

Business Development Session 9 - Accepting Credit Cards Online - Accepting Credit Cards in Your Business

Most customers today do not want to pay by cash or check. They do not want to take the time to mail you a check to receive their merchandise. They actually want to receive their order "yesterday" when they place their order.

Because we live in a very fast society we have to think fast. We have to tailor to the fast thinking customer. This not only means that we have to answer a customer's phone call on the 1st or 2nd ring, but we also have to be able to take their order at the time they call, ship their order the same day with the fastest service, and we have to be able to take their payment over the telephone right then and there.

Since I have JLS and Wildfire Hosting, I can recommend 2 sources for credit cards. One is Costco. If you become a business member of Costco and you purchase their new "executive" membership which costs you \$100 per year, you can sign up for their credit card program. It's a very easy program, costs very little, and is very easy to set up. If you sign up for their program you will be set within 3-4 days and you will be able to begin to accept credit cards.

The second program I can recommend is VoxCom. You can reach them at 214-774-9464.

There are a few things you should consider when comparing these two companies or anyone else that is recommended to you:

1. Find out how much it costs to sign up initially.
2. Find out what their monthly charge is. Some companies will charge you a flat \$20 per month and then add on their 3% interest rate based on your sales every month. This interest rate is usually taken directly out of your checking account on the 1st of each month.
3. Be sure to sign up for VISA, MasterCard and American Express. You do not have to pay extra for American Express so if the company you are considering is going to charge you an extra fee to accept American Express, you are checking in the wrong places.
4. Decide if you really want to accept Discover. Not many people use Discover and the fees are usually high.
5. Decide if you want to process your credit card transactions over the phone, with software and a modem, or with an automatic printer like regular stores have. There are different fees for each one.
6. Determine what your monthly and annual income will be based on credit card sales. In the beginning this will be a guess but you can make a pretty accurate guess. The amount you give the sales associate will determine your interest rate.
7. Determine if most of your clients will be walk-ins or over-the-telephone sales. There are different interest rates for cards you can swipe and cards you must punch into the machine. The rates are higher if you do not swipe the customer's credit card.

For those of you who do not know how credit card transactions work, here's an easy example for you:

JoAnne Mark calls you and orders a doll from you. You charge her \$65.00 plus shipping of \$5.00 and tax of 7-1/4% or whatever your state's income tax is. Let's say her total then is \$79.00. JoAnne gives you her credit card and expiration date over the telephone. You are able to process her card right there while she is on hold. You punch in her numbers and expiration date and amount of purchase. The machine will give you an authorization number. You tell JoAnne her transaction has been approved and give her the date when she can expect her doll. The bank then receives your transaction and processes it. It can take anywhere from 24-hours to 4 days for you to receive your funds. The bank will process the transaction, take out the interest rate (whatever your agreement is) and will deposit the rest in your checking account. Then at the beginning of the following month you will have an automatic debit from your checking account for the monthly fee that the bank charges you for their credit card service. All fees are a write-off at the end of the year on your taxes so don't worry about that. But be sure that you write in the amounts correctly in your checking account or you can get yourself in trouble.

As far as accepting credit cards online, I can recommend several ways you can do this. One is by doing a search for credit card companies on the web. No matter what, this is more expensive. But a lot of people who live out of the country or who do not want to pick up the telephone and call your company will want to order online so you should have this available. Most companies charge a rate to set up the online credit card cart. You can consider this to cost you between \$300-\$500 to start. Then each transaction will cost you \$1.00. At first this seems unreasonable and expensive but in the end it's really worth the money to set it up.

If you are not ready to set up both, I highly recommend you take at least VISA and MasterCard. Our sales tripled when we announced we accepted credit cards. So many people don't even write checks anymore. A lot of people use their debit cards which are also credit cards so the funds are taken directly out of their checking account as soon as you process the transaction. This makes it very easy for you to receive your money right away and you don't have to worry about bounced checks.

I've had a lot of problems with people bouncing checks over the years. So now when I receive a check I wait 3-5 days before I send the product to the customer. I deposit the check and wait to be sure it's cleared the customer's bank. Unfortunately this is the only way to be sure that you are not "stuffed" for your hard work. I've learned to "not trust" too many people unfortunately, and people have brought this on themselves. More and more retailers are not accepting checks and are only accepting credit cards and cashier's checks. This is something you need to decide on your own but I've given you some good pointers to get your started on your way to becoming a lucrative business.

CERTIFIED BUSINESS DEVELOPMENT COURSE - SESSION 9 – **QUESTION & ANSWERS**

NAME: _____

ADDRESS: _____

PHONE: _____

FAX: _____

E-MAIL: _____

Please be sure to fill out the information above, complete the test and e-mail or fax it back to us at iridology@netzero.net or 530-878-1119. We will grade your question & answer session and will let you know if we have any questions or concerns.

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5. What will your monthly and annual income be based on credit card sales?
6. Will most of your clients be walk-ins or over-the-telephone sales?