

HIGHLIGHTS

THE CHALLENGE

- Along with double-digit growth in customers, sales and revenues, a U.S. online streetwear retailer faced chargeback rates of 2-3% due to increased fraud.
- To protect its brand, decrease chargebacks and increase revenues, the company needed a fast, accurate fraud detection/prevention solution.

THE SOLUTION

- The retailer adopted ACI ReD Shield[®], a fully outsourced fraud solution that provides real-time risk assessment and accept/challenge/deny recommendations in milliseconds.

THE RESULTS

- The chargeback rate is now just 0.11%, and the company has increased revenue due to reduced fraud write-offs.
- ReD Shield automates most fraud decisions, enabling agents to focus on customer service, not chargebacks.

STREETWEAR RETAILER COMBATS EXCESSIVE CHARGEBACKS TO DELIVER DOUBLE-DIGIT REVENUE GROWTH

A young, energetic company with a loyal following and high demand, this leading online streetwear retailer is set to post double-digit growth for the 12th year in a row. Unfortunately, all that growth is leading to increased fraud and high chargeback rates of 2-3%, a factor that threatens to diminish its brand and aggressive growth

ACI RED SHIELD[®] HELPS DECREASE CHARGEBACKS AND INCREASE REVENUES, ALL WHILE SUPPORTING THE RETAILER'S GLOBAL ACQUISITION-BASED GROWTH STRATEGY.



ACI Worldwide, the Universal Payments (UP) company, powers electronic payments for more than 5,100 organizations around the world. More than 1,000 of the largest financial institutions and intermediaries, as well as thousands of global merchants, rely on ACI to execute \$14 trillion each day in payments and securities. In addition, myriad organizations utilize our electronic bill presentment and payment services. Through our comprehensive suite of software solutions delivered on customers' premises or through ACI's private cloud, we provide real-time, immediate payments capabilities and enable the industry's most complete omni-channel payments experience.

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The retailer represents eight branded sites and processes over two million orders per year on its own site, in addition to registering sales via sites like Amazon and eBay. Its high 2-3% chargeback rates, well over the typical 1% card processors expect, was beginning to adversely affect its brand and reputation. The company needed a fraud management solution that would decrease chargebacks and increase revenues, all while supporting its global acquisition-based growth strategy.

The retailer decided to implement ACI ReD Shield, a fully outsourced fraud solution that enabled it to avoid capital investments and lower operating costs while gaining real-time, market-leading fraud detection/prevention capabilities. ReD Shield combines neural technology with a proprietary database of confirmed fraud data, merchant-specific velocity and compound rules to provide a real-time risk assessment and accept/challenge/deny recommendation within milliseconds. It provides the optimal balance between preventing fraud and maximizing throughput of legitimate transactions.

In addition, ReD Shield's customer service interface (CSI) allows merchants to examine transactions using pre-defined search criteria such as a card number or email address, and view customized transaction search results, as well as all transactional and derived data used to process the sale. It lets the retailer easily review and proactively respond to potential fraud incidents quickly and efficiently.

“ WE WANTED TO FORGE A PATH TO COMBAT FRAUD AND DRIVE GROWTH. ACI'S POWERFUL FRAUD DETECTION ENGINE AND SUPERIOR CUSTOMER SERVICE ENSURES WE'RE READY FOR ANYTHING.”

Customer support executive at the retailer

“Today, chargebacks are at 0.11% and sales are on track,” says the retailer's director of customer support and outbound operations. The company has also increased revenue due to reduced fraud write-offs.

In addition, the retailer's implementation of ReD Shield has resulted in fewer transactions requiring manual review, significantly reducing operational costs. Before, every customer service representative was involved in approving orders and dealing with chargebacks. Now that is down to one.

Backed by ACI's unmatched fraud and payments expertise, the retailer is now able to focus on its core business: setting trends, connecting with customers and generating profits.