

Moose hut- case study

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Rod and Martha Nelson must keep in mind that all websites that are involved in e-commerce offer a wide range of payment options to their customers. This is done keeping in mind that not all customers hold credit cards and even if the majority does, they won't be the same brand. While some feel safer using Visa and MasterCard, others might prefer American Express, and still some might prefer Diner's. For this reason, Rod and Martha will have to remain flexible in their choice of payment processing methods that they implement on their website.

One of the easiest and the cheapest method is the toll free 800- phone number. This line can be used by customers to place orders apart from using the email and fax numbers. The customers can leave their details and order specifications on the phone. However when this is done, it is important to remember that this method is best when customers are limited or the business is small. In the case of Rod and Martha, this system can work but must be supported by some other payment acceptance and processing methods. Even with fax and emails, customers will have to send checks directly to Rod and Martha's business account and this might become time consuming.

For this reason, the best and by far the most popular method is credit card acceptance method. This is used by almost every single e-commerce website on the net. However before a customer leaves his credit card details with the order, he would like to be certain that his order is in safe hands. Since Martha and Rod have a well-known business, they need not encounter any such problems. However obtaining a trusted site certificate can still help.

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This would be a more responsible thing to do and there are some well-known certificates including VeriSign. Once you have this certificate, customers can rest assured that this is an authentic site.

When it comes to credit cards, it must be borne in mind that not all businesses have their own servers to accept credit card payments. Normally big sites like Amazon would have their own servers installed that capture credit card details and verify them. These servers can be costly but this is a one-time cost and sites can save on transaction costs. But since not every firm can afford these, the best alternative is to look for a merchant service. These services accept payment on your behalf and deduct a small fraction on each transaction. This is not usually huge and most sites even startups can afford them. Some dependable names include 2checkout. com, Ccbill and Worldpay.

Rod and Martha must understand that payments accepted through a third party would take some time to reach your account. There is usually a certain amount that you must reach before payments can be released. They are then sent to the owner either through checks or Wire Transfer. In both cases, it may take a week after the release of payments for amount to reach the account.

All merchants do not accept all credit cards but major ones are definitely available. Thus this is one of the safest and quickest methods to accept payments online. This is also good for a business of any size regardless of the volume of sale. The initial signing up cost is usually less than \$100 and for some it is below \$50. Since a very small fraction is deducted, the firm can

keep on selling its items at 1% increase exclusive of the shipping and handling costs.

The third payment method would include acceptance of online checks. This is a relatively new method and not very popular. Customers can sign checks online and make payments through them. There is also the email-to-fax option for accepting orders.

While these methods are available and firms are using them with success, it is the credit card method, which is the most popular among customers as well. Customers understand that despite cases of identity theft and credit card theft, this method is still the easiest and quickest. And considering that most sites would accept payments on secure servers, the risk of theft is significantly decreased.

Memo:

Rod and Martha- I have carefully checked the needs and requirements of your business and I feel that it would be extremely important that you allow more than one payment processing method to exist on your site. Since your business is considerably big and you will be expecting good volume of orders each day, it is essential to allow customers to place orders through fax, order line, email or directly through credit cards. In our line of work, we have often met customers who are shy to make payments online through credit cards and would rather do it through cross checks. The needs of these customers cannot be ignored and in order to show that your business values each and every customer, it would be essential to allow more than one payment processing method. You can expect the largest chunk of orders to come

through credit card method, but 1-5% of orders can still come through fax, emails or 800 numbers. You must ensure that all checks are sent through registered post so there is no chance of them getting lost. This way a customer can save time between placement and receipt of order.