

## FREQUENTLY ASKED QUESTIONS

### PayPal for Digital Goods



Sell more digital content and build more profitable customer relationships with PayPal for Digital Goods.

- Seamless, in-context payments increase sales conversion
- Low fees for both small and large transactions
- Offer one-time micropayments, pay-as-you-go, and subscription models

[paypal.com/digitalgoods](https://paypal.com/digitalgoods)

#### 1. What is PayPal's definition of a Digital Good?

PayPal defines digital goods as goods that are sold, delivered, and used online in an electronic format. This could include, but is not limited to, e-books, music files, videos, software, digital images, manuals in electronic format, and virtual goods that may be sold in the context of a game. Services or ticketing (travel, events) are not currently considered to be digital goods.

#### 2. What is PayPal's Digital Goods solution?

PayPal's solution for Digital Goods can increase your sales conversion rates, strengthen customer satisfaction, and reduce costs by:

- Offering a fast, in-context payment experience – so that customers never leave your site
- Applying different pricing for smaller vs. larger transactions that automatically adjusts to give you the lowest rate
- Applying superior fraud and risk models to help reduce cost

#### 3. What if I sell both physical and digital goods?

If you are planning to use Express Checkout, you will need to set up two separate flows: one to support the shipping address required for physical goods, and one for digital goods.

The Digital Goods Adaptive Payments' new inline payment flow will support both digital and physical goods along with other capabilities such as parallel and chained payments. You will need to apply to PayPal to receive micropayments pricing for digital goods.

Please contact us if you would like help determining which solution is best for you – and how to get started.

#### 4. What are the technical requirements?

You need to have, or integrate, Express Checkout or Adaptive Payments in order to take advantage of the Digital Goods solution. It typically takes a developer less than a week to integrate the Digital Goods solution into a medium-sized website.

#### 5. Can I use the Digital Goods solution with my existing PayPal integration?

If you have Express Checkout or Adaptive Payments integrated, you can easily implement the Digital Goods solution.

We are currently working on solutions that will allow digital goods to be integrated with PayPal's other products.

# PayPal FOR DIGITAL GOODS

## 6. What do I need to get started?

You'll need:

- A PayPal Business account
- Either of our Express Checkout or Adaptive Payments products
- Technical expertise with APIs

If you do not have Express Checkout or Adaptive Payments, visit [www.paypal.com/digitalgoods](http://www.paypal.com/digitalgoods) and:

- Determine which of these solutions is best for your business (Setting Up tab)
- Follow the instructions below

If you already have Express Checkout:

- Go to **My Business Setup** in your PayPal account
- Change **My Payment Solution** to Digital Goods
- Click on **Start Now** – from there you'll be guided through the integration process

If you'd like to get started with Adaptive Payments, click here to go to the [Digital Goods X space](#) on our developer website x.com to get started.

## 7. Should I set up Express Checkout or Adaptive Payments?

Refer to the Setting Up tab on [www.paypal.com/digitalgoods](http://www.paypal.com/digitalgoods) to help decide which solution is best for you.

## 8. What will my customer experience after I integrate the Digital Goods solution?

Your customers will be able to pay on your website without getting redirected to PayPal, and continue to see your brand in the background. If your customers select the Remember Me option then their experience is even more streamlined and they will be able to pay in just two clicks.

Refer to the demo on [www.paypal.com/digitalgoods](http://www.paypal.com/digitalgoods) for examples.

## 9. What is Remember Me?

Remember Me is an option that your customers can select if they want to transact without having to log in to their PayPal account. Completing a purchase only takes two clicks – which can increase your conversion rates. PayPal protects your customers against unauthorized transactions sent from their account, and for additional security we'll still ask them to log in for bigger purchases.

## 10. Can I set up the 2-click experience for physical goods, even if I am not eligible for the new micropayments pricing?

Our Express Checkout solution does not yet support goods where a shipping address is required.

With our Adaptive Payments solution you will be able to enable the 2-click experience for both digital and physical goods.

## 11. What amounts are considered micropayments?

Payments less than \$12 are typically considered to be micropayments. With the new Digital Goods solution we'll calculate how much each transaction costs based on your standard rate or the micropayments rate, and charge you whichever is lower.

## 12. What are the fees? What is micropayments pricing?

Two types of fees apply:

1. "Standard pricing" – this is based on the total volume you receive each month
2. "Micropayments pricing" – this is charged on smaller transactions, and is 5% of that transaction, plus \$0.05 per transaction

## PayPal FOR DIGITAL GOODS

If you sign up for Digital Goods Micropayments Pricing, we will automatically review each transaction and charge you either the standard pricing or the micropayments pricing – whichever is lower. This feature is only available for digital goods.

Visit the Pricing tab on [www.paypal.com/digitalgoods](http://www.paypal.com/digitalgoods) for detailed pricing. To qualify for Digital Goods Micropayments Pricing, you must submit an application, be approved, agree to additional terms and conditions, and have an account in good standing.

**13. I'm already getting the 5% + \$0.05 pricing. Do I automatically get the Digital Goods lowest cost pricing structure when I integrate the Digital Goods solution?**

To receive the Digital Goods pricing (which charges you either standard pricing or micropayments pricing - whichever is lower), you'll need to apply during the Digital Goods setup.

**14. What are your buyer protection policies?**

If a buyer files a dispute for a digital goods purchase of \$3.99 USD or less, PayPal may, at our discretion, reverse the transaction without requiring the buyer to escalate the dispute to a claim. PayPal will limit the number of such reversals in order to help keep both merchants and consumers safe.

**15. Does the Digital Goods solution work on mobile phones?**

PayPal supports in-app payments on Android with Mobile Payments Library. Many other developers are taking advantage of the capability for selling digital goods.

**16. Can I sell subscriptions with the Digital Goods solution?**

Yes, subscriptions are supported with caveat that the subscription must be set up with a purchase amount greater than zero. There is no trial subscription support.

**17. What payment options will my customers be able to use with the Digital Goods solution?**

- Credit cards
- Debit cards
- Balance
- Their bank account (if they have added a backup funding source such as a credit card to their PayPal account)
- Add cash to their PayPal account with [MoneyPak](#)

**18. How does PayPal address fraud issues?**

To help stop losses and charge-backs before they happen, PayPal has developed fraud detection models which specifically identify patterns and aberrations applicable to Digital Goods. For instance, suspicious IP addresses, unrecognized computers, changes to average payment amount, and spikes in payment activity will require an extra layer of authentication.

PayPal has also developed a [guide](#) for Digital Goods merchants to assist in reducing fraud.

**Get More Information**

(866) 365-6661 · [paypal.com/digitalgoods](http://paypal.com/digitalgoods)