



## HealthDesigns.com Builds a Healthier Bottom Line for E-Tail Operations



“Fear of fraud was hamstringing us. We were afraid that if we took a bunch of orders this month—especially international orders—we’d be facing a whole lot of chargebacks the following month. But thanks to Kount, we rarely talk about fraud anymore.”

**Nicholas Schneider**  
Operations Manager  
HDI Commerce  
(HealthDesigns.com)

### SITUATION

HealthDesigns.com is an online retailer that originally sold health and wellness supplements in the U.S. A few years ago, the company decided to expand into sports supplements and to start accepting more international orders. The move, however, led to increased fraud costs.

“When we introduced sports products, we started seeing more fraud,” says Nicholas Schneider, Operations Manager of HDI Commerce, the company that operates HealthDesigns.com. “I think that’s just because they’re more popular. And the expansion into international markets added to our problems. We had internal fraud prevention systems: basically, we would accept most orders, then look for warning signs that would trigger a review.”

As the pace of fraud instances increased, so did the workload. “Unfortunately, the internal measures we had in place were not having the desired effect. Our worst month was the one right before we implemented Kount. We’d come in on a Monday and there would be hundreds of orders to review. Our chargeback rate was almost 1.8% and we found ourselves in the Excessive Chargeback program. Our chargeback costs alone were over \$11,000 that month.”

HealthDesigns.com had been talking about their fraud issues with business colleagues at a company in an associated field and heard good things about Kount. They inquired further with another company familiar with Kount, who confirmed the positive evaluation.

“We thought the pricing was quite good, honestly,” notes Nicholas. “And when you compare the Kount costs against the chargeback costs, it was a pretty easy decision. And that’s without adding in the higher order approvals Kount told us to expect. But it was Kount’s ability to prevent fraud on international sales was the deciding factor,” he concludes.

### SOLUTION

It took around 30 days to integrate Kount with HealthDesigns.com’s Magento e-commerce platform. “Installation was pretty normal,” observes Nicholas. Jeremiah

VanderMolen, Kount administrator adds: “Kount integrated really well with Magento, so our agents can see updates in near real-time.”

Most importantly, Kount cut down on chargebacks right away. “Kount quickly got us out of the Excessive Chargeback program,” says Nicholas. Jeremiah notes: “And we keep improving. We’re tweaking the rules continually. We have a weekly call with our Kount support person, who is looking at the data with us on an ongoing basis to help us continue to reduce fraud.”

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**OUTCOME**

Not only have fraud costs dramatically declined, but HealthDesigns.com is now accepting more international orders than ever, without being exposed to greater fraud risk. Overall, Nicholas and Jeremiah estimate that Kount has made a positive impact on the bottom line of \$40,000 to \$50,000 a month.

- Chargeback rate has plummeted from 1.795% to 0.195%
- Monthly chargeback costs have been slashed from \$11,270 to less than \$1,000
- Manual reviews have declined to less than 2-3% of orders, saving hundreds of hours

And this has all happened without impacting website performance. “Kount is very lightweight,” says Nicholas. “Including Kount in our checkout has not added any time for customers. Plus, we’ve had Kount running for a year, and haven’t had any downtime. Even during upgrades, orders have not been affected.”

Nicholas, Jeremiah, and the entire HealthDesigns.com team have also experienced some additional, unexpected benefits. “Kount has done everything we need and a lot more,” explains Nicholas. “For example, we offer discount coupons and a new customer referral program. After instituting Kount, we found that these ‘one-per-customer, please’ offers were being abused.” Kount helped HealthDesigns.com detect customers who were creating multiple new / duplicate accounts and claiming rewards twenty or thirty times, instead of just once. “We didn’t know we had this problem until Kount helped us put a stop to it,” concludes Jeremiah.

What would Nicholas and Jeremiah tell other e-commerce retailers? “Don’t wait until fraud is problem,” they advise. “Be proactive and get Kount now. It will help you continue to grow without worry. In fact, that’s why we’re implementing Kount on two more e-commerce-websites: bodybuildingwarehouse.com and pothek.com.”

**BOOST SALES, BEAT FRAUD**

Kount helps online businesses boost sales by reducing fraud and allowing them to accept more orders. Kount’s all-in-one, SaaS platform is designed for merchants operating in card-not-present environments and the payment service providers that support them, simplifying fraud detection and dramatically improving bottom line profitability. Companies using

Kount can accept more orders from more people in more places than ever before. Kount is a turnkey fraud solution that is easy-to-implement and easy-to-use. Kount’s proprietary technology has reviewed billions of transactions and provides maximum protection for some of the world’s best-known brands. For more information about Kount, please visit [www.kount.com](http://www.kount.com)