



The Card's Not Present. **But we are.**

## Direct Marketing Services Company Improves Authorization Rate Three Percent Using Litle & Co. to Manage Payment Processing

### Customer Profile

Canadian-based direct marketing services company Aragon Marketing Group provides revenue generating direct-to-consumer savings programs that deliver additional revenue streams to its clients and which maximize its clients' customer retention rates.

One of its most popular offerings, Aragon's Canada club, is especially successful in providing incremental revenue generation opportunities to its clients within the call center, online and offline post-transaction business spaces.

### Background

Managing Partner Darryl Hicks, a successful entrepreneur and technology expert—and his team chose to move to Litle & Co. after processing for several years with one of the largest players in North America.

*“Litle & Co. stands out from many perspectives. Its people are experienced direct marketers—real merchants. Their payments platform has been built, from day one, with logic and technology that considers the needs of direct marketers first, which to date we have directly correlated to a 3% increase in authorization rates.”*

### Challenges

#### *A Need for Direct Marketing and Card-Not-Present Expertise*

While many payment processors predominantly specialize in point-of-sale (POS) transactions, Aragon's needs as a direct marketing services company were not understood by other payment processors it evaluated. Completely dependent on card-not-present transaction processing, Aragon required a payment processor that truly understood its business model and could process recurring payments with ease.

#### • **Merchant Services**

Aragon felt isolated at its former processor who did not understand their market or unique characteristics as a high growth direct-to-consumer merchant. To Aragon, this reflected what so many merchants feel about the culture of the payments industry—it's the merchants vs. the bank processors—adversarial with different interests and not advocacy with aligned interests—those of the merchant.

The size and scale of Aragon's previous processing partner simply couldn't make up for its lack of experience in serving the needs of a direct marketing organization or its lack of attentiveness to Aragon's specific needs. Aragon was also quite concerned that the processor, misreading or misinterpreting transaction or chargeback spikes, could potentially shut-off or slow their processing. They knew it was time to seek out a new partner.

### Success Highlights



- 3 % increase in authorization rates
- Advanced, automated chargeback monitoring, modeling and management
- Online reporting and real-time feedback of chargeback activity
- Intuitive logic for salvaging and recycling declines
- Improved Aragon's customer service satisfaction
- Recommended call center script changes that improved conversion rates

- **Chargeback Management**

Aragon's previous processor managed chargebacks with no automation and chargebacks were processed using the postal service—not even fax machines. And, one-time chargeback spikes like those that occurred in January and February — was something that its processor couldn't understand.

Aragon also cites Litle & Co.'s online reporting system to be one of the best for monitoring chargebacks and receiving real-time feedback on any contested transaction. This is imperative for Aragon as they need to be able to reconcile fees and cancel accounts before the customer is ever billed again — which can cause more headaches for the customer and also Aragon. Litle's advanced online reporting system has saved Aragon significant time while also helping to improve its overall customer service by not requiring customer service staff to focus on chargebacks.

## Solution

### *Merchant Needs—First and Always*

- **Proactive Merchant Services Group**

Upon first meeting and in every conversation since, it's evident to the Aragon team that they're working with people who themselves have been direct merchants—running catalogs, working within direct response organizations or having responsibility for payments at an online services provider.

*“ From top-down, Litle people are personally involved in our business. The team even supports how we sell. Having asked to see our call center scripting, the team has offered recommendations for how to edit the scripts. Those recommendations have helped us improve conversions. That hands-on approach, that kind of proactive and intuitive involvement in our business—has opened our eyes to what payment management represents.”*

- **Chargeback Management**

Chargebacks are part of life in direct response marketing. Litle & Co.'s knowledge of direct response marketing recognizes that too few chargebacks could mean you're not marketing aggressively enough. Too many, could mean you're marketing too aggressively. Finding the right medium in the here-and-now world of direct response marketing is where Aragon finds help from Litle & Co. A dedicated chargeback analyst, connections to Visa and MasterCard chargeback management systems, advanced statistical chargeback modeling and daily reporting allow Litle and Aragon to be lock-step on monitoring and managing chargebacks.

## Results

For Aragon, finding a payment processing partner that not only understood its business model but who actually worked on the merchant side of the fence at one time was extremely important. Another added bonus for Aragon was the three percent increase to its authorization rates since implementation.

*“ We made a decision to move to someone who really understands our side of the market. When I meet with Litle & Co., I know I'm sitting down with my peers—people who come from my business world. There is no 'us and them'. As a technologist, I also know that Litle & Co.'s platform has been engineered from the start for businesses like mine, with logic and modeling that is directly relevant to the experiences of my business. Direct connections to the networks, verbose response files, and smart intuitive logic for salvaging and recycling declines, we have finally found a true payment partner that is invested in and roots for our success.”*

—Darryl Hicks

