How a Foodtech company is optimizing payments with an orchestration platform

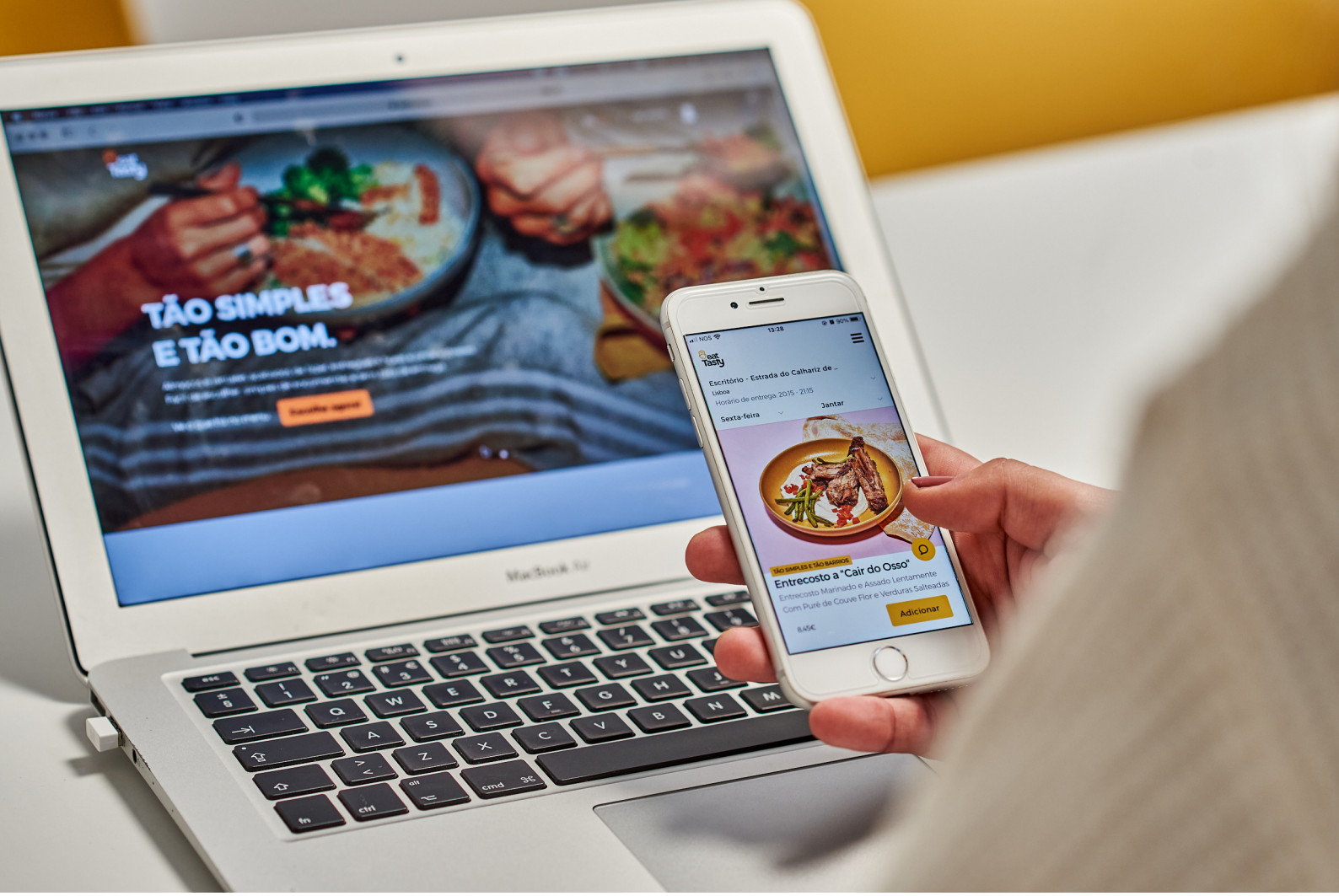
Find out how EatTasty uses Switch to lower transaction costs and increase acceptance rates.

Case Study: EatTasty

switch.

EatTasty came to Switch, a payment orchestration platform, to simplify integrations with different payment providers through a single API. Dynamic Routing and Risk rules have been helping to lower transaction costs by 50%, increase card acceptance rates to above 95%, and prevent fraud.

Tão simples e tão bom.



About EatTasty

EatTasty is a digital platform for making and delivering meals that was designed to streamline the selection process and improve the experience of those who want balanced, delicious, and freshly cooked meals. Their main goal? Making room for what matters the most: simple choices and good food ready on time.

That's why through their artificial intelligence algorithm and partnerships with local restaurants, EatTasty created The Perfect Menu: a combination of five different dishes that takes into account factors like expected sales rate, weather forecast, and impactful events.

The algorithm, developed together with Mind Foundry, is made up of rules like always including meat, fish, and vegetarian dishes, suggesting the most ordered meals, and certifying an above-average review rate.

Every week, EatTasty creates 25 daily meal combinations available on their online platform for distribution in Lisbon, Porto, and Madrid. Having served more than 300.000 meals for companies and individuals throughout the year, EatTasty aims to keep their data-driven business scalable, implying scalable payment operations.

Challenge

Initially, EatTasty only used Braintree to accept card payments, but soon the company realized that working with a single payment provider has its downsides. Every time EatTasty wanted to integrate a new local or global payment method or test different payment providers, they needed a new technical integration.

Some of the burdens that EatTasty wanted to overcome included:

- The time spent in understanding and implementing the different integrations with payment providers and methods.
- Dealing with various APIs.
- Managing the communications with different providers.

> "We thought that there should be a better way of integrating multiple payment methods and providers. Ideally, a single code block could do the work. So we started searching for those kinds of solutions."
>
> **Helder Rossa**, Head of Technology at EatTasty

Besides cutting on technical efforts for payments integrations, EatTasty wanted to reduce transaction costs.

Because EatTasty pays their partner restaurants for every meal—whether they

sell it to the final client or not—there's an extra concern to match the number of restaurant orders with the clients' demand. Every order needs to be well calculated and predicted. Any opportunity they can get to reduce costs is important.

> "The cost reduction we can get per meal— whether it's in the negotiation with the courier, restaurants, or in payments— that's where we get our margin."
>
> **Helder Rossa**, Head of Technology at EatTasty

Depending on the type of card or purchase, certain payment providers can offer more accessible costs. Working with multiple providers would help EatTasty cut back on transaction costs.

Solutions

Improving acceptance and reducing costs with custom rules.

Switch gives EatTasty the ability to connect with multiple PSPs through a single API. If the company wants to connect with a new payment provider, they just need to configure this channel on the Switch Dashboard and handle the agreement with the provider without further technical integrations on their side.

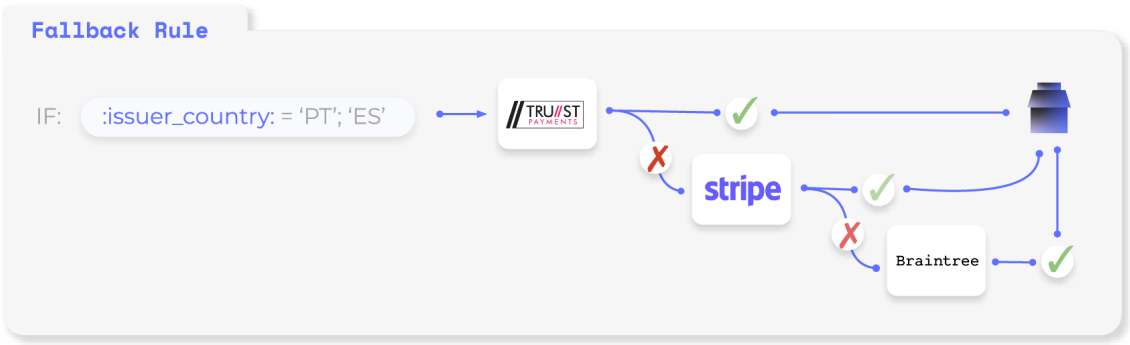
Now EatTasty uses three different payment providers for credit card payments including Braintree and Stripe. On top of these multiple connections, EatTasty goes one step further in payment optimization and adds a rule-based layer—Switch Dynamic Routing—that intelligently routes transactions between the providers.

> "We saw that the Switch API did exactly what we wanted. A single code for multiple payment integrations and the possibility to create custom routing rules."

EatTasty has now configured a fallback rule on the Switch Dashboard to route all transactions to the provider that allows the cheapest transaction fees. In case the provider is down, or for some reason rejects the payment, the transaction is routed to Stripe. If it fails again, it passes through a third provider: Braintree.

> “When the payment failed with our previous provider, we didn’t have any other connections where to send the transaction to.”

A filter rule was also configured by EatTasty to use only two providers whenever the issuer country was different from Portugal or Spain.



After implementing Dynamic Routing, EatTasty reduced costs per card transaction by 50% and, because the chance of declined transactions has decreased significantly, the company has been registering higher acceptance rates.

With the new integration with Stripe, EatTasty can now accept meal cards in Portugal which have been representing a significant part of the company’s payments in the country.

Securing transactions the right way with 3DS exemptions.

Initially, EatTasty decided to apply 3DS to all of their payments as an added layer of authentication to avoid fraudulent transactions.

After its implementation, the company registered more declined transactions. Not all cardholder banks were prepared for this technology, or the customers

didn’t know how to complete this extra authentication step.

Helder shared: “After analyzing our transactions, we discovered that fraudulent payments came mostly from countries outside the countries we operate in, Portugal and Spain.”

Through the Switch Risk engine, the company created a risk rule: if the cardholder’s bank is not located in Portugal or Spain, the checkout should present 3DS.

By enabling dynamic 3DS and applying this rule, EatTasty recovered its acceptance rate while decreasing chargebacks and fraudulent transactions.

Tokenizing cardholder data for a frictionless checkout.

Guaranteeing a seamless checkout process is essential for EatTasty’s customer journey. Through Switch Vault, the cardholder data is substituted by a token that is stored for later purchases in the EatTasty app.

> Now, when the customers reach the checkout for another purchase, they won’t need to input all the payment data again, which minimizes checkout friction and improves the chances of conversion.

Conclusion

While EatTasty keeps refining their ‘Perfect Menu’ and expanding operations internationally, their business needs become more sophisticated. Payments included.

> “With Switch, we can guarantee a lower probability of failure for credit card transactions and a higher probability of payment success.”

The data-driven company is already planning to connect with more payment providers and expand their offer in payment methods. Fortunately, there’s no need for additional programming and complex integrations because the company uses the Switch API.

The team at Switch will keep handling payments performance so that EatTasty can focus on their core business: their Perfect Menu, swift deliveries, and good reviews.

KEY RESULTS

- Less development efforts. Integration with three payment providers through a single API.
- Increased acceptance rates to above 95% due to Dynamic Routing rules.
- Decrease of 50% in transaction fees and gains in negotiation power with payment providers.
- Reduced chance of fraudulent transactions and chargebacks by enabling dynamic 3DS.
- Reduced friction at checkout through tokenization.

We’re building the payments infrastructure for interoperability.

Get in touch if you want to learn more about payments optimization.

switch.