

THG / Detect



DERMSTORE





# Brand Overview

Dermstore is a skin care and beauty e-commerce site headquartered in the US. The brand was acquired by THG in December 2020 and migrated onto the THG Ingenuity platform in early 2021. Dermstore sells over 350 different brands to customers around the world. The brand focus is providing the highest quality products and straight-from-the-experts information to guide consumers through their skin care journey.

Since Dermstore went live in early 2021 using Ingenuity's proprietary fraud platform, THG Detect, the brand has been able to:

- Recoup lost revenue
- Reduce online fraud
- Enable their customers to transact with confidence





# Dermstore Challenges:

- High chargeback rate of 3%
- Previous fraud tool was outdated and efficient
- High number of rejected orders due to false positive declines

Dermstore recognised that online fraud was a critical obstacle it had to overcome to scale and evolve its eCommerce offering.







# The Detect Approach

Since utilizing THG Detect, Dermstore has recouped approximately £1.5 million in revenue, and drastically improved the check-out experience for its customers. To achieve this, the brand focused on three key areas:

- Improving order flow by reducing manual review and enhancing order automation
- Reducing their overall chargebacks and avoiding excessive chargeback monitoring programs fines from Visa & Worldpay
- Reducing the percentage of false positives







# 63.8%

## reduction in fraud check delays & reduction in review rate

Prior to migration, on any given month, Dermstore's referral rate of 9.24% caused a delay in fraud checks because an order would be waiting in the queue for on average 29 hours before an analyst could manually review it and make an informed decision.

This was a staggering decrease of 68% for the number of orders requiring manual review, which cut down the time an order was being held in the queue from 29 hours all the way down to 10.

As a result, this enabled the business to release its order shipments to customers at a much faster pace. With fewer order flows interrupted, and more transactions being approved, Dermstore noticed a substantial improvement in customer retention and customer satisfaction.

# 19

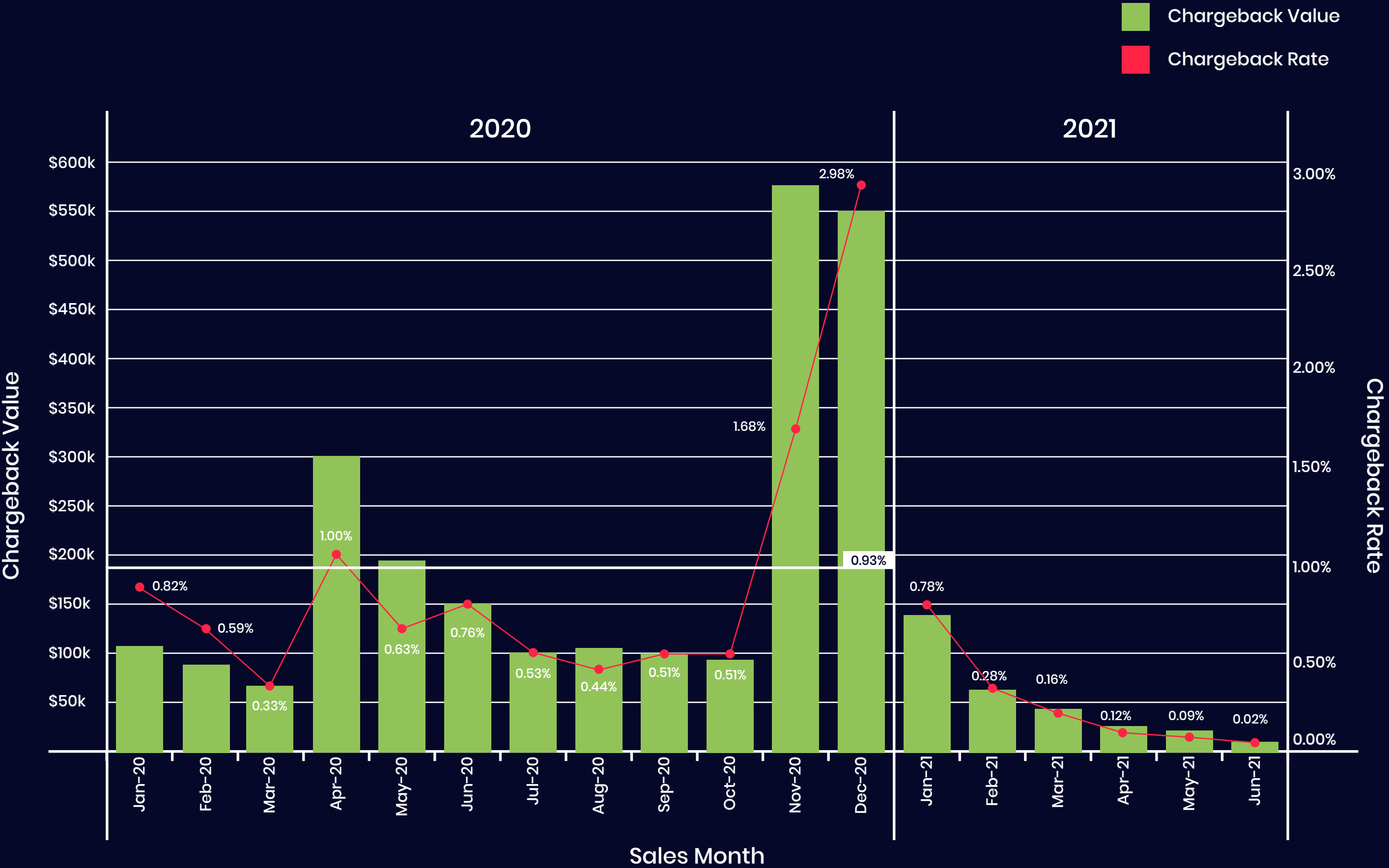
hours saved



# Reduction in chargeback rate from 3% to 0.1%

During the peak of last year’s holiday period, Dermstore was hit with a spike in chargebacks that resulted in a loss of over \$1m during the holiday season.

After migrating to our THG Detect tool in early 2021, Dermstore’s chargeback rate reduced from 3% in December to an all-time low of 0.1% by April.







# Reduced false positive rejection rate from 34% to 6.3%

False positives are notoriously known as the “Silent Revenue Killer”. THG clients using Detect typically have very low false positive rates and by deploying Detect, Dermstore’s false positive rate rejection rate of 34% was cut down to single digits . Given the large volumes that needed to be processed, Dermstore was able to leverage our platforms advanced capabilities in making more accurate decisions.

As a result, we successfully reduced Dermstore’s false positive rejection rate from 34% down to 6.3%, subsequently causing a considerable increase in revenues for the brand.



For more information about how THG Detect can help your brand prevent online fraud and boost revenue growth click [here](#) or visit our [webpage](#) THG Detect – Ingenuity