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Credit cards are an integral part of modern business. Even customers who don't use credit will want to use debit or gift cards based around similar technology. But with such a wide variety of credit card processing technology available, it can be confusing for business owners. In this guide, we'll take the mystery and guesswork out of choosing the right credit card processing terminal for your business.

If you're new to credit card payment, a credit card terminal is essentially a processing point for a payment network. As you swipe the card, the payment is processed and disbursed to your merchant account. The payment network collects a flat fee or percentage of the sales, called a "swipe fee," and often the terminal itself will cost a certain amount of money.

Here's our breakdown of the three most common types of credit card processors, and the advantages and disadvantages of each.

Wired Terminals

These are fairly straightforward. Wired terminals usually have a constant connection to the payment network and are also connected to your cash register.

Wired terminals come in a huge variety of types. Regardless of your register system, there will be some form of wired terminal that interacts with it. Generally, these systems come with an integrated receipt printer, usually a thermal printer such as those found in fax machines, and payment processing device. Depending on the bells and whistles you opt for, these terminals will run you between $200 and $500 per unit.

Benefits: The most basic benefit of wired terminals is the fact that they're not going anywhere. If you have a retail business with cashiers and customers that filter through, it's nice to have the terminal right there for your employees. More expensive wired systems can even save you more time and labor by including, for example, customer-facing touchscreens that allow customers to swipe, enter their passwords, and other steps that leave your employees free to focus on customer service.

You also don't have to do as much work printing out receipts or filling out receipt forms. Your on-site receivables department can simply wire a unit to the desk, run the cards quickly and efficiently, and spend less time filling out forms. Finally, this is an older technology, so it has firmly-established security protocols.

Drawbacks: If you have several cashier stations, for example, you can easily spend $1000 or more on just the terminals. Which brings us to the second problem: The cost of the terminal doesn't include any sort of payment processing or merchant account. You'll have to set up your own account and connect to the payment networks separately. These terminals also offer very little mobility, obviously, which is fine if they're not going anywhere but could be very problematic if you need to take them places.

Next, there's the cost: You may be required to specially connect with merchant networks, depending on the type of payment you've chosen to accept, and that's unlikely to be free. On the bright side, you may get the merchant account or terminal at a discount depending on the type you choose. Beyond that, the swipe fees may not work for you financially. Ask each payment processor what they charge and read the contracts they send you closely before signing.

And finally, there's swapping out the receipt paper. This sounds minor, but it is an office supply expense -- and depending on the unit, it can be aggravating for owner and employee alike.

Best for: Wired terminals are generally best for two kinds of businesses: retail establishments that have cashier stations, and businesses that need to process credit cards over the phone or over mail order but won't be taking the machine anywhere. For example, if your business processes a wide variety of phone or mail orders, having a wired credit card terminal right there is incredibly useful: Just punch in the number, run the card, and staple a receipt to your customer's invoice. Similarly, wired terminals offer a degree of security and ease for your employees and customers at retail organizations. There's nothing like technology every customer is comfortable with, and has years of security behind it.

Wireless Terminals

Wireless terminals are both very different and very similar to wired terminals. In many respects, they're similar: a payment processor and receipt printer built into one unit. The difference is the "wireless" part: Wireless terminals include a wireless modem built into the base. As a result, they can be used anywhere a proper wireless connection protocol is available. The costs reflect the convenience: Generally wireless terminals cost between $500 to $800, depending on discounts.

Benefits: This one is simple: mobility. For example, if you need to shift your store layout multiple times in a given year, mobile terminals can simply be picked up and placed somewhere else. If you're concerned about damage or theft, mobile terminals can be placed at stations in the morning and then locked up at night.

Drawbacks: Obviously, the main drawback is the cost. If you have dedicated cashier stations or one desk in your business to process payments, mobile terminals likely don't make sense.

In addition, you'll need to make sure that your wireless network is absolutely secure for your customers. Intercepting the radio signals between a wireless terminal and the wireless connection point isn't easy, but it's possible, especially for a dedicated thief. Make sure that the terminals you're looking at have the most current encryption protocols ... and that they'll take responsibility if something goes wrong.

Best for: Wireless terminals are best for businesses that have no specific cashier stations. If you've got a business that has salespeople walking the floor instead of customers shopping and bringing their goods to a cashier station, a wireless terminal is perfect. Salesmen can close the sale and give your customer a receipt right there.

They're also an incredibly useful tool if you want to sell at trade shows and other off-site locations for your non-retail business. You can process a sale right at your booth.

But wireless terminals have developed some real competition in the form of mobile devices.

Mobile Devices

Mobile devices are essentially a mix of application and a small accessory that generally plugs into the audio jack of your smartphone.

These are very different from the above two terminals. As a rule, you don't need a merchant account to sign up for these devices: Even a personal bank account is accepted. You also don't need to connect to a payment network. Or, for that matter, wireless connections in your business. They're designed to be used by literally anyone who wants to process a credit card. As a result, ease of use is the primary focus of these devices.

Benefits: The most obvious benefit of mobile devices is that they're the most portable. They can be hooked up to a tablet computer or smartphone, and used over either a cellular network or a wireless network, depending on your preference and access. That makes them accessible and easy to use. Any employee can use these systems with an absolute minimum of training.

Most apps, such as Square and Intuit GoPayment, simply take a small percentage off the top of the transaction and handle all the behind-the-scenes paperwork for you. This is both good and bad, as it makes costs simple to calculate, but it will likely cost you more in processing fees.

Drawbacks: Mobile payment systems are built around tablets (which cost between $200 and $500) or smartphones (ranging from $200 to $600). You may also need a data plan, depending on your business model, and access to WiFi. You can combine this with your work cellular plan in certain situations, but be ready for data overages and other possible costs depending on the situation.

Finally, there are security risks. These apps and other tools may be intercepted much the same way they are from wireless terminals. These can be mitigated by strict monitoring of app downloads (as in, only have one on the work device.

Best for: If you have a highly mobile business, or need to be able to take payments on the spot, a mobile device is perfect. You often find mobile device payments at trade shows, craft fairs, and for home businesses that need to accept credit cards but may not need a more dedicated payments solution just yet. The mobility also makes it perfect for far-ranging salesman and others who may need to go away from the office and process sales on the spot.

There's a payments processing device for every business, large and small. It's simply a matter of determining which is best for your business.

If you're looking for a credit card processing solution for your own business, check out Business.com's Credit Card Processing section, where you'll find a comparison of top vendors, as well as additional tips and advice:

http://www.business.com/finance/credit-card-processing/

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