SMART PROCESSING

Smart Processing for Recurring Payments

Ikajo.com has been in the business of processing for recurring payment merchants for over 10 years.

Over the years we have developed a whole range of data analysis tools, real time payment flow direction systems, after sale analysis methods (and a lot more), that will allow you to manage your recurring business model effectively and successfully.

Main Challenges for Recurring Payment Models

We understand recurring business models very well. And we understand that as a result of a recurring business model, higher levels of fraud and chargebacks are the main threat to the continuity of your business.

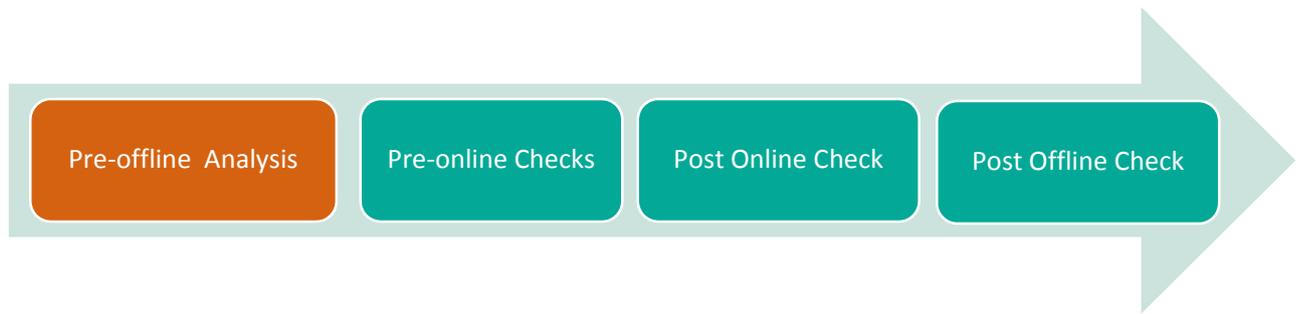That is why we fight them on each of 4 stages of payment process:

| Pre-offline Analysis | Pre-online Checks | Post Online Check | Post Offline Check |

Pre-Offline Analysis

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As a first step we analyze your current traffic and payment flow.

We take as much data as we can (e.g. transaction card type, brand, card level, issuing bank BIN, affiliate ID's etc.), find payment flow patterns and come up with a number of recommendations to improve the current ratios. You can take only our recommendations or try to process with us in our platform fully setup for your business model and payment behavior.

Tools we use:

- Pre offline data analysis
- Payment behavior pattern analysis
- Developed a set of recommendations
- System based simulations to measure effect and fine-tune parameters
- Dynamic BIN management
- IP blocking simulations to identify chargeback and fraud origins
- Affiliate traffic analysis

Resulting in specific configuration of our system based on dynamic parameters, even BEFORE you start processing.

Case:

One of our clients, a large dating merchant in the US, had chargeback levels which were very close to the maximum allowed limits. Due to competitive pressure they wanted to increase their affiliate network to attract more traffic. Obviously the risks that a more ambitious affiliate network campaign would have them exceed chargeback limits were real.

We analyzed their current traffic, focusing on dynamic BIN analysis to identify main sources of chargebacks. We simulated their previous 6 month processing data on our system and through dynamic BIN management we were able to reduce their current chargeback levels significantly. Obviously allowing them to use the slack we created to approach market more aggressively.

*We reduced their current chargeback levels and allowed them for an increase of **30%** more traffic, increasing their market share and conversions, whilst still being below maximum thresholds.*

Result:

Total estimated sales increase is 35-40% for this merchant.

Pre Online Checks

| Pre-offline Analysis | Pre-online Checks | Post Online Check | Post Offline Check |
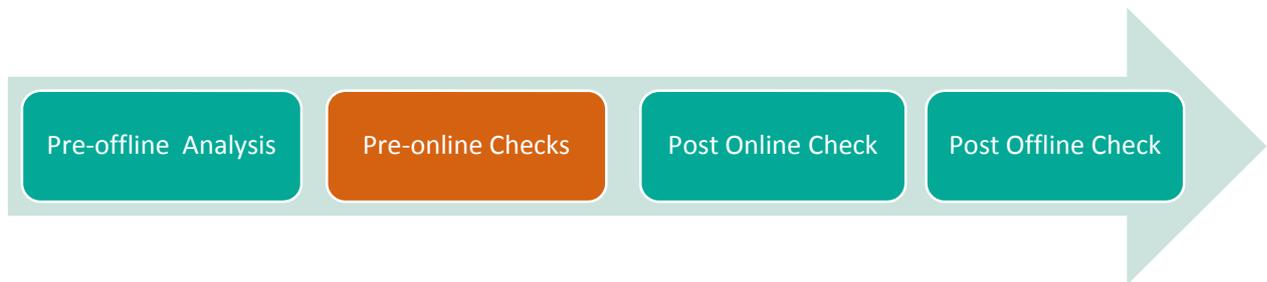
Most likely you have faced the following dilemma – high risk of fraud and chargebacks or low authorization rates. A high number of transactions or high quality traffic?

For each business model ideal ratio is different. We can help to establish the right mix for your specific business and business type.

Tools we use:

We use a number of external and internal systems to check each transaction coming into our system before we send them to the acquiring BIN.

External systems we use are Ethoca, MaxMind and our own internal database that is more industry-focused that other solutions on the market.

Case:

One of merchants had product that was supposed to be high-risk for fraud. So he had really low authorization rate with another platform but s well as low chargeback level.

Once he moved to us we offered to find the edge where authorization rate was 9% higher while chargeback level increased only 0.3%.

Result:

*It generated >**10%** revenue growth for him – even after chargeback deduction.*

Post Online Check

| Pre-offline Analysis | Pre-online Checks | Post Online Check | Post Offline Check |
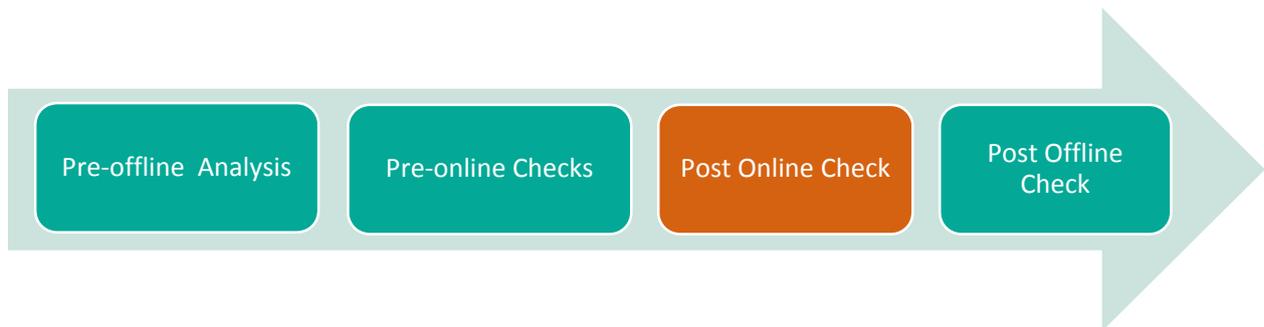
Once a transaction has successfully passed our internal and external systems check, we use a number of tools to maximize conversion and minimize risks.

Tools we use:

- Transaction amount split
- Authorization and Capture delay
- Dynamic end product pricing, depending on traffic source, region, device or any other indicator
- Cross Sale Index, the higher the index the more cross sales we advise you to offer.

Case:

One European dating merchant had problems with seasonal chargebacks and as a result regularly lost his acquiring solution. Followed with the heavy penalties and the loss of his processing reserve. They came to us for assistance and we implemented a combination of tools which are part of our PostOnlineCheck we were able to minimize chargebacks to an acceptable level during certain months
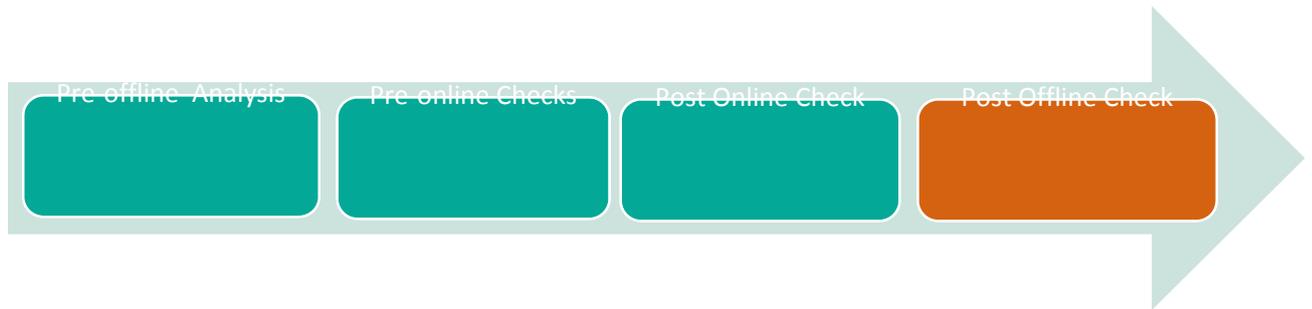
Result:

The client was able to continue processing through his normal acquirers.

There was no disruption of his service to his clients.

He did not incur penalties and other financial losses.

Post Offline Checks

This stagerounds up all the process and creates basis for further improvements.

As the transactions are processed we again analyze the traffic, the same way we did before we started processing.

We check actual chargeback and fraud levels, conversion ratios, refunds etc.

On the basis of this analyses we alter the parameters constantly to optimize traffic and conversion.

Obviously this is a never ending process, we constantly adapt to changing traffic conditions and payment behavioral patterns.

Our objective is to allow you as a merchant the maximum flexibility in your traffic origin and sources whilst at the same time making sure you stay within acceptable financial limits.

Summary:

As overall result of our expertise application we can forecast possible growth of revenue you get from your recurring sales from 5 to 40%.

To get this result you do not need to move your entire business from your banks and payment systems, where you have already established relationship, to some new platform. Our smart data processing platform can do its job on any ground.

Get in touch with us if you are curious how much money you can get more using smart processing.

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