a provider. If you have a brick-and-mortar store, you may already work with a payment processing provider, so you might consider working with them for your online store, too.

If you're not already working with a payment processing provider, however, you'll want to do some research and find the right fit for your business. There are many options, but choose wisely: The right partner will help your business, but a bad partner could create problems!



Gateway providers

One of the most confusing things about online credit card processing is the existence of gateway providers. Merchants sometimes stumble on this point: They're not sure if they already have a gateway, if their payment provider has given them one, or if they need to purchase one from someone else. Some people even think the gateway's all they need.

If you're working with a payment processing provider, chances are you'll purchase both the gateway and the payment processing service from them. In some cases, you might opt to purchase the gateway from another service provider. You do need both, however.

The payment gateway connects your online store or website to your merchant account and enables you to process online payments. The gateway checks the validity of the payment, determines the customer's issuing bank, encrypts the card numbers, and tells your bank to initiate a funds transfer.

The finer details

Now you've set up your payment processing and your gateway. What happens when a customer makes a purchase?

Much like when someone makes a credit card purchase in a physical store, the card information is processed once it's entered in your online store. The information is routed through the gateway, and a request is made to the card issuer. This electronic request for funds triggers the card company to review the customer's account and the details of the transaction. If the customer has enough credit, and the transaction doesn't look suspicious, it'll be cleared.

Once the request is cleared, the funds are transferred. They'll be sent first to your payment processing provider, who then routes the money into your merchant account.

What about security?

Security is a major concern for consumers, merchants, payment processing providers, and credit card companies alike. You should always review the security measures your payment processing provider offers. When it comes to online payment processing, there's no such thing as too much security.

You should also inquire about the protections your provider offers in the event your store is targeted by fraud. Chargebacks are an online merchant's worst nightmare, as the credit card company withdraws previously transferred funds from your account. If you're hit with a rash of false transactions, your account could default. A good provider will take steps to keep your account from defaulting.

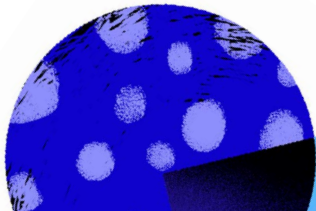
How do I know what my ecommerce needs are?

How do you go about finding the right ecommerce solution for your business? How do you choose a provider, figure out what you are looking for, and determine what kinds of questions you need to ask to differentiate among the many solutions that are available?

Which solution will meet your needs: a pre-packaged solution or a more complex fully integrated solution for your website and online store?

Understanding the needs of your online store is the initial hurdle you'll need to overcome.

To get started, think about your customers: Who is buying from you, and what do you want to offer them? Some customers will appreciate mobile solutions, while others may decide they want more payment options. Still others will want you to offer instant financing, and some will want you to consider better security. For the most part, ecommerce can be broken down into two types: Fully integrated solution and hosted pay page.





Fully integrated solution

This solution is ideal for online retail stores, music stores, and pretty much anything that has a large catalogue of products and services. Having an integrated solution means your website has an SSL certification, is fully secure to accept credit cards and alternative payments, and is PCI compliant.

You will have a shopping cart and checkout that are built right into the development of your website. All transactions and shopping experiences will be completed on your website, through your shopping cart, which is tied to the payment gateway of your payment processor. This makes up your ecommerce solution.

The fully integrated solution is much more customizable in terms of being able to design and tailor the shopping experience you're presenting to your customers. You will be able to tailor the shopping cart setup and design, manage content, and use web analytics. You will be able to tie in other applications to your website through a fully integrated solution, and all transactions will be completed on your website through your merchant ID.

This option isn't for everyone, and it does require web development skills to set up the payment gateway and shopping cart solution for your website. This solution is recommended for online businesses with specific and customized needs and a large catalogue.

Hosted pay page

This solution is ideal if you have a smaller catalogue and want to outsource your website's PCI-compliance liabilities. A hosted pay page redirects your customers to a payment page that is hosted by your payment processor in order to conduct the checkout process.

Using a hosted pay page greatly reduces your PCI-compliance liability of accepting payments through your own hosted website. A hosted pay page is also convenient for your business; you can email invoices with a link to the pay page for the customer to pay for a service or product.

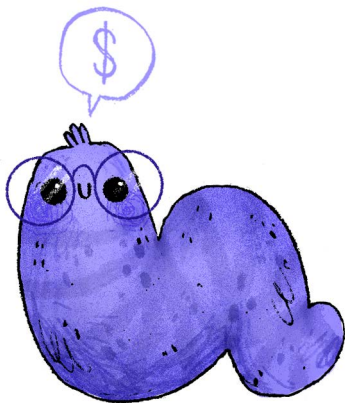
This solution also supports tokenization for secure card storage and processes all major credit cards in real time. This solution is ideal if you want to accept payments quickly and easily. It requires little to no integration to your website, and it can still be white labelled with your business colours and branding. It is a seamless transfer from your website to a secure hosted pay page.

How to find the right ecommerce provider

When choosing the right ecommerce solution, you may find yourself becoming increasingly frustrated with the number of payment processing providers, the range of ecommerce solutions that are available, and the requirements of your online store that you need to address. The problem is not the number of solutions available or the information you're receiving regarding what ecommerce solution will fit your business needs.

The issue is the inability to understand how to properly choose the right ecommerce solution among the herd. Being able to process credit cards and alternative payments through your online store quickly and securely will not only benefit the customer, which is very important, but it will also benefit you tremendously.

When customers are comfortable with your checkout experience through your ecommerce solution, the likelihood of that customer returning to your website greatly increases. At the end of the day, it's imperative to take the time to review what is important when choosing an ecommerce solution. Making the wrong choice will cause you more than just technical issues.



5 key steps to choosing the right ecommerce provider

These five key steps will help you sort out which online payment processing solution makes the cut and which ones to ignore.

1. Initial research

Conduct initial research to find payment processors that seem to meet your ecommerce requirements – or at least most of them. At this step, ask the basic questions:

- 👉 Pricing
- 👉 Contract length
- 👉 Alternative payments
- 👉 Fraud prevention
- 👉 Additional features
- 👉 Integration capabilities

Pro tip: Be open to a platform that integrates different applications. That is likely what you will end up with, rather than a single box solution.

2. Choose preliminary payment processors

Contact the most qualified payment processors directly and send them your ecommerce requirements. At this stage, customer service is key. Quick responses may not always be the best responses. Go through all the information provided and set up a call to discuss further. Try to reduce your short list to roughly three payment processors through this step.

3. Review your requirements

Reset priorities based on what is possible within the budget you have established with your three short-listed payment processors. Ensure that all the features and integration requirements fit the needs of your online store.

4. Get the final pricing breakdown

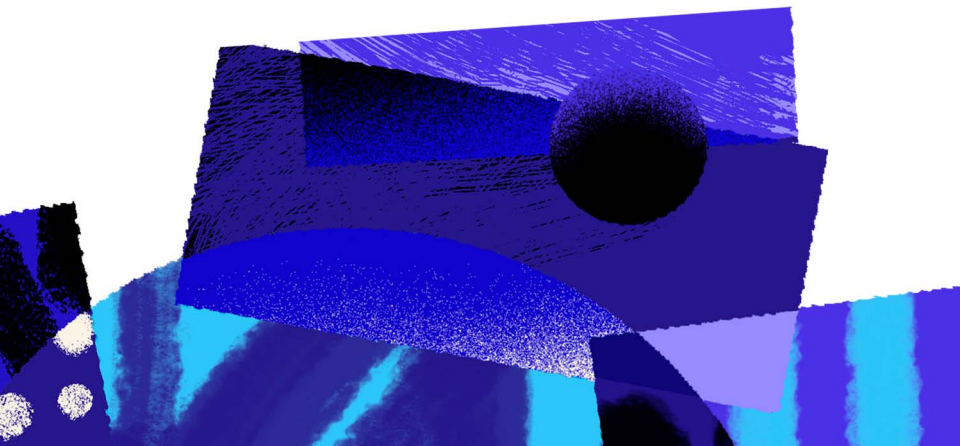
Once you've determined which ecommerce solution and payment-processing partner to choose, get a final pricing breakdown. Review all the benefits that this solution will provide to your online store. Take a look at the whole picture and then determine the value of the solution. One solution may have a more attractive price tag, but the checkout system may be too complex, or it may not feature enough security, both of which translate into losses for your business.

Pricing is not the most important factor; however, you need to know what you are going to be paying each month. Expect full disclosure from your payment-processing provider, and ensure that all the fees are outlined for you.

5. Confirm with your ecommerce solution provider

Once you have finished all this legwork, you should have a clear idea of who is willing to work with you and meet the needs of your business. Now it's time to ask the tough questions. Outlined below is a list of questions to ask your ecommerce provider. We have put these together for you to ensure that you are making the right decisions prior to signing a merchant agreement.

If you follow these steps, you will be on the right track to success with your online store, and your ecommerce solution will provide the simple, effective, and secure payment processing you require for your online business.



7 tough questions to ask your chosen ecommerce provider

As mentioned above, these questions will be the final step in choosing the right ecommerce provider for your business.

1. Do I need a fully integrated shopping cart solution or a hosted pay page?

If you're stuck between these two options, the provider will be able to give you some insights based on their experience with similar merchants in your industry with online stores. There are pros and cons to each, and you're going to need a solution as unique as your online business.

2. Will I have access to online reporting to view my transaction history and monitor chargebacks?

To make informed decisions, it's important to be able to track sales and transaction data online in real time. This will help you identify patterns in customer data, sales, and fraud, and come up with actionable recommendations.

3. Are you currently fully integrated into any shopping carts?

Shopping carts enable ecommerce transactions. They allow customers to add items to the cart as they shop, use deals, see prices, and checkout. Different shopping carts offer different

styles, designs, and features. Make sure your provider integrates with the shopping cart that fits your needs.

4. What security features do you offer? The right merchant services providers will offer you an online payment processing solution that takes the security of your business and its customers' transactions into account. Hackers and fraudsters are always a risk in online transactions. The most secure transactions via a business website have payment gateways that operate on an encrypted browser. You'll know if your ecommerce site is using a properly encrypted payment gate if the URL for the transaction page shows a lock image and begins with "HTTPS." This icon and URL acronym signal that your site is secured with a Secure Socket Layer (SSL) certificate.

5. How responsive is customer service and support?

Especially considering that your merchant services provider is introducing you to ecommerce, you'll need an ongoing troubleshooting function for your solution. There are a lot of ins and outs to becoming knowledgeable about ecommerce, and you'll feel more than a bit unmoored at the start.

You need expert help to guide you through both the set-up process and integrating your solution seamlessly into your daily operations.

Ensure that your merchant services provider is willing to offer responsive support to help you implement your ecommerce solution. After all, what's the point in having such a solution if you don't know enough about how it works to optimize your business?

6. Do you offer customization options?

The best ecommerce solutions are the ones that account for your business' unique situation. Are you a car dealership that needs an ecommerce solution that focuses on partial credit card payments? Are you a retailer that wants to broaden its scope and deal with an international customer base?

Even if you're just looking to increase the security of your transactions while increasing your revenue through an online site, in addition to having card present terminals in your store, you will likely need a custom solution.

One-size-fits-all packages don't take care of your business' individual wants and needs. Not to mention, they sometimes include services that are extraneous to your daily operations.

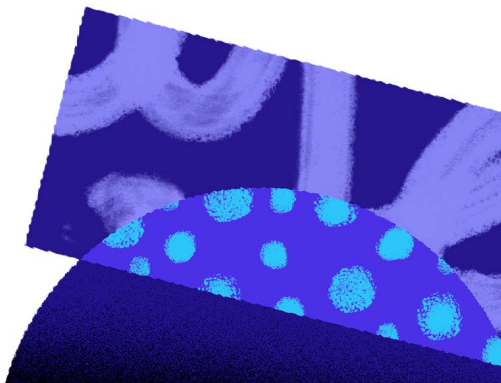
Make sure that your merchant services provider is dedicated to finding an ecommerce solution that's flexible, secure, and includes functions for troubleshooting any learning curves.

Online payments are meant to simplify the transaction process for everyone involved.

7. Do you offer alternative payment options?

Offering alternative payment options online will help you reach more customers, build brand loyalty, and increase revenue by allowing your customers to pay with their preferred payment methods.

Ideally, your provider will set you up to offer multiple currencies, multiple credit cards, cash-based options like Interac Online and Interac e-Transfers, and mobile wallets, like Google Pay and Apple Pay.



Why offering alternative payments is so important

As we've mentioned, alternative payment solutions are a boon for online businesses.

By implementing a variety of payment solutions for your online shoppers, you're effectively positioning yourself for greater success. Not only will you be able to attract and retain online shoppers and boost sales, but customer loyalty can be an added bonus.

With cart abandonment a serious issue for ecommerce businesses, offering alternative payment solutions is a good idea. From a growth perspective, meeting and exceeding shoppers' expectations makes sense.

Options, options, and more options

In today's globalized marketplace, options are highly coveted by online shoppers, many of whom would prefer to make their purchases in their own currencies or even by cryptocurrencies, such as Bitcoin.

Can your business make these options a possibility for them? While paying by plastic still reigns supreme, in addition to allowing your shoppers to pay by debit and credit cards, what other payment solutions can you offer? What about Interac e-Transfers, digital cheques, and mobile wallets?

Faster checkout

Shopping online is supposed to be a breeze — it's only fair that customers become frustrated when it's not. Sometimes, online checkouts include a hefty number of questions and fields to fill out to complete the purchase. Not only does this increase your risk of abandoned carts, but it also creates a negative customer experience that makes your users much less likely to return to your store later on.

With alternative payment solutions in place, your business will be able to help customers navigate through online checkouts much faster, more easily, and more securely. With quick and easy mobile and desktop checkouts, you can rest easy knowing your customers will have a great online shopping experience waiting for them.

Think security

Although consumers love the ease and comfort of online shopping, they're also concerned about privacy and security. That's why many shoppers avoid using their credit cards online, which are susceptible to security breaches and don't offer anonymity.

Alternative payment solutions, however, do not require the exchange of credit card information. No customer data will be on the line, enabling you to offer a safer online payment option.

We've all read about data breaches, after all, and many shoppers are concerned about risking both their security and privacy by shopping online. Giving your customers alternative payment options means they don't need to pay with their credit cards if they don't want to.

Consider the customer experience

Today's customers expect a fast, simple, and convenient buying process online. If you want them to go through the entire checkout process all the way to the final payment, you need to ensure your checkout process is simple and easy. Your provider should help with this.

Drop-off rates for online shopping are extraordinarily high. Customers using mobile devices tend to abandon their shopping carts at rates of up to 80 percent. That's a lot of lost sales!

That is why you must think about the simplicity of the ecommerce payment solutions you're considering for your business. A good ecommerce solution will provide a quick and easy way to checkout, which entices customers to buy more and buy more frequently.



Start processing payments online with BNA

When you're just starting out, online payment processing can seem overwhelming. We've got you covered. BNA has the ecommerce solutions you need to seamlessly accept all payment methods online.

At BNA, we focus on ensuring our merchants stay ahead of the tech curve, give their customers the payment options they really want, and improve the customer experience with the right payment processing solutions. Disrupting the existing payment processing industry with innovative tech is what we do.

\$30
BILLION

In transactions
processed

1st

In Canada to offer
wireless terminals and
Internet-based payments
instead of dialup

24/7

help desk and dedicated
customer-service teams

99.9%

reliable payment
processing



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