



The Wasserstrom Company Sees Immediate Results with Its Fraud Prevention Partner



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Jeff Evans
eCommerce Operations Manager
The Wasserstrom Company

SITUATION

The Wasserstrom Company is an industry-leading food-service distributor, stocking more than 30,000 different SKUs and managing over 1,000,000 square feet of warehouse space across five state-of-the-art distribution centers strategically located throughout the United States. In early 2014, Wasserstrom suddenly started getting hit hard by fraudsters. This caused a number of problems. As chargebacks got out of control, Wasserstrom had to dedicate more and more resources to reviewing orders. Yet even with increased scrutiny, chargebacks continued to climb. Jeff Evans, eCommerce Operations Manager at Wasserstrom, picks up the story: “Chargebacks are how we measure fraud. They got so bad, we were actually forced to remove popular products – like Vitamix blenders, Mixmaster mixers, and J.A. Henckels and Wusthof knives – from the website because the fraud rate for them got so high. Then we tried stopping orders from certain cities, again, to avoid fraud.” Even with these extraordinary measures, Wasserstrom’s chargeback rate peaked at 5.5% by mid-year. “We knew we needed help and quickly identified three anti-fraud solution providers to evaluate,” explains Jeff. “We ultimately chose Kount for all that they could do and because their pricing was very reasonable. The other two finalists

were much higher in cost. Also, Kount was able to move quickly. In fact, we were up and running with Kount by October. The Kount implementation was very quick and very simple.”

SOLUTION

Wasserstrom saw dramatic improvement right away: “Our chargeback rate dropped 50% in the very first month we started using Kount,” recalls Jeff. “Chargebacks continued to drop rapidly as we refined our rules. Now our chargeback rate averages 0.25% - 0.3% – about twenty times lower than when it peaked at 5.5%. And in our best month, we’ve been able to drop the chargeback rate as low as 0.11%.”

Perhaps even more important was the resumption of online sales for the products that had been getting hit hard by fraudsters. “With Kount, we were able to add back all of those popular products to the website that had been removed,” notes Jeff. “They account for an average of \$7,500 to \$10,000 a month in sales, sometimes as much as \$12,000. That was online revenue we were missing out on before Kount.” Wasserstrom has also been able to resume fulfilling orders to cities they had previously been blocking. “We had simply stopped shipping to Doral and Miami, Florida, the fraud rate was so high,” Jeff says. “With Kount, we can once again sell in those areas.”

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Not only has fraud declined precipitously as sales have increased, but the cost of fighting fraud has dropped significantly, too. “Before Kount, we had one or two people dedicated to fraud prevention,” says Jeff. “They would spend three to four hours a day reviewing orders. The process was entirely manual. They’d Google shipping addresses or check email addresses. We had even begun reviewing every single order that went to the Doral and Miami areas, due to the high fraud rates. It was time consuming. And we still had too many chargebacks. Now, we check Kount a few times a day for less than 10 minutes each time. There is so much information and so many additional things to look at with Kount that we can make decisions much more quickly. We’ve gone from spending half a day reviewing orders to a total of maybe 30 minutes a day.”

In December, 2015, Wasserstrom switched to the Orbital Payment Gateway from Chase Merchant Services, which integrates Kount fraud prevention into their payment processing solution. Now, Jeff and his team get all the performance, features, granular control and reporting as when they were using the standalone Kount solution, but

with added advantages such as receiving their bank authorization and fraud analysis via a single call-out, automatic chargeback uploads and integration of authorization, AVS and CVV responses as variables available for rule writing.

OUTCOME

- Reduce chargeback rate from high of 5.5% to low of 0.11% (averaging 0.25% to 0.3%)
- Add up to \$12,000 in monthly revenue (averaging \$7,500 to \$10,000 per month) by resuming sales of products that had been removed from website due to high fraud losses
- Cut costs by eliminating more than three hours per day previously spent on manual reviews

Jeff is a strong proponent of Kount: “I’d highly recommend Kount, it’s been such a big improvement for us. The value of stopping product loss, of stopping chargebacks, of recovering lost sales and lost time far outweighs the cost of what we’re paying. It really saves us a lot of money annually. Not only in chargebacks, but in time spent reviewing orders. I can’t say enough about Kount.”



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

