



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

Luxury Retailer Gets Smart About Each and Every Transaction

Customer Profile

Jewelry Television, is one of the nation's top retailers of fine jewelry and loose gemstones. The network is the 11th largest fine jewelry retailer in the United States and is distributed to 85 million unique households.

Product experts host Jewelry Television programming offering beautiful and affordable merchandise to people everywhere. Shows can be viewed live from the nation's 5th largest jewelry website, www.jtv.com, which contains all merchandise for sale and a learning library with informative videos and articles about gemstones.

Background

Like many other industries, the challenging economy had a dramatic impact on the luxury retail market in 2008 – with a decrease in sales of jewelry and watches of 24 percent online compared with a 34 percent decline in overall sales of luxury goods. Several long-standing jewelry retailers went out of business in 2008. JMP Securities analysts covering upscale Tiffany & Co and Blue Nile called the 2008 declines unprecedented. Such declines have forced many luxury retailers to examine new methods to maximize the value of each and every payment transaction.

Challenges

Sensing the issues of price-point pressures, high transaction costs, a general decrease in consumer spending, and a more promotions-driven consumer in 2007, Jewelry Television was determined to find a payment processing partner who could help them continue their growth and capture new revenue streams. The catalyst for initiating the process was the company's desire to work with a processor that focused on their specific needs as a merchant and a willingness to be flexible in offering more value added services. They also hoped to reduce their high payment processing fees.

Solution

Jewelry Television quickly zeroed in on Litle & Co., a provider of payment management services with expertise in card-not-present transaction processing, direct marketing and merchant services. A deciding factor in selecting Litle & Co. was its genuine commitment to support the retailer's revenue goals and experience within the luxury goods industry. Additionally impressive was Litle's ability to support Jewelry Television's existing payments platform, which eliminated months of development that would typically be required with other providers.

Success Highlights



- Support of JTV's existing platform enabled a fast and flawless implementation
- Significantly contributed to 4th quarter revenue through support and timely launch of Bill Me Later and Private Label JTV Preferred Account
- Increased overall efficiencies through simplified transfer of chargeback documents
- 99.6% transactions qualify at the lowest interchange rate
- 97% authorization approval rate
- Chargeback rate less than 1/10th percent of sales
- Reduced processing cost by 53%
- Implementation of Alternative Payment Methods:
 - Over 45,000 new customers
 - Average Order values up 20-30% for existing customers
 - Average Order values up as high as 50% for new customers
 - Purchase frequency increase of 30%-50% for existing customers
 - Purchase frequency increase of 5x for new customers

Jewelry Television set forth to achieve the following goals with their new processing partner:

- Right balance of Technology/Innovative Merchant Services
- Significantly reduce high payment processing fees
- Seamless integration with little to no down time
- Deep domain expertise and strong technical support
- Commitment to support growth goals
- Implement alternative payments to reach broader customer base

Proactive Merchant Services Group

From Jewelry Television's perspective, the implementation process was flawless: from initial sales dialogue to "go live" was approximately 5 months, with no disruption to the business. Litle & Co. had a clear understanding of the challenges specific to the jewelry and luxury goods industry and devised a payments strategy that would help Jewelry Television attract new customers and increase average order values and customer satisfaction overall. In 2008, Jewelry Television implemented a new consumer credit program with Bill Me Later. Litle's platform and implementation team was critical to ensuring the new program was launched prior to the holiday season. Within four months of implementation, Jewelry Television successfully captured nearly 45,000 new customers.

"Litle's willingness to support new products and services by bringing them to market so quickly is nothing short of remarkable," said Tim Engle, SVP of Strategic Initiatives, Jewelry Television. "Litle & Co. seamlessly fulfilled our request to bring Bill Me Later and the Private Label JTV Preferred Account to market early in the 2008 holiday season, which significantly contributed to 4th quarter revenue. By helping us expand our payment options, Litle & Co. enabled us to bring additional value to our customers and increase revenue."

Chargeback Management

Like many multichannel merchants, Jewelry Television faced the arduous task of reducing the number of chargebacks. Litle's dedicated account manager and chargeback analyst partnered with Jewelry Television to simplify the transfer of chargeback documents, which increased overall efficiencies. Litle & Co. also worked with Jewelry Television on a regular basis to seek out opportunities to increase success rate with disputes and improve risk parameters used to identify and stop high risk orders.

The Results:

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With Litle & Co., Jewelry Television is confident they are deriving the greatest value from each transaction. "Litle & Co. has brought us tremendous opportunity," added Engle. "Working with us as a true payment 'partner,' Litle & Co. provides real business intelligence that enables us to improve our processes and ultimately, our profitability. As a result, we have been able to penetrate a broader customer demographic and deliver on our promise of opening the world of fine jewelry to everyone in a fast, convenient way."

