



The Source Discovers Kount Is “The Source” for Fraud Prevention



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Greg Coles
Director – E-Commerce Operations, The Source

SITUATION

The Source is Canada’s leading consumer electronics and wireless retailer, operating in 600 retail locations. Brick-and-mortar operations began 40 years ago, and e-commerce capabilities were added in 1999-2000. For the first several years, the e-commerce fulfillment team conducted manual reviews of every single order. But as sales volume grew, the company deployed self-built tools that introduced more automation to improve efficiency and reduce the number of manual reviews. However, with plans to increase sales, Greg Coles, Director–E-Commerce Operations, started looking for fraud prevention solutions that could provide additional capabilities. The search took on more urgency when The Source began to appear on credit monitoring lists, even though their chargeback rate was around the industry average.

In order to identify the best fraud prevention solutions, the company consulted with trusted partners and conducted intensive research online. “Our Vice President of E-commerce first spoke with Kount at eTail,” notes Greg. “After deeper discussion, it became apparent rather quickly that the other solutions were more expensive than Kount and didn’t deliver any additional capabilities.” The Source

decided to implement Kount. “It was kind of complicated because we were simultaneously changing our payment gateway,” recalls Greg. “But the Kount part of the project was smooth, very easy.”

SOLUTION

After deploying Kount, the chargeback rate for The Source dropped by 43%—from 0.8% to 0.45%. “And we’re on pace to go even lower,” says Greg. “We will soon hit our goal of getting the chargeback rate down to 0.4%.” As a result, The Source no longer worries about credit monitoring lists. The other good news? The number of manual reviews has been cut in half—from 18% of transactions to 9%—with the time spent on each review reduced substantially. “Kount greatly simplified our manual review process,” explains Greg. “We’ve cut the time spent on each review by about 40% to 50%.”

Yet even with these dramatic reductions, sales have continued to grow. Greg points out: “Recently, when we sold more in a single day than we sold during our entire first year of online sales, I knew going with Kount was the right decision. I didn’t fully appreciate how much further it was going to take us, and so quickly. I would have made the move three years ago if I knew then what I know now.”

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Kount helps The Source in other ways, too. “Writing new rules is quite easy and that’s important for retailers like us,” continues Greg. “For example, our online volume scales exponentially on Boxing Day (the day after Christmas). With Kount, we easily set up a unique set of rules just for that day so that we could handle the massive volume increase.” But easier, better fraud prevention is just the beginning for Greg.

“Over and above the fact that Kount is working great from a fraud detection standpoint, it also lets us get creative in growing sales,” explains Greg. “For example, we can pre-sell new, in-demand products that customers want to pre-order, but are not yet ready to ship [e.g., a hot new gaming system]. With Kount, we can automatically hold these transactions until ready to fulfill. We never had that capability before. In addition, we’ve recently begun testing new channels and new markets. Kount has given us the freedom to experiment with different products and offerings without increasing our exposure to fraud risk.”

OUTCOME

- Reduce chargeback rate 43%, from 0.8% to down to 0.45%, with further reduction projected.
- Cut in half the number of manual reviews...down from 18% of transactions to 9%.
- Slash the time spent on each individual manual review by 40% - 50%.
- Facilitate multiple initiatives to grow sales and enter new markets.

Greg recaps how The Source views its experience with Kount: “The support we’ve received from Kount has been absolutely phenomenal. The level of service blew me away. As for value, a year down the road I feel we got more than we could ever have imagined. If someone is thinking about implementing a fraud prevention solution, I would tell them to deploy Kount and do it sooner than later. I waited until I thought we needed it, and looking back I now realize we should have done it years sooner.”



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