Online payment gateways have never been so convenient as they are now. In a world where online shopping has become a household phenomenon, it has become all the more important to prepare for targeted attacks by scammers and hackers. Businesses that rely on online payments can be hardly hit by cybercriminals, and it is important to understand that a payment gateway is very important in the entire process.

Payment gateways offering secure [transactions](http://www.cardzgroup.com/BankCards.html) help curb with attacks in real-time and build customer’s trust in the retailer. They also help in reducing the load time.

Let’s look at what a payment gateway is, how to select one that maximizes convenience while minimizing risk, and ensures that the customer’s information remains safe.

## What is a Payment Gateway?

It is a merchant service that processes card payments for online retailers and ecommerce websites as well as traditional stores. Some popular payment gateways are PayPal, Stripe, 2 Checkout, and Square.

It is just like a simple cash register, but for an electronic transaction. This is accomplished in a few steps.

1. Encryption: It encrypts transaction data between the retailer’s server and user’s browser to keep the information safe from a third-party.
2. Request: The payment authorization request is granted from the customer’s financial institution or credit card company.
3. Fulfillment: Once the payment gateway receives the authorization, it allows the retailer’s website to proceed.

Payment gateways also serve functions such as calculating taxes, screening orders, and taking actions specific to the buyer/seller location.

## Types of Payment Gateways

Generally, there are three types of payment gateways:

1. **Redirects:** Redirects ask the customer to go to another payment page for payment, such as PayPal. This makes the transaction process simpler for the retailer, but it also means that customer has to go through an added step and the merchant has lesser control.
2. **Onsite Checkout, Offsite Payment:** In this type of gateway, the checkout takes place on your website, but the payment is processed through the gateway’s backend, e.g., Stripe.
3. **Onsite Payment:** This method is used mostly by large organizations, that handle the entire payment process on their servers. The payment processing and checkout takes place through your system. It gives you more controls, but also puts added responsibility on you.

## Providing Multiple Payment Gateway Options

By giving your customers the option to choose from multiple payment gateways, you not only make it more convenient for customers but also reduce potential security weaknesses that otherwise result in individual gateways.

1. **Make it more convenient for your customers.**

Choosing a payment gateway that allows MasterCard and Visa will cover most of your customers. But there are also other customers who want to pay with other cards such as American Express or make payments from different accounts.

1. **Giving a second option.**

Though majority of the population has credit cards, not all of them do. There are also customers who would like to make online payments through PayPal or Apple Pay. As a retailer, it’s your job to facilitate your customers and provide all options a potential customer would like to avail.

## How to Choose a Secure Payment Gateway

According to a [report by Experian](https://www.experian.com/assets/decision-analytics/reports/global-fraud-report-2018.pdf), 27 percent of customers do not move forward with their transaction if security is not visible to them. You may have many options of payment gateways, but choose the one that provides viable security.

Consider the following questions in mind:

1. **What payments your customers use?**

By considering what your customers already use and prefer, you can facilitate them by offering a payment type they want to use.

1. **How secure is the payment gateway?**

To make sure that your ecommerce transactions are secure, only go for companies that are PCI-DSS compliant. Payment Card Industry Data Security Standards includes a set of compliance rules for card payments in the digital world. Any company that complies with it ensures customers that their payment process is secure. Also make sure that the gateway maintains its yearly compliance.

1. **How Reputable is it?**

You will have to use a payment gateway that is trusted by most of the customers. If your customers want to see security marks during checkout, you will have to choose one that they prefer.

To prevent your customers from leaving their carts midway, it’s best to avoid unknown payment gateways. Focus on well-known payment gateway providers instead with good reputations such as ApplePay, Amazon Pay, and Pay Pal.

## Payment Gateway Limitations

Choosing between different payment gateways involves the process of understanding and accepting the limitations of each of them, most of which are inherent to the infrastructure of payment gateways.

Let’s look at some of these common limitations.

1. Most of them don’t accept all types of payments/cards. Though many providers claim to support all cards, they don’t mention the cards that they cannot accept from specific issuers and processors.
2. Customer outside of your country may not have the option to purchase or pay. For instance, in China, Alipay is more well-known than other payment options that are common in US. A merchant that is selling for international audience has to ensure that that the payment gateway can cater to international buyers.
3. Though all major payment gateways cater to security, there are still limitations. This is the reason why many customers hesitate to make online purchases. These security issues can include data breaches, mobile payment issues, or malware that can read user passwords and infiltrate their accounts.

## Wrapping it Up

It goes without saying that ecommerce transactions are nothing without a safe, secure, and easy-to-use payment gateway. Hence, creating one or finding one that fits your business needs will not only help increase your sale but also build and maintain customer satisfaction and loyalty.