

THE HOM TEAM, LLC

entrepreneurial minds@work™

The 411 ON eCOMMERCE

eCommerce

COMPONENTS To have the ability to accept credit card transactions on your site, you will need the following components:

1. Shopping Cart
2. Merchant Bank Processor
3. Payment Gateway Processing

The Shopping Cart is an application. Merchant Bank and Payment Gateway processing are accounts that you will have to open in order to transact credit cards on your website.

Shopping CART

Similar to a grocery shopping cart, an online shopping cart houses the pages where your items are “shelved and displayed” for visitors to view, and select to buy. The Visitor selects which items they wish to purchase and then proceeds to a secure page where the total order is placed and confirmed.

The shopping cart application allows the web site to integrate the products pages and it’s associated database allowing Visitors the ability to shop. It is important to look for shopping cart applications that can accommodate your business as it grows.

Merchant

ACCOUNT & PROCESSING A merchant account is an account with a bank that enables you to process credit cards online. Merchant Bank Processor is actually the people who accepts the information from the shopping cart and processes the transaction from the Payment Gateway.

Merchant account fees varies from company to company and is contingent upon average per unit item prices, average order amount and anticipated monthly volume. If you take online transactions, the fees are usually higher because the risk is higher. Normally, the fee structure is percent of the transaction plus a flat percentage fee. There are also recurring monthly statement fees and an annual membership fee.

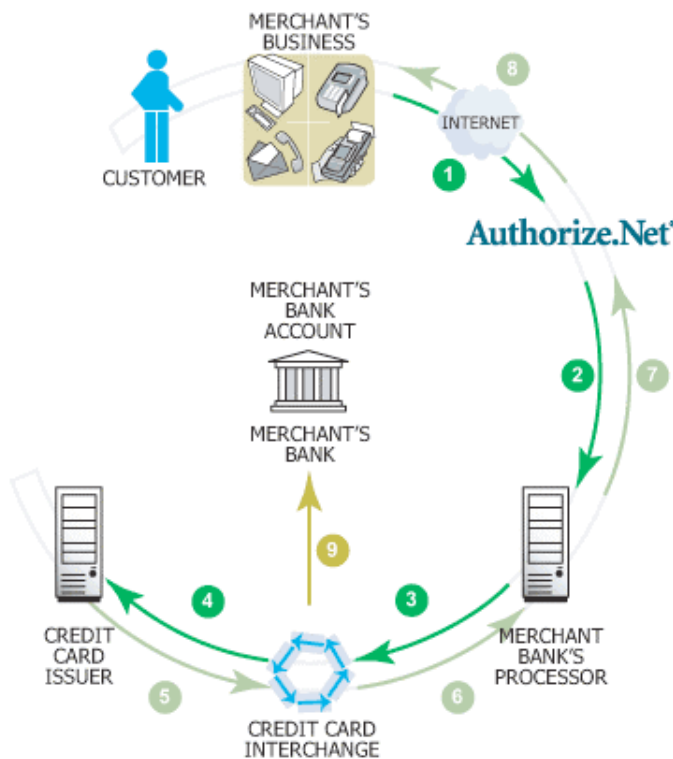
Payment

GATEWAY The recommended payment gateway provider

Authorize.Net, offers a host of affiliated merchant bank processors like Wells Fargo, etc. to choose from. Their fees are standard and have been listed on the attached sheet.

The payment gateway provides secure transaction path from your shopping cart to the Merchant Bank Processor during the verification and fund transfer process. We have selected Authorize.Net because of their competitive rates, national brand presence, and ease of use.

Additionally, through a web browser, you can process credit card payments on-site. For example, with a computer and Internet connection, you can take orders at your on-site at a trade-show.



How It ALL WORKS

1 & 2. Credit card transaction is sent to Authorize.net Payment Gateway from Merchant website. Info is via SSL layer is passed to the Merchant Bank's processor.

3. Merchant Bank's Processor submits info to the Credit Card Interchange that settles the credit card transaction.

4 & 5. Credit Card Interchange routes the info to the customer's Credit Card Issuer for approval or decline. The approved transaction funds goes back thru the Credit Card Interchange.

6 & 7. The Credit Card Interchange relays the approved transaction back to the Merchant Bank Processor, which in turn relays the info back to Authorize.net
8. Authorize.net stores the info and alerts the customer and/or merchant that the status of the transaction.

9. The Credit Card Interchange passes the funds for the transaction to the Merchant's Bank, which then deposits the money into the merchant's bank account. Usually it takes 2-3 business days.