Overview
This large U.S retailer sells a wide range of products and services to a strong customer base across the United States. The retailer identified that consumers were shifting away from bricks-and-mortar stores to the ease and convenience of online shopping. As a result, the retailer identified e-commerce as a major strategic focus and aimed to improve e-commerce capabilities and create an omnichannel experience across the customer journey.

With LexisNexis® Risk Solutions, the retailer achieved a streamlined, secure, end-to-end customer experience by:

- Effectively differentiating between genuine customers and fraudsters in near real time
- Enhancing its recognition of trusted customers
- Reducing fraud and false positives

Policy optimization and customizable rules help improve performance and reduce false positive rates.
**Business Problem**

The retailer wanted to better understand the behavior of genuine good users to avoid increasing false positive rates for customers operating on the outliers of what is considered normal behavior. For example, a B2B contractor may have multiple users accessing one account from different locations and devices – a pattern of behavior which could be indicative of fraud for a consumer account. The retailer required a solution which would be able to recognize legitimate users across its varied customer base and promote a frictionless online experience for trusted customers.

“So much can be done within the LexisNexis® ThreatMetrix® solution. We lean heavily on our team at LexisNexis® Risk Solutions to harness their knowledge and expertise around these capabilities.”

Streamlining the user experience was a key priority for the retailer, with plans to introduce improved e-commerce capabilities across the customer journey. For example, an expedited checkout process necessitated the need for risk-based decisioning, with the retailer requiring a solution which would protect high risk touchpoints, without compromising the user experience for trusted customers.

As fraudsters continue to attempt to monetize stolen credentials, the retailer also required a solution which would accurately detect and block fraudulent transactions in near real time, without adding unnecessary friction for genuine customers.

**AT A GLANCE**

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<th>Customer</th>
<th>Large U.S. Retailer</th>
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| Requirements      | • Help support and execute a consolidated, expedited checkout experience  
                     • Prioritize a frictionless and successful user experience for trusted customers  
                     • Accurately and proactively detect and block fraud end-to-end  
                     • Better understand the behavior of genuine, trusted customers  
                     • Reduce false positive rates |
| Solution          | Leveraging the LexisNexis® Digital Identity Network®, the retailer can more effectively build a profile of trusted customer behavior; reducing false positives, and better detecting genuine fraud across the entire customer journey. |
| Bottom Line       | • Achieved 4% false positive rate, significantly outperforming expectations set by the retailer  
                     • Enhanced recognition of trusted customers  
                     • Enhanced fraud detection  
                     • Delivered a frictionless online experience for trusted customers |
The Power of Global Shared Intelligence to Streamline the User Experience

Delivering a complete, end-to-end solution, LexisNexis helps the retailer instantly recognize legitimate customers and more accurately detect high-risk transactions across key touchpoints in the customer journey, including logins, password reset, and new account origination.

LexisNexis® Risk Solutions policy engine allows the retailer to tailor and optimize rules to its customer base, enhancing the identification of trusted users across distinct groups, such as B2B contractors and consumers.

“There are so many rules that we can configure. We have a whole sandbox to play with but are just starting to dip our toe in. The LexisNexis® Risk Solutions professional services team is guiding us here.”

Global shared intelligence from the LexisNexis® Digital Identity Network enables the retailer to authenticate every transaction against a trusted and unique online digital identity, checking whether the device, location and behavior of the customer correlates with anonymized information held in the network.

The LexisNexis Digital Identity Network harnesses global shared intelligence from millions of daily consumer interactions including logins, payments and new account creations. Using this information, LexisNexis® Risk Solutions creates a unique digital identity for each user by analyzing the myriad connections between devices, locations and anonymized personal information.

“Champion Challenger gives us the confidence to develop material performance improvements, as well as prove those benefits over a specified time period. We are able to take what we find in the Champion Challenger model and use the projections as evidence for strategy implementation and governance.”
Key Features of the LexisNexis Risk Solutions / U.S. Retailer Partnership

• **Smart ID** identifies returning users that wipe cookies, use private browsing, and change other parameters to bypass device fingerprinting. This improves returning user detection and reduces false positives. Derived from the analysis of many browsers, plug-in, and TCP/IP connection attributes, Smart ID generates a confidence score that detects multiple fraudulent account registrations or log in attempts.

• **Trust Tags** enable the retailer to differentiate between fraudsters and legitimate users. Trust can be associated dynamically with any combination of online attributes such as devices, email addresses, card numbers or any other attributes involved in accepting, rejecting or reviewing a transaction.

• **Champion Challenger** enables policy editors to test the effectiveness of new rules, models, data and/or features to understand the impact of policy changes before deploying them into an active environment. Using this functionality, the retailer has been able to confidently test and validate an enhanced fraud model, with a projected annual fraud prevention value of c.$19M and a false positive rate reduced by 25%.

• **Smart Rules** help the retailer to better understand genuine customer behavior, while accurately detecting genuine fraud. ThreatMetrix uses behaviour, age and location to examine the historical data related to a given transaction, in order to run a deep behavioural assessment. This helps the retailer to more accurately differentiate between true fraud and legitimate behaviour change, reducing the step-up frequency without increasing overall risk.

• **Smart Learning** improves decisioning by combining real-time actionable data from the ThreatMetrix Digital Identity Network with the retailer’s truth data. Leveraging this combined intelligence, a machine learnt model is generated which is capable of adapting to changing customer behaviors over time.

For more information, call 866.528.0780 or visit risk.lexisnexis.com/FIM-EN

About LexisNexis Risk Solutions
LexisNexis Risk Solutions harnesses the power of data and advanced analytics to provide insights that help businesses and governmental entities reduce risk and improve decisions to benefit people around the globe. We provide data and technology solutions for a wide range of industries including insurance, financial services, healthcare and government. Headquartered in metro Atlanta, Georgia, we have offices throughout the world and are part of RELX Group (LSE: REL/NYSE: RELX), a global provider of information and analytics for professional and business customers across industries. RELX is a FTSE 100 company and is based in London. For more information, please visit www.risk.lexisnexis.com, and www.relx.com

About ThreatMetrix
ThreatMetrix®, a LexisNexis® Risk Solutions Company, empowers the global economy to grow profitably and securely without compromise. With deep insight into 1.4 billion tokenized digital identities, LexID® Digital delivers the intelligence behind 110 million daily authentication and trust decisions, to differentiate legitimate customers from fraudsters in real time.