

A pioneering advertising platform for Instagram leverages Dwolla's White Label Bank Transfer API to send ACH payouts to "creators".

Synopsis

Problem: A popular payment platform created manual processes, lengthy transfer times, and unpredictable costs for a rapidly-growing advertising platform.

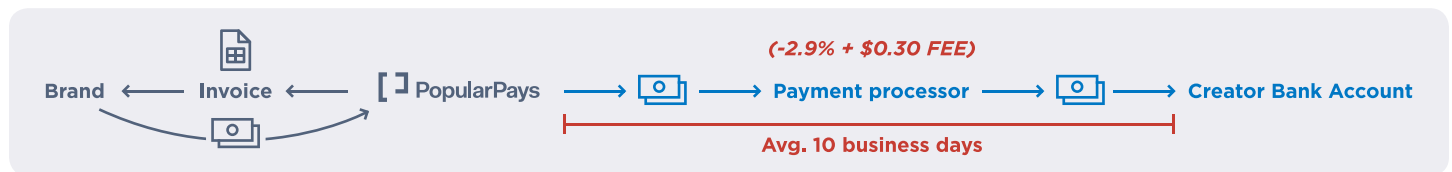
Results: The advertising platform integrated Dwolla's White Label bank transfer API in two weeks with one developer, slashing time spent performing manual payout processing tasks by 50% and reducing payouts processing costs by 31% in the first month.

According to eMarketer, social network ad spending will reach **\$35.98 billion by 2017**, representing 16.0% of all digital ad spending globally. Popular Pays is a marketplace that connects brands with content creators on social networks. The brand has a story they want to tell or a product to promote and the creator helps them do that.

The Situation

Brands use Popular Pays' platform to partner with creators to produce powerful original content that tells the brand's narrative.

Popular Pays invoices the brand for the cost of the campaign through payment provider A, and then facilitates ACH payouts to a creator's bank account through payment provider B. Popular Pays' accounting department was tasked with reconciling each payment by looking up a creator's Popular Pays account and sending single payouts via its existing payout provider. The payout provider charged a high per transaction fee and took approximately 10 days to process.



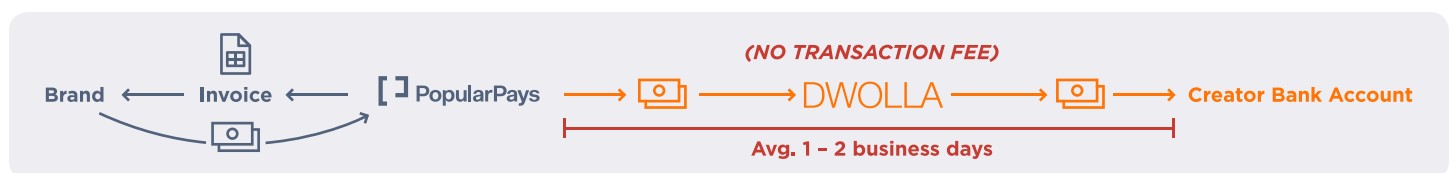
The Challenges

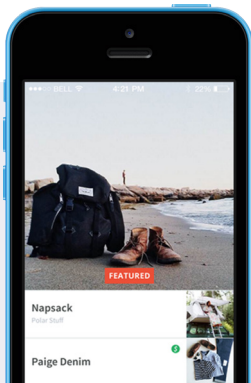
Popular Pays should be able to simply automate payouts to its creators' bank accounts. However, its existing payout provider had only a partially updated technology stack, making it difficult to build a seamless integration that would eliminate the daily chores for its accounting department—manual single-payment processing, fee computation, and reconciliation—without disrupting its creators' experience.

Popular Pays' existing payout provider also charged high per transaction fees, increasing its costs as transaction volume increased and making budgeting unpredictable.

While exploring payment solutions to replace its payout provider, such as tapping its existing invoicing software to process ACH payouts on the backend, Popular Pays discovered that many of these solutions required workarounds and higher transaction fees to support the automated funds flow that it desired for its marketplace.

Growing with only one or both of its existing payment solutions would restrict Popular Pays' ability to scale, require an excessive amount of manual work, and impose a growing financial burden. **Adding a cost-effective level of automation to its payment processing was critical for Popular Pays to grow and scale their platform.**





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Working with their tech team on our integration was great. They were always quick to respond to questions and very receptive to feedback. A feature that we requested during a meeting with them went live only a few weeks later. This gives us the confidence that as our payment needs evolve, so will Dwolla.

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POPULAR PAYS CTO, MATT MOORE

How Dwolla Helped

From manual to automatic

Popular Pays needed a flexible solution that would allow it to automate payment flows and reduce manual tasks for its accounts payable department. If it could solve this problem, it could then allocate more resources to scaling the client base and shortening the payment transfer period.

Solution: Popular Pays used Dwolla’s White Label API to link its creators’ bank accounts to their existing Popular Pays account, and designed its payout integration so that accountants could initiate payouts to creators in a few clicks of a button. This allowed for payments to be reconciled and initiated more quickly.

Outcome: The flexibility and payment automation of the Dwolla API allowed the accounting department at Popular Pays to decrease time spent on manual accounts payable tasks by 50% (and they expect to increase time saved as they scale and increase the level of automation), while drastically reducing reconciliation errors. Transfer times from Popular Pays to its creators were reduced from 10 business days to 1-2 business days.

Improve cost-efficiency

For increased control of costs, Popular Pays needed a platform that offered predictable pricing month over month, rather than being charged a percentage on each transaction. Popular Pays needed a cost-effective payment solution with straightforward payment terms in order to scale effectively in its industry.

Solution: Popular Pays entered into a flat monthly payment structure to access Dwolla’s White Label bank transfers API—allowing it to automate payouts without losing large cuts of high dollar transactions to the payment platform.

Outcome: By lowering its costs of facilitating ACH payments and entering a predictable pricing model, Popular Pays was able to reduce its payouts processing costs by 31% in the first month. At the rate in which Popular Pays is growing its platform, it expects to increase this savings by 94% by the end of 2017.

Future proof technology stack

Popular Pays needed to integrate with a payment provider that consistently invested in updating its technology stack. Specifically, Popular Pays was looking for a RESTful API that could scale quickly while operating in a white label capacity—all without disrupting the customer experience.

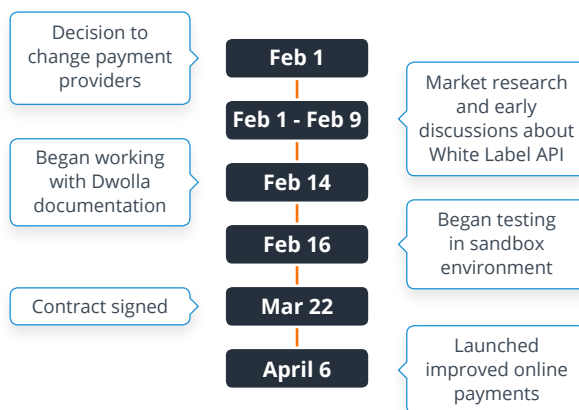
Solution: Popular Pays added Dwolla’s White Label receive-only functionality, a narrow RESTful API, that programmatically and securely connects receivers (i.e. Creators) to their bank accounts within the platform’s payouts and registration processes. No additional steps were required by existing creators on the Popular Pays platform as a result of the switch to Dwolla. New creators connect their bank account during a seamless digital registration.

Outcome: Popular Pays was able to integrate Dwolla’s new White Label receive-only functionality in two weeks with 1 developer. Popular Pays onboarded 43% of its active creators within 3 weeks of launching its new payouts process, accelerating its rate of return from improvements in cost-efficiencies.

Products Used

White Label API	✓
Event-based webhooks	✓
Instant bank account verification	✓
Compliance services (e.g. KYC, OFAC, etc.)	✗
Increased Limits	✓
Next Day Deposits/Withdrawals	✓
Account balances	✗
Custom bank statement entries	✓
White Label Receive Only entities	✓

Timeline



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.