



Jamberry Nails the Perfect Balance of Boosting Sales and Beating Fraud with Kount



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Jeff Stephens
Director of Finance
Jamberry

SITUATION

Jamberry was created after three sisters, Lyndsey, Christy and Keri, were out getting their nails done. After a slow and expensive visit to the salon, they realized there were big improvements to be made and came up with the idea for a line of do-it-yourself nail wraps using a social selling business model. To facilitate global growth, Jamberry added eCommerce capabilities to make order entry faster and easier for sales consultants. Initially, fraud wasn't an issue. But in 2013, fraud rings started attacking and then escalated their attacks in 2014. The first reaction was to conduct reviews of orders, however that proved costly and ineffective. What's more, many fraudulent orders were being charged and shipped out before they were caught, which resulted in rapidly growing chargebacks and loss of product. Jamberry turned to its payment processor, Braintree, for advice. Braintree recommended its fraud prevention partner, Kount, which was fully integrated into the platform.

Jeff Stephens, Director of Finance at Jamberry, picks up the story “The customer success team and our dedicated account representative worked side by side with the Jamberry team to set up a functional and maintainable strategy to prevent and track fraud.” He continues, “The traditional eCommerce model of one customer

placing an order is what most fraud systems are built for. Direct Sales, however, can be drastically different from that model, and orders that appear as blatantly obvious fraud in an eCommerce-only platform are common in Direct Sales. An example of this is hosting a party to showcase the products and sell to the attendees. The orders placed at these parties will often be placed from the same device and IP address using multiple credit cards, names, addresses and emails which would typically cause the order to be rejected by fraud controls. Another example is a consultant ordering product for a customer with a shipping address across the country or in another country entirely. This would typically be a red flag for geography-based fraud controls because of the different billing/shipping addresses. All of these situations need to be thought through carefully and completely to find effective and efficient rules that will still allow legitimate orders through.”

SOLUTION

“Changing from a reactive approach to a preventative approach with Kount has not only helped our team be more organized, but has also saved us thousands each month by avoiding the fraud and dispute process afterwards,” says Jeff. “This new approach allows the team to block fraud while it is happening, and while it is evolving. Prior to this we had to cancel

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 **JAMBERRY**

customer and consultant accounts based on activity we found after it had already happened. This is an expensive approach for any business that has experienced fraud. The Kount system is easy to use and allows for customized rules around trends that can be tracked. This tracking is also helpful beyond fraud with adjacent needs in treasury and finance. The Datamart reporting, in particular, provides insights into customer order behavior. With much of the process being managed and decisioned by Kount, time has been freed up for other needs allowing the business to spend time understanding actual customer and consultant behaviors and helping to build a better company.”

Jeff sees Kount as a positive development for his industry as a whole: “The industry is getting hit hard with card-not-present fraud from across the globe. It has been very difficult to combat in the past, was a very manually driven process, and heavily reliant on research based upon chargeback reporting from each market. With the tools that Kount has provided, we are able to track current trends as they

shift in each country and put rules in place to prevent the order, and ultimately the dispute, from ever happening. This has discouraged those committing fraud from attacking Jamberry and could have the same impact across the industry.”

OUTCOME

- Reduced chargebacks and fraud by 90%
- Sped order delivery
- Provided rich data to support better reporting and proactive business planning

How would Jeff sum up his feelings about Kount? “The entire process was much smoother than we could have imagined. With Kount fully integrated in Braintree, there was minimal engineering work needed. Our Kount representative walked us through the full set-up process, from fine tuning the rules for our business practices, to providing continuous support as fraud trends evolved. The process and tool has been a game changer for us, allowing us to plan and prepare for fraud.”

**BOOST SALES, BEAT FRAUD**

Kount helps businesses boost sales by reducing fraud. Our all-in-one, SaaS platform simplifies fraud detection by applying patented machine learning through Kount’s proprietary platform offering

maximum protection for some of the world’s best-known brands. Companies using Kount accept more orders from more people in more places than ever before. For more information about Kount, please visit www.kount.com

