

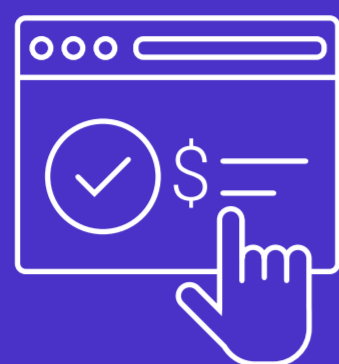
# Six Myths of Payment Processing and the Truth Behind Them



MYTH

VS

TRUTH



“Accepting payments online is enough.”

1

Accepting payments online is essential, but far from enough. To be fair, a company's eCommerce needs at startup are relatively simple and consist mainly of the ability to accept payments in the native currency or at least in one major currency, most commonly the USD. But as the business grows and looks to new markets and models for opportunities, that decision can come back to haunt, and hinder development.



“Your conversion rates will improve.”

2

Payment providers charge for access to their platform, the payment processors they are integrated with, and payment methods. In general, they make money irrespective of whether your transaction is successful, so they will not be inclined to put effort into increasing your conversion rates. You need to do that mostly on your own.



“We have the lowest rates on the market.”

3

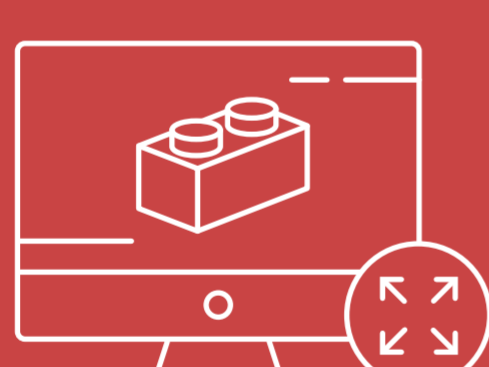
Maybe the starting, basic processing fee is low, but you need to check what other fees are added on top of that. There may be additional fees for local payment methods – which is fine - but make sure cost is transparent. Hidden fees (foreign exchange mark-up, international surcharge, chargeback fees), initial and on-going professional services fees can add up to a considerable amount. Make sure you take them all into account when you calculate your ROI.



“We help with chargeback and refunds.”

4

Payment processors make money on every chargeback and refund processed, so there's no incentive for them to manage or fight for these on your behalf, at the longer term cost of your business. Check out the small print – charging for these may be fair in some situations, but it's also fair for you to have transparency on costs and to know your best interests are protected.



“We provide scalability.”

5

Very often with payment processors, in order to have true scalability, you have to implement partner offerings (which means other contracts, more fees, additional risk evaluation, integration time and costs, etc.) to complete the framework needed for your commerce functionality and – in other words – to help your business grow.



“We offer more than subscription payments.”

6

Most payment processors today support recurring transactions. Sometimes, they support recurring online payments via a wallet or via a third party partnership, which means another implementation, another contract to sign, etc., but they do support recurring payments. However, there are many tools that you can employ today that help increase authorization rates for renewals, which some providers may not have off-the-shelf, or they have through additional integrations.



It's time you learn the truth. What's next?

Selling digital goods and services to a global audience needs a combination of smarter payments, eCommerce, and distribution. Check out our Go Beyond Payments eBook to learn more about the requirements for digital commerce and the strategy you need to adopt to get this right.

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