

# ARCOT 3DS PROGRAM MANAGEMENT FOR MERCHANTS

## Optimize Merchant 3-D Secure.

### OVERVIEW

Arcot 3DS Merchant Program Management is a range of professional services offerings designed to help merchants extract the maximum value from the 3-D Secure. Merchants that engage with Arcot for 3DS Program Management are assigned a dedicated 3DS consultant with the expertise to drive the following benefits:

- Increase approval rates
- Reduced challenge rates (CR)
- Increased fraud mitigation
- Derive maximum value from the 3-D Secure
- Collaboration with issuing banks utilizing Arcot's ACS

### PROBLEM STATEMENT

Regulators and schemes in parts of the world have mandated the use of 3DS authentication for various types of payments, including card-not-present (CNP). This in turn has promoted 3DS authentication to a mission-critical service introducing the following challenges:

- **Low approval rates** - This is on CNP transactions due to good customers getting declined by lack of optimization of 3DS.
- **Lack of expertise** - EMV 3DS is massively more complex than 3DS 1.0.2. Effective use requires deep subject matter expertise to get maximum value.
- **Lack of resources** - Fraud teams are often asked to operate with a small number of people. A small team doesn't have the time to build 3DS expertise while continuously managing the ruleset.

To do 3DS well, merchants need one or more subject matter experts (SMEs) to manage the day-to-day operations of authentication. Arcot can help by providing a 3DS consultant who will work as an integrated member of merchant's fraud team.

### Key Benefits

- ➔ Increase approval rates
- ➔ Reduced challenge rates (CR)
- ➔ Increased fraud mitigation
- ➔ Derive maximum value from the Arcot Network
- ➔ Collaboration with issuing banks utilizing Arcot's ACS



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## HOW 3DS PROGRAM MANAGEMENT WORKS

Upon commencement of the service, Arcot assigns a 3DS consultant to the merchant. 3DS consultants have deep expertise in both the 3DS protocol and the Arcot payment authentication service. 3DS consultants will continuously assess merchant's active ruleset, monitor transactions for fraud, and make real-time changes to the Arcot service as needed.

3DS consultants become an extension of the merchant's fraud team, acting as an embedded 3DS subject-matter-expert (SME). They spend all day, every day using the 3-D Secure to optimize merchant's authentication strategy - using data to measure results, identify trends, and implement changes.

### Key deliverables of the service include:

- **Design and implement payment authentication strategy** - Strategic consultation on how to best utilize 3DS in merchant's payment strategy to increase authorization rates and minimize fraud exposure.
- **Optimize 3DS environment** - Get the most benefit from the latest EMV 3DS capabilities
  - Leverage 3DS frictionless capabilities to seamlessly authenticate customers and dramatically improve false decline rates.
  - Identify additional data elements that can be shared between merchant and issuer to improve authorization rates and train merchants' fraud models.
- **Reporting** - Arcot will provide operational reporting and regulatory reporting on a regular basis.
  - **Operational Monitoring & Reporting** - a weekly report that shows the current performance of the payments program compared to the merchant's defined operating points for ASR, CR, and CSR as well as a performance at fraud detection.
  - **Regulatory Reporting** - a bespoke dataset provided for inclusion with the merchant's existing regulatory reporting framework. Merchants can opt to have this provided on either a monthly or quarterly basis to align with the current schedule for submissions.

### Summary

In the era of digital commerce, where success hinges on the delicate balance between security and convenience, Arcot's Program Management empowers merchants to harness the full potential of 3-D Secure to drive revenue, foster customer loyalty, and secure a competitive edge in the market.

## LEARN MORE



Contact James Jenkins, Head of Customer Development at [james.jenkins@broadcom.com](mailto:james.jenkins@broadcom.com) to learn more about the Arcot Program Management for Merchants.

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## How Does It Work?

Arcot provides a dedicated 3DS consultant working as an integrated member of the payments and fraud teams.

## Process

1. **Arcot assigns a 3DS consultant with deep expertise**
2. **3DS consultants continuously assess active ruleset, monitor transactions for fraud**
3. **3DS consultants make real-time changes to the Arcot service as needed**

## Key Deliverables

- Implement Authentication Strategy
- Benefit from latest EMV 3DS capabilities
- Proactive flash-fraud alerts
- KPI Monitoring & Reporting

