



The Role of a Strong Payment Gateway in eCommerce

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We love movies ...















So what's the best part of a movie?





And the climax in an online sales process is?



Why a Payment Gateway?

- When it comes to running online business, the most important question is ...

“How will my customer pay me?”

- If you don't have an answer to that question, then you may as well as pack up and go home.
- All the hard work of building your online enterprise will be in vain...

So how to choose a good payment gateway?

1. Payment Options:

What payment options does the PG process?




“I accept just credit cards on my website and that is good enough for me ...”

“Sure ...but be prepared to cater to a shrinking customer base.”

Why ?



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- Indians are uncomfortable about owing money!
 - So `non-credit' based payment options are popular
 - Any safe method of debiting the bank account directly is welcome ... Debit Cards/ Net Banking etc
 - New payment options like Cash Cards, Phone Payments are growing exponentially.

So when the choice of payment options are in a state of flux... which payment gateway to choose?

Simple ... do what millions of Indians do ...



Choose the payment gateway that gives customers the full Thali!



It has something for everyone ...

Choose the payment gateway that gives customers the full Thali!



It has something for everyone ...

Choose the payment gateway that gives customers the full Thali!

A strong PG will provide the merchant with a wide array of payment options so that no transaction is lost because the customer doesn't hold a suitable payment option.

So how to choose a good payment gateway?

2. Transaction Enhancing Tools:

Does the PG reflect the ground realities of doing business online?

Do it provide the merchant with features that will expand the scope of his business?

Say hello to my force multipliers



An array of simple tools to solve real eCommerce problems

A strong PG will provide an array of transaction enhancing tools so that the merchant can expand the scope of his online business.

So how to choose a good payment gateway?

3. Risk Management & Fraud Protection:

How well is the merchant protected by the PG company's risk management teams?

Do they have the right processes, tools and the experience?

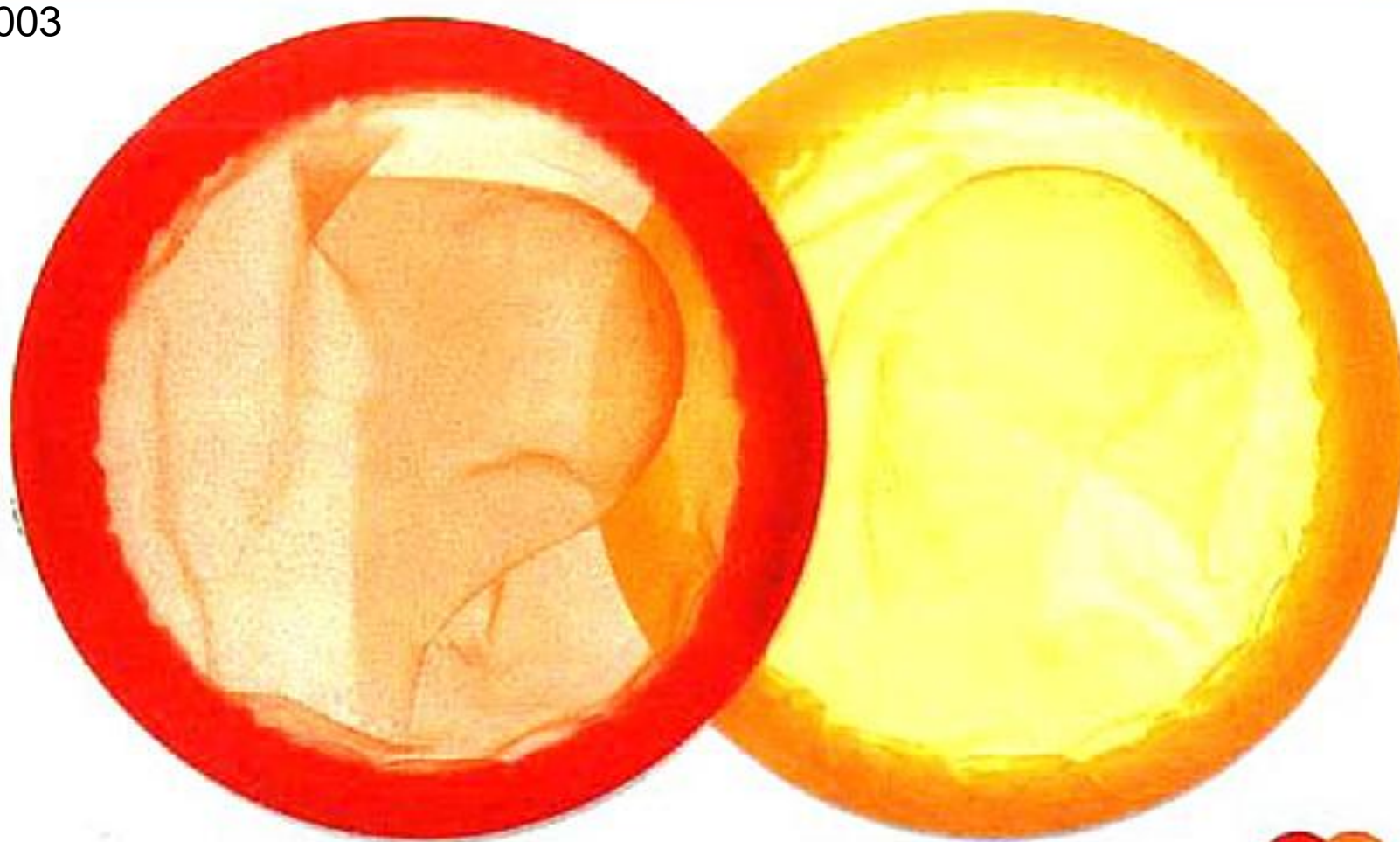
Do they charge the merchant for these services?

Never meant for online use ...

- Credit cards as they are now were never meant for online use.
- Two factor authentication was almost useless.
- Merchants have lost crores due to credit card fraud.
- Banks have been dilly dallying about implementing the new third factor of authentication: VBV, MSC and AVS to offer merchants additional protection.
- RBI had to step and make it compulsory for the banks to implement it by 1st Aug 2009.

Safe, really?

2003



Safe transactions 

Accepted in 16 million places world wide.

Risk Management Processes

- Negative Database mapping
- High Risk Global IP Address Verification
- Velocity Checks
- Issuing Bank BIN number mapping
- Zip Code and Telephone Validity Checks
- Keystroke speed recording.

Risk Management Processes


- Data Security : Payment Card Industry Data Security Standards (PCI-DSS)
- VeriSign SCG enabled SSL Encryption
- McAfee Hacker Safe Daily Audit of Sites.
- Servers with Intrusion Detections and Prevention Systems

A strong PG will give risk management and fraud containment activities the due importance it deserves and work to keep up with the changing environment.

So how to choose a good payment gateway?

4. Fair Pricing:

What is the pricing structure of the payment gateway?
Do they have a flexible pricing structure that adapts to the evolving business metrics and the merchant's business model?



Some online merchants make a common but simple mistake ... one that could prove to be fatal to their online business ...

“Lower the price, better the value”



Pay Peanuts, Get ...



The Hidden Costs in a Cheap PG



Bad risk management = monetary and reputational loss

Limited payment options = you lose real customers... monetary loss as well

Poor PG software and low end hardware and people-ware = downtime of PG = monetary loss and lost customers


Bad, unresponsive, non reachable support staff at PG partner = you get ulcers handling irate customers and from suffering business loss. Remember your health is priceless.

Ground Realities for a new merchant


- Over 50 payment options in India today ... and growing.
- That many systems to integrate, manage, reconcile accounts and manage processes.
- There are huge challenges to running things perfectly.
- There is a clear need for a specialist to handle this.
- How responsive is your PG partner to tackle these challenges.
- How well connected are they to the key stakeholders in the ecosystem such as banks, card companies, etc.

Who is watching your back?

- You have a lot to lose by choosing a bad PG partner.
- The PG business is challenging
- Maintaining uptime and keeping up the quality of service costs money. Pay fair and demand the best. No one wants to lose a merchant who pays fairly.
- So choose your PG partner carefully. After all, what is the difference between success and failure? It all comes down to the climax ... isn't it?



Jo jeeta wohi sikandar ...
baaki sab ...





Thank you

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