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## E-Commerce Tutorial: Transactions

### Transactions

After you find the perfect product and understand your target market, there are still several steps needing implementation before you sell. Does your ecommerce solution calculate tax, determine shipping and handling charges, and process the customers preferred payment method in a secure environment? Which shopping cart provider will best suite your company?

### Taxes

Keeping track of tax rules and regulations can be complicated. Certain states have different rules about what and who should be taxed. Within California alone, for example, there are hundreds of different sales tax rates. First you have state tax. Then different counties have taxes and some cities even add percentages on top of that. If you are doing business internationally, more confusion enters the picture with tariffs, custom fees and other potential charges. In addition to taxes, you have to contend with nexus, a legal term meaning, "Where you have a presence doing business". In the United States, you must collect, pay and report sales tax in the states where you have the nexus. It might be worth contacting an attorney since this is a legal term associated with doing business. However you handle the tax hurdle, the next step is getting your products to the customers and being knowledgeable about what to charge for the transaction.

### Shipping Charges

One important thing to remember about shipping is that the cost of sending your product might not necessarily be the cost you want to charge the customer. It is sometimes a good idea to offer free shipping (similar to this past Christmas's Amazon.com campaign) for large purchases to provide purchasing incentives. Free shipping often times increases the size and costs of orders. Many e-commerce solutions provide fixed amounts for shipping and handling based on the dollar amounts of orders and limiting delivery options. Again, you will have to startegize the approach you wish to take. Another factor to consider is weight. You must find a way to provide weight information on products since shipping costs vary by weight. So make sure your product database has a place to store a weight value. But before you start shipping products, you must collect the payment. The MonsterCommerce e-commerce solution provides UPS, FedEx, and USPS shipping calculation by weight, zone and dimensions. The shopping cart also calculates taxes based on zip code in real-time!

### Payment Options

95% of online transactions are made with credit cards. In order to accept online payments via the Internet a credit card merchant account is needed. MonsterCommerce provides a one-stop merchant account solution to save you time and the hassle of working with multiple vendors. Basically, here is how the process works on for accepting credit cards via the Internet:

1. Credit Card Authentication: this process ensures that the credit card provided is a valid one.
2. Credit Card Authorization: this system checks whether funds are available.
3. Settlement: Once the product is shipped the bank will release the funds and place them into your bank account.

Another payment option that has become very popular is paypal.com. This payment method allows people to draw money from their bank accounts or credit cards and send via email. Paypal is ultimately free, but businesses are charged to send and receive funds.

### Security

128 bit SSL security is a popular way for businesses to provide security to customers. It is encrypted technology that mixes up messages so that only the recipient can read it. When a web site start with https, that means they are using SSL site security. This is great for online ecommerce shopping carts because it reduces risk and increases customer confidence. Most shopping cart solutions will provide this technology at no extra charge. Once you are secure, you are about business and ready to sell!