



# HERO PRICING PROGRAM

Comprehensive Pricing Strategy Guide

**bold.**

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# Introduction

## Purpose of the Guide

Welcome to the HERO Pricing Program Guide.

HERO (Higher Earning Revenue Options) is BOLD's partner-first pricing framework designed to help merchants protect margins as payment costs rise, without sacrificing transparency, customer trust, or compliance stability.

This guide is built for VARs and ISVs who want a repeatable approach to pricing strategy. It gives you a clear starting point, practical implementation guidance, and merchant-friendly messaging you can confidently deliver.

This guide helps you:

- Understand each pricing strategy supported within HERO
- Choose the right strategy based on POS capability, merchant preference, and customer experience
- Implement with clarity, consistency, and strong communication
- Avoid common missteps that lead to friction, complaints, or compliance fines

**Important note:** This guide is provided for informational and operational support only and is not legal advice. Requirements can vary by state and may change over time. For state-specific legal questions or interpretation, we recommend that partners and merchants consult qualified legal counsel. For implementation guidance and portfolio-level changes, loop in BOLD before rolling updates broadly.

## Overview of the HERO Pricing Program

HERO includes multiple pricing strategies because partners and merchants face different POS capabilities, different competitive pressures, and different customer expectations. Within HERO, we prioritize strategies based on long-term stability and ease of execution.

### Primary strategies within HERO:

**Dual Pricing (Default Recommendation):** A stable, transparent approach that builds card acceptance costs into clearly displayed prices and reduces “surprise fee” moments at checkout.

**Cash Discounting:** A closely related model, typically framed as a discount when customers pay with cash or other non-card methods.

**Surcharging:** A regulated approach that may be appropriate in specific environments, but requires strict adherence to card brand rules, disclosure requirements, and credit-only controls.

Other pricing strategies may be utilized when appropriate to support a partner's operational or competitive needs, provided they align with compliance guidance and clear expectation-setting. One example is Order Processing Fees (OPF), which can be used as a bridge solution when a POS system cannot support compliant Dual Pricing, Cash Discounting, or credit-only Surcharging. OPF should always be positioned with transparent communication, including the reality that card brand interpretations and enforcement can evolve over time.

## Traditional Pricing Models vs HERO Strategies

Don't mix up backend pricing with checkout pricing.

In payments, there are two different things that often get confused. HERO focuses on one of them, but partners need to understand both.

### 1. Backend Pricing Models (what the processor charges the merchant)

These are the rate structures on the processing agreement and statement, like:

- Interchange-plus
- Flat rate
- Tiered pricing

Backend pricing determines how processing costs are calculated and billed "behind the scenes." It impacts what the merchant pays to accept cards, but customers don't see it at checkout.

### 2. HERO Pricing Strategies (what the customer sees at checkout)

These are customer-facing payment-method pricing strategies, including:

- Dual Pricing
- Cash Discounting
- Surcharging
- OPF (bridge option in certain environments)

HERO strategies determine how prices are presented and communicated to customers based on payment method, with the goal of protecting margins while keeping pricing transparent.

## How They Work Together

We recommend a merchant be on flat rate in the backend when utilizing Dual Pricing or Cash Discounting on the front end. HERO does not replace the backend pricing model. HERO helps the merchant offset those costs through their checkout pricing structure.

What is “effective rate”?

A merchant’s effective rate is the easiest way to estimate what they are actually paying on average.

In plain terms:

Effective Rate = Total processing costs ÷ Total card sales volume

Example:

- Monthly card volume: \$100,000
- Total processing costs on the statement: \$3,050
- Effective rate: 3.05%

This number matters because it helps determine the right strategy setup and price spread. It also helps partners set realistic expectations. Costs vary by card and transaction type, so the goal is to offset costs across the merchant’s volume over time.

## How to Use This in HERO Conversations

- **Backend pricing model** tells you how costs are calculated
- **Effective rate** tells you what the merchant is truly paying on average
- **HERO strategy** determines how the merchant presents pricing to help offset those costs

If you lead with an effective rate, partners can have a cleaner conversation:

“Here’s what you’re paying on average, and here’s the best way to reduce the impact without surprising customers.”

## Tools and Support Available

Bold can help partners calculate the effective rate quickly using our Statement Analyzer tool. If a partner wants access or wants help reviewing a merchant portfolio, they can reach out to our GTM team for support and enablement.

Refer to section [‘Funding \(How deposits work in Dual Pricing\)’](#) for more information on merchant funding options.

## Strategies At a Glance

### Quick Comparison

Strategy	What it is	Best fit when	Core requirements	Watch-outs
Dual Pricing (Preferred)	Two clearly displayed prices, typically a higher card price and a lower cash price.	POS supports it cleanly, merchant wants the most stable approach, you want minimal checkout friction	Clear price presentation, correct receipt setup, consistent messaging	Confusion happens when product displays, menus, or receipts are unclear. Avoid adding hidden fees.
Cash Discounting	A discount offered for cash or non-card payments, framed as a savings option.	Merchant prefers “discount framing” or only one price presented, local norms support it, POS supports clean setup	Clear disclosure, consistent presentation of standard price with discount applied upon cash payment	Avoid language that sounds like a fee added at checkout
Surcharing (Selective)	A fee applied to credit card transactions under strict rules and disclosures.	Merchant environment supports it, POS supports compliant credit-only controls, merchant accepts disclosure requirements	Credit-only controls (BIN-lookup), signage, receipt line item, rule adherence	Execution risk increases without proper controls or consistent signage

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