HydroBuilder.com Chops Down Fraud and Grows Sales, While Weeding Out Manual Reviews

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>
> **Brittaney Cox,
> Director of Internal Resources**

SITUATION

HydroBuilder.com is a rapidly growing online retailer of indoor and outdoor gardening products, providing an extensive assortment at affordable prices while maintaining high standards of quality. Located in Chico, California, HydroBuilder.com began as a one-stop shop for competitively priced, quality products backed by a knowledgeable staff of passionate horticulturists.

HydroBuilder.com began experiencing significant increases in fraud attempts, which forced them to conduct more and more manual reviews. Brittaney Cox, Director of Internal Resources recalls the situation: "Before I joined HydroBuilder.com, we were reviewing every order trying to get fraud under control. In addition, we were using a chargeback guarantee service for orders we couldn't clear, but the costs were high. I had used Kount at a previous company and loved it. It's great for scalability. I knew Kount would help us get the fraud under control. More importantly, I knew it would help us reduce the number of manual reviews and take the pressure off operations. As a startup company with less than 15 people, we needed to streamline the fraud prevention process and keep overhead down. The 'review everything' approach simply wasn't scalable."

SOLUTION

Kount turned things around for HydroBuilder.com. Fraud was reduced, the number of manual reviews was slashed, and fewer orders were wrongly declined on suspicion of fraud.

Brittaney details the successes: "Our chargeback rate dropped from 0.47% to 0.05%, losses from fraud went down 70%, chargeback dollar amounts decreased 79%, our decline rate dropped from close to 10% to 4.49%—which means we're approving more orders—and now I'm the only person conducting manual reviews. Now as business increases, we don't have to hire more fraud analysts to keep up."

In addition to the dramatic financial turnaround Kount has provided, it also has enhanced customer satisfaction, Brittaney notes: "With Kount, we are able to get orders out faster without having to manually review them. Shoppers don't like it when you hold up their orders or ask intrusive questions. Kount helps us avoid doing that, which has improved customer goodwill."

Brittaney especially appreciates Kount's Order Linking technology, which compares data elements in current transactions—like Device ID's, email addresses, credit card account numbers, etc.—with data elements in past transactions to uncover fraud.

"Before, we had no visibility into what was causing the fraud or when fraudsters returned," says Brittaney. "But now, that data analysis is automatic with Kount. Another big success has been partnering with Whitepages Pro, which allows us to automate confirmation of billing and shipping addresses. Together, these two Kount capabilities have helped us cut down on manual reviews."

Kount also improves efficiency with its all-in-one platform. "Kount is a hub for everything," observes Brittaney. "Before, we really couldn't handle fraud with the staff that we had. Now it's just me and I'm able to take care of it all. And we still have room to grow without adding staff, which is great for a startup company like ours. It also helps that the support I get from Kount is awesome. My account rep is extremely knowledgeable and responsive. Whenever I have a question, I get answers immediately."

OUTCOME

- Reduce chargeback rate from 0.47% to 0.05% (89% decrease).
- Decrease chargeback dollar amounts by 79%.
- Reduce losses from fraud by 70%.
- Drop decline rate from 10% to 4.49% (55% decrease).
- Dramatically reduce the number of manual reviews.

Brittaney has advice for colleagues who might be struggling with eCommerce fraud: "Anyone spending money on fraud prevention should get Kount. It's a no-brainer. Kount helped us reduce fraud, reduce costs, and boost sales. We have had no downtime and no interruptions since implementing Kount. It is definitely the way to go."

BOOST SALES, BEAT FRAUD

Kount helps online businesses boost sales by reducing fraud and allowing them to accept more orders. Kount's all-in-one, SaaS platform is designed for merchants operating in card-not-present environments and the payment service providers that support them, simplifying fraud detection and dramatically improving bottom line profitability. Companies using Kount can accept more orders from more people in more places than ever before. Kount is a turnkey fraud solution that is easy-to-implement and easy-to-use. Kount's proprietary technology has reviewed billions of transactions and provides maximum protection for some of the world's best-known brands. For more information about Kount, please visit www.kount.com