

Travelocity.com Fraud Solution

Reduce Online Travel Booking Payment Fraud

Business Need

According to Internet Retailer, "Estimates of the incidence of fraud online vary, but many researchers place it at 2-2.5% of all transactions, more than double offline's fraud rate of under 1%."

Primary fraud exposure is through stolen or unauthorized credit card use where fraudsters have access to:

- Card numbers
- Expiration dates
- Card verification codes
- Account/ password information
- Name and address information

In addition, friendly fraud is growing, as evidenced by a rise in disputes about legitimate use of goods or services.

Travel sites, like all online retailers, are experiencing such fraud. Travelocity.com, however, was not satisfied with its existing approach to reducing online transactional fraud, which was based on a well known enterprise fraud platform. It wanted to improve fraud detection in real time: literally stop it in its tracks. As online fraud rates rose, the company's current technology solution needed a significant upgrade.

Goal

The client's challenge was to design and implement a new collection strategy to accurately compare the results of the new strategy with those of their current strategy. Their overall goal was to increase effectiveness of their collections efforts in terms of dollars collected.

Solution

Travelocity turned to ALI Solutions™ ("ALI") Vincio™ analytic decision platform and fraud detection solution to upgrade its real-time fraud scoring and decisioning capabilities. Anticipated results included:

- Acceleration of transaction assessment
- More nuanced decisions driven by proven analytics
- Proactive identification of risk and fraud

The company felt that ALI's early fraud solution would enhance its current risk prediction process and scoring capabilities, with the most advanced segmentation and transaction-based pattern recognition. It looked to the Vincio platform to more effectively manage its risk workflow to ensure the most appropriate and timely actions were taken, as well as to provide real time daily and ad hoc reporting. In addition, Travelocity felt that Vincio would give the ability to make better use of existing external and internal data sources for fraud decisioning. The accuracy of such a decision is important not only from a revenue/lost revenue perspective, but from a customer satisfaction stance as well.

“Our implementation of Vincio™ has already allowed us to take a giant leap forward in our fraud detection capabilities ... We look forward to reaping significant dividends from this investment.” **”**

**-John Hanson
Vice President
Global Shared
Services
Sabre Holdings**



Dynamic Decisioning. Unleashed.™

Operation

To accomplish this, Travelocity.com looked to enhance its fraud risk detection and assessment capabilities. Focusing on the at-risk transactions to identify risk patterns, Travelocity wanted to build on its existing capabilities of out-sorting transactions for review, applying better decision making in the fraud screening process. A key requirement was to take action on high-risk transactions while lowering the rate of false positives.

Above all, Travelocity.com felt that ALI Solutions' modeling and decisioning capabilities would help it to:

- Outperform current risk assessment capabilities
- Detect new and emerging fraud patterns
- Improve fraud detection rate while reducing false positives
- Support speed to market with new strategies by responding to rapidly changing fraudster methods
- Provide rules optimization—optimal business rules to enhance model predictions
- Support operations and expansion in any market

Results

Although the new system has only recently been deployed, Travelocity.com has started to identify larger amounts of online fraud attempts, reducing their overall risk and resulting in increase revenue.

About Travelocity Global

Travelocity® is committed to being the traveler's champion—before, during and after the trip—and provides the most comprehensive and proactive guarantee in the industry (www.travelocity.com/guarantee). This customer-driven focus, backed by 24/7 live phone support, competitive prices and powerful shopping technology has made Travelocity one of the largest travel companies in the world with gross bookings of more than U.S. \$10 billion in 2007. Travelocity also owns and operates: Travelocity Business® for corporate travel; igougo.com, a leading online travel community; lastminute.com, a leader in European online travel; and ZUJI, a leader in Asia-Pacific online travel. Travelocity is owned by Sabre Holdings Corporation, a world leader in travel marketing and distribution.

About ALI Solutions™

ALI Solutions provides event-based analytic decisioning applications that empower consumer financial services organizations to preemptively manage risk and improve profitability. ALI's solutions automate the fusion of transaction data with third party data sources to dynamically execute credit, fraud and collections policies that solve immediate business problems while easily adapting to future industry challenges. For over 16 years many of the world's most successful companies throughout North America, the United Kingdom and the Asia Pacific region continue to choose ALI because its applications are proven to help businesses mitigate losses while delivering millions of dollars in bottom line benefit.

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