Module 08
Payments

Module 08: Payments

❏ Introduction

BigCommerce offers a wide range of payment options and integrations to help you sell globally.

BigCommerce offers payment innovations, like consumer financing, to grow average order value -- all at the industry's most competitive rates, and with no unnecessary transaction fees. We also include industry-leading mobile wallet integrations to help increase mobile conversion.

In this module, you will explore payment and currency settings in BigCommerce, enable payment methods, and enable the test payment method.

❏ Learning Objectives

After completing this module, you should be able to:

- Describe at a high level how hosted and non-hosted payment gateways work
- Describe the benefits to merchants of using PayPal powered by Braintree
- Display product prices in multiple currencies
- Identify factors to consider when choosing payment gateways
- Describe and enable the Test Payment Gateway
- Describe and enable an Offline Payment Method
- Describe and enable Apple Pay

❏ Lessons

This module includes the following lessons:

Lessons
Lesson 1: Intro to Payment Gateways
Lesson 2: Test Gateway, Offline Payments, and Apple Pay

Payments Lesson 01:
Intro to Payment Gateways

❏ Introduction

When you setup your store to receive payments, you can choose from native integrations with the leading payment solutions on the market, including PayPal powered by Braintree, Square, Stripe, WorldPay, First Data, Cybersource, Authorize.net, and many more.

In this lesson, you will explore features and fees of various payment gateways.

❏ Learning Objectives

After completing this lesson, you should be able to:

- Describe at a high level how hosted and non-hosted payment gateways work
- Describe the benefits to merchants of using PayPal powered by Braintree
- Display product prices in multiple currencies
- Identify factors to consider when choosing payment gateways

❏ Content

This lesson includes the following content:

Content
Video: Payment Gateways
Article: What is a payment gateway and what is its role in ecommerce?

❏ Reference

This lesson may reference the following content

Reference
KB Article: Available Payment Gateways > Recommended Payment Options https://support.bigcommerce.com/articles/Public/Online-Payment-Methods
KB Article: Connecting with PayPal powered by Braintree https://support.bigcommerce.com/articles/Public/Connecting-with-PayPal-Powered-by-Braintree
KB Article: Manually Capturing Transactions https://support.bigcommerce.com/articles/Public/How-can-I-set-my-payment-gateway-to-only-authorize-transactions-and-not-capture-the-funds-automatically
KB Article: Managing Currencies https://support.bigcommerce.com/articles/Public/Managing-Currencies/

Video: Payment Methods

❏ Video

Watch the *Payment Methods* video on YouTube: https://youtu.be/kKtteXXZBh4

❏ Notes

Use the area below for writing down any notes or key takeaways from the video:

Payments Lesson 01: What is a payment gateway and what is its role in ecommerce?

Definition: A payment gateway is an ecommerce service that **processes credit card payments** for online and traditional brick and mortar stores. Payment gateways facilitate these transactions by transferring key information between payment portals such as web-enabled mobile devices/websites and the front end processor/bank.

Payment gateways fulfill a vital role in the ecommerce transaction process, authorizing the payment between merchant and customer. Popular payment gateways include **PayPal/Braintree, Stripe, and Square**.

Payment gateways vs. Payment processors: what's the difference?

A **payment processor** analyzes and transmits transaction data. **Payment gateways** authorizes the transfer of funds between buyers and sellers.

How payment gateways work

When a customer places an order from an online store, the **payment gateway** performs several tasks to finalize the transaction:

- **Encryption**: The web browser encrypts the data to be sent between it and the vendor's web server. The gateway then sends the transaction data to the payment processor utilized by the vendor's acquiring bank.
- **Authorization Request**: The payment processor sends the transaction data to a card association. The credit card's issuing bank views the authorization request and "approves" or "denies."
- **Filling the Order**: The processor then forwards an authorization pertaining to the merchant and consumer to the payment gateway. Once the gateway obtains this response, it transmits it to the website/interface to **process the payment.** Here, it is interpreted and an appropriate response is generated. This seemingly complicated and lengthy process typically takes only a few seconds at most. At this point, the merchant fills the order.

Clearing Transactions

The steps outlined above are repeated in an effort to "clear" the authorization via a consummation of the transaction. However, the clearing is only triggered once the merchant has actually completed the transaction (**shipping the order**). The issuing bank changes the "auth-hold" to a debit, allowing a

"settlement" with the vendor's acquiring bank. The processor is then relied upon to settle all of the vendor's approved authorizations with the acquiring bank at the end of the day.

Other Payment Gateway Functions

Payment gateways also screen orders with a myriad of helpful tools. This screening process filters out as much fraud as possible. Examples of gateway fraud detection tools include:

- Delivery address verification
- AVS checks
- Computer finger printing technology,
- Velocity pattern analysis
- Identity morphing detection
- Geolocation

Payment gateways even **calculate tax amounts** to authorize requests transmitted to the processor.

Source: https://www.bigcommerce.com/ecommerce-answers/what-is-a-payment-gateway-and-what-is-its-role-in-ecommerce/

Payments Lesson 02:
Test Gateway, Offline Payments, and Apple Pay

❏ **Introduction**

In some cases, you may want to process an order without taking payment at the point of sale. Using an offline payment method you can offer this option to shoppers. Before launch, you can use the test payment gateway try out your checkout flow.

BigCommerce also integrates seamlessly with Apple Pay so Apple users on mobile and desktop can also quickly checkout using just their fingerprint.

In this lesson you will set up offline payment methods and explore Apple Pay.

❏ **Learning Objectives**

After completing this lesson, you should be able to:

- Describe and enable the Test Payment Gateway
- Describe and enable an Offline Payment Method
- Describe and enable Apple Pay

❏ **Content**

This lesson includes the following content:

Content
Lab Activity: Offline and Test Payment Methods

❏ **Reference**

This lesson may reference the following content

Reference
KB Article: Available Payment Gateways > Recommended Payment Options https://support.bigcommerce.com/articles/Public/Online-Payment-Methods
KB Article: Offline Payment Methods https://support.bigcommerce.com/articles/Public/Offline-Payment-Methods/
KB Article: Connecting with Apple Pay https://support.bigcommerce.com/articles/Public/Connecting-with-Apple-Pay/

Build-A-Store: Offline & Test Payment Methods

Duration: 10 minutes

In this lab you will...
- Enable Test Credit Card Payments
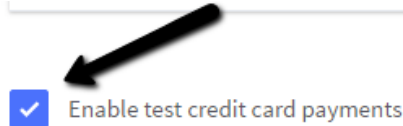- Setup an Offline Payment Method
- Place an Order

Prerequisites
1. *Build-A-Store: Add Products part 1*
2. *Build-A-Store: Shipping Zones*
3. *Build-A-Store: Shipping Methods*

Complete These Steps

1. **Enable** test credit card payment

   a. **Navigate** to *Store Setup > Payments*
   b. **Check** the *Enable test credit card payments* checkbox if it is not already checked

   ✓ Enable test credit card payments

> ℹ To process test orders, use the card number 4111 1111 1111 1111 and enter any values for name and expiration date.

True or False: Enabling test credit card payments allows you to test a payment gateway like Authorize.net or PayPal powered by Braintree without using real funds.
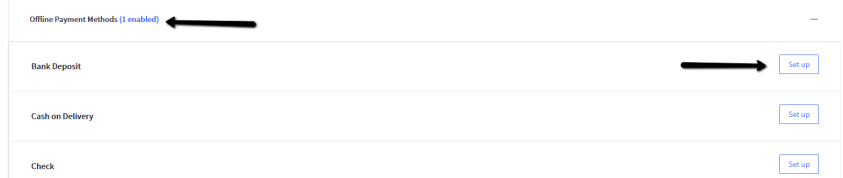
TRUE | FALSE

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2. **Set up** an Offline Payment Method

> ℹ Offline Payment Methods allow a shopper to place an order without entering credit card or other payment information. Some built in examples are Bank Deposit, Cash on Delivery, and Money Order, but the payment method can be renamed to anything the merchant would like to display to shoppers.

   a. **Click** on *Offline Payments* to expand the module
   b. **Click** the *Set up* button next to any one of the *offline payment methods*
   c. **Type** a display name like "Net 30", "Pay in Person", or something else into the *Display Name* field
   d. **Type** some instructions that will be displayed to shoppers using this payment method in the *Payment Information* field

3. **Place** an order

    a. **Navigate** to your storefront
    b. **Add** a product to the cart
    c. **Checkout** using your renamed offline payment method
    d. **Observe** the Payment Information on the order confirmation page