

# Global Ecommerce Merchant Prevents 50% of Fraud with a 72% Hit Rate

## At A Glance

### Client

Global ecommerce merchant

### Revenue

Over \$50 billion yearly

### Solution

LexisNexis® Emailage®

### Usage

Assessing global transactions during checkout process

### ROI

35x with \$19 million in fraud prevented over twelve months

## Requirements



**Avoid adding friction to the existing customer experience**



**Identify fraudulent transactions with a low rate of false positives**



**Utilize limited personal data to address legal, privacy and security concerns**

## Overview

Global retail ecommerce sales are expected to exceed \$7 trillion by 2025.<sup>1</sup> Does your organization have the resources to scale the fraud prevention department every year to match increased needs?

This case study is an in-depth look at how a global ecommerce merchant used Emailage® to identify a majority of their fraud in over 100 countries, both online and in retail stores. The merchant desired a solution that easily integrated, required a minimal amount of data, achieved results immediately and could be scaled for increased ecommerce sales.

The global merchant selected Emailage® based on the following criteria:

- Fraud prevention results using non-sensitive data
- Global coverage
- Customizable transaction segmentation
- Multiple methods of integration

## Need and Background

Before selecting Emailage®, this global ecommerce merchant handled all fraud prevention internally. For implementation, the merchant required a solution that allowed internal teams to leverage outside data.

Key objectives included: expedited approval of legitimate transactions, lower manual review rates and overall reduction of fraud losses. Because the merchant operates globally, finding a solution that worked across channels was imperative.

## The Solution

To immediately implement Emailage®, the global ecommerce merchant utilized batch file uploads to assess transactions.

For the first two months, the fraud department manually downloaded a report containing email and IP addresses associated with transactions from the past 24 hours. The fraud department's initial implementation of Emailage® was to:

- Analyze the file with the Emailage® solution
- Assign High Risk Band transactions for manual review
- Approve Low Risk Band transactions for processing

While this process was manual, it acted as a stopgap solution until the automated API integration was complete. Batch file uploads allowed the global ecommerce merchant to see results in their fraud prevention process starting on day one. During the third month, the API integration was completed. The API integration meant that the email and the IP addresses of all transactions were analyzed and scored by Emailage®.

## The Outcome

The global ecommerce merchant identified 30% of their fraud, with a hit rate of over 50% by manually leveraging Emailage® for two months. The ability to segment transactions also helped the department optimize processes through prioritization of the fraud review workflow.

After this initial success, automated API integration and the cross-validation of email and IP address were implemented. These changes led to a lift of 50% more fraud detected and an increased hit rate of over 72%. The company was able to achieve a twelve month return on investment of over \$19 million in prevented fraud as a result of these improvements.

### ROI

- ↓ **Reduced manual review to 1%**
- ↑ **42% of transactions were approved automatically**
- 🌐 **Over 35x ROI - immediate in the first month**
- 🔍 **72% hit rate in the high risk band, 10x the average hit rate of previous internal processes**

### Key Takeaways

- **Over \$19 million of fraud prevented during a 12 month period**
- **50% of all fraud cases were detected**
- **50% cost reduction after full implementation**



For more information, visit [risk.lexisnexis.com/global/en/products/lexisnexis-emailage](https://risk.lexisnexis.com/global/en/products/lexisnexis-emailage)

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