

# eCommerce Payment Gateway

More information about eCommerce payments, transaction processing, 3DS etc.

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# Multi-acquiring in eCommerce Payments

## Acceptance of eCommerce payments

When you are thinking of starting acceptance of **eCommerce payments** via cards or other payment methods, you should definitely consider a long term strategy and a **multi-acquiring** scenario.

The starting point for any merchant, marketplace or other digital platform is the way you are going to charge users on the Internet. Normally, you are thinking of choosing an acquirer like Stripe, Adyen or local providers from your country. Let's think of strategic implications.

## Strategic implications

Assuming you have one acquiring partner at a time and you customize your platform to their requirement you are actually building a very strong dependency on this partner. Very often you will ask this acquirer to provide **Card-on-File** functionalities, cards of your users will be stored by this acquiring partner. Sometimes the acquirer will have features that support easier transaction conversion but they will be hosted on the partner side to avoid **PCI DSS** requirements and costs. By implementing such functionalities that will be good for your users and UX, you are actually becoming more and more dependent on your acquiring partner. It means that your negotiating power is going down and the cost of transaction processing will grow.

The bigger your business is, the bigger the problem is. What is the solution to such a situation?

## Multi-acquiring

It is called multi-acquiring. You should choose a **technology platform**, compliant with **PCI DSS requirements** that can integrate with **multiple acquirers** globally so that you are not dependent on a single acquirer but have a technical platform which enables switching transactions from one acquirer to another one.

Such a platform should enable [tokenization](#) of cards and transactions, should take all PCI DSS problems from your shoulders, and should be integrated with multiple acquirers from the moment of start. Thanks to it, you can switch **VISA** transactions through one acquirer, **Mastercard** through another one. You can use one acquirer on Mondays and another one on Fridays. You can switch transactions done in Europe with one acquirer and performed by users from America with another acquirer.

It gives you flexibility. It improves conversion rates. It gives you the opportunity to negotiate transaction fees regularly. It does not increase costs on your side as you have multiple partners integrated to the platform which means that you do not need to cover all costs of integration yourself.

Multi-acquiring is a very powerful tool for developing your eCommerce business.

Thanks for reading.

# How to increase approval rates in eCommerce?

Many merchants, especially in high risk area, face the problem of **low approval rates**. There are situations where 20-40% of transactions are declined. This is a real issue as it means a concrete loss of sales opportunity. In this article we will explain how it is possible to increase approval rates by using a [multi-acquiring](#) approach.

A standard **eCommerce merchant** signs a contract with one acquirer and enables users to use various ways of payment with this acquirer or [payment gateway](#). This leads to the situation that the merchant is dependent on this acquirer and the choice of choosing payment methods is usually on the customer's side. It also means that there is no way to use active management of a payment method depending on transaction and user behavior.

Main reasons of declines are the following:

- 05 - Generic decline (do not honor, transaction not allowed ...) - around 30-40% of cases. It is possible to optimize acceptance by using another acquirer, changing payment methods etc.
- 51 - Insufficient funds - around 20-30% of declines. In such case the only way to improve approval rate is offering loan to customer, kind of Buy Now Pay Later solution
- 14, N7 - Incorrect number/account, wrong CVC - 10% of declines - requires good UX for data improvement
- 41 - Lost/Stolen card - 10% of declines
- 54 - Expired card - possibility to use automatic upgrade of card data in database
- and a few other reasons

Improvements in approval rates will appear once you start managing this situation by storing user and payment data, learning user and transactional behavior, and proposing to users such methods which are best suited for him. It requires that you build or use a **card-on-file system** or even "payment-on-file system" that is independent from your main acquirer and you start actively proposing and testing payment methods to your customers.

When you learn that a particular payment method does not work, your gateway should propose an additional method of payment, especially using **tokens** and local payment methods which can improve approval rates a lot.

Once you (or your partner like [Verestro](#)) store payment methods, you can automatically update the user payment method data to avoid reasons of an incorrect number, wrong CVC, expired card.

By using [tokenization](#) and wallet solutions you can also improve approval rates substantially.

Contact us if you want to go into details of this process.