JUSTT

Chargeback Mitigation Solutions for Enterprise eCommerce

Introduction

Chargebacks continue to affect the entire eCommerce and payments industry. In 2020 alone, lost revenues for retailers reached $125 Billion due to chargeback fraud. As digital payment transaction volume increases at a compounded annual growth rate of 12.6%, total customer disputes are rising in kind. And with the state of the current chargeback system, merchants are hit hardest—for every $1 lost in a customer dispute, the true cost for retailers is $2.40.

The growing complexity of the chargeback process further complicates customer dispute resolution. Investments in dispute teams, fraud detection integrations, and efforts to limit chargeback ratio fees all drain business resources. For enterprises with immense sales volume, the cost to fight disputes further impacts bottom-line profits, even before any case is won.

New solutions are needed to help prevent the current revenue drain that chargebacks represent, but without exorbitant costs. Merchants need to not only win more chargeback disputes (the average merchant reports a dispute win rate of 32%), but they must accomplish that goal with minimal expense to critical business operations.
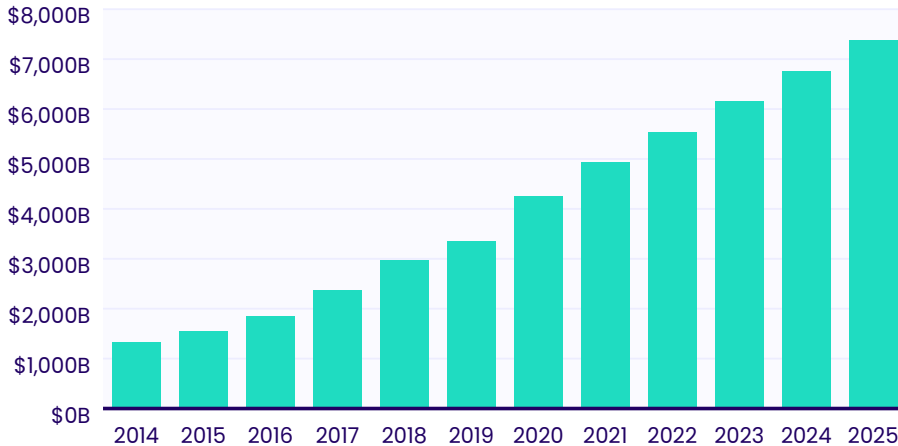

The Chargeback Problem

The issue of chargebacks threatens enterprise eCommerce businesses for several key reasons:

Value of eCommerce Losses to Online Payment Fraud
Worldwide in 2020 and 2021
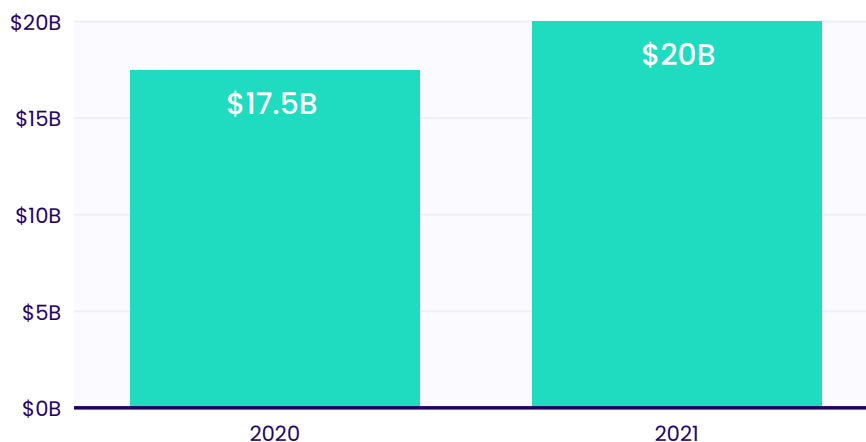
Increases in Fraudulent Activity: eCommerce losses due to payment fraud are set to reach $20 billion in 2021, a growth rate of 14% compared to 2020. Moreover, the value of fraudulent card transactions is expected to grow to $38.5 billion in 2027. As digital fraud, in all its various forms, continues to increase, expect more chargebacks initiated by consumers.

Retail eCommerce Sales
Worldwide From 2014 to 2025

Share of Transaction Volume
Changes in Payment Diversity

2020   2024

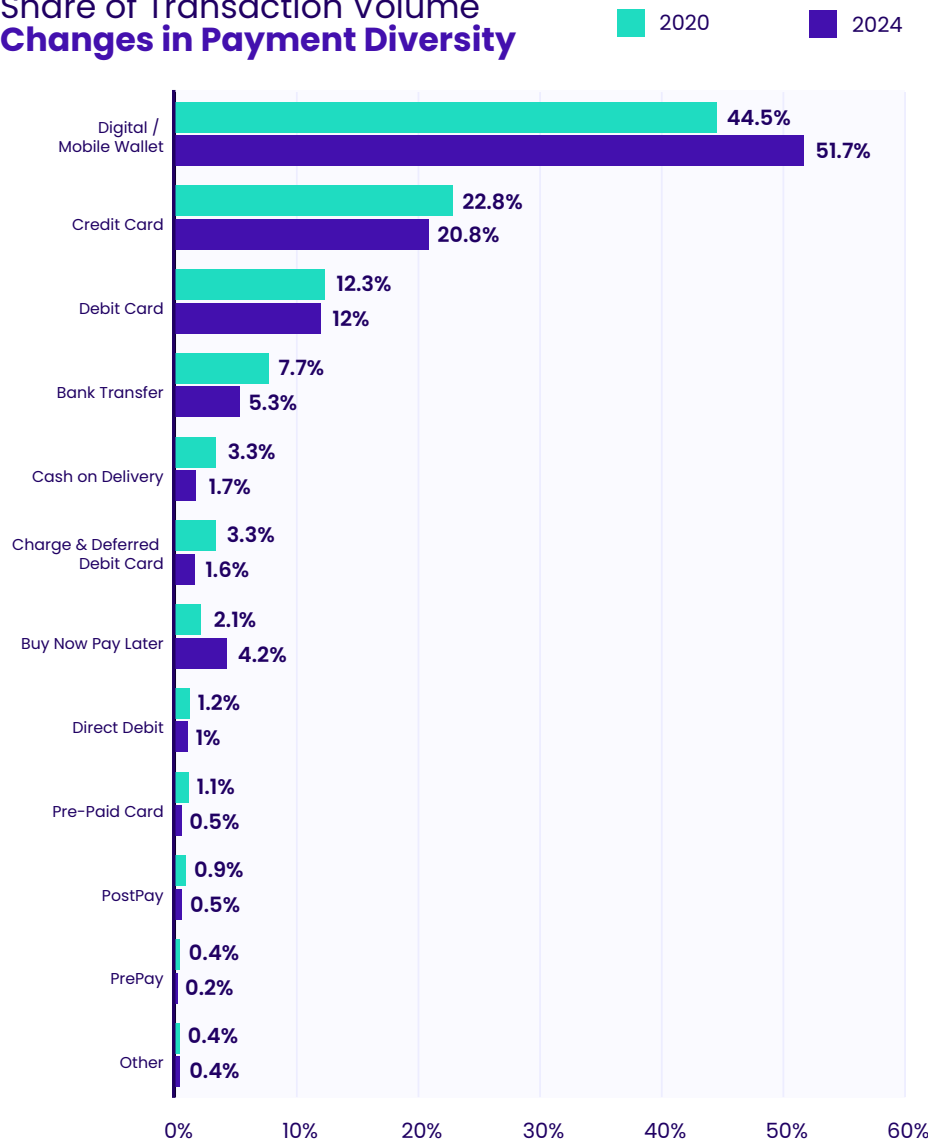| Payment Method	2020	2024
Digital / Mobile Wallet	44.5%	51.7%
Credit Card	22.8%	20.8%
Debit Card	12.3%	12%
Bank Transfer	7.7%	5.3%
Cash on Delivery	3.3%	1.7%
Charge & Deferred Debit Card	3.3%	1.6%
Buy Now Pay Later	2.1%	4.2%
Direct Debit	1.2%	1%
Pre-Paid Card	1.1%	0.5%
PostPay	0.9%	0.5%
PrePay	0.4%	0.2%
Other	0.4%	0.4%

- **The Growth of eCommerce:** Retail eCommerce amounted to $4.9 trillion worldwide, with an expected 50% increase in the next four years. As the industry grows in line with consumer demand, so will the overall volume of chargebacks.

- **Digital Payment System Complexity:** As digital payment acceptance expands, so will system intricacy. The infrastructure for standard credit card payments is already in-depth and costly to merchants, without even mentioning new online payment methods such as digital wallets, cryptocurrency, smartphone payments, e-transfers, and buy-now-pay-later. A diversity of options creates customer convenience and additional sales, but it also contributes to more technical errors, all of which will increase total chargeback volume.

- **Growth in Chargeback Costs:** The cost of a standard chargeback fee levied by a financial institution does not represent the true cost of a customer dispute. Instead, several ancillary costs also affect an enterprise's bottom line, such as shipping expenses, credit card processing fees, reputation damage, and operational expenses. Such hidden costs damage merchant product values that further contribute to the chargeback problem.

Growth in Complicated Prevention Solutions: To defend against chargeback fraud, businesses have integrated multiple defense solutions. The eCommerce fraud prevention market reached a value above $28 billion in 2020 and is expected to grow to 69 billion by 2025.

Merchants Require Simple Applications That Work

In short, large-scale eCommerce enterprises cannot afford to divert critical business resources to managing chargeback disputes. To do so would reduce the organization's capacity to focus on revenue generation. Any solution for the chargeback problem must also be hands-off, as there is no point in investing resources to recover lost dispute revenue if it prevents organic profit creation.

To that point, the ideal solution must remain **effective** yet **simple.** It must be capable enough to improve win rates within several different business models yet simple enough to integrate without too much upfront cost. If achieved, the cumbersome and complex chargeback system can turn into a fair process for both merchant and customer.

Organizations must deter fraud losses, but multiple applications with increasing complexity add further expense, put more strain on business resources, and create additional potential for errors. It is yet more merchant costs directly connected to the chargeback problem.

Benefits of Justt Chargeback Mitigation Solutions

Justt is an end-to-end chargeback solution designed to manage the entire life cycle of a customer dispute. Through AI-driven technology, Justt recovers lost revenue by helping global merchants fight fraudulent chargebacks. It is the hand-offs mitigation service that can combat the current inefficiencies of the chargeback system.

With Justt, large-sized enterprises and eCommerce brands receive the following benefits:

Increased Win Rate

Justt achieves an industry-leading 83% success rate for total dispute cases. Such exceptional revenue recovery is due to tailored chargeback strategies developed via innovative technology, data insights, and human-powered know-how.

Access to an Expert Chargeback Fighting Partner

Avoid the hassle. Justt functions as a technical partner, fighting fraud and other suspicious chargeback processes on behalf of any enterprise. Let Justt's AI-powered applications and direct expertise flag incorrect chargebacks at no cost to business resources. Through a seamless integration, any merchant can navigate past the pitfalls of the antiquated chargeback system—without lifting a finger.

Fewer Wasted Business Resources

Since Justt manages all aspects of the chargeback dispute process, primary business resources purpose-built for eCommerce can once again focus on activities devoted to profit generation. Reduce the hidden costs associated with a chargeback and spend less on the entire dispute process.

Solutions Tailored to Your Business

Off-the-shelf services provide limited value for enterprises that have nuanced and particular needs. Chargeback disputes occur for different reasons within different industry verticals, and that demands customized solutions. Justt creates such tailored strategies according to business requirements, check-out flow, and personal payment options. Each enterprise receives a unique mitigation configuration, allowing merchants to off-load any dispute management labor for efficient operations and better revenue recovery.

Automated Applications

Justt uses AI to automate the chargeback process. Various tools, templates, and data insights combine expert knowledge and enriched third-party data for better effectiveness, all within a hands-off system. Such automation allows Justt to scale according to the needs of enterprise companies. Plus, the easy-to-use platform includes no upfront integration costs, meaning there is no significant development lift. Not only do you streamline your anti-fraud stack, but you reduce the need for complex and time-consuming in-house mitigation services.

Success-Based Fees

With Justt, all fees are based on success. Pricing for the solution is dependent on cases won, not on transactions reviewed. As an enterprise partner, pay out of the portions of the funds recovered. Limit your risk all while increasing your chargeback win rate.

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