

Getting the right payment system



Small Business Help Guide

Why does the right payment system matter?

Choosing the right payment system is crucial for your small businesses to ensure smooth and efficient transactions. An effective payment system can enhance customer experience, improve cash flow, and support business growth.

An important factor for most payment systems is maintaining seamless connectivity for the effective operation of payment systems. Connectivity issues can disrupt transactions, upset customers and financial losses. This guide provides an overview on the different systems, connectivity challenges you might face with the systems and how to address them.

Factors to consider.

1. Business type and size.

- Retail stores: Traditional or mobile POS systems.
- Service providers: Mobile POS or online payment gateways.
- E-commerce businesses: Online payment gateways.
- Multi-channel businesses: Integrated payment systems.

2. Budget.

- Initial costs: Hardware and software setup fees.
- Ongoing costs: Transaction fees, maintenance, and subscription fees.

3. Customer preferences.

- Payment methods: Credit/debit cards, mobile payments, and alternative methods like Afterpay.
- User experience: Choose a system that offers a seamless and secure payment experience.

4. Integration with existing systems.

- Inventory management: Integration can streamline stock management.
- Accounting software: Simplifies financial tracking and reporting.

5. Support and security.

- Customer support: Ensure the provider offers reliable support.
- Security features: Look for PCI compliance and robust fraud prevention measures.

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Different payment systems

Traditional Point of Sale (POS) systems.

POS systems are hardware and software solutions used to complete sales transactions in physical stores. Typical components include cash registers, card readers, barcode scanners.

Potential issues:

- Internet dependency: While traditional POS systems can function offline, many modern versions require internet connectivity for transactions, updates, and syncing data with cloud services.
- Local network reliability: In-store networks must be reliable to ensure seamless operation.

Mitigation strategies:

- Offline mode: Ensure your POS system can operate in offline mode, storing transactions locally until the connection is restored.
- Reliable network infrastructure: Invest in a stable and robust local network infrastructure, including high-quality routers and switches.



Mobile POS systems.

Mobile POS systems use smartphones or tablets to process transactions, ideal for businesses on the go. The great benefit is their low upfront cost but may have limited features compared to traditional systems.

Potential issues:

- Internet connectivity: Mobile POS systems rely heavily on internet connections (Wi-Fi or mobile data) to process transactions.
- Mobile network coverage: In regional areas, mobile network coverage can be inconsistent.

Mitigation strategies:

- Dual connectivity options: Use devices that can switch between Wi-Fi and mobile data to maintain connectivity.
- Signal boosters: Install mobile signal boosters in areas with weak network coverage.
- Portable hotspots: Have portable Wi-Fi hotspots as a backup to ensure continuous internet access.



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Online payment gateways.

Online payment gateways facilitate transactions for e-commerce businesses, allowing customers to pay online. Popular products include Paypal and Stripe and support various payment methods (credit cards, PayPal, etc.).

Potential issues:

- Website downtime: Your website must be online and accessible for transactions to be processed.
- Internet outages: Any disruption in your internet service can prevent transactions from being processed.

Mitigation strategies:

- Web hosting reliability: Choose a reputable web hosting provider with high uptime guarantees.
- Backup internet connection: Have a backup internet connection (e.g., a secondary ISP) to switch to in case of an outage.
- Website monitoring: Use website monitoring tools to get alerts about downtime and address issues promptly.

Integrated payment systems.

Integrated payment systems combine multiple payment methods into one cohesive platform. These all in one systems often involve higher initial investment and complexity in setup but provide advance features and streamline operations.

Potential issues:

- Complex integration: Integrated systems that combine multiple payment methods (POS, online, mobile) may face connectivity issues across different platforms.
- Data synchronisation: Ensuring real-time data synchronisation between systems can be challenging.

Mitigation strategies:

- Unified platform: Use integrated payment systems designed to work seamlessly together, such as Square for Retail or Lightspeed Retail.
- Regular testing: Conduct regular tests to ensure all components are properly synchronised and functioning.
- Professional support: Engage professional IT support to manage and troubleshoot integration issues.

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General connectivity tips for payment systems

- Internet Service Provider (ISP) quality: Choose a reliable provider for your area.
- Network redundancy : Have a backup internet connection ready to switch to in case of primary connection failure.
- Power backup solutions: Use Uninterruptible Power Supply (UPS) or generator during power outages.

Regional Tech Hub Small Business Connectivity Hub

- Providing tailored advice.
- A range of online resources.

To find out how the RTH can assist you with free and independent advice, visit:
www.regionaltechhub.org.au/smallbusiness

3 Key Takeaways

- **Choose the best solution for your business operation and location.**
- **Ensure you have reliable connectivity, with a backup option.**
- **Regularly update your payment devices and software to fix bugs and improve performance.**

