# A large B2C (Business to Consumer) company.

I researched an Electronic Payment System through the eyes of a large B2C (Business to Consumer) company. A large B2C can be a chain store, insurance business, travel service company or other that is well established and performs a large number of transaction such as. Williams-Sonoma , GEICO , or Travelocity. I pretend to represent a retail business of this type and did an analysis of Electronic Payment System through their eyes.

I feel that customers expect a large B2C to offer as many payment possibilities as possible. These could include credit cards, electronic draft, gift cards, bill me later, and paypal. Additionally, they participate in international commerce and therefore need to accept international payments and credit cards. Large B2C's will already have a merchant account and the company I am pretending to represent will prefer the Electronic Payment System they choose to allow this option.

With a large B2C, they require a customizable shopping cart. They offer more diverse products then a Ma and Pa shop, and they need to create a unique shopping cart so that the look of their cart is unique from their competitors. Furthermore, large B2Cs have an in-house support staff to monitor security, compliance, and updates to the cart. Magento (an ebay inc company) is an open source shopping cart that offers almost unlimited cusomization and a support community that offers training and resources for the large B2C staff. I pretended that I represent a retail business that uses Magento for their cart needs.

The company that I represent will need a secure payment solution. A large B2C has far more transactions in a single day then a ma and pa, so for that reason they could be more likely targets for fraud. Furthermore, if they experienced fraud it could have devastating consequences, just ask Target.

Like all businesses, they will be looking for the best price for the services they require, but can afford and require a more robust system that a small business or ma and pa shop. Additionally, they might expect more online transactions and therefore might be eligible for discounts.

I researched 4 Electronic Payment Solutions for this pretend business and the results of my research is on the following pages.

Paypal

https://www.paypal.com/us/webapps/mpp/merchant

1. What kinds of online payments can be processed? (Visa, MasterCard, electronic cash, etc.)
   Paypal offers a large range of payment types: Bill me Later, Credit Cards (without a paypal account) and customers can pay with their pay pal accounts.
2. Do they offer the services we need? For instance do you need a built-in shopping cart, or do you need to create one customized for your needs? They work with established online stores and popular shopping cart solutions. At the Paypal Pro level I can design and host my own checkout pages for full control, of if I use Payflow Pro I can embed their payment form into my site. Paypal list our current shopping cart, Magento, as a shopping cart they support.
3. Can they work with our existing merchant account? Yes, Payflow Payment Gateway lets you accept credit cards online using your merchant account. Paypal Pro does not allow you to use your existing merchant account.
4. How will sensitive information be safeguarded? Is it secure? If I use Paypal Pro my PCI compliance is handled by them if I use the embedded Payflow Payment Gateway, they only provide supporting documentation but not complete handling of the PCI compliance.
5. How much does it cost? Are there any additional or hidden fees that may not be immediately obvious? If I used the Paypal Pro Solution which requires a monthly fee of $30 a month and 2.9% + $0.30 per transaction. Additionally it would require 1% of International Sales and a currency conversion fee of 2.5%. A chargeback fee of $20. If I do an authorization but don't complete the sale I'll be charged $0.30 per an uncaptured authorization. Card verifications cost the same $0.30. American Express Card Usage fee is 3.5%.

   If, however, I use the payflow link solution their is no monthly fee but there are fees even though I am using my own merchant account. Those include $0.10 per transaction, international sales fee of 1.0%, 2.5% currency conversion fee, $20 chargeback fee, $0.30 per uncaptured authorization, $0.30 per verification transaction, an excess transaction fee of $0.10 per transaction, and a fixed fee portion for refund fees. That of course is in addition to the fees my merchant account is charging me. So even though there is not monthly fee the paypal pro solution may be cheaper.

CyberSource - Authorize.Net

http://www.authorize.net/solutions/merchantsolutions/onlinemerchantaccount/

1. What kinds of online payments can be processed? (Visa, MasterCard, electronic cash, etc.) They offer Credit Card payments, pay pal and pay pal's bill me later solution, electronic check, and recurring billing.

2. Do they offer the services we need? For instance do you need a built-in shopping cart, or do you need to create one customized for your needs? Authorize.Net Certified Shopping Cart providers automatically connect your website to the payment gateway, or you can do it yourself. Merchants and developers with Web expertise and resources can perform their own integration with time-saving resources from their Developer Center.

3. Can they work with our existing merchant account?
Yes they can, or they can provide a merchant account for us.

4. How will sensitive information be safeguarded? Is it secure? They handle your PCI compliance. They offer a fraud protection service for a fee.

5. How much does it cost? Are there any additional or hidden fees that may not be immediately obvious? They Cybersoure Advanced and Global solutions for larger businesses does not have pricing on their website. I emailed them for a quote, disclosing I was a student, and did not here back. Their authorize.net however does list their prices. Setup fee $99.00, monthly fee $20.00, transaction fee is $0.10 but they don't list the discount rate. Batch fee $0.25. They also don't advertise their rates for eCheck you have to contact them. They also don't disclose their international fees but do say that they accept international transactions. Their site specifically says no cancellation fees and no hidden fees.

## Amazon Payments

https://payments.amazon.com/business?ld=NSCBAGooglePA

1. What kinds of online payments can be processed? (Visa, MasterCard, electronic cash, etc.) Login and Pay (allows the customer to pay for your services with their amazon account, similar to pay with paypal). For a large business, it would have to be an alternative option in addition to using our site specific account. Therefore, we would still need another payment service through another company. Unlike Paypal, it does not offer a credit card or electronic drafting service without an Amazon account.

2. Do they offer the services we need? For instance do you need a built-in shopping cart, or do you need to create one customized for your needs?

Amazon Payments can be integrated with a large number of shopping cart providers but they notify you of payments received via email and you have to reply when the product has shipped.  This is too manual of a process for a large company.

3. Can they work with our existing merchant account? No, it  has to be done through them and then they transfer the amount into our bank account.

4. How will sensitive information be safeguarded? Is it secure?
Amazon is a trusted name just like Paypal.  Since the transactions are done through their site the PCI Compliance is provided by them.

5. How much does it cost? Are there any additional or hidden fees that may not be immediately obvious? No monthly fees, setup fees, cancellation fees or fraud protection fees. Below are the rates without discounts.  Since many of our customers would likely use our own solution and not Amazons Login and Pay, we might not qualify for the discounts.  Table below:

| **Transaction Amount** | **Less than $0.05** | **$0.05 to $9.99** | **$10 or more** |
|---|---|---|---|
| **Bank account** | 2% of transaction value + $0.05 | 2% of transaction value + $0.05 | 2% of transaction value + $0.05 |
| **U.S. credit card** | 5% of transaction value + $0.05 | 5% of transaction value + $0.05 | 2.9% of transaction value + $0.30 |
| **International credit card** | 6% of transaction value + $0.05 | 6% of transaction value + $0.05 | 3.9% of transaction value + $0.30 |
| **Amazon Payments stored funds** | 20% of transaction value + $0.0025 | 1.5% of transaction value + $0.01 | 1.5% of transaction value + $0.01 |

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## Intuit QuickBooks Payments - Web Store eCommerce Payment Processing

http://payments.intuit.com/ecommerce-payment-processing/

1. What kinds of online payments can be processed? (Visa, MasterCard, electronic cash, etc.) They only offer Credit Card payments. So I would probably have to enroll in an additional payment solution to provide eChecks, a bill me later solution, and of course the popular paypal button.

2. Do they offer the services we need? For instance do you need a built-in shopping cart, or do you need to create one customized for your needs? They

integrate with popular shopping cart solutions, unfortunately they don't support my pretend companies cart Magento.

3. Can they work with our existing merchant account? Yes they can. The payments tie in with your Intuit software and are deposited directly into your bank account.

4. How will sensitive information be safeguarded? Is it secure? They handle your PCI Compliance, and PCI Compliance fees. Intuit is a very trusted name in business because they are market leaders in accounting software.

5. How much does it cost? Are there any additional or hidden fees that may not be immediately obvious? $19.95 per month, 0.18 +1.75% transaction fee, 2,89% for American Express, $25.00 charge back fee, and $25.00 ACH Reject fee. Did not list a setup or cancellation fee or an international transaction fee on their site, but also didn't say they don't charge those fees, so yes, their are hidden fees.

## Conclusion

Paypal and Cybersource (Authorize.net) were both strong contenders for my pretend company. I am not able to make a final decision between these two companies in this paper. In a real scenario, I would ask both electronic payment providers to write up a bid and send a representative to pitch to the company I am representing. Based on the price and our overall trust in the company, the large B2C and I would make a decision. Amazon and Intuit were poor choices for my pretend company. Intuit offered too few payment options and did not integrate with our existing shopping cart. Amazon would require our customers to open accounts with Amazon, a potential competitor to the business I am representing, and the back end required manual processes. In conclusion, following a bid between Paypal and Cybersource, the company and I would choose the lowest price and best presenting option.