

Small business crypto guide (part 4 of 5):

How to **accept crypto** as payment and use it to attract new customers

In the fourth part of our **small business crypto guide**, we'll get into the benefits of crypto for your customers. Offering crypto payment options can help attract certain customers to your business and also open it up to international customers.

If you're unfamiliar with crypto, you might think it's too techy for your small business. That's the goal of this series: create a **small business crypto guide** that breaks down everything you need to know about how to **accept crypto** in your business.

In this post, we'll look at how to accept crypto as payment and the benefits and risks it can have for your business.



Sources: Photo by David Dvořáček on Unsplash

Why should you consider accepting crypto?

The use of cryptocurrency is on the rise. In 2021, it was estimated that [over 300 million](#) people used it worldwide.

With the market for contactless payments expected to triple in value to [\\$51 billion by 2026](#), it seems entirely possible that more businesses will begin to **accept crypto** to reach the customers who prefer paying this way.

As mentioned previously in the first part of this **small business crypto guide**, the [appeal of cryptocurrency](#) is due to several reasons:

- More transaction privacy because sensitive information is not exchanged
- Faster transaction times, including for cross-border transactions
- More secure because of blockchain's decentralized structure
- Not at risk of inflation like fiat currency
- Makes a great long-term investment
- Fewer processing fees because middlemen aren't used

By choosing to **accept crypto**, small businesses can broaden their customer base and target consumers who hold these values. This is likely to be younger generations like millennials and Gen Z that are the most bullish on crypto.

[Offering crypto as a payment option](#) signals that your business cares about being accessible. It also shows that your company sees the value behind crypto technology.

Technologically-savvy customers will appreciate the move, and you'll stand out from your competitors that don't cater to customers with this payment preference.

And if you're an eCommerce business, crypto can help you even more. It can open up your small business to a global pool of customers who won't have to worry about figuring out currency exchange rates.

On the business side, you won't have to worry about slow transaction processing times that typically come with cross-border payments. Instead, you can typically receive your money in a matter of hours with few, if any, processing fees.



Source: Pixabay

How do you **accept crypto**?

Direct method

There are two ways you can **accept crypto**: either directly, or through a third-party platform. Taking it directly is more advanced and generally isn't recommended for anyone new to crypto.

The direct method is a peer-to-peer transaction, which means the crypto is transferred directly from the [customers' crypto wallets](#) into yours. This can be done easily by having a QR code with your public wallet address that customers can scan at checkout, whether online or in your physical store.

However, the difficulty arises with storing all that crypto safely. You're responsible for keeping your wallet and passphrase secure, and if you do a lot of business, this can be a large amount of crypto to handle.

Not to mention, if you want to convert that crypto to fiat currency, you'll have to do so on your own, which can come with high [gas fees](#) if you have large amounts of crypto to convert.

Third-party payment platforms

A much easier, beginner-friendly way to **accept crypto** in your small business is using a crypto payment platform. These platforms simplify accepting crypto as payment and mitigate some of the risks associated with it.

For example, they can automatically convert it to fiat currency and send it straight to your bank account. This way, you won't have to handle crypto directly yourself.

[Many of these platforms](#) can also be easily integrated into the existing payment infrastructure of your online business. For physical retail stores or restaurants, you can use these platforms if you accept payments on tablets or smartphones. A few great options include:

Bitpay

[BitPay is one of the most popular](#) crypto payment platforms. It's used by businesses like Microsoft, AMC Theaters, Twitch, and Dish TV. It can support connections to over 90 wallets and exchanges, and customers can pay in over 12 different cryptos.

While you will need to set up a wallet, Bitpay promises that business owners never need to handle crypto directly – it can be deposited straight to their bank account. It only charges a 1% processing fee for each transaction.

Coinbase Commerce

[Coinbase Commerce](#) offers two plans: a self-managed plan and a Coinbase-managed one. The main difference is that the self-managed plan gives you the primary responsibility to manage your own private keys and manually convert your crypto to fiat.

With the Coinbase-managed plan, Coinbase manages your [crypto wallet](#) and private keys and automatically converts your crypto to fiat. Each option has a 1% transaction fee. Coinbase Commerce can be integrated with Shopify and WooCommerce and also offers transaction reporting tools to simplify accounting and taxes.

Crypto.com

Another well-known [payment platform is Crypto.com](#). Customers can pay with over 30 different cryptos and even earn cash back in Crypto.com's native platform token. There are no setup or transaction fees.

There are no processing fees either, if you choose to settle payments in crypto. If you wish for payments to be automatically converted into fiat currency, there is a 0.5% fee. Crypto.com can be integrated with WooCommerce, OpenCart, Ecwid, and more.

Flexa

[Flexa is a digital-only payment network](#). It lets customers pay with 100 different cryptocurrencies while allowing business owners to settle the transaction in the fiat currency of their choice and

with no conversion fees. It supports integrations with WooCommerce, Magento, OpenCart, and more. They're currently in the process of adding Shopify to the list.

Coingate

[With Coingate](#), your customers can pay with over 70 different cryptocurrencies. Business owners can convert their transactions to fiat currency, Bitcoin, or choose to keep the crypto they received. It supports integrations with WooCommerce, Presto Shop, Magento, OpenCart, and more. Merchants only pay a 1% payment processing fee on transactions.



Source: Pixabay

Risks of accepting crypto

Volatility

In this next section of the **small business crypto guide**, we'll break down some of the risks that can come when you **accept crypto** as payment.

First is crypto's volatility, mainly if you accept it using the direct method. Price changes can result in you receiving less than what your product or service is worth. On the flip side, the value could rise and you can end up with a higher amount.

Third-party platforms that let you automatically convert your crypto to fiat currency are a great choice if you're looking for more stability in your business income.

In addition, the cryptos you choose to accept can impact your business' profits. Generally, it's probably best to avoid smaller altcoins and memecoins that don't have a big reputation. Larger players in the industry with more institutional acceptance, like Bitcoin and Ethereum, can be better choices.

But again, if you use a third-party platform, your customer can pay with any crypto of their choosing, and you won't have to worry about any risk – you'll just receive the equivalent amount in fiat currency.

Refunds

Another risk to consider is refunds. With blockchain technology, every transaction is irreversible and final. If you accept crypto directly, you're responsible for processing crypto refunds on your own.

To do this, you'll need to ask the customer for their public wallet address and then simply send them the refund amount back in a new transaction.

With a third-party platform, you can check their refund policy before signing up. Generally, they can handle the refund for you. For example, [with BitPay](#) all you need to do is choose whether to give a partial or full refund and provide the customer's email address. From there, BitPay will take care of getting the customer their funds.

[For Coinbase Commerce](#), you just need to open up your transaction history, find the transaction you want to refund, enter your seed phrase, and confirm the refund.



Source: Pixabay

Taxes and regulations

Taxes and crypto regulations in your area can be another concern. In the United States, [crypto is taxed](#) as an asset like stocks or property. This means you'll have to pay capital gains or loss taxes when you sell it.

If you're using a payment processing platform, it typically depends on how you settle the transaction. For example, with Bitpay, merchants don't handle crypto directly at any point in the transaction. This means the income is treated as ordinary income, and taxes are paid as they would be for fiat currency. We'll get deeper into taxes in the next part of our **small business crypto guide!**

What's next in the **small business crypto guide?**

[Accepting crypto in your business](#) is pretty simple overall and opens your business to new possibilities. It provides your customers with more payment options that can make shopping at your business easier and more enjoyable. But what about taxes and regulations? How could those impact your small business if you choose to **accept crypto**?

In the last article in the **small business crypto guide** series, we'll take a look at crypto taxes and regulations, both when it comes to paying your employees and accepting digital currency as payment.

About the author:

Jennifer Jones is a content writer who just recently started exploring the world of crypto. She loves learning about new things and breaking down complex ideas. Whenever she's not writing, she enjoys playing guitar and obsessing over her cats.

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Focus keyword:

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Secondary keyword(s):

Accept crypto

Social description + hashtags:

Twitter: Are you a business owner new to crypto? We've got you covered. Check out our blog post on how to accept crypto as payment and attract new customers to your business. #bitcoin #ethereum #blockchain #smallbusiness

Facebook: Are you ready to take your business to the next level? Accepting crypto as payment can be a great way to attract new customers, both at home and abroad, and to stand out from your competition. Check out how in this post.

LinkedIn: In this guide for small businesses, you'll learn the benefits that accepting crypto as payment can have for your small business. We'll break down how businesses can use crypto to attract new customers both at home and abroad, as well as to stand out from the crowd.

Short description:

In this installment of the small business crypto guide, we'll cover how businesses can accept crypto as payment.

Long description:

Are you a small business owner ready to take your company to the next level? Crypto could be exactly what you're looking for. Accepting crypto as payment isn't as complicated as you might think, and it can benefit your business in a number of ways. In this installment of the small business crypto guide, we'll break down how exactly to accept crypto so you can stand out from your competitors.