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Moving Toward
**Automation to
Eliminate Friction**

what's included.

Digitally **Transforming** Your Business for the New Decade

As we enter a new decade, understanding what "smart data" — the robust algorithms that power conventional artificial intelligence (AI) — can accomplish for your business is vital to e-commerce success. Merchants need to be able to rapidly adopt new digital technologies. Through improvements in automation and fulfillment processes, you will better be able to modernize your day-to-day operations to meet the changing retail environment. Businesses require AI-powered automation for processes including enterprise resource planning (ERP) to fraud and abuse prevention, as the customer experience depends on frictionless processes. Anything less than that can damage a brand's image and its bottom line.

Automation for **Streamlined Processes** and Enhanced **Customer Experience**

There is some confusion in the market regarding automation and how it should be used. Automation is applied to otherwise time-consuming, repetitive tasks in order to lower costs, improve business efficiency, and minimize friction. Artificial Intelligence, a form of automation, allows machines to act "intelligently," mimicking human reactions and decision-making. Yet another level of automation is intelligence augmentation, which leverages human expertise in conjunction with intelligent machines.

By automating tasks behind the scenes, businesses can ultimately eliminate friction that would otherwise slow down their day-to-day operations and negatively impact customer experience and eat away at the business' bottom line. Allowing intelligent machines to take over manual tasks, including time-consuming fraud reviews, can minimize training and time and resource requirements, thereby reducing costs associated with operational overhead and streamlining processes that otherwise may create friction.

Analysis Through
Enterprise Resource Planning

To illustrate this point as it relates to enterprise resource planning (ERP), take the perspective of an online fabric merchant who is struggling to move units of a synthetic red dress. Their inventory of red synthetics is always left over at the end of the month. The merchant may first review the ERP system to check on their unsold stock. But what they find does not solve their mystery. It reveals only a SKU and inventory count, and does not answer the question of where exactly the problem lies.

As a next step, our online fabric merchant may try to understand if it is a particular shade that is failing to move units. Is it magenta, pink, vermillion, Persian red, Turkey red, Japanese carmine, raspberry red, burgundy, or mahogany? Combining this variable with the different types of fabrics, the myriad of designs, and the sizes they offer, the merchant realizes that the ability to single out what aspect of their red synthetic dress is failing to meet consumer demand is far more complex than they imagined.

At this point, the merchant has only scratched the surface of the analysis of the reason their red synthetic dress doesn't sell. Other possible factors that should be taken into account include seasonal changes, store sales, customer age, time of day, holiday sales, and regional differences. Managing all these data sets simultaneously is beyond the scope of reasonable human analysis. While the online fabric merchant may get a much better "sense" from accounting for all these factors, too much data reviewed by hand can paralyze decision-making.

By turning to smart data, the merchant can minimize the "noise" of too much information. Smart data integrates historical metrics to predict how a style will perform. Smart data can deal with tens, hundreds, and even millions of data sets in a way that humans cannot. Smart data can help associate particular data sets with sales information to create correlations that indicate which combinations of parameters ultimately lead to sales. These predictions have been so accurate that people often claim their phones or laptops are recording their conversations to suggest products. However, when humans try to make these same predictions, it is a much coarser estimate. It is too time-consuming, expensive, and difficult to review all the potential correlations among the seemingly endless data sets available. Smart data can streamline this endeavor to enable rapid planning, design, production, and allocation of resources.

This is not to say that human intervention is unnecessary. On the contrary, data analysts are key in this position. Someone needs to interpret the results of the smart data and provide feedback on planning, design, production, distribution, and more, up to the point of sale.

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Automation and
Fraud Prevention

Automating fraud prevention processes can also improve their efficiency while lowering a business's operational costs. Businesses that wish to automate their processes must take a nuanced approach. Most companies incorporate a technology stack made up of disparate tools that run independently of one another. Simply plugging in an intelligent machine will not lead to accurate or effective results. An integrated platform is required to manage fraud and abuse needs across the business ecosystem. A single comprehensive tool can streamline fraud and abuse management functions, leading to better customer experience and more seamless business operations.

Online shoppers expect a friction-free shopping experience, and accurate fraud prevention should not be an obstacle to that goal. A fraud prevention platform that can provide instant, automated decisions along every touchpoint of the customer journey removes bottlenecks at checkout that traditional manual reviews and rules-based systems create. Businesses need a fraud prevention solution that can automatically evaluate consumer behaviors based on a depth and breadth of knowledge gleaned from a global network of merchant data. In order to accurately differentiate between legitimate customers and bad actors, businesses need to look beyond just their own data ecosystem to proactively identify fraud and abuse before they encounter it themselves.

> 66
> *Partnering with Forter decreased our fulfillment time from three days to two hours.*

> 66
> *Before, we would automatically blacklist any orders from certain countries unless we got a wire transfer. Now, we're even starting to advertise in these countries because there are a lot of legitimate people there and this solution has given us the confidence to do it.*
>
> — Osher Karnowsky, Jomashop General Manager

Client.
Jomashop

The Challenge
Provide a luxury experience to global buyers from order placement to delivery.

Jomashop was ready to expand and increase their sales both domestically and internationally. However, they knew that luxury products remain an ever-attractive target to fraudsters — especially when stealing just one designer watch could mean a $40,000 payday. This understanding meant that Jomashop's fraud prevention policies were, of necessity, risk-averse. Their reliance on manual reviews and blacklisting meant delays to fulfillment and the potential blocking of good customers.

The Solution
Real-time automated decisioning with Forter's integrated fraud prevention platform.

Following a smooth integration with Forter, Jomashop experienced 100% automated decisioning on all their transactions — meaning the need for manual reviews disappeared. Jomashop wanted to be free of the pressure of evaluating transactions and instead wanted to focus on the company vision and how to expand into new markets.

Since Jomashop started working with Forter, they never have to worry about chargebacks, despite now performing absolutely no manual reviews. Thanks to Forter's expert, real-time decisioning system, Jomashop now has a 98.79% approval rate and has been able to scale their business without any delays or friction to their customers. Their partnership with Forter has actually improved their fulfillment, which has gone from a three-day shipping and handling process to two hours instead.

Impact on Your
Business

The traditional approach to tackling fraud is a combination of a rules-based system and manual reviews. This often leads to delays and inaccurate transaction declines for legitimate customers. These systems often fail when it matters most for apparel merchants — during holiday seasons, flash sales, or promotional periods — when customers are buying gifts in a rush or otherwise behaving outside the norm. Rigid fraud rules are not able to accommodate nuances in consumer buying behaviors and therefore trigger fraud rules that prompt payment declines for legitimate activities.

Stunted revenue growth.

Fraud prevention rules can turn away legitimate customers, costing merchants double on both acquisition costs and missed revenue. Time spent manually reviewing orders and updating rules prevents teams from focusing on core business initiatives, leaving revenue on the table.

Higher operating costs.

New rules are created after a business already experiences a fraud attack; for example, during a new promotional campaign. In addition to high chargeback costs and compensation for manual review teams, merchants pay the cost of shipping, returns processing, and damaged goods when their policies or discounts are abused.

Detrimental friction in customer experience.

Manual reviews of orders result in delayed order confirmations, canceled orders, and shipment restrictions. This friction impacts conversion rates, brand loyalty, and lifetime value.

Looking Forward

As a whole, smart data in business can manage a dizzying number of parameters in a way that would leave most human employees with a headache. However, building a data store and complementary data predictions still relies deeply on human input. Smart data augments business's digital transformation and removes the bottle neck which otherwise manual functions create. From ERP to fraud prevention, automation can enhance overall business operations. To linger in the dark regarding the potency of data management and the automation powered by that smart data is to deny an unmatched, easy-to-use effectiveness and efficiency in number crunching, sales predictions, fraud prevention, and above all else, fulfillment.

About Forter:

Forter is the leader in e-commerce fraud prevention, processing over $150 billion in online commerce transactions and protecting over 600 million consumers globally from credit card fraud, account takeover, identity theft, and more. The company's identity-based fraud prevention solution detects fraudulent activity in real time, throughout all online consumer experiences.

Forter's integrated fraud prevention platform is fed by its rapidly growing Global Merchant Network, underpinned by predictive fraud research and modeling, and the ability for customers to tailor the platform for their specific needs. As a result, Forter is trusted by Fortune 500 companies to deliver exceptional accuracy, a smoother user experience, and elevated sales at a much lower cost. Forter was recently named the market leader in e-commerce fraud prevention by Frost & Sullivan. Forter is backed by $100M of capital from top-tier VCs including Sequoia, NEA, and Salesforce. For more information, contact info@forter.com.

About BORN Group:

Connecting creative, content and commerce, BORN Group is an award-winning, global agency that helps brands with digital transformation. BORN is a Tech Mahindra company [www.techmahindra.com]. The group operates in 90 countries employing 131,000 staff speaking 18 languages. The company produces unique brand experiences by connecting ten specialisms that serve as the foundation of the digital economy: creative design, content production, commerce enablement, conversions (visitors to customers), cloud technology, cognition (analytics), cohesion (integrating all the systems), consulting and completeness (connecting brand experiences) across all channels. For more information please reach out to Mackenzie Johnson at mackenzie.johnson@borngroup.com

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thank you.

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