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What is a Merchant Account

If you want to accept credit cards for your business, you will need to get a merchant account. Basically, this is a contract between you and the bank in order for you to be given a line of credit. Without it, your customers will have to pay you through other means.

The merchant account is more important when you open an online business. This is because customers can only see your products using their web browser and if they want to order, this is the one of the means of paying for it.

The problem with having a merchant account online is the fact that it is very expensive when you are just starting out which also includes filling up various forms and a background check.

To skip this, a lot of entrepreneurs decide to get a third party payment processor to accept credit card payments. A good example of this is Paypal which charges a certain percentage for every sale made.

Another provider is 2checkout.com. The difference with them is that they charge you a \$49 set up fee and their rate is \$.45 cents plus 5.5% per transaction.

You may also consider WorldPay which is useful for entrepreneurs operating outside the US. The downside is that you have to pay a monthly fee of about \$50 per month and pay a one time set up fee of \$400. The transaction fees are also higher because their rate is \$.40 cents plus 3.25% per transaction.

You may not consider everything you just read to be crucial information about Merchant Account. But don't be surprised if you find yourself recalling and using this very information in the next few days.

There are a few third party processors that are able to process your payments digitally.

You have clickbank that charges you a dollar plus 7.5% per transaction. You have to pay a one time registration fee of about \$49.95. Being a member, one of the perks is earning commission from them when you decide to use of their affiliate programs to sell your products.

What makes Digibuy stand out from the rest is the fact that their business focuses mainly on electronic commerce. At \$3 plus 13% per transaction, it is no wonder that only a few can afford it.

So you don't have a hard time setting the system or encountering any problems, majority of the third party processors have customer support on hand which you can call 24/7. While many of those mentioned have sign up fees, the most important factor in choosing the right provider is knowing which of these is the most secure.

The advantage of a third party processor compared to a merchant account is the fact that you can open an account within minutes instead of having to wait several days before your application is approved. Once a transaction has been made, the provider you have selected gets a small percentage while the rest is deposited into your bank account.

In the case of Paypal, you are able to use the money in your account to also buy items from the web. This is very convenient because the transaction will no longer reflect in your credit card statement.

Merchant accounts are needed when you open a store or restaurant. Because banks have realized that a certain percentage of their sales are taken by third party processors, they are now introducing their own payment portals. Are the rates higher or lower? That is something you have to ask them because this is one of the things you have to consider when you decide to open a business establishment.

About the Author

Jinger Jarrett is a fulltime freelance writer, internet marketer and author. She will teach you how to market your business using completely free techniques. Download her ebook for free: [Internet Marketing Tips](#)

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