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Your source for payments education

Leveraging Technology and Data to Streamline Chargeback Recovery

Anand Goel, CEO & Founder at Optimized Payments

Dan Stephenson, Regional Process Owner & Director at Hyatt Shared Service Center

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Anand Goel

o Founder & CEO - Optimized Payments

o Optimized Payments has helped Fortune 1000 companies save over **$500 million** in interchange and processing fees and simplify payments

o Leading the effort to revolutionize payments analytics... creating a scalable, hosted solution that centralizes, normalizes, and analyzes billions of payments records and identifies actionable insights
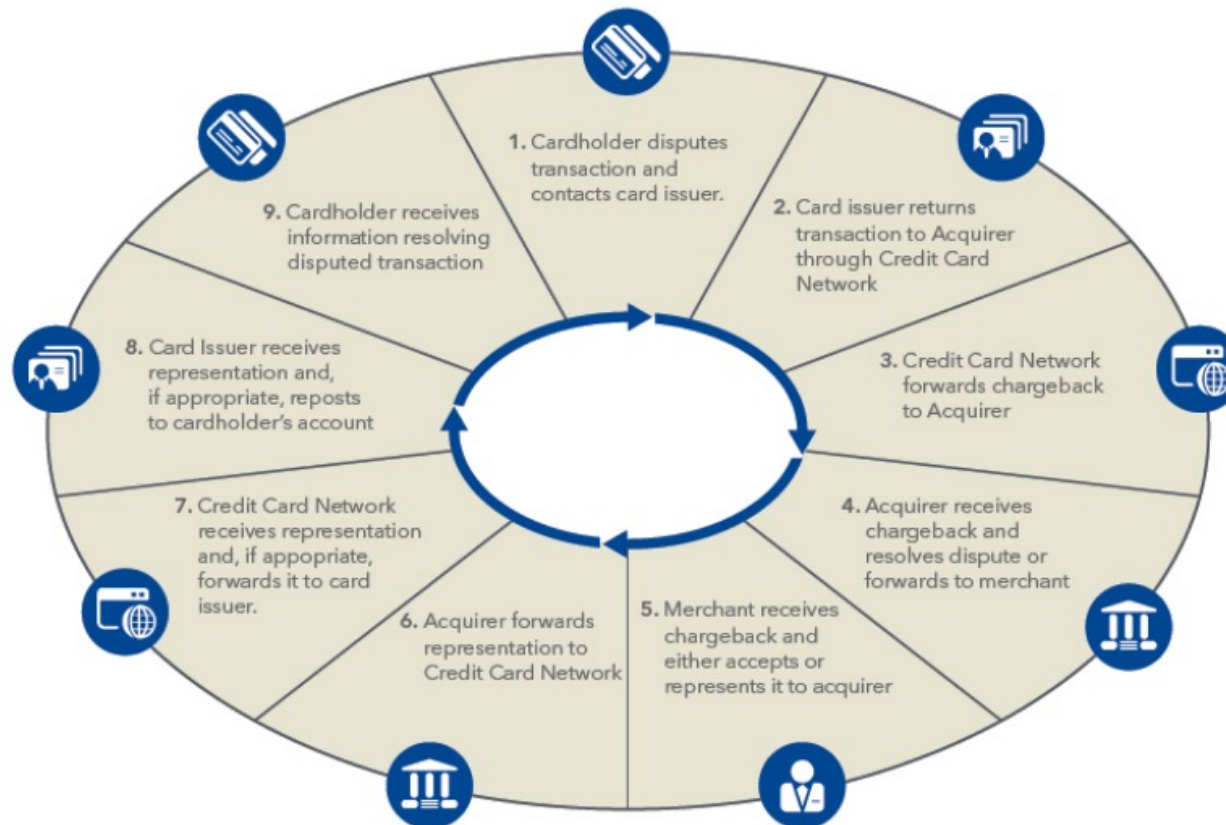
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Dan Stephenson

o Regional Process Owner / Director - Hyatt Shared Service Center in OKC

o Dan has spent 14 years at Hyatt managing Operations teams.

o Over 20 years of experience in the payments industry (disputes, refunds, fraud, and many other areas)

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High-Level Chargeback Process

Five Steps to Building an Effective Chargeback Management Team

1) Outline existing processes

2) Identify efficiencies

3) Layer in automation

4) Implement Analytics

5) Monitor & review performance

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1) Outline Existing Dispute Process

1

Identify all payment vendors

Identify internal resources involved in dispute process

2

Identify all systems needed for rebuttals

- Acquirer systems
- Internal databases (ERP, POS, PMS)
- Payments Gateway Data

3

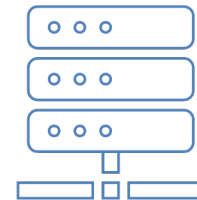Outline clear steps required for each type of dispute

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2) Identify Efficiencies

Create standard templates for repetitive responses

Assign resources to specific card brands and/or reason codes via excel, workflow tool or acquirer systems

Automate workflows with limited human interaction, as possible

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3) Layer in Automation

- **Most dispute responses are repetitive**
- **Plenty of ways to automate the process by using data**
  - Consume raw data files, including dispute data (or seek partner)
  - Link dispute to underlying acquirer auth and settlement transaction
  - Link dispute to underlying merchant/POS sale/refund transactions via unique reference numbers (order number, invoice, reservation, etc.)…important to send in auth message
  - Leverage APIs (UPS/FedEx) to gather delivery information
  - Auto represent high volume, low win probability cases (Fraud, Processing Error, etc.)

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4) Implement Analytics to Gain Insights

- Catch Fraud Issues
- Highlight Issuers/BINs that may be problematic
- Identify high dollar cases, which may need extra attention
- Track win rates by chargeback rep

Chargeback Breakdown by - BIN Issuer
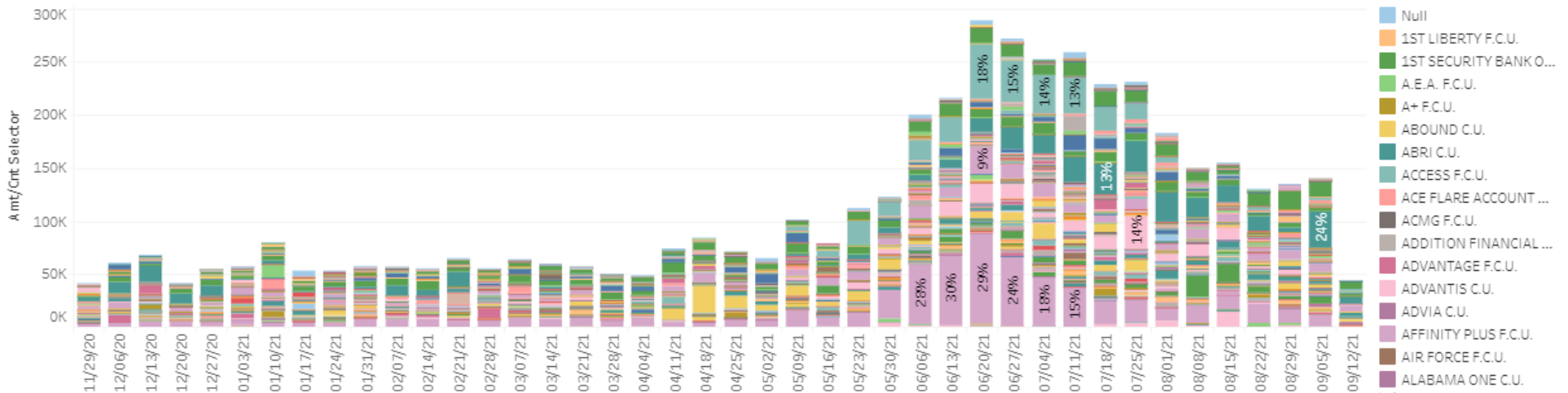
4) Analytics Value

- Link multiple records for a single dispute using case# and/or combination of other variables

- Trending and measuring performance over time to identify opportunities
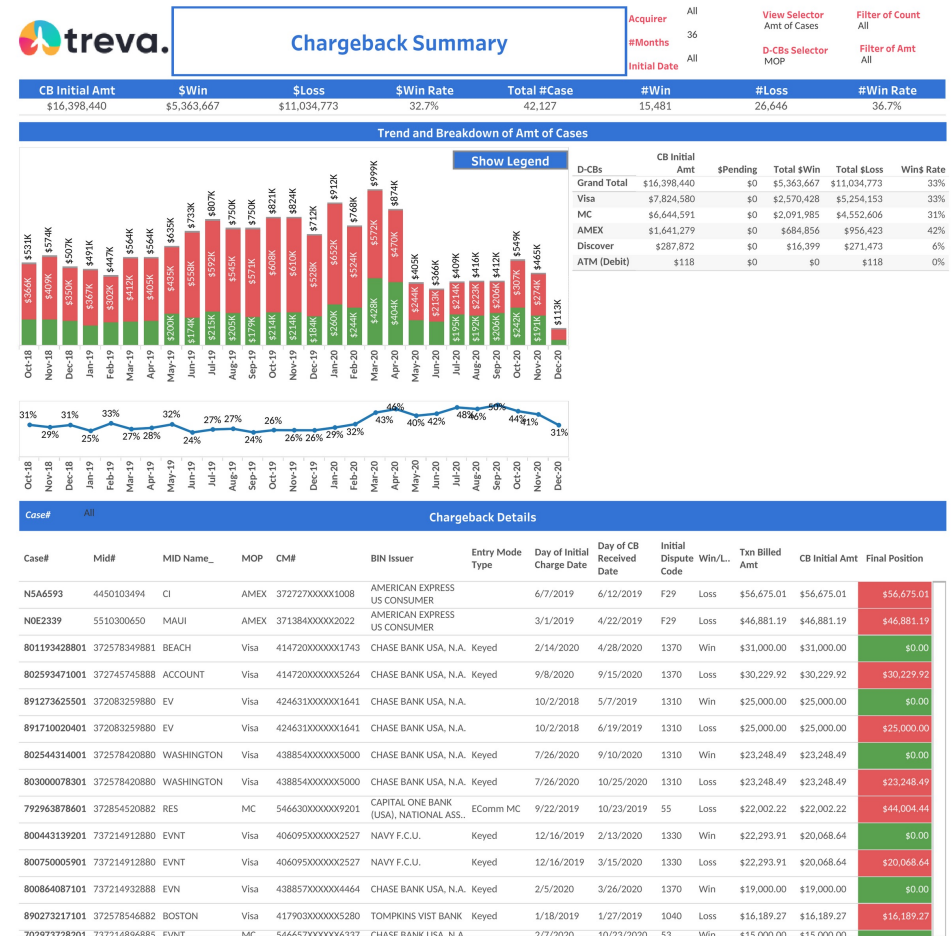
5) Monitor & Improve Performance

Key Metrics/Measures

- CB Ratio (Initial Disputes / Total Transactions)
- CB to Sales Ratio (Dispute Amt / Total Sales)
- CB counts/amounts
- Win Rates (Cases Won/Total Disputes)
- Fraud Ratio (Fraud Sales / Total Sales)
- Avg Time to Respond

Attributes/Dimensions

- Acquirer
- MOP (method of payment)
- Card type (debit, credit, commercial, rewards)
- Issuer/BIN
- Reason Code
- Channel, Brand, Region, Market, Store
- User/Chargeback Rep

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Hyatt's Chargeback Management Journey

Outlined Process & Identified Efficiencies

Centralized Disputes

Previously, disputes were fought at the property-level (common in the hospitality space)

Decision was made to centralize disputes within the Shared Service Center in OKC

Defined a dispute response process within the Shared Services team

Started Path to Automation – Part 1

Receive single daily Excel file from Optimized Payments that contains disputes for Fiserv, AmEx and Discover

Documented requirements to create workflow tool to ingest, assign, represent and track disputes

Able to measure service rep performance, and everything related to chargebacks in a single platform

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Started Path to Automation – Part 2

- Leveraged Optimized Payments hosted dispute representment tool to receive and respond to chargebacks

- Accelerated response time by having workflows that automatically assign cases and transmit completed responses to each acquirer. Also have frequently used compelling evidence/policies pre-loaded.

- In near future, we'll create API to automatically retrieve reservation data from data warehouse

- Hyatt did not want to outsource chargeback represent, instead we sought and found a tool to make our team more productive
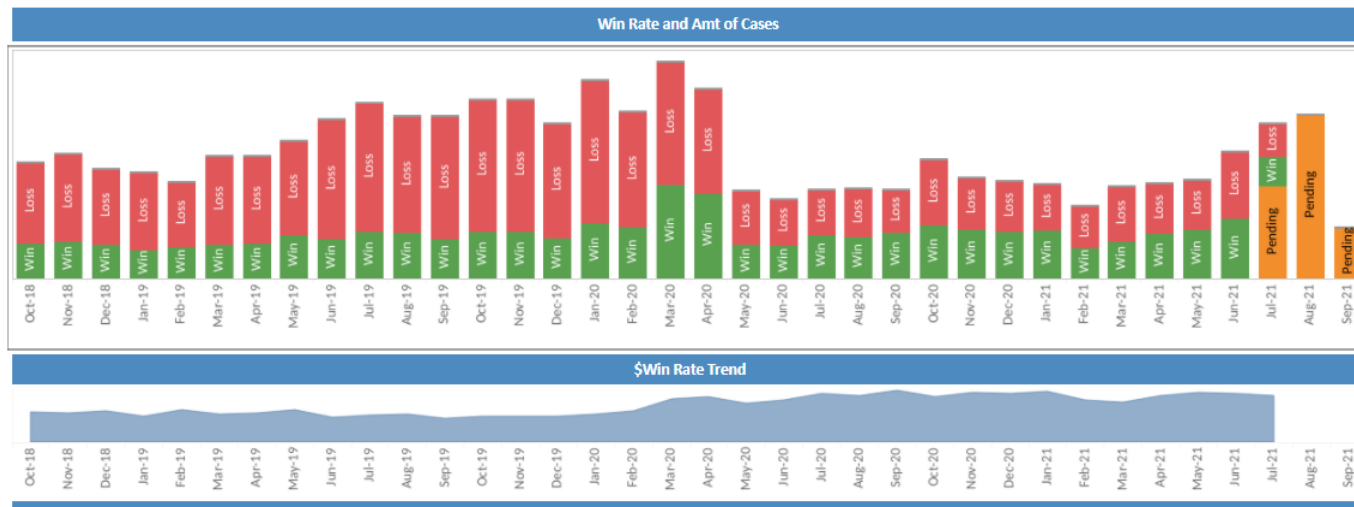
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Implemented Analytics

Hyper-focus on CB recovery post-COVID, due to lower room revenues

Increasing win rates over time, due to identifying patterns around wins/losses

Having single source for all dispute lifecycle data extremely valuable

Added Monitoring to Improve Performance

o Identified common dispute reason codes

o MC Code 53 (OTA Disputes) - a primary pain point...looking at ways to work with OTAs to resolve before they become disputes

o CNP Fraud on third-party authorizations

o Began initiative for fraud scoring on a subset of the business, which may later be rolled out to the rest of the business

o Having a process to measure performance and highlight issues has created tremendous opportunity to improve team's performance

Thank you - Q&A

- Don't forget to submit your session evaluation!

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