



BB MERCHANT SERVICES
beyond benchmarking

12 AI Gems That Reduce Business Finance Costs

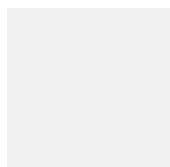
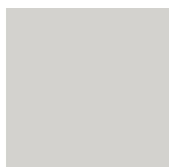
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In today's rapidly evolving digital landscape, merchants face the ongoing challenge of managing and reducing merchant services costs. These costs, encompassing transaction fees, chargebacks, and compliance expenditures, can significantly impact a merchant's bottom line.

However, Artificial Intelligence (AI) offers unprecedented opportunities for merchants to tackle these challenges head-on, leveraging cutting-edge technology to optimise operations and achieve cost savings.

We've looked at twelve AI tools for merchants and the top five ways to use them to reduce merchant services costs.



The Transformative Power of AI in Merchant Services



AI's capability to process and analyse vast amounts of data in real time enables merchants to gain deeper insights into their operations, identifying inefficiencies and areas where costs can be minimised.

From predictive analytics to automated decision-making, AI technologies offer a range of solutions designed to streamline transaction processes and enhance customer payment experiences.



12 AI Tools for Merchants

- 1. Kount:**
Specialises in fraud prevention and risk management, leveraging AI to analyse transactions and reduce chargebacks and false positives.
- 2. Stripe Radar:**
Utilises machine learning to block fraudulent transactions, helping merchants reduce chargebacks and related fees.
- 3. Adyen RevenueProtect:**
An AI-driven risk management system that helps merchants manage risk and increase authorisation rates, optimising the cost of transactions.
- 4. Square:**
AI-powered insights for sales trends and customer behaviour, enabling merchants to optimise sales strategies and reduce processing inefficiencies.

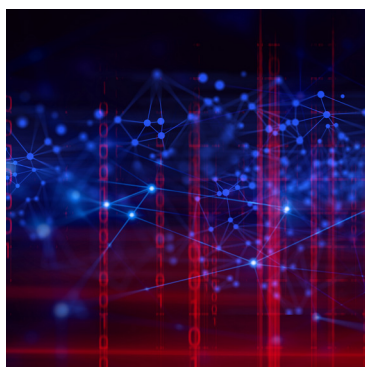
- 5. Feedzai:**
Uses machine learning to monitor transactions in real time, offering merchants robust fraud detection and prevention capabilities.
- 6. Sift:**
An AI-driven digital trust and safety platform that helps businesses prevent fraud and abuse while optimising customer experiences.
- 7. Riskified:**
Employs AI to improve fraud detection, increase sales, and enhance the customer checkout experience, reducing wrongful rejections and maximising revenue.
- 8. FICO Falcon Fraud Manager:**
Utilises AI and machine learning to detect payment fraud in real time, reducing fraud losses and improving transaction processes.
- 9. Signifyd:**
Offers guaranteed fraud protection using AI and machine learning, automating order review and approval processes to reduce chargebacks and operational costs.
- 10. Ayasdi:**
Provides AI tools for financial services, focusing on compliance, risk management, and customer insight to optimise costs and enhance decision-making.
- 11. Zest AI:**
Offers AI-based underwriting solutions that can also be applied to merchant credit assessments, potentially reducing the cost of credit and fraud-related losses.
- 12. PayPal Fraud Protection:**
Uses advanced machine learning algorithms to analyse transactions and reduce fraudulent activity, helping merchants lower chargebacks and fraud management costs.

These tools represent a variety of AI applications that can help merchants in various aspects of their operations, from enhancing security and fraud prevention to optimising transaction processing and understanding customer behaviour.

Each tool has unique features and benefits, allowing merchants to select the most suitable solutions to address their needs and challenges in managing merchant services costs.

5 ways to Use AI to Reduce Merchant Services Costs

AI tools can play a crucial role in benchmarking whether a merchant is being charged a fair price by their payment processor through several advanced techniques and methodologies:



1. Market Rate Comparison:

AI can aggregate and analyse data on payment processing fees across the industry, providing merchants with a benchmark of average rates for similar transaction volumes and types. By comparing a merchant's rates against these benchmarks, AI tools can highlight discrepancies and indicate whether a merchant is paying above the market rate.



2. Contract Analysis:

AI-powered tools can scrutinise the terms of a merchant's contract with their payment processor, identifying fees, rates, and clauses that may be unfavourable or above industry standards. This includes hidden fees or complex pricing structures that may not be immediately apparent.



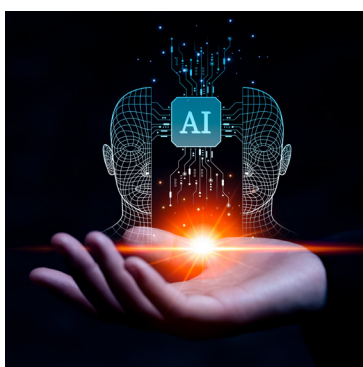
3. Fee Structure Analysis:

AI algorithms can dissect the fee structures applied by payment processors, including transaction fees, monthly fees, chargeback fees, and any additional costs. By understanding the comprehensive cost implications of these fee structures, merchants can assess whether their current rates are competitive.



4. Performance and Service Level Evaluation:

Beyond just fees, AI can evaluate the performance levels offered by payment processors, such as transaction success rates, speed of processing, and support services. This holistic view helps merchants determine if the price paid is justified by the service level received, ensuring that they are paying a fair price and receiving value for their expenditure.



5. Negotiation Simulation:

Some AI tools can simulate negotiations with payment processors based on historical data and current market conditions. This can help merchants prepare for renegotiations by providing insight into the possible outcomes and identifying areas with room for rate reduction.

By leveraging these AI capabilities, merchants can gain a comprehensive and nuanced understanding of their payment processing fees in context, empowering them to make informed decisions about their payment processing services and ensuring they are paying fair and competitive rates.

Overcoming Implementation Challenges



Adopting AI technology comes with challenges, including the need for initial investment and navigating data privacy concerns. However, the benefits far outweigh these hurdles, offering long-term savings and competitive advantages. Merchants are encouraged to start with small, manageable implementations, gradually integrating AI solutions into their operations.

The integration of AI into merchant services represents a strategic investment in businesses' financial health and operational efficiency. By adopting AI tools, merchants can reduce costs and improve customer experiences, making their operations more resilient and adaptable to market changes.



Reaching Out for Expert Guidance

Understanding and implementing AI solutions to reduce merchant services costs can be complex. That's where industry experts like BB Merchant Services come in.

With experienced industry analysts, a deep understanding of the financial landscape, and a comprehensive network of banking and merchant service providers, BB Merchant Services helps merchants navigate the intricate world of merchant services and how to lower costs.

From assessing current service agreements to identifying cost-saving opportunities through AI, our friendly team of experts can provide valuable insights and support to merchants looking to optimise their operations and reduce costs.

For merchants ready to take the next step in leveraging AI for cost savings, reach out to us to see how the transformative power of artificial intelligence can be used to reduce merchant service costs.



Contact Us

Contact us for further testimonials and how BB Merchant Services can assist with banking and merchant services advisory. Our team of friendly experts can help your business secure the support you need



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