

7 Payment Processing Options

Payment Option #1: Checks

Phase One

Pros:

- You don't have to deal with technology.
- You don't have any processing fees that subtract from your profit.

Cons:

- You have to become a check collector.
- Longer verification time - it can take 3-4 business days for a check to clear which may mean you miss out on last minute signups for programs.
- Less financial flexibility for the clients.
- Looks more professional for your clients if you take credit cards.

Payment Option #2: PayPal

Phases One - Five

Pros:

- Easy credit card processing setup.
- No monthly fees compared to other merchant credit card processors.
- Safe for you and trusted by your clients.
- Deposits right into your bank account.
- You can quickly create "buy now" buttons or links for your website.
- You can easily set up recurring payments.
- You can display your own Thank You page to your customers by enabling the Auto Return feature in your PayPal Account. This will send your client to your personal Thank You page after their purchase.

Cons:

- Unless you have a Virtual Terminal, you can't manually enter credit card info (Virtual Terminal is an additional fee).
- If your balance rises too high, especially in a health & wellness business, PayPal may flag your account as fraudulent. They have the right to freeze your account and hold the funds for 6 months. Be sure to transfer funds out of your PayPal account as soon as possible. Do not let your PayPal balance rise about \$5,000 at any given time.
- No auto-responder customization. You can send welcome emails manually or use the PayPal Auto Return option (see last bullet in Pros above).
- Processing fees of 2.9% + \$0.30 per transaction (for US) or 3.9% + fixed fee per transaction (International).

Payment Option #3: PayPal Through 1Shoppingcart.com *Phases Two - Three*

Pros:

- Same PayPal pros as above, plus...
- Autoresponder capability.
- Keeps separate lists of clients who have purchased particular products or programs, so you can market to them specifically.
- Automate recurring payments.
- Keeps full mailing address information on your clients, so you can use direct mail in your marketing.

Cons:

- Same PayPal cons as above, plus....
- Still can't enter credit card information manually (unless you have PayPal's Virtual Terminal).
- 1Shoppingcart is an additional monthly fee (about \$59/month for basic plan).
- Will need to learn how to use 1Shoppingcart, or hire a Virtual Assistant ("VA") who knows how to use it (many VAs are trained in 1SC).

Payment Option #4: Credit Cards + PayPal Through 1Shoppingcart *Phases Two - Three*

Pros:

- Shopping cart can automate recurring payments.
- Autoresponder capability.
- Can enter credit card information manually.
- Keeps separate lists of clients who have purchased particular products or programs, so you can market to them ongoing.
- Keeps full mailing address information on your clients, so you can use direct mail in your marketing.

Cons:

- Must open an account with a "merchant gateway" such as PowerPay or Practice Pay Solutions, which requires decent credit rating and an accurate estimate of how much revenue will be processed via credit cards merchant gateway charges monthly fees in addition to processing fees).
- 1SC charges monthly fees (1SC is about \$59/month for the basic plan).
- Will need to learn 1SC, or hire assistant who knows it (many VAs are trained in 1SC).

Payment Option #5: Visa, MC, Disc, AmEx + PayPal Through Infusionsoft.com *Phases Three - Five*

Pros:

- Cart of choice for many high-end information/internet marketers.
- Shopping cart can automate recurring payments.
- Sophisticated autoresponder capability.
- Sophisticated metrics tracking.
- Can enter credit card information manually.
- Keeps separate lists of clients who have purchased particular products or programs, so you can market to them ongoing.
- Keeps full mailing address information on your clients, so you can use direct mail in your marketing.

Cons:

- High monthly fee.
- Must open an account with a “merchant gateway” such as PowerPay or Practice Pay Solutions, which requires decent credit rating and an accurate estimate of how much revenue will be processed via credit cards (merchant gateway charges monthly fees in addition to processing fees).
- Shopping cart and merchant gateway charge monthly fees (Will need to learn Infusionsoft, or hire assistant who knows it (many VAs are trained in Infusionsoft)).

Payment Option #6: Square *Phases One - Five*

Pros:

- It's super-easy to use, both for you and for your client. It processes Visa, MasterCard, American Express and Discover.
- There are no monthly fees, no sign-up fees, long-term contracts, inactivity fees, chargeback fees, PCI-compliance fees, refund fees, or reporting fees.
- You can manually enter credit card transactions by typing in the credit card information and/or using the reader with your smartphone or tablet.
- It's safe for you and is becoming familiar to clients due to TV ads and use by small businesses.
- Funds are deposited directly into your bank account in one or 2 business days.
- You can customize receipts that can be emailed automatically to the client.
- You can send clients customized invoices by email from the Square dashboard or Square app on a mobile device. The client just clicks the button in the email invoice to pay, which takes them to Square's Web site where they pay directly. There's no need to take credit card information over the phone and pay the higher processing fees.
- You can set up a free online store and embed payment buttons in your own Website.
- Protection from payment disputes – up to \$250 per month for eligible chargebacks.
- You receive a free magnetic stripe reader when you sign up for your account.

- You have an online dashboard with lots of tracking options.

Cons:

- There is a processing fee of 2.75% for card swipes, your Square online store, and paid invoices (sent by email and paid online directly by the client). There is a 3.5% + \$0.15 fee per manually entered transaction (such as over-the-phone transactions).
- While the standard card reader (magnetic stripe reader) is free when you sign up, the new contactless chip reader – that reads chips and can do Apple Pay – is \$49. If you were to swipe a chip credit card with the standard magnetic stripe reader and the transaction turned out to be fraudulent, you could be liable rather than the bank.
- Beyond a certain monthly amount you process, you may be asked to sign an additional agreement. (I don't know what that figure is). If this additional agreement is needed at some point, Square would contact you to sign it.

Payment Option #7: Stripe

Phases One - Five

Pros

- No monthly fee setup for low-volume users (under 10k per month).
- Stripe Checkout – offers a beautiful, customizable payment flow that works great across desktop and mobile.
- You can build anything from simple recurring billing to very complex relationships.
- Unlimited options for subscription plan types. You can subscribe a single user to multiple plan types. Upgrading subscribers to higher tiers is easy at no charge to the merchant.
- Pay as you go 2.9% + \$0.30.

Cons

- Features seem increasingly more tailored to a few very particular niches.
- The API version requires some tech skill because the API gives you endless customization options and allows you to plug into different e-commerce and payment platforms.