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# Merchant Account 101

A lot of modern technology has brought us great convenience to the tip of our fingers. From travel, to fashion and even in business, almost every type of good and service is accessible. With businesses trying to make their product more sellable amidst a very competitive market, they have to get consumers not only look for quality and price of the product but also for the service that comes with the purchase. Hence, merchant accounts were born.

Merchant accounts are a way to for businesses to handle transactions through the use of credit cards. There is really no historical note on how merchant accounts started although it can be hypothesized that the service started during the rise of credit card use during the 1960s. Industry giants like MasterCard and Visa, which originally are non-profit organizations, pioneered the general use of credits cards.

In 2006, there are 292 million credit cards that are in use in the United States alone. Globally, it is estimated that there are at least 1 billion credit cards issued. Merchant accounts make business faster, easier and more accessible to their clients. Provided, of course, that the merchant account obtained is effective. Large businesses could avail of merchant accounts relatively easier than the small businesses although more and more merchant account providers are going after the small business sector.

It seems like new information is discovered about something every day. And the topic of Merchant Account is no exception. Keep reading to get more fresh news about Merchant Account.

Thinking of getting a merchant account? A merchant account may be provided by a processing bank or by an agent for the bank. The factors in which merchant account provider to choose are relatively easy to weigh in. They must be able to guarantee reliability, security and cost-effectiveness. The business owner should have his merchant account in the least of his or her concerns and not think about whether money is really coming in from the credit. However, since no merchant account provider is exactly flawless in terms of performance, they must be able to provide technical support in the event of a glitch. Technical support should be fast and accurate. A business that deals with hundreds of transactions every second cannot afford to lose profit through a technical difficulty.

Security is also an important issue in getting merchant accounts. Many business owners fall victim to scammers who disguise themselves as providers. Make sure that the merchant account provider is registered to the Payment Card Industry Security Standards Council, also sometimes known as the Payment Card Industry (PCI). The council was organized by the five leading merchant account providers in 2006 and aims to standardize the credit card based commerce.

Lastly, another big factor in choosing a merchant account provider is the cost. Much of the cost is set by the card issuing bank although there are fees that would be asked by the merchant account provider. The largest portion of the fee is the interchange fee. Interchange fee takes into account different circumstances on how the transaction is made. For example, in a 3-tier pricing, visa and MasterCard classify these transactions into non-qualified, mid-qualified and qualified where the non-qualified classification gets to be charged the highest.

Some of the other fees that could be charged are the monthly minimum fee, authorization fee, batch fee and chargeback fee. Another factor to consider in the cost is the software used for the transactions. Renting equipments or software may be cheaper but may not be a good investment in two or three year time.

If you've picked some pointers about Merchant Account that you can put into action, then by all means, do so. You won't really be able to gain any benefits from your new knowledge if you don't use it.

About the Author

John Kay is compiling the list of the coolest websites on the internet: [cool websites for kids](#), [cool websites for girls](#) and [cool websites for teenagers](#).

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