Leveraging Cryptocurrency for Online Transactions

PROBLEM

A major online retailer needed a secure way to accept alternative currency to solidify its position as a world ecommerce leader

SOLUTION

Alacer designed a secure, integrated cryptocurrency interface encompassing a third- party gateway

RESULTS

$2 million alternative currency sales in first five months with a 60% boost in new customers

OVERVIEW

It’s a brave new world: virtual currencies that bypass traditional banking systems. Also called cryptocurrencies, these cash alternatives consist of a series of numbers that can be traded between accounts, or “wallets,” for services or goods over the Internet. A leading online retailer noticed this fast-growing consumer segment and wanted to quickly capitalize on the payment shift in order to boost online sales.

CHALLENGES

By its nature, cryptocurrency does not have an authorization step - a huge problem in online retail sales. The retailer also needed to maintain a smooth customer shopping cart experience. To achieve these goals, the Alacer Group’s multiple teams recommended the creation of a new Java client that would facilitate communication to a third party gateway. It would extract the more difficult aspects of an alternative currency transaction from the shopping site while securely recognizing cryptocurrency as an accepted payment method - despite its lack of an authorization step. It would confirm payment and send a callback to the retailer, triggering the creation of a customer order. Cancellations and refunds would be handled in a similar manner.

RESULTS

In the implementation’s first month, the retailer accepted over $1 million in alternate currency, sales currently average $2,500 daily. Over 60% of these orders are from new customers who had never used the site until its acceptance of cryptocurrency.

Historical client engagement. Results reflect the original case study; outcomes vary.