



BITING THE BITCOIN BULLET IN HIGH-END ONLINE RETAIL

Our company made the move - and we're glad we did

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If they give any thought to it at all, most ecommerce retailers find cryptocurrency inscrutable, even retailers operating exclusively online. It's understandable. Business is complicated enough without studying up on blockchain technology, smart contracts, trustless transactions and the other unfamiliar jargon tossed around by Bitcoin and Ethereum aficionados.

But if you're in business online, cryptocurrency is sharing virtual space with you; more and more of your customers are familiar with it. NBC News [reported](#) last August that more Americans of all income levels are flocking to Bitcoin. One reason: cryptocurrency is becoming easier to buy and use.

Cryptocurrencies have evolved from a risky investment into a role previously filled only by 'real world' or fiat currencies: payment for goods and services with much lower merchant transaction costs. Want more good news? You don't have to understand the technology or concepts behind cryptocurrency to integrate it with your customer-facing content.

Our business, WatchBox – the premier ecommerce site for the buying, selling and trading of luxury pre-owned watches – operates in a marketplace of affluent people around the world. To meet the convenience of our worldly customers, we made the move in February to accept Bitcoin, the world's leading cryptocurrency, as a payment option. Our sales specialists handle Bitcoin payments by phone, facilitated by BitPay, the world's largest cryptocurrency payment processing firm. We are in the process of integrating it into our online shopping cart as well. At this early stage, our experience has been positive and our customers have appreciated our sensitivity to their preferences. The process has been easy and trouble free.

The evolution of cryptocurrency as a medium of exchange is illustrated by the growth of processing companies such as BitPay, which serves businesses on six continents. Launched in 2011, the Atlanta-based firm is on pace to handle more than \$1 billion in crypto purchases this year. They now integrate with PayPal and the giant online Asian pay processor AsiaPay. Large international firms such as Microsoft and New Egg have been accepting cryptocurrency through

BitPay since 2014. The BitPay customer base is growing dramatically: [tens of thousands](#) of merchants in more than [130 countries](#) now accept cryptocurrency through the company.

Whether you're an online retailing veteran or just starting out, it's important to recognize cryptocurrency has quietly become a preferred customer payment method -- one wise retailers should learn to accommodate.

In making our decision to accept Bitcoin payments, we knew our WatchBox clients were financially sophisticated and comfortable buying luxury goods online. We weren't surprised to learn they viewed cryptocurrency as an easily accessible, completely secure global payment medium, increasingly integral to their international consumer experience. And given how steeped our company is in integrating the latest technological innovations into our business model, it was only a matter of time and opportunity for us to enter the realm of cryptocurrency.

In addition to our online presence at www.thewatchbox.com, WatchBox has on-the-ground facilities in Hong Kong, Switzerland and the US. We deal in different currencies around the world daily. As we evaluated adding Bitcoin to the mix, we took note of the famously wild, minute-by-minute fluctuations in cryptocurrency valuations against the world's fiat currencies. Naturally, this gave us pause. Would a cryptocurrency sale made in the morning be worth 10 or 20 percent less before the transaction could be processed and wired? That's an obvious red flag for any retailer!

Fortunately, using a variety of methods, such as instantaneous averaging of multiple exchange valuations, crypto payment processors like BitPay lock in the valuation of the cryptocurrency at the time of the transaction, and wire that value to the merchant in fiat currency. This is a significant step forward in making the crypto experience stable and predictable for business owners. It also provided the risk mitigation we needed to take the step into crypto-currency.

Accepting cryptocurrency is also significantly less expensive than credit card transactions. BitPay charges a 1 percent flat fee per transaction, as opposed to the 2 to 3 percent merchant companies charge. Adding 1 or 2 percent to each sale's bottom line obviously increases our business competitiveness. Another plus: the virtual nature and the mutability of cryptocurrency make processing faster than the typical multi-currency transaction and avoids the huge currency conversion fees levied by banks.

As WatchBox continues a period of investment and growth in the pre-owned luxury watch vertical, we remain alert to our customers' desires, and adapt quickly and wisely to the ever-changing winds of the e-commerce seas.

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