



Rethinking eCommerce to Deliver Personalized Customer Experiences

Arc'teryx elevates the eCommerce shopping experience for its pro customers while advancing adaptive AI-driven fraud prevention.

Problem Situation

Arc'teryx creates high-performance apparel and gear for perfect comfort in extreme conditions. With innovative designs and uncompromising quality driving their reputation, Arc'teryx quickly became the outfitter-of-choice for professional adventurers. To build on that growth, they expanded beyond wholesale distribution, looking for new revenue streams through direct-to-consumer eCommerce sales. At the same time, Arc'teryx wanted to extend the personalization of the department store shopping experience to their digital customers.

In spite of their success, growing fraud and the threat of chargeback monitoring slowed growth. Arc'teryx' Fraud Prevention Specialist summed up the stalemate between fraud prevention and customer experience: "We don't want any friction for our customers. But from a fraud prevention perspective, it can be tricky."

Arc'teryx knew it needed to change course and undertook a thorough search for a solution that could mitigate fraud, drive growth, and personalize customer experiences. After painstaking market research and a careful vetting process, Arc'teryx selected Kount for its Identity Trust Global Network, customer service, and User Experience Engine.

Arc'teryx Upgrades to the Real-Time Identity Trust Global Network

Kount's Identity Trust Global Network is powered by data and intelligence from 6,500 digital businesses and payment providers, and linked by next-generation AI to deliver real-time fraud prevention and personalized customer experiences.

Challenges

- Fraud hindering expansion into new geographies
- High chargeback rate threatened to move company into monitoring program
- Excessive friction for online shoppers
- Need to personalize experience for pro shoppers

Results

- Achieved strategic geographical expansion
- Reduced chargeback rate to .35%
- Reached historically low review rate
- Crafted personalized, frictionless experience for pro customers

"It's been fantastic. They're always there to help, organize calls, take time out of their day to answer my questions... and they've always been there and helped me grow as a fraud specialist."— Arc'teryx' Fraud Prevention Specialist

By joining Kount's Identity Trust Global Network, Arc'teryx acquired the ability to establish the level of trust for each identity behind every payment, account creation, and login event. And with quick and accurate identity trust decisions, they began to integrate their approach to fraud prevention and customer satisfaction, personalizing customer experiences across the full spectrum of identity trust. Concurrent with advancing their fraud prevention, Arc'teryx sought to unlock strategic geographies, efficiently allocate internal resources, and personalize the pro customer experience.

Networked Data Unlocks New Revenue Streams

Prior to Kount, Arc'teryx had limited insight into region-specific fraud patterns. But with access to the largest data network of trust and fraud-related signals, including data from more than 250 countries and territories, they were able to quickly segment both high-risk and high-performance geographies. Incorporating this information into their marketing strategy, Arc'teryx strategically reallocated resources, eliminating fraud from the riskiest regions and reinvesting both fraud prevention and marketing resources to grow revenue.

Adaptive AI Deflects Low-Trust Identities to Reduce Manual Reviews

To capitalize on new revenue channels, Arc'teryx needed to reduce both criminal and friendly fraud. Prior to Kount, stolen card fraud and friendly fraud — particularly false reports of lost, high-value packages — had been climbing. And as chargebacks rose, the company approached the threshold for chargeback monitoring programs. Said Arc'teryx, "We don't want to be contacted by Visa or MasterCard...that's kind of our main fear." The brunt of the pressure to curb chargebacks had fallen to internal teams, and the manual review rate was stifling growth.

Kount's adaptive AI reversed this progression. By linking identity trust data using unsupervised and supervised machine learning, Kount's AI analyzes billions of fraud and trust-related identity signals to deliver accurate identity trust decisions in milliseconds. The flexible nature of Kount's solution also allowed Arc'teryx to incorporate other fraud prevention measures. For example, to combat false reports of lost, high-value deliveries, Kount suggested an integration with partner Ekata. Ekata supplied critical access to historical customer location data for delivery verification, including deep insights into past behavior, and a quick way to identify friendly fraud.

With the Identity Trust Global Network in place, Arc'teryx immediately reduced friendly fraud, chargebacks, and manual reviews through quick and accurate identity trust decisions.

Real-Time Identity Trust Decisions Deliver a Personalized User Experience

With Kount's Identity Trust Global Network uncovering the true trust level behind interactions, Arc'teryx improved alignment between fraud prevention and customer service priorities, allowing the teams to refocus on delivering the desired customer experience, from low friction to blocking fraud.

At one end of the identity trust spectrum, Arc'teryx increased friction for high risk entities or blocked purchases entirely. "There have been fraud patterns that have been caught by Kount, and this has prevented some fraudulent orders from passing through" said Arc'teryx. "Before, those orders wouldn't have been captured on review. Kount helps our reviewers make better decisions with fewer false cancels." And at the high-trust end of the spectrum, Arc'teryx used Kount's User Experience Engine to remove almost all friction, delivering a fast and elegant shopping experience for trusted customers.

User Experience Engine Enables Fine-Tuned VIP Experiences for Pro Customers

Through Kount’s User Experience Engine, Arc’teryx customized its policies and rules to fine-tune the experience for pro customers. By merging identity trust data and targeted promotions — such as unique promotional opportunities and codes — the company refined experiences for high-trust customers with personalized offers and a frictionless checkout. According to Arc’teryx’ Fraud Prevention Specialist, “It’s a better experience for the customer.”

The Results

The combination of Kount’s Identity Trust Global Network, adaptive AI, and the User Experience Engine delivered dramatic results for Arc’teryx:



Opened new revenue channels. Joining the largest network of trust and fraud signals allowed Arc’teryx to target global marketing efforts, boosting revenue in high-value geographies.



Chargeback rate dropped to 0.35%. Arc’teryx achieved a historically low chargeback rate and eliminated the threat of a chargeback monitoring program.



Manual review rate reached historical low. Improved rules and AI-driven fraud detection immediately reduced review volume to record lows.



Crafted exceptional shopping experiences. With unique access to data and the ability to customize rules, Arc’teryx created a personalized shopping experience for pro customers.



ARC’TERYX

COMPANY OVERVIEW

Arc’teryx is a global design company specializing in technical, high-performance apparel, outerwear and equipment. From its specialized mountaineering roots, Arc’teryx has become an international eCommerce brand that delivers extreme quality for backcountry adventurers in the most demanding conditions.

Supported by AI-driven fraud prevention and a hands-on team, Arc’teryx is excited about the future of the partnership. “Kount’s been a huge help to our fraud prevention and it’s been evolving with us as well.”
– Arc’teryx’ Fraud Prevention Specialist

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ABOUT KOUNT

Kount powers the largest Identity Trust Global Network that combines the data and intelligence from 6,500 digital business and payments providers, linked by next-generation AI to deliver real-time, adaptive fraud prevention and personalized user experiences. The Identity Trust Global Network analyzes trust and fraud signals from 32 billion annual interactions to personalize user experiences across the spectrum of identity trust – from frictionless VIP experiences to blocking fraud. Quick and accurate identity trust decisions deliver safe payments, account creation and login events, while reducing digital fraud, chargebacks, false positives, and manual reviews. www.kount.com