

ON CUSTOM PLATFORM

Jerome's

Jerome's Furniture is a family business that uses Signifyd to boost sales while eliminating fraud and manual reviews.

**4%**

Increase in
Accepted Orders

**99%**

Reduction in Cases
Reviewed

**0**

Chargebacks

Better Fraud Management Improves Customer Service

The online sales platform at [Jerome's Furniture](#) was supposed to enhance customers' buying experience. Instead, it inadvertently drove them away. "When we couldn't solidly identify a customer we would ask them to come into the store," says Scott Perry, senior vice president of digital IT and omnichannel for the San Diego-based, furniture store chain. "Either they came in angry or they didn't come in at all."

"There were many reasons why we couldn't approve their order — billing and shipping addresses were different or the IP address looked strange or whatever. We felt bad about that. We also felt a bit liable asking for personal identification

information from customers. There's a sensitivity around asking people for that stuff. Some people just didn't want to give it."

Added to all this, there was also a logistical problem: When buying furniture, customers often don't have a fixed address. "A lot of times our customers are in the process of moving," says Perry. "So in the middle of an active move, maybe someone hasn't updated their credit card address yet — or whatever is going on in their lives — we're making them produce an electric bill or something else."

And given Jerome's customer base, there were times when appearing in person to verify a questionable credit card was impossible — consider, for instance, a military member returning home from a tour of duty overseas. "Sometimes our customers are on a ship somewhere," says Perry. "Half of our business is in San Diego and east of Los Angeles. We have a large military customer base and probably a larger percentage of military customers than other parts of the country."

Jerome's tight online security also incurred self-inflicted wounds, such as a reporting delay from its two shopping cart anti-fraud plug-in tools. At least 10 legitimate orders a month were lost, says Perry. "We were walking away from good business and we were still getting stung with fraud." Thousands of dollars in goods were stolen each month.



Turning Things Around

But since signing on with Signifyd those problems have disappeared. That's because Signifyd evaluates each of Jerome's incoming orders and evaluates them with real-time machine learning backed by a financial guarantee against fraud and chargebacks. Signifyd incorporates external third-party data and compares each buyer's credentials to transactions across its database of more than 10,000 merchants globally.

"Our customer experience has improved significantly," says Perry. "It's absolutely made a difference. It's helped us get more business and online approvals. I don't think we've had one fraud case since we started with Signifyd. And I've seen a bunch of orders go through that our old fraud system would not have accepted. They were accepted through Signifyd — 100 percent legitimate business that we would have walked away from."



Reporting Criminal Activity

Online thieves used to steal "anything and everything," says Perry. "You name it, mattresses, bedroom furniture, couches, chairs. It didn't seem as if there was any rhyme or reason." Because Jerome's offered same-day delivery, they often knew where the people who were taking their products lived. But that didn't always help, says Perry. Jerome's recovery rate was still only 1 percent.

"We'd file a report. Or, we'd go and knock on the door and a roommate would answer instead of the person who made the purchase. Or something else, you just never really knew what the situation would be." Getting a detective out there to hunt down these criminals to try and find our furniture? That wouldn't help much since it probably wasn't even there anymore.

"Part of the problem is getting the attention of the police department. It depends on what city you deliver in." Some of the police are fighting crimes of greater magnitude than some guy who bought a \$500 sofa with a stolen credit card. "The only time we recovered product was when they attempted to pick it up from our distribution center or pick it up from one of our stores. We've been successful with a couple of those in the last couple of years. But most of the time it's just gone," he says.

Buying Furniture Online

Jerome's website, which launched in 2007, started out slowly but by September 2013, it was being used chain-wide. That's when Perry says he first identified a problem. Though the site only generates 5 percent of the company's \$100 million-plus in annual sales, it enables customers to do research before buying, based on customer surveys and discussions sales staff have had with customers.

"The website influences 70-percent of our overall sales," says Perry. The site's success, like that of the 11-store chain itself, stems from the fact that it keeps sales personal. "We've got live chat agents that are inside our stores communicating directly with customers," says Perry.

Double Duty



But that personal touch was in jeopardy because the in-store chat agents pulled were doubling as fraud prevention detectives, “trying to identify the social profile, or looking through our customer records to see if we have delivered to them before. It took some time and we required the effort from our customers. It was clunky at best. It was the most un-liked part of the job,” says Perry. “Now that’s been completely removed. And they love it. Now all they do is the fun stuff.”

Before Signifyd, a half-dozen staffers put in the equivalent of one full-time worker’s hours just requesting personal information. “Not having to goof around with asking for customers to prove who they are gives them more time to sell and service the customer. Now they focus on positive things instead of trying to be detectives, which is not their job.”

“I’ve had them personally thank me for putting Signifyd in place. You know, they talk about it on a regular basis: how great the system is. They absolutely love it. They feel free. They couldn’t wait for it to be turned on. And once it was on, the morale just went up a notch,” says Perry. “They’re all happier. Every single one of them is happier as a result.”

A Family Business

That’s no small point for a 63-year-old family business which tries to make buying furniture quick and easy. “We have same-day delivery, everyday low price. We try to make it as simple as possible with a great customer experience. We also have 95 percent of our products in stock all the time. So, it’s not like same-day delivery for only a handful of products; it’s for everything.”

“Our unique selling proposition is that we don’t have sales – ever. The family doesn’t believe in gimmicks or sales. There’s a feeling that marking something up and then putting it on sale 50-percent-off is dishonest. We don’t play games like other stores, ‘Oh, there’s a big Memorial Day Sale; there’s a big Fourth of July Sale.’ Instead, everything is always at the lowest possible price we can offer to our consumers.”



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"We have some furniture that's in a lower price range, but there's still quality there. We have standards that we just won't go below. And we also go up in quality to where we have some nicer business. We have some high-end looks that are very similar to some of the high-end boutique-type furniture places and the prices are still very good. But we don't go super high end. We're just right in the middle," says Perry. "The product that we carry, we source ourselves. And, many times, we design ourselves. So the product that you see on our website you can't buy anywhere except at Jerome's."

Part of Jerome's charm is that it has been a family business since 1960 when Jim Navarra became the sole owner of Strep's Warehouse, a store he started six years earlier with two partners. In 1968, he renamed it Jerome's Furniture Warehouse after his son, Jerome. According to Wikipedia, Jerome "Jerry" Navarra was reluctant to sell furniture for a living. He wanted to go to medical school. But those plans were interrupted in 1970, when, after finishing a business degree at San Diego State University, Jerry spent six months helping out at the store. After that, he decided to stay.



"It's a great feeling just to work for a company that has family values, even though it's such a large business. We've still retained that charm and the ability to be 100 percent authentic and genuine. It's the real deal. It's not just saying it's a family business for the sake of it. It truly is," says Perry.

"It's like an extended family around here, with a lot of my family members working for the business. Two of my five kids work for Jerome's. Or take our CEO, Brian — one of his sons is in sales and his daughter is one of our buyers. And our vice president of sales, he has two sons that work at Jerome's. It truly is an extended family. We had an employee that got sick and Jerry knocked on his front door late at night and gave him some chicken soup that his wife made."

And since Signifyd became part of Jerome's family, Perry says he has time to meet other goals. "My greatest challenge now is choosing my next augmented reality vendor." For anyone considering adding Signifyd to their ranks, Perry has some advice: "Just do it. Quit goofing around with this stuff and let the pros get it done right."