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| API | Plugin |
| the initials stand for Application Programming Interface. It refers to a set of routines, protocols and tools for building software and applications. An API basically defines how a component interacts with a system, facilitating the communication between them | also called an extension, a plugin is a software component that makes it possible to modify an existing computer program or platform, for instance, adding new features to it. Such modification does not usually alter the design of the system, which often has a Plugin API defining how the extensions can interact with the whole system |
| More integration flexibility. The merchant has total control over the integration and can make the checkout page look as desired | Limited functionalities. In many cases, merchants need to complement the integration with a smaller scale API integration to be able to trigger subsequent charges of recurring payments, for instance, or benefit from more personalized services. |
| API’s own functionalities. This is a must-have for businesses with specific needs, such as setting up recurring and 1-click payments, processing installment payments with different amounts each month, debit card failover when a credit card payment is not authorized, hiding one of the payment methods so that it is only displayed at a later stage and carrying out customized A/B tests. | In most cases, the e-commerce platform does not allow enough room for the merchant (or even the plugin developer) to define the payment flow. Little to no control over design. |
| It requires technical knowledge for the integration, as well as more time to have it ready to use | Easy and ready-to-use integration. Within a few minutes, the payment methods can be available at the checkout. No, or little, technical knowledge needed to install the plugin. Any corrections or improvements to the plugin are done on the plugin’s developer side. |
| Merchants must have a certification of PCI DSS Compliance in order to receive card payments | Reduced PCI Scope. In most cases, the extensions use an iFrame and the payment information run through the secure servers of the payment provider. |