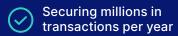
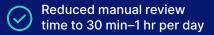




How Chicago Music Exchange achieved 13.7x ROI with Sift







OVERVIEW

An industry-leading music equipment retailer

Chicago Music Exchange is an industry leader in music equipment and expertise, striving to help musicians buy, sell, and trade gear at fair prices. The retailer is widely recognized as a go-to source for premiere vintage, new, and used music equipment, with some of the most knowledgeable vintage experts in the industry. For over 30 years, Chicago Music Exchange has been on a mission to provide the finest selection of guitars, amps, bass guitars, effects, and novelty musical instruments in the world, along with rockstar customer service.



Challenge

- · High-value fraudulent orders
- Fraudsters testing the system
- Need for a more robust fraud prevention solution



Solution

- Implementing Sift Payment Protection
- Shopify integration
- Customized alerts



Results

- 13.7x ROI in six months
- · Securing millions in revenue
- More insight into buyers' patterns

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The insight, transparency of data, and ease of use with Sift is amazing. It is constantly learning about your business and customer buying patterns. Once everything is set up on the backend you're able to sit back and let it do its job. This brings not only relief and confidence, but has saved us time and money as well. Thank you, Sift!

Deb Jawicki, Director of Finance & Human Resources



CHALLENGE

An influx of fraudulent orders

When Chicago Music Exchange switched their website platform provider, they found that they needed a more robust fraud prevention system to combat the fraudulent orders being attempted on their site. CME encountered fraudsters on a card-testing mission, placing small to medium-value orders to see what would get through, testing the waters before moving to higher-value items. Once a fraudulent order got through, it was very easy for these cybercriminals to cycle through stolen email addresses and passwords—likely purchased on the dark web—and create fraudulent new accounts to multiply their gains.

Chicago Music Exchange especially had difficulty with orders sent to freight forwarding companies, which required an added level of verification to authenticate the transactions and addresses. This meant that CME had to manually contact the customer or research the address of where it was being shipped, which was time consuming and not always effective. This was particularly true for more complicated overseas orders—and every time, CME was left to handle the loss.

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SOLUTION

Using Sift + Shopify to block fraud

Chicago Music Exchange's former sister company, and Sift customer, Reverb.com, recommended Sift as a fraud prevention solution, and the music retailer soon implemented the Sift Payment Protection product and Shopify integration. With Sift, CME is able to look at email address creation dates and send new account alerts to stay a step ahead of fraud. CME has found the data available with Sift to be crucial in fighting fraud, using IP addresses and billing/shipping address inconsistencies as key indicators of risk. This assists CME in their daily business processes of being able to hold orders, contact customers, and verify documentation. Sift gives CME an in-depth look at orders that are for a high dollar value and that come in with high scores, so the team is able to make quick and educated determinations.

CME utilizes the Shopify integration to create a frictionless shopping experience for legitimate customers, helping to drive revenue while reducing risk. Within the Shopify and Sift solution, CME is able to compare customers' transaction history from Shopify with data from Sift to get a full picture of who their customers are and which transactions might be fraudulent. For example, the CME team can see if a customer used a different shipping address for each order, whether or not they purchased from CME in the past, and how frequently they have placed orders. The Sift and Shopify integration makes all of this important data accessible and actionable.



RESULTS

A massive 13.7x return on investment

Over the course of six months, Chicago Music Exchange saw a 13.7x return on their investment with Sift—reducing fraud on their platform, securing millions in transactions, and reducing manual review time to 30 minutes or 1 hour per day. With the average blocked order value coming in at \$1,300, shutting down these high-value orders saved CME tens of thousands in retained revenue in just half a year. But that's not all CME gains from Sift—the retailer also gets access to invaluable insights into their trusted buyers' patterns to better cater to their needs.

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Within the Sift Console, the ability to customize alerts within Sift gives CME an extra level of assurance and security, flagging suspicious orders with a high degree of accuracy that typically would have seeped through the cracks. When an order is placed above a certain dollar amount, over a set number of orders from one account within a period of time, or reaches a specific Sift Score threshold, the CME accounting team is automatically notified. For higher-end merchandise of up to \$10,000, having these alerts gives the team peace of mind and saves them time.

Sift is almost like a plug-and-play solution that you can tweak as you go. As your business evolves, Sift adapts with you. The breadth of data and insights that come with Sift are invaluable.

Deb Jawicki, Director of Finance & Human Resources

ABOUT SIFT

Sift is the leader in Digital Trust & Safety, empowering digital disruptors to Fortune 500 companies to unlock new revenue without risk. Sift dynamically prevents fraud and abuse through industry-leading technology and expertise, an unrivaled global data network of one trillion (1T) events per year, and a commitment to long-term customer partnerships. Global brands such as DoorDash, Poshmark, and Twitter rely on Sift to gain a competitive advantage in their markets.

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