

The Challenge of Offering Alternate Payment Solutions

To reach consumers around the world, merchants must have the ability to accept payments via methods other than credit cards. Unfortunately, accepting these alternate payment options is problematic for most merchants.

The alternate payments landscape is a fragmented one. The *preferred* method of non-credit-card payment varies from one country to the next. According to Forrester Research, in many regions—like the European Union (EU)—merchants need to accept at least four different systems of payment to even reach 80% of the consumers.

Online merchants turn away at least 5-10% of their potential North American customers and 10-50% of their potential international customers when they only accept credit card payments!



A Complex Problem

Internet businesses seeking to correct the practice of excluding non-credit-card customers face significant challenges:

- ❖ Automating the receipt of payments from different transaction systems is difficult and adds complexity—*expense*—to the administration and extension of the merchant’s ecommerce system.
- ❖ Some of the most popular payment methods are difficult or almost impossible to automate.
- ❖ Almost all the popular alternate payment methods are more expensive, per transaction, than credit cards.

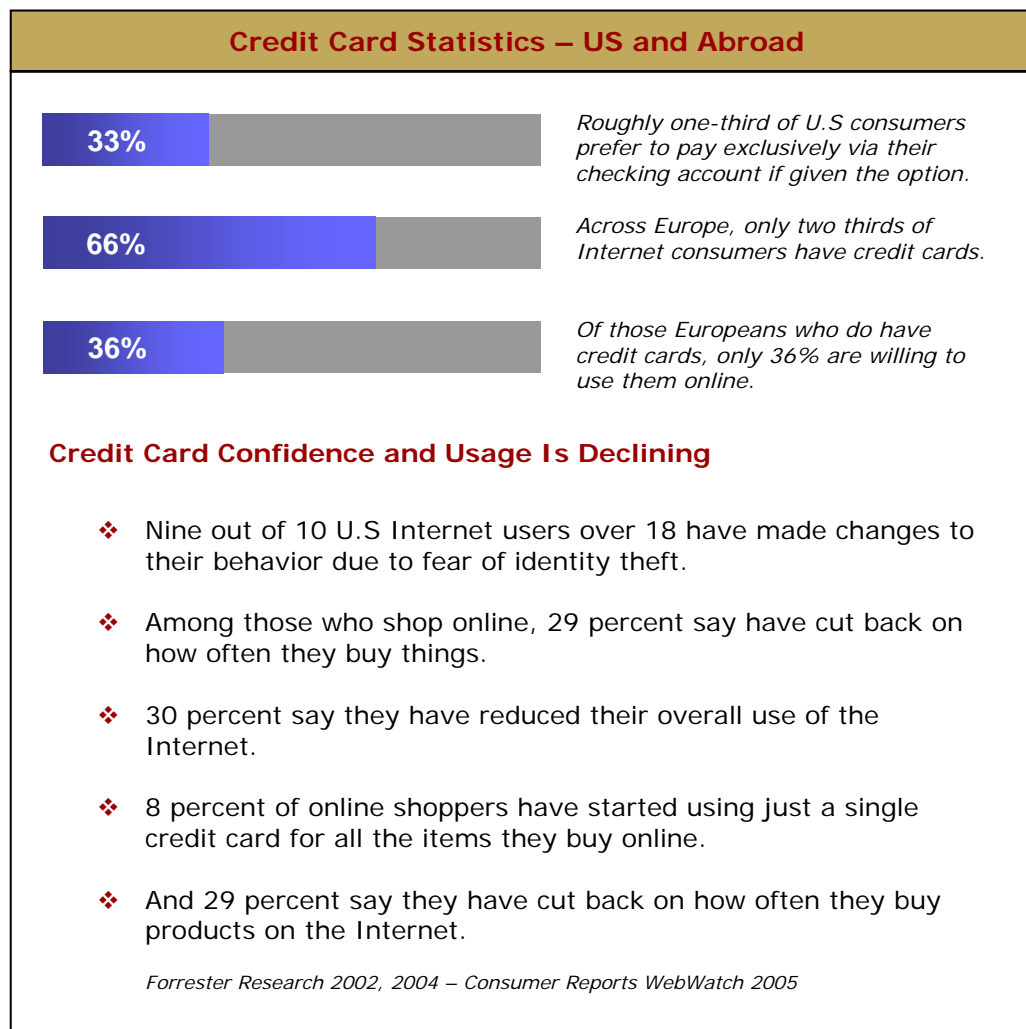
But the fact remains: The only way to become accessible to consumers worldwide is to accept the payment methods that are popular wherever one’s potential consumers live. And in some regions of the world the only path toward being able to accept the most popular payment methods is to have a business presence or bank account there. That’s impossible for small—and even some large—businesses to manage.

Some Surprising Statistics

As a merchant, you can't afford to overlook non-credit card customers.

Outside of North America, the percentage of eCommerce done without a credit card ranges from 25% to over 50% in some countries! Within North America, direct debit and check by mail are preferred by credit-averse or credit-constrained consumers, as well as those uneasy about using a credit card on the Internet.

That consumers are credit-constrained or just uncomfortable about using credit cards online does not signal a lack of purchasing power within these demographics.



Chargebacks and Fraud Can Cut Into Your Bottom Line

Many credit card processors and other alternate payment processors levy a chargeback fee against merchants even if the merchant manages to successfully contest the chargeback.

Take the case of subscription content providers: For subscription services, 8-12% of credit cards per billing run will fail. Merchants who only accept credit cards are losing some of these customers due to this "breakage" of the ability to charge a card because the customers' cards have expired or been cancelled, or the consumers happen to be at their credit limit.

Limiting Payment Options Constricts Your Sales

Keeping existing customers is cheaper than acquiring new ones. By offering non-credit card payment options, merchants will see an improvement in their customer retention, because customers that might otherwise have churned away will now have a convenient alternate way to continue patronizing the merchant.

If you increase your payment options, you will see an increase in your revenue. With an opportunity to increase to your sales and your bottom line, why leave this money on the table?

A PayByCash Integration Brings Big Rewards

Historically, our merchant clients have realized the following gains from partnering with PayByCash™, depending on their target demographic:

Imagine the bump to your margins if you didn't have to pay the 2.2% to 4% or more that your credit card transactions cost.

North American Consumers	
Young Adult / College Students	6 - 10% Increase
Adults	3 - 7% Increase

International Consumers	
Young Adult / College Students	15 - 20% Increase
Adults	10 - 15% Increase

Now: More Ways To Pay Online

PayByCash's straightforward integration options enable merchants to accept many payment options that extend their reach to every corner of the world. We span the gap between cash customers and Internet merchants. Why Accept PayByCash? Because accepting alternate payment options means better sales (stronger revenues at better margins equals more profit).

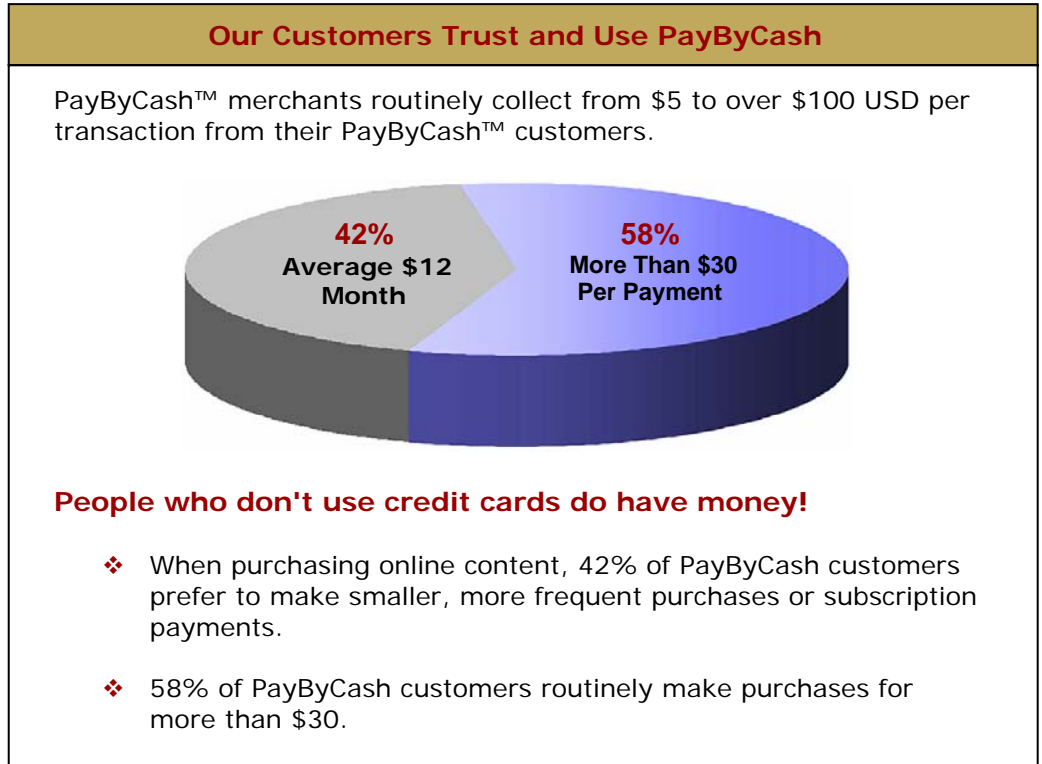
Your North American consumers can pay you the way they want to pay. Your European and Asian customers can pay you the way they need to pay. And our No Transaction Fee option means merchants make more per transaction.

- ❖ Hassle free alternate payment options
- ❖ We increase your revenues
- ❖ Hassle free alternate payment options
- ❖ We bring you customers
- ❖ No Transaction Fee option

With a single integration, we enable you to accept national, regional, and worldwide payment options, making your business accessible to customers everywhere.

Lacking Payment Options Restricts Your Site's Growth

Naturally, the benefit any given merchant will see is dependent on their target demographic, the nature of the services or goods they offer, the payment options they are already accepting, and a number of other factors. But, with the opportunity to increase to your sales and your bottom line, with no downside, why leave this money on the table?



For Most Merchants, PayByCash Is Free

Here is the PayByCash™ fee structure for most merchants:

PayByCash Fee Structure	
Pre-integration Consultation	Free
Integration / Set Up Fee	None
Monthly Maintenance	Free
Merchant Transaction Fees	None
Settlement Amount	Full Retail

We want you to accept PayByCash™ payment options, and your customers do too. So we've made it as simple as we can. By default, you collect the full retail amount of the items or service you're selling and our transaction charges are paid by the consumer who elects to pay via PayByCash™.

Cost-Effective Alternate Payments

PayByCash™ harnesses the power of over 60 payment types, under one umbrella. When we add new payment options, merchants gain the benefit of those new options without any additional work on their part!



Consumers Are Willing to Pay Service Fees for Convenience

- ❖ The consumer who wants to use PayByCash™ pays a service fee, to cover the increased cost of processing non-credit-card transactions. Consumers understand this. The model was set years ago when major merchants like America Online began allowing payment via direct debit for an additional charge of \$5.00—a fee structure they still maintain.
- ❖ With PayByCash™, merchants don't even pay a bad check fee for their customers' checks or direct debits that are returned unpaid!

We Can Work With You to Mitigate The Cost to Your Customers

- ❖ You know your customers best. If you wish to reduce the discrepancy between your credit card price and the PayByCash™ price, we will work with you to achieve that intent.
- ❖ If you wish, you can assume the PayByCash™ service fee either in part or in whole.

Consumers Understand Our Role

- ❖ Customers know that our business is separate from yours. That lets you keep your marketing message and value proposition simple, rather than diluting it with multiple price points depending on payment options.
- ❖ Even better, PayByCash™ provides the alternate payment billing support so there's no incremental cost, just incremental revenue!

Our PayByCash Integration is EASY

Combining implementation ease with security is one of the things that makes PayByCash™ a frictionless integration. While the length of time it takes you to integrate will vary depending on the complexity of your ecommerce systems and the level of engineering expertise and familiarity you have available, many merchants have completed the technical integration in less than 10-20 hours. A two-week integration investment can provide you significant return on investment, considering the effort can bring you hundreds of thousands to millions of dollars of incremental revenues per year.

Getting You Integrated Is Our Job Number 1.

The PayByCash™ integration team will work closely with you throughout your integration and testing, and answer any implementation questions you have promptly. Our straightforward integration can even be accomplished by merchants who are using a 3rd party credit card billing processor to handle their credit card payments or subscriptions.

We Bring A Proven Track Record

PayByCash™ Has Been Processing Payments Since 1998

From day one, we've understood that once a customer uses PayByCash™, they're likely to KEEP using PayByCash™ as long as we take good care of them. So we do. Customers often use us for years as they migrate from one merchant to another. This is a testament to our dedication to secure, reliable, professional payment processing and prompt, courteous customer support.

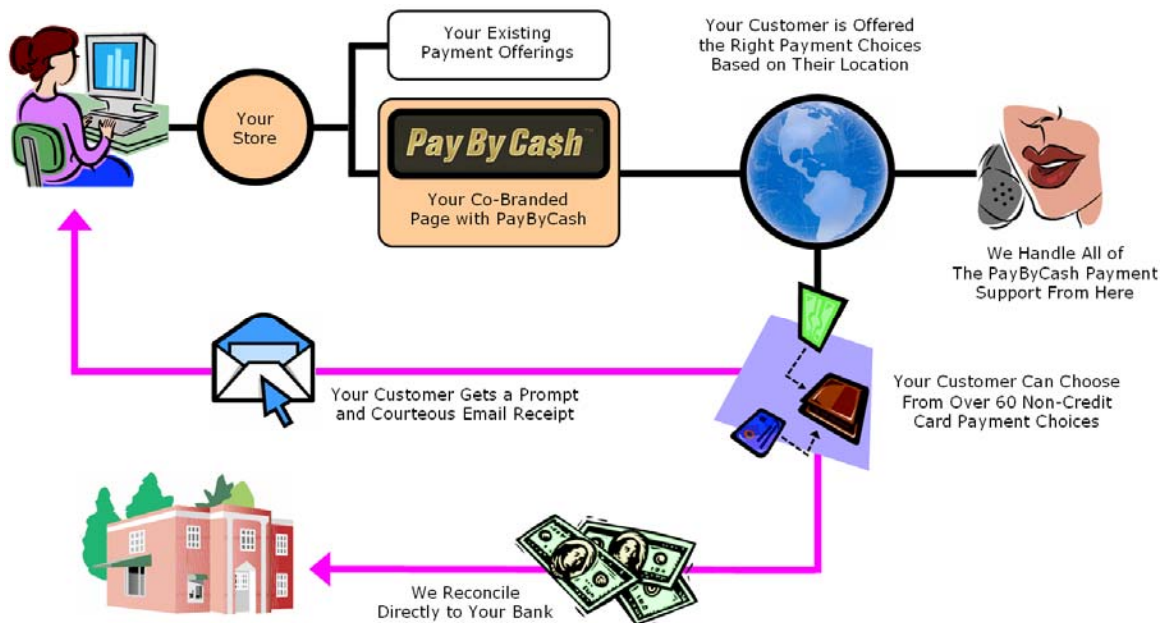
Merchants, Especially Internet Merchants, Face Risks

At PayByCash™, we figure there's enough risk in your life, so we pride ourselves on the fact that accepting alternate payment options via PayByCash™ is about as risk free as anything in business. Ways we work to make your life free of risk:

- ❖ Our integration is straightforward. That keeps initial costs down.
- ❖ You don't pay chargeback, bad check or reversal fees.
- ❖ Many of our payment options are cash-equivalent—that means no chargebacks, no reversals.
- ❖ You automatically gain the advantage of new payment options and markets as we integrate new systems.
- ❖ PayByCash™ has been in business since 1998 and is profitable. We're established, growing, and we're not going to disappear!

How Does PayByCash Work?

The PayByCash system works just like an other e-commerce checkout method. Customers simply select PayByCash from your point of sale page, and we handle the rest in a fast, easy, and secure manner.



Some Of The Major
Services That Leverage
PayByCash:



Company Information

Internet Payment Solutions, Inc. ("PayByCash™") has been empowering non-credit-card customers and the Internet businesses that want to reach these customers since April, 1998. In that time, PayByCash™ has established relationships with Skype, Electronic Arts, Sony Online Entertainment, Turbine, and some of the largest premium subscription providers in the world.

Internet Payment Solutions is dedicated to ensuring that merchant adoption of PayByCash™ services is nearly frictionless and that our customer support is unmatched in the payments industry.

PayByCash™ offers the only service where customers paying without a credit card bring merchants GREATER margins than credit card customers! Most merchants pay no transaction fees to PayByCash™, and PayByCash™ handles the account management and customer service for customers paying via PayByCash.

The Next Step: Accepting PayByCash Payment Options

Here's the short list of milestones toward increasing your sales by accepting PayByCash payment options:

1. Contact PayByCash Business Development to get any remaining questions you have answered.
2. Take receipt of our straightforward Experience & Integration Manual and implement it. PayByCash will assign you an integration engineer to help you through this process.
3. Review, sign, and return our standard Merchant Agreement. We'll return a signed original to you for your records.
4. Work with us to complete the short list of Setup Coordination Points we use to configure you in our systems and bring you live.
5. Do a simple end-to-end test to ensure a smooth customer experience and verify that the communications between our systems and your systems are working.

That's all it takes to reach more customers and markets than ever - and that means stronger acquisition rates, higher sales, and better customer retention.

Start Using PayByCash Today!

Visit Us At:	www.PayByCash.com
Mail Us At:	BizDev@PayByCash.com
Call Us:	+1 (513) 770-1050