

Payment Gateway

Contributed by mat.g
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An online Internet payment gateway allows you to process credit card orders from your website in real time. This way, the customer knows immediately whether or not their credit card was approved.

A shopping cart is usually used before the payment gateway. This function allows your customers to pick and choose the various items they want to purchase from your website, including options such as size, color, etc. At checkout the shopping cart totals the items, adds tax and shipping and collects the customers shipping and billing information.

The payment gateway captures the credit card transaction, encrypts the transaction information, routes it to the credit card processor and then returns either an approval or a decline notice.

This is a seamless process and your customer does not directly interact with the payment gateway as data is forwarded to the gateway via your shopping cart and a secure connection.

There are three vital things that an online payment gateway does when a customer attempts to make a purchase from your website using a credit card or a debit check card. These include authorization, settling, and reporting.

Authorization

Any purchase made with a credit or debit card via a payment gateway must first be authorized by the credit card issuer. The payment gateway checks that the credit card is acceptable. The gateway affords you a secure link between you, your customer and your credit card processor. It also allows for fast and efficient transaction processing with an average response time of 2 seconds.

Settling

At the end of the day, the internet payment gateway groups all of your transactions together and sends them off to your bank in a single batch. This process passes the transaction to your bank so that you receive payment. This process is called settling. Once the funds settle, it normally takes two business days for you to see the funds electronically deposited into your bank account.

Reporting

This process records your transactions and allows you to view them using the payment gateway report facilities. From here you can review them, print them or download them to your computer for further processing. Some payment gateways are even compatible with Quickbooks, making accounting and reconciling a breeze.

Unlimited Users

With an Internet payment gateway, an unlimited number of users can use the gateway at the same time, unlike a terminal or software solution where only one customer can checkout at a time, or one operator can enter transactions at a time. With an Internet payment gateway, you can have multiple users entering transactions from various locations, all at the same time. In effect, you get an unlimited user license fee with a payment gateway.

Fraud Screening Tools

Internet payment gateways also offer fraud screening tools to reduce fraudulent transactions. This includes address verification and card code value (CVV) verification to ensure that the payments made via your Internet payment gateway are legitimate orders and not from fraudulent use. It also prevents fraud by storing the credit card transactions in the Internet payment gateway rather than on your website. This reduces your liability as you won't have to store any credit card information. \

Other Benefits

Payment gateways provide you with a virtual terminal, where you can manually enter transactions you receive via other methods other than your website. This is extremely useful for entering in orders you may take over the phone or through the mail.

Another benefit is that many Internet payment gateways offer you a SSL checkout page so you don't need to spend the \$150+ per year for your own secure certificate.

And good Internet payment gateways offer 24 hour email support and toll free technical support, allowing you means to get in touch with someone should the need arise.

Additional Things to Look For

When looking for an Internet payment gateway to use, there are a few key things you should look for. These include uptime of about 99.9 percent and a support team that can get the servers back online 24 hours a day, 7 days a week. Anything less is unacceptable.

Ease of use is another key factor. The payment gateway should also be easy to integrate to your site through the help of technical support and your webmaster.

Scalability is another key concern. If your Gateway provider's server can't grow with your business, you can run into future problems. Because of this, it's important to verify that your gateway provider's server can handle the growth of your business.

Make sure the gateway you choose has all the features you need and use. These may include Quickbooks integration, recurring billing, transaction upload and download, and more.