

How ChowNow started focusing on growth instead of fraud

- ✓ \$1M saved in the last year
- ✓ 99% reduction in chargeback rate
- ✓ <1 dedicated to fraud

OVERVIEW

Giving restaurants a competitive edge

ChowNow was built to help restaurants meet growing customer demands for faster, easier ways to order their meals. They create online ordering channels on both web and mobile, so their growing base of 9,000 restaurant customers can compete and win in an increasingly digital world. With ChowNow's platform, restaurants streamline pickup & delivery and accept more orders than ever before.



Challenge

- Losses from chargebacks prevented growth to large markets
- Needed a solution to stop fraud without hindering expansion



Solution

- Critical real-time fraud detection for on-demand business
- Insights to track growth and chargeback rates



Results

- Chargeback rate reduced by 99%
- \$1 million saved in the first year by reducing losses



“

Sift eliminated our worries about where we were selling. We were thinking about restricting certain territories because of the level of fraud seen there, but with Sift, we've been able to sign over thousands of new accounts.

John Page, Merchant Processing Director



CHALLENGE

More growth, more fraud problems

ChowNow's goal is to make online ordering easy, so restaurants can focus on what they do best: cooking delicious food and connecting with their customers. Fraud prevention wasn't a priority at all, so when chargebacks started streaming in they had neither the tools nor the people ready to prevent fraud. The business was growing, but so were losses, and playing catch up with chargebacks took up an increasing amount of time that could have been spent making the experience for their merchants better.

Quickly, losses from chargebacks grew to 1% of revenue, forcing ChowNow to adapt to fraudulent activities. Fraudsters started actively sharing tips on how to defraud ChowNow, giving losses more momentum. Certain locations like Miami, Atlanta, New York and Chicago also emerged as huge sources of fraud, discouraging growth to more areas in large markets. Fighting chargebacks started taking up too much time, and John Page, Merchant Processing Director, considered hiring a full-time team to tackle the problem.

“Fraud and loss prevention became the top concern of our Board of Directors, CEO, and COO. As soon as we turned Sift on, we saw fraud being caught and our chargeback rate dropped dramatically. Now, no one even wants fraud updates because they know everything has been performing so well.”

As a growing business, ChowNow didn't want to restrict sales or spend too much on fraud operations, but couldn't continue operating with growing revenue loss. They needed a solution that could reduce fraud without interfering with their expansion.



SOLUTION

Quick integration and immediate results

ChowNow turned to Sift and tasked two engineers with the integration. It took one month to get set up, and they saw results as soon as it was implemented. Immediately, Sift was able to pick up on repeat offenders and catch fraudsters who previously had gotten through.

Shortly after integration, they set up Workflows (Sift's automation feature) which enabled them to take action on orders in real-time, a critical part of mitigating risk for their on-demand business. They also used Workflows to build logic incorporating the riskiness of various regions, so they could easily adjust acceptance rates without affecting order volume from good locations.

John also uses Sift Insights (reporting capabilities) to monitor order growth as well as block rates and chargeback rates. With this information, he is able to keep track of overall business health and report out the success of their fraud prevention system to his CEO, COO, and Board of Directors with ease.



Sift Insights enables me to go to the VP of Finance, COO, and other leaders with a comprehensive report demonstrating the value Sift and our fraud operations bring to the business – without me having to jury rig spreadsheets together.

John Page, Merchant Processing Director

**RESULTS****Less fraud and more savings in more places**

Since using Sift, ChowNow has seen their chargeback rate drop by 99%, and fraud management time has dropped to 15 hours per week. In their first year alone, they've saved \$1 million by reducing losses and making operations more efficient.

More importantly, they were able to expand their business where they previously thought of restricting sales. With Sift protecting them from fraud in new regions, ChowNow was able to sign over 5,000 new accounts in the U.S. and Canada, and that number continues to grow.

“ With Sift, fraud prevention and loss reduction became effortless. Instead of ChowNow applying additional resources to adjust to fraudulent actors, Sift changed the entire dynamic so fraudsters were forced to adjust to our new environment.

John Page, Merchant Processing Director

ABOUT SIFT

Sift is the leader in Digital Trust & Safety, empowering digital disruptors to Fortune 500 companies to unlock new revenue without risk.

Sift dynamically prevents fraud and abuse through industry-leading technology and expertise, an unrivaled global data network of 70 billion events per month, and a commitment to long-term customer partnerships. Global brands such as Twitter, DoorDash, and Wayfair rely on Sift to gain competitive advantage in their markets.

Visit us at sift.com and follow us on [LinkedIn](#).