



Riskified and Axerve Help KIKO Milano Boost Cart Conversions Under PSD2 by Maximizing TRA (Transaction Risk Analysis)

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The partnership enables Axerve's customers to implement Riskified's PSD2 Optimize solution, which helped KIKO Milano ensure frictionless checkout for almost 99% of their customers

NEW YORK--(BUSINESS WIRE)--Jul. 6, 2022-- [Riskified](#), Ltd. (NYSE: RSKD), a fraud management platform enabling frictionless Ecommerce, and Axerve, a leading Italy-based payments hub that has developed a platform for orchestrating payments worldwide, have launched an extended strategic partnership to offer Riskified's machine learning solutions, including PSD2 Optimize, to Axerve's portfolio of customers. One of Axerve's first clients to implement PSD2 Optimize, KIKO Milano, saw an exemption of nearly **99%** of orders from Strong Customer Authentication (SCA) using Transaction Risk Analysis (TRA), and a more than **10%** increase in approval rates for transactions.

Since compliance with the European Union's PSD2 regulations, SCA requirements have added complexity for merchants. PSD2 Optimize enables merchants to minimize the effect of the European Union's PSD2 regulations on their Ecommerce operations by leveraging TRA exemptions to provide a seamless and secure payment experience for legitimate users and low-risk orders, and for the use of 3D Secure payments (3DS) to be applied only when it's necessary. At a time when Ecommerce continues growing, ensuring friction-free solutions is vital to improve the shopping experience for consumers and the collection experience for merchants.

PSD2: the double-edged sword of customer experience

Axerve works with over 100,000 customers globally, and their ultimate goal is to simplify complex checkout processes for their clients, while guaranteeing high-security standards. When PSD2 came into force, Ecommerce merchants across Europe immediately felt its effect on the customer journey: friction added to the checkout flow caused shoppers to abandon their carts, which negatively affected conversion rates. KIKO Milano, in particular, experienced a high volume of support tickets from customers complaining they couldn't complete their purchase. With almost 70% of orders challenged by 3DS, accompanied by a high decline rate, they realized they needed a tool to optimize their checkout process and safeguard revenue - while also ensuring full compliance with the regulation.

The Riskified approach: more optimization for less friction

To help merchants overcome the challenges imposed by PSD2, Axerve introduced Riskified PSD2 Optimize as part of its payment processing platform: Axerve Guaranteed Payments. KIKO Milano, a long-time Axerve client, has historically championed investing in new solutions to enhance customer experience and had been looking for a fraud prevention solution to reduce fraud costs and increase conversion rates.

"When PSD2 went live, Axerve notified us that our denied transactions rate was quickly increasing, and our customer care team also alerted us that the number of tickets opened by customers was multiplying four-fold," said **Diego Morgandi, Ecommerce Director at KIKO Milano**. "We were glad to hear about Riskified's solution from Axerve, and we immediately wanted to test it. The benefits from PSD2 Optimize were immediate. We saw a reduction in failed transactions that drove the approval rate up and allowed us to grant our customers a real frictionless checkout experience. This partnership is key for us to succeed."

In an environment as complex as the payments ecosystem, flexibility and innovation are fundamental to satisfy the increasing need for protection in the whole payment process while making it as friction-free and seamless as possible while being secure and compliant. Riskified's solutions help Ecommerce merchants safely approve more orders, increase revenue, expand into new markets, and deliver a better customer experience. Thanks to the partnership with Axerve, Ecommerce merchants from various industries in Europe can now enjoy Riskified's PSD2 Optimize solution to leverage exemptions and ensure frictionless payment experience for their customers.

"As a partner for our clients in the world of payments, it is our duty to always offer the most innovative solutions that allow us to guarantee our clients the best possible authorization rate," said **Alessandro Bocca CEO of Axerve**. "The initial phase of the PSD2 adoption was difficult since the system and the industry was not equipped for the challenge, both in managing the authentication part and also on the issuer side to manage exemptions which led to a high loss in conversions. The challenge of the SCA, and in general of fraud management, has become an opportunity after being able to join forces with Riskified, best in class on fraud prevention."

"When PSD2 was introduced, we knew that our merchants and partners needed an immediate solution. They needed to comply with the regulation and implement 3D-secure and at the same time, leverage exemptions in order to improve their customer experience. In order for a merchant to maximize exemptions, they have to perform a transaction risk analysis and identify those low-risk orders. And this is exactly the capability that Riskified possesses as we've been perfecting this in the last decade" said **Naama Ofek Ard, Chief Operating Officer at Riskified**. "At the end of the day, the goal of everyone involved is to provide higher conversion rates to our merchants and a smooth experience for their customers, and this partnership is a testament to our mission and our capabilities."

About Riskified

Riskified empowers businesses to realize the full potential of Ecommerce by making it safe, accessible, and frictionless. We have built a next-generation Ecommerce risk management platform that allows online merchants to create trusted relationships with their consumers. Leveraging machine learning that benefits from a global merchant network, our platform identifies the individual behind each online interaction, helping merchants—our customers—eliminate risk and uncertainty from their business. We drive higher sales and reduce fraud and other operating costs for our merchants and strive to provide superior consumer experiences, as compared to our merchants' performance prior to onboarding us.

About Axerve

Part of Fabrick's Fintech ecosystem, Axerve stands for over 100,000 active customers, as a partner for business development helping them to understand, anticipate and address the needs of the market thanks to technological and innovative solutions for the point of sale and Ecommerce. Axerve supports them nationally and internationally and in every single market, integrates value-added services to meet the needs of physical and online stores with a personalized user experience, offering over 250 payment methods. The offer consists of a single platform to accept any type of payment, from all physical and digital channels, in a clear, simple and secure way, through physical and digital gateways, such as POS, Ecommerce solutions, Cashin machines, applications and value-added services; with the aim of offering an answer to all questions in the field of payment acceptance, offering new solutions (in-store, mobile and digital) adapting to the specific needs of customers. Axerve Ecommerce Solutions has a strong leadership in online payment management services in all product sectors. www.axerve.com/en

About KIKO Milano

KIKO MILANO was established and founded in 1997 by Percassi. It is an Italian professional cosmetics brand that features a range of cutting-edge makeup, face and body treatments.

Safe and effective products of the highest quality, created to satisfy the beauty requirements of women of any age.

Find your own beautiful - this is how KIKO sums up its vision of Beauty. Through its extraordinarily wide and diversified range of products, KIKO allows everyone to express their own personality. An unparalleled variety of colours, effects and sensations that are unique in the market to suit your style, skin tone, skin type, and specific tastes, at every phase of your life.

KIKO's identity is rooted in "Made in Italy" values as the world capital for fashion, art and design. As craftsmen of original textures, colours and the evolution of beauty, we offer quality formulas with guaranteed performance, for a perfect fusion of quality and creativity.

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Riskified Corporate Communications
Fairouz Nashef
press@riskified.com

Axerve
Tancredi Intelligent Communication:
Helen Humphrey – M +44 7449 226720
Giovanni Sanfelice di Monteforte – M +44 7775858152
helen@tancredigroup.com | giovanni@tancredigroup.com

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