Signifyd | *Rainbow*

Rainbow Shops has built a global following thanks to their vast variety of affordable styles for women and children. By partnering with Signifyd, the budget-friendly brand can focus on optimizing the customer experience with the knowledge that they are protected from fraudulent chargebacks — both abusive and criminal.

Challenge
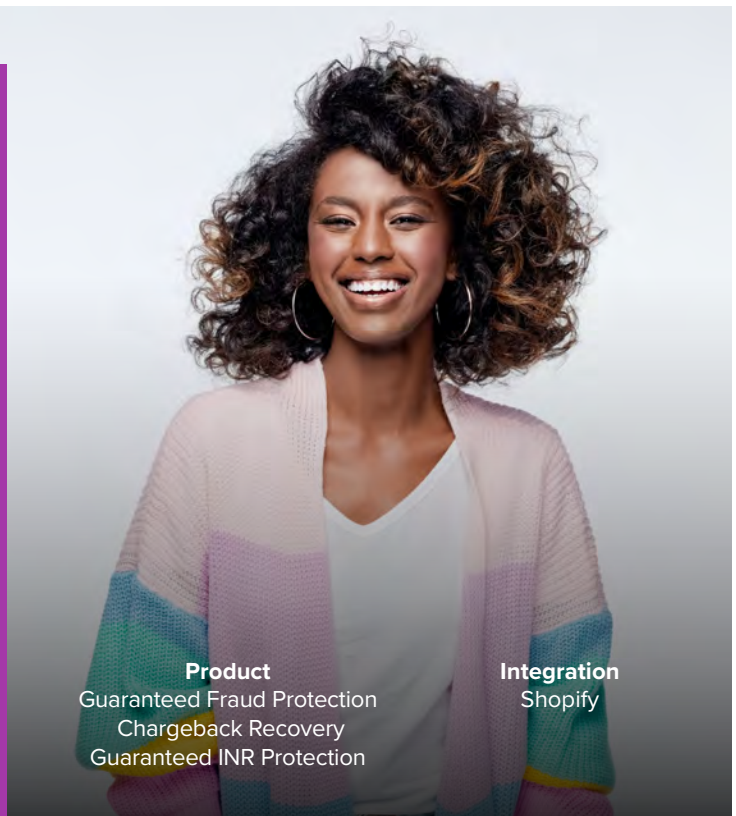Fraud Management
Order Automation

Industry
Fashion

Product
Guaranteed Fraud Protection
Chargeback Recovery
Guaranteed INR Protection

Integration
Shopify

CHALLENGE

Rainbow's checkout optimization initiative led them to re-platform to Shopify, a change that required a fraud provider with a stronger Shopify integration. Evaluating new solutions gave the retailer an opportunity to address gaps in their current fraud prevention strategy — such as fighting abusive chargebacks from consumers.

SOLUTION

Signifyd's pre-built Shopify integration was the initial draw for Rainbow. The additional revenue recovery benefits of Chargeback Recovery and the quality of Signifyd's partnership and expertise sealed the deal.

RESULTS

With Signifyd, Rainbow has increased their chargeback win rate to 50%, bringing overall chargebacks down by 51%. Order approvals remain high at 99.5% with all fraud losses covered by Signifyd's guarantee. All this has been achieved alongside their replatform to Shopify — an integration made painless thanks to Signifyd's pre-built plug in.

99.5%
Approval rate
with Signifyd

51%
Decrease in
chargebacks

50%
Chargeback
win rate

Challenges

A lot has changed since Rainbow Shops first opened their doors in 1935. Trends have come and gone, consumer spending habits have shifted, and most recently, ecommerce has revolutionized the way people shop. Rainbow has kept up every step of the way, opening more than 1000 physical locations across the US and launching a flourishing online business in 2012.

How has Rainbow remained relevant all these years amidst the shifting tides of commerce? A relentless commitment to optimizing customer experience.

Take fraud management, for example. "When I started in ecommerce, we used to manually review every incoming order for fraud," remembers Rainbow's VP of Ecommerce & Marketing, David Cost. "But as order volumes increase, doing so manually has become impossible. You don't get enough data when you do it manually, and you need to be able to make real-time decisions."

Keen to protect the shopper journey from both fraud and friction, the Rainbow team adopted a machine-learning fraud solution that provided automated order decisions and helped to optimize approvals. The solution worked for a time, until further optimization projects led them to make the switch from Salesforce Commerce Cloud to Shopify to improve the checkout experience.

"When we made the decision to replatform, we found that our previous fraud provider did not have a strong Shopify integration," explains Cost. This meant that the team had to go back to the drawing board to find a partner that could better complement their evolving tech stack.

Solutions

For Cost, Signifyd was top of mind. Having recently met the Signifyd team at an industry event, he recalled that the platform came with a wide variety of pre-built integrations including Shopify. Furthermore, he was intrigued by the additional value that the Commerce Protection Platform could deliver to their optimization agenda – above and beyond the order automation and approval uplift of their flagship product, Guaranteed Fraud Protection, at checkout.

Value such as automatically disputing abusive chargeback claims, a process that was currently being managed manually in-house. Rainbow lacked the data and capabilities to fight every abusive claim every time and, as the Signifyd team pointed out, this not only left money on the table in undisputed chargebacks but also artificially inflated their chargeback rate – negatively impacting bank authorizations.

"Throughout our conversations with Signifyd, it was clear that there were intricacies of the payment process that Signifyd had deep expertise in and could educate us on," explains Cost. "Properly fighting chargebacks was one such example – that when you don't fight chargeback fraud, it actually impacts the percentage of times the banks are going to approve your transactions."

With Signifyd's Chargeback Recovery product, however, they would have the insight to know which disputes to trust and which disputes to challenge. Evidence would be compiled and documentation would be filed, all without the Rainbow team needing to lift a finger. "By bringing on an automated filing system like Signifyd and increasing our win back percentage, we could increase the number of orders that are authorized and the number of happy customers who could make their purchase successfully."

A seamless integration with their tech stack, time-savings and revenue uplift beyond checkout, and expertise across the payment landscape – Signifyd checked every box and then some. "There are a thousand things that could use our time and attention, so it was a simple decision to bring on Signifyd and know that it would be a piece of the business we wouldn't have to think about."

> "Fraud management is hard and requires a great deal of sophisticated technology and expertise. It's absolutely crucial to a friction free customer experience. Signifyd is one of the few vendors we do business with that we consider a true partner. They have earned our confidence and trust."
>
> **- DAVID COST, VP OF ECOMMERCE & DIGITAL MARKETING, RAINBOW SHOPS**

Results

With Signifyd, Rainbow approves 99.5% of orders with all fraud and INR chargeback losses covered by Signifyd's guarantee. Furthermore, with Signifyd's Chargeback Recovery fighting 100% of abusive claims automatically, Rainbow wins back 50% of disputed chargebacks — reducing their overall chargeback rate by 51%. All of this has been achieved amidst the retailer's re-platforming to Shopify, which has been painless thanks to Signifyd's pre-built integration.

Rainbow's team of customer service reps also appreciate the transparency into decisions provided by Signifyd's Agent Console and the control they have to resubmit orders for guaranteed decisioning when new information becomes available. "The three big improvements we have seen since switching to Signifyd are the percentage of orders being approved, the quality and detail of data provided when a decision is disapproved, and the automation of chargeback disputes which is all being done without any effort on my staff's part," says Cost.

Time-savings and revenue uplift may be easier to measure, but the peace of mind Signifyd provides is just as critical. "Signifyd is more than a vendor. They are a true partner that has earned our confidence and trust,"Cost attests. "They provide a key service and solution that enables us to provide a friction-free customer experience."

Freedom from the burden of fraud and abuse management allows Rainbow to fearlessly continue on in their pursuit of the optimal customer experience for their shoppers. What's next on the horizon? Shoppers will have to wait and see. But one thing is for certain — Signifyd will be there every step of the way.