Aeromexico

Managing fraud in the Latin America airline industry

Background

Founded in 1934, Aeromexico operates more than 600 flights daily with hubs at the Mexico City and Monterrey International Airports. Aeromexico is Mexico's global airline - their route network spans 86 destinations on four continents, including 45 cities in Mexico and 16 in Latin America.

Through decades of industry innovation, internal policy changes, and fierce competition, Aeromexico remains as one of Mexico's most consistent and iconic airlines.

Challenges

Aeromexico began developing their eCommerce site in 2007 and reached out to CyberSource (today, a part of Visa Inc.) in 2010, because they were dealing with a high rate of fraud and did not have a fraud solution in place to deal with the growing issue.

The airline was also experiencing a high rate of fraud in their call-center and needed a powerful solution to help mitigate fraud and minimize their losses across all of their revenue channels.

IMPROVING CUSTOMER EXPERIENCE WHILE MINIMIZING FRAUD

>53%
Increase web sales

>66%
Reduction in chargeback rate

<0.19%
Chargeback rate

>57%
Reduction order review rate

"Over the past 7 years CyberSource has provided Aeromexico with great results as we continue to manage online fraud. We have also optimized our fraud management practices with the support of their fraud risk services".

Eduardo Canales, Risk Manager, Aeromexico

CyberSource®

VISA

Solution

Aeromexico chose CyberSource Decision Manager so they could accept more good orders and screen bookings in real-time using the World's Largest Fraud Detection Radar. For additional risk expertise, the carrier sought the help of the CyberSource Managed Risk Consultants to analyze their historical transactions to understand fraud patterns across their business.

Using Decision Manager's risk score and creating automated screening rules, the airline was able to review only those truly suspicious bookings, eliminating stressful overtime by the review team. As part of their fraud management strategy, Aeromexico created profiles for its high and low risk clients or customers to better control fraud without affecting the purchasing experience.

Results

Aeromexico worked with Visa to better understand their risk profile and customized CyberSource Decision Manager to track and monitor bookings made through their web and call center channels.

Because of implementing CyberSource's fraud management platform, in 2015 the airline's transactions and revenue amounts grew, while their fraud rate dropped down to **0.19%** in 2016.

Thanks to the reduction of false positives, more security/speed, consumer confidence with the airline's website strengthened and their web sales grew by over **53%**.

Accepting More Good Orders

Since Aeromexico uses automated transaction screening for **100%** of their orders, it's critical that they automate and optimize their fraud processes as much as they can. They have taken multiple measures to help find a balance between lowering fraud risks and ensuring good customer bookings are not mistakenly rejected.

Aeromexico performs a detailed analysis of its chargebacks and uploads this information into CyberSource Decision Manager for further analysis. The carrier tests rule changes in passive mode to make sure they don't negatively impact the customer experience. In addition, they are also beginning to test rule changes and strategies using Decision Manager Replay mode.

Better Together

- Aeromexico relies on CyberSource Decision Manager and CyberSource Managed Risk Services.

- The Managed Risk Consultant works with Aeromexico to create and test new rules, and advises them on new fraud threats.

- Aeromexico has built a dedicated, cross-channel fraud management team with Visa.

- As a result of implementing the CyberSource fraud management platform, the airline has reduced costs and now only needs a reduced core manual review team.