

What Is PayPal & Stripe? How Can It Help Your Online Store?

ARTICLES



Having a seamless payment gateway is vital for your online store, especially if you want to accept payments from customers with peace of mind.

Especially now, when cashless and online payments usage are rapidly increasing, you must have an easy way for people to pay you online.

PayPal and Stripe are two of the most popular payment options available today.

We will discuss further what they are, how they work, and how you can use them in your business.

PayPal & Stripe In A Nutshell



PayPal and Stripe are two payment gateways that allow merchants to accept payments from their customers. They both offer similar features such as recurring billing, fraud protection, and mobile apps. The difference between them lies in their pricing structure and customer support.

Both PayPal and Stripe provide a wide array of payment services to businesses. If you want to start accepting payments through your store, then these two options should be at the top of your list.

Let's look further at both PayPal and Stripe.

PayPal

PayPal was founded in 1998 and has since grown into a global leader in the online payment space. It offers various services, including card processing, person-to-person payments, international transfers, and merchant accounts.

PayPal is one of the oldest payment service providers. It was originally created to help eBay sellers process payments quickly and easily. Since then, PayPal has evolved into a platform with many different uses.

PayPal works like a virtual wallet. When customers buy from your online store, they enter their PayPal login details and click the "Pay now" button. The payment is processed through PayPal, which takes care of all the details. Once the transaction is complete, they receive an email notification confirming their purchase.

Customers can also make payments directly to you by entering your email address associated with your PayPal account. This way, you don't need to worry about handling any sensitive information of your details.

However, in order for your customers to pay through PayPal, they need to have a PayPal account. If they don't have a PayPal account yet, they can set up a new account when you enter your debit or credit card.

This can be inconvenient to some customers as they may have to remember the account details each time they make the payment through PayPal.

Stripe

Stripe is an online payment solution that allows merchants to accept payments from customers through a web browser using a credit or debit card. Stripe also offers subscription billing, recurring billing, and customer support.

Founded in 2010 by Patrick and John Collison brothers, Stripe has raised more than a billion dollars in funding. Today, Stripe processes almost \$8 billion worth of transactions every year.

Stripe has been available for Malaysian merchants since 2019, eliminating the need to register one in other countries like Singapore, as the practice heard commonly done by many merchants in the past.

This payment processing platform is especially liked by code-savvy people or programmers because it allows them to build their own custom solutions through the developer tools available inside the Stripe account.

However, since you are most likely not well-versed in coding or programming, you would not need the extra features that Stripe has to offer.

When customers visit your store, they simply pay with a credit or debit card by entering their card details during the checkout process. Once the payment is made, Stripe sends the invoice receipt to the customer.

Unlike PayPal, customers don't have to sign up for a Stripe account when making purchases. Instead, they only need to enter their card information once.

Cost – Stripe vs. PayPal Fees



Fees are one of the first considerations people make when considering a payment gateway.

On the bright side, both Stripe and PayPal do not charge setup and annual fees to sign up. So you can use either option for free. However, both PayPal and Stripe have transaction fees.

Stripe, in particular, is more transparent as they display their fees upfront even before you sign up. This means that there will be no hidden costs after you sell your product or service, apart from the exchange rate, which isn't as bad as PayPal.

On the other hand, PayPal does not disclose its fee structure until you actually start selling and converting the foreign currency to Malaysian Ringgit.

In general, Stripe charges about **3% + RM1** for each transaction, and this applies to all currencies.

PayPal, however, varies depending on how much sales you make per month. It can be as low as 2.7% + RM2 to as high as 4.4% + USD0.30. The charges differ between selling to Malaysian customers or outside, so if your sales amount is quite small, the hefty fees could eat up your earnings.

You can see the fee comparison here for more info: <https://wise.com/my/blog/paypal-fees>

Not to mention, the exchange rate in PayPal tends to be on the worse side. On top of the transaction fees, you also get a much lower exchange rate than those officially displayed on Google or XE. So, again, you would get less money in return.

How Can Both PayPal and Stripe Helps Your Online Business?

Both PayPal and Stripe help businesses accept payments from customers. They also provide other features such as invoicing and customer support. In other words, the whole payment process is automated from the get-go once you have set it up.

Also, Stripe is only available in certain countries, whereas PayPal is available worldwide.

Fortunately for Malaysian merchants, both PayPal and Stripe are available, which you can sign up for free.

Which One to Choose?



PayPal and Stripe are some of the options for accepting credit and debit card payments online.

PayPal is easier to use as people are more familiar with the brand, but Stripe offers more features.

As mentioned earlier, both Stripe and Paypal don't charge any fees for signing up. So, it doesn't hurt to try out both platforms. You can set up either payment gateways that suit you best for your customer payments.

Here's how you can set up PayPal and Stripe inside the Boutir app: [How to Set PayPal and Stripe as a Payment Method for Your Online Store?](#)

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