

How Dwolla's White Label ACH API created the ideal payout experience for a retail marketplace

Synopsis

Problem: An existing payout flow created unsustainable costs for a two-sided marketplace and friction for its sellers. The company needed a non-branded ACH payout solution that could be quickly implemented, scalable, and complement its existing buy-side processor.

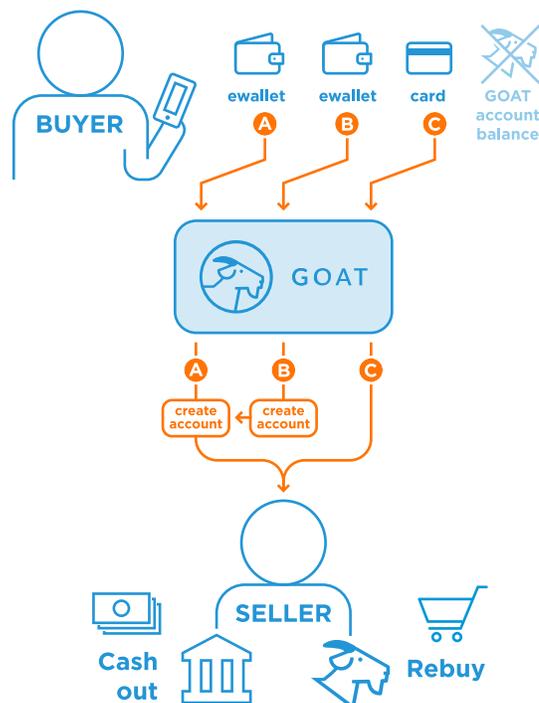
Results: The marketplace purchased and integrated Dwolla's White Label ACH API in 10 days, maintaining end-to-end branding and mitigating direct and indirect costs.

According to MarkMonitor, [24% of consumers](#) have been tricked into buying fraudulent goods online. For the luxury sneaker resale market—worth an estimated \$1 billion—a business model and platform that creates trust is critical. Having become the leading mobile marketplace for sneaker enthusiasts, GOAT's "hybrid" model might just be the trick.



The Situation

Sellers list their rare sneakers to GOAT's mobile marketplace. When purchased, sellers ship the kicks to a centralized fulfillment center for inspection and quality control. Once verified as authentic, the shoes are sent to the buyer and the seller receives their funds. GOAT used a well-known family of payment services to collect mobile payments, hold funds, and distribute money to sellers.

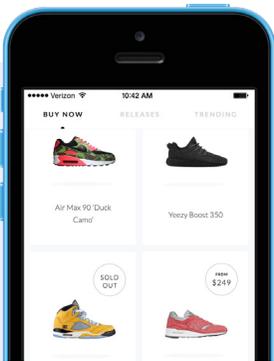


The Challenges

GOAT sellers should be able to simply enter their bank account and routing number to direct funds to their bank accounts or, better yet, use the new funds to purchase sneakers back from the platform. Unfortunately, GOAT's existing family of payment services enforced limitations and burdens on the cash out process.

For example, if a buyer used digital wallet(A) to buy sneakers on GOAT, the seller was required to open an account with digital wallet(A) to claim the funds and withdraw them to their bank account. If a buyer used digital wallet(B), the seller would have to repeat the registration process with both services so the seller could route funds from B to A to the seller's bank account.

Maintaining the existing payout solution would not only erode GOAT's brand and trust with customers, but jeopardize a breakout sales season. GOAT needed an in-house bank transfer solution, one that could offer a seamless cash out experience and be up and running quickly.



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It was fine, at first, but as we started to scale so did the complaints. It got so bad that we began using a credit card to accelerate payouts. When you're a marketplace, sacrificing 2 to 3% of your profit margin to maintain a user experience that you don't even control is just bad business.

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GOAT CO-FOUNDER, EDDY LU

How Dwolla Helped

Dynamic ACH platform

GOAT was satisfied with its buyer checkout process, but not its seller payout experience. The friction and limitations had increased complaints and time to resolution for customer support. GOAT needed a “plug n’ play” solution to complement its existing pay-in flow and compliance requirements without restricting repurchasing or cashout behaviors.

Solution: With [4 API endpoints](#), GOAT leverages Dwolla’s banking relationships and infrastructure to automate payment flows, aggregate funds, tokenize customer bank information, and initiate bank transfers through the [Automated Clearing House](#) network. Dwolla’s webhooks allow GOAT to offer real-time custom status notifications to its sellers.

Outcome: The simplified funds flow and notifications decreased cashout related support tickets by 80% and time to resolution by 50%. Now sellers have two cash out options: cash out directly to a bank account or use GOAT’s new “Account Balance” to buy new sneakers from its marketplace.

Flexible customer experience

Sellers wanted a seamless cashout experience inside of GOAT’s mobile application. The existing experience provided a gauntlet of challenges, requiring sellers to sign up for and transfer funds between up to two third-party e-wallet services. This process meant funds could take up to 7 days to reach a seller’s bank account, inhibiting their ability to repurchase from the marketplace.

Solution: GOAT uses Dwolla’s [White Label API](#) to design a simple, branded way for sellers to connect a bank account to their marketplace profiles via the native GOAT mobile application. The one-time experience provides GOAT an OAuth token to credit a seller’s bank account at a later time and create additional customer experiences. To accelerate seller liquidity, GOAT uses Next-Day ACH transfers for faster payouts.

Outcome: By owning the customer experience from end-to-end, GOAT has eliminated the need to register and transfer funds with third-party e-wallets, reduced sellers’ time to liquidity from up to 7 days to an average of 2, and increased bank transfer payouts by 50%.

Time-to-market

To offset the influx in support resources and costs incurred from payout complaints and issues, GOAT had begun using its credit card to simplify and accelerate bank transfer payouts for its sellers. Because of this, the marketplace was hemorrhaging profits by 2 to 3 percent during the busiest shopping season of the year. GOAT needed a payment solution that could be implemented quickly.

Solution: GOAT turned to Dwolla’s clean API documentation and new [developer portal](#). Featuring automated tasks, simple Getting Started guides, and the Sandbox Console, the team was able to get to work prior to purchasing the White Label platform. GOAT had a tech solution, not just a payment solution.

Outcome: GOAT was able to quickly and deeply integrate Dwolla White Label, launching a branded bank transfer option to their sellers in just 10 days—quickly stopping the 2 to 3% bleed caused by credit card payouts.

Features chosen

White Label API	✓
Event-based webhooks	✓
Instant bank account verification	✗
Customer verification	✗

Increased Limits	✓
Next Day Deposits/Withdrawals	✓
Account balances	✗
Custom bank statement entries	✓



Integration is simple. To get started contact: partners@dwolla.com.



For more information, review our API documentation at developers.dwolla.com or visit dwolla.com.