

CUSTOMER STORY



Signifyd

HOT TOPIC

A mall staple since the '90s, Hot Topic's strategic investment in emerging technologies has positioned it as the leader in omnichannel entertainment and music merchandising. Signifyd has played a pivotal role in its digital transformation, ensuring Hot Topic customers can check out quickly and receive orders fast.

Challenge

Digital Transformation
Order Automation

Industry

Merchandise

Solution

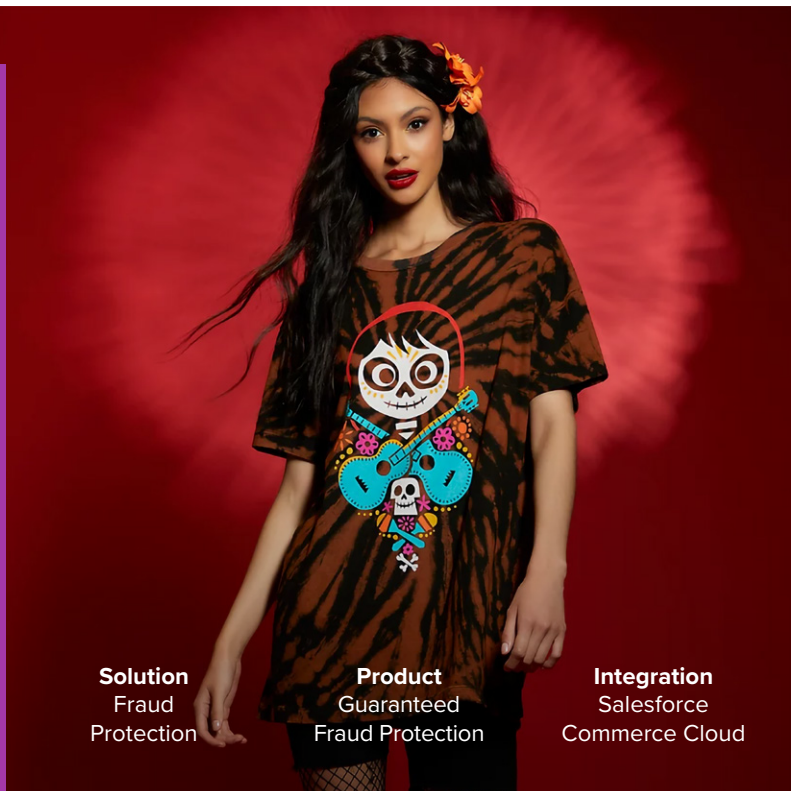
Fraud
Protection

Product

Guaranteed
Fraud Protection

Integration

Salesforce
Commerce Cloud



CHALLENGE

When delays in order fulfillment and increasing rates of false declines began to jeopardize customer experience, Hot Topic knew it was time to ditch its manual review process and invest in a more intelligent commerce protection solution.



SOLUTION

Hot Topic selected Signifyd's Commerce Protection Platform to improve order decisioning and decrease false declines with insights from the Commerce Network, while automating orders backed by a 100% financial guarantee.



RESULT

By implementing Signifyd's Guaranteed Fraud Protection, Hot Topic has increased approval rates to over 99% while automating 100% of orders. The result is a multimillion dollar ROI in found revenue and the additional dividends of greater CLTV.

100%

Order
Automations

99%+

Approval
Rate

94%

Of Previously Declined Orders
Now Approved By Signifyd



Challenges

From the very start, Hot Topic has been the go-to destination for entertainment and music merchandise in shopping malls across America. Today, in addition to the 700+ store locations between Hot Topic and its newest brand BoxLunch, shoppers across the globe flock to HotTopic.com and BoxLunch.com for the latest and greatest in entertainment-driven merchandise.

“We have really evolved into an ecommerce company with complementary in-person locations,” explains Hot Topic and BoxLunch CEO Steve Vranes. “And to do that well, we have rapidly invested in the best technology to transform every step of our customer experience.”

For a company that sells merchandise largely to a consumer base of superfans, Hot Topic knows the value of putting customers first. “Great customer experience is the foundation of customer loyalty,” Vranes says. “And the more customer loyalty you earn, the greater fanbase you build.”

However, a scaling fanbase means scaling demand – and scaling demand without sacrificing customer experience requires automation. “We needed to automate order fulfillment for our customers to stay competitive, but we couldn’t process the volume of online orders we were receiving while also feeling confident that we were filtering out fraud. So instead, we had to increase manual review before approving orders and that significantly delayed orders for loyal customers.”

Delays weren’t the worst of it. With a limited scope of data with which to evaluate orders and fraud liability hanging in the balance, Hot Topic was forced to decline the significant portion of legitimate orders that fell in the ‘grey area’ of risk indicators – a huge loss of ROI for the many digital investments made to bring those orders to checkout and a missed opportunity to build new fans.



Solutions

It was clear that order review represented a major technological gap in Hot Topic's digital CX strategy. "We needed better data to approve more orders and we needed automation to cut down on processing time," explains Vranes. "Based on what we had heard and seen in the market, we felt that there was an opportunity to do that with Signifyd."

First, Signifyd's Commerce Network solved the data gap. Consumers purchasing from Hot Topic's site for the very first time were often the victims of false declines, as manual reviewers lacked insight into a shopping history that might confirm their identity. But because 98% of today's online purchases are made by consumers previously seen across the Commerce Network, Signifyd could instantly recognize customers

new to Hot Topic as legitimate customers – empowering Hot Topic to turn them into superfans, rather than turn them away entirely.

Second, Signifyd's machine learning models checked the automation box. "Whereas our manual review process took up to 24 hours to process orders, Signifyd's advanced technology promised full order automation. In combination with reducing false declines, that was a huge leap forward for our customer experience."

Finally, Signifyd's 100% financial guarantee against fraudulent chargebacks took liability out of the equation. "Signifyd took on our risk and offered an improved customer experience and more revenue for us. It was really a win all around."



Results

Today, Hot Topic's approval rate sits at 99%. Backed by Signifyd's guarantee, Hot Topic has the confidence to completely automate orders based on Signifyd's decisions, delighting customers with streamlined fulfillment.

A deeper-dive analysis revealed that 94% of the orders previously being declined by Hot Topic are now being approved by Signifyd. That translates not only to more found revenue, but higher customer conversions.

"Overall the benefit from Signifyd has been a multimillion dollar uplift in revenue annually.

That doesn't even begin to capture the additional revenue we will gain from customers who had a great experience who are going to come back and shop more with us."

How does Vranes summarize the role Signifyd has played in transforming Hot Topic's digital customer experience? "Signifyd ensures that when a customer is ready to buy, they will be able to make their purchase and they will be able to do it quickly. At the end of the day that is the most important piece of the puzzle, and that is what keeps our superfans coming back for more."

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— STEVE VRANES, CEO, HOT TOPIC



img sources: hottopic.com