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# A Perfect Pairing: Naked Wines integrates PayPal Braintree and approvals increase by 5%


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Naked Wines expands globally  
with a robust, versatile  
payment processor.

## The opportunity.

The company's unique business model makes for complex payment processing needs. Angels can use their subscription amount/balance to purchase wine either immediately or in future months. "It can be a little unique in how we apply payments," says CTO David Crawford.

Naked Wines wanted to switch to a payment processor that could accommodate this nuance at scale and increase approval rates while mitigating risk. PayPal Braintree delivered a next generation payment platform that allows for a single integration of payments beyond cards, such as PayPal and APMs.



Launched in the UK in 2008, Naked Wines has a unique mission: disrupt the global wine market for the benefit of customers and winemakers alike.

Through a direct-to-consumer subscription model, the company's customers (called "Angels") help it invest in talented, independent winemakers around the world. In return, they gain access to high-quality wines at up to 60% below regular retail prices. The model provides steady revenue for 243 independent winemakers in 21 countries, providing an innovative alternative to traditional wine retailing. Naked Wines says it best: "We don't just sell wines, we make them happen."





## **Braintree's global APIs helped us scale from a technical development and operational point of view.**

**Jules Larmandier**

Senior Product Manager, Naked Wines

### **The solution.**

**PayPal Braintree and Fraud Protection Advanced helped Naked Wines process payments securely at scale.**

PayPal collaborated with Naked Wines to integrate PayPal Braintree, the only payments platform that delivers PayPal, Venmo (in the US), credit and debit cards, and digital wallets in a single, seamless integration.

The PayPal Braintree platform gave Naked Wines the ability to turn on new features quickly and configure options as needed to keep up with growth. They took advantage of several of PayPal Braintree's features that helped streamline operations and reduce declines.

Account Updater automatically provides the company the most up-to-date credit card information for its customers. Automatic retries ensure that transactions are re-attempted when updated information is available. Network tokenization's innovative technology helps enhance security and deliver a higher authorisation rate. All of these features help Naked Wines boost approval rates and provide better service.

They also adopted PayPal's Fraud Protection Advanced (FPA), an adaptive risk management solution that integrates with PayPal Braintree. FPA uses rich data to help identify, investigate, and reduce fraud. PayPal's two-sided network connecting customers and merchants provides insight into approximately 15 billion annual transactions that helped Naked Wines make effective decisions to prevent fraud.<sup>1</sup>



**"What really nailed it for us is the support that PayPal provided and continues to provide. It's a partnership."**

**David Crawford**  
CTO, Naked Wines

<sup>1</sup>PayPal Q4 and FY 2020 Operating Highlights.





## The impact.

Improved payment processing helped boost authorisations and customer satisfaction.

After implementing PayPal Braintree, Naked Wines saw an increase in authorisation rates, delivering a 5% increase in approvals in the US and the UK.<sup>2</sup> This increase led to more sales and a better customer checkout experience on the front end and a reduction in chargebacks on the back end.

“With Account Updater and higher approval rates, we saw concrete efficiencies,” says Senior Product Manager Jules Larmandier. “Braintree’s global APIs helped us scale from a technical development and operational point of view.”

**“We are convinced that the Braintree product was superior, especially in scalability.”**

**Jules Larmandier**

Senior Product Manager, Naked Wines



CEO Nicholas Devlin called out PayPal Braintree in their most recent earnings call, trumpeting the “fall in card declines” it had enabled.<sup>3</sup>

“We are convinced that the Braintree product was superior, especially in scalability,” notes Larmandier.

Naked Wines has also seen positive results from adopting FPA. The ability to apply customized rules on a granular level with FPA prevents fraud while prioritizing functionality and ensuring excellent customer experience.

Now that Braintree and FPA are in place, Naked Wines can look ahead at its next goal: implementing PayPal Checkout and other APMs to further enhance conversion, customer experience, and loyalty.

Let’s raise a glass to that!<sup>5</sup>

# 5%

increase in approval rates.<sup>2</sup>

# 0.03%

chargeback rate.<sup>4</sup>

<sup>2</sup> Data from Naked Wines interview, January 2023.

<sup>3</sup> Naked Wines plc (NWINF) Q2 2023 Earnings Call, December 7, 2022, <https://seekingalpha.com/article/4563231-naked-wines-plc-nwinf-q2-2023-earnings-call-transcript>.

<sup>4</sup> PayPal internal data from 6.10.22 – 1.5.23 across AU, UK, and US. These results may not be typical and may vary substantially by business. This content is provided for informational purposes only. You should always obtain independent business, tax, financial, and legal advice before making any business decision. Consider the Combined FSG & PDS before using PayPal Australia.

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