

# Internet / E-Commerce Guidelines

This section will show you what is needed to set up and support your Internet/ E-Commerce Merchant Accounts.



## OVERVIEW

The e-commerce market is one of the most promising and profitable retail segments. With an online spend of well over \$100 billion in 2006, forecasts suggest that numbers will continue to rise to the trillion-dollar mark by 2012. This represents a considerable opportunity for ISOs and sales agents who have never before had the tools necessary to take advantage of such unprecedented growth.

Merchant Service Group's expert Internet team has put together a suite of Internet commerce solutions built to help you capture the rewards offered by e-commerce. Our products and services are easy to sell and set up, but you will need to familiarize yourself with how e-commerce payment systems work. Your merchants will have questions, and by being able to answer them, you will instill confidence in the solution you are providing.

## WHY E-COMMERCE?

If the above statistics aren't enough, there are a host of other reasons why your merchants should have e-commerce capability. Internet commerce enables merchants to reach a whole new range of customers and sell to them at any time and from anywhere. Since the Internet is always open, so is your merchant's online store, which means greater opportunity to significantly increase revenue streams.

Making sales and accepting online payments is easy, flexible and comes at little cost to the merchant. With e-commerce, there is no overhead, no credit card terminals, no cumbersome paper adjustments and corrections, and considerably less manual tracking. Merchant Service Group's e-commerce solution allows merchants to administer their online accounts anytime, anywhere.

## HOW E-COMMERCE WORKS

The process of accepting a credit card payment through the Internet can at first seem rather confusing; but in fact, it is very simple. Your merchant will need two accounts: a regular bank account and an Internet merchant account. Understanding the difference between these two accounts and the roles they play in the transaction is key. The Internet merchant account is where transactions are processed, but the merchant's regular bank account is where all revenue from those transactions will be transferred to at the end of each business day. Merchant Service Group specializes in setting up these Internet merchant accounts, and your customers will be glad to know that transfers between accounts are easy, safe and secure.

A third type of account involved in online transactions is a payment gateway account. This secured connection network that passes sensitive data between the internet merchant account and your bank account. Merchants should understand that this is a service account that has log-in functionality, and not a funds-holding account.

In order to make clear the role played by each of these accounts in a single transaction, it is best to walk your merchant through a typical payment processing scenario:

**Step 1.** A customer completes a purchase by "checking out" at a merchant's web store. This involves providing personal information (usually banking, checking, etc.), so this should always be done on a secure web page.

**Step 2.** The payment information entered by the shopper is compiled by the shopping cart program into a form that will be submitted to the credit card processing company.

**Step 3.** The form is sent to the credit card processor, which then confirms that it has the required information to continue to process the transaction. A request is then sent to the customer's credit card company for the funds to be transferred.

**Step 4.** Once the customer's card and account are verified, the bank or credit card company returns authorization. If the transaction is denied, a code is returned indicating the reason for denial.

#### **MERCHANT BENEFITS**

- Attract millions of customers that were previously out of reach
- Online stores stay open 24 hours, seven days a week, 365 days a year
- Lower overhead costs; no retail location, fewer employees, etc.
- All transactions are logged; streamlined accounting and bookkeeping
- Reach customers worldwide
- No credit card terminals needed
- Online transaction reporting
- Recurring or periodic payments options

#### **AGENT BENEFITS**

- Lucrative residual streams from higher processing volumes and larger profit margins
- Lower attrition levels due to agents' increased knowledge of setting up and managing accounts
- Higher profit margins
- Real-time risk management tools
- Automated security flags
- Flexible rate pricing structure

## **CHECKLIST FOR E-COMMERCE MERCHANT APPLICATIONS**

### **Documents required for E-COMMERCE (ONLINE) accounts:**

- Merchant Interchange Application
- Copy Driver license
- Copy of Business License
- Voided Check
- Processing Statements (Required if monthly volume exceed 100,000)
- Leasing Application (Required if equipment leasing)

### **APPROVAL WITHIN 24 HRS**

Comments: \_\_\_\_\_  
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**FAX TO 310-774-3935 ATTN: RELATIONSHIP MANAGER**