

“ACI HAS GUIDED US THROUGH A NUMBER OF DIFFICULT CHALLENGES AND ENABLED OUR BUSINESS TO FLOURISH, DRASTICALLY REDUCING OUR RISK LEVELS AND COSTS WHILE SUPPORTING THE EXPANSION OF OUR EXISTING AND NEW SALES CHANNELS. THE RISK ANALYSTS CONTINUE TO GUIDE US, PROVIDING INVALUABLE DAY-TO-DAY SUPPORT TO OUR FRAUD TEAMS.”

Aegean Airlines

REDUCING RISK AND SUPPORTING INTERNATIONAL SALES AT AEGEAN AIRLINES

Narrow profit margins are commonplace in the travel and airline industries, making the swift and secure processing of customer payments a high priority. The complex multi-channel, international nature of the travel market also makes it a key target for fraudsters, and airlines frequently experience some of the highest fraud to turnover ratios of any industry.



Aegean Airlines, the largest carrier in Greece and a Star Alliance member, connects Greece with 87 international destinations in 32 countries, as well as flying to 33 domestic airports. In 2014, the company planned to operate approximately 100,000 flights and to offer more than 13 million seats, including 6.6 million seats to 33 domestic destinations and 6.4 million seats

to 87 international destinations. During the year, Aegean Airlines extended its reach to make 205 international routes and 51 domestic routes available, from eight Greek Aegean bases.

With the increase in international passengers, however, came a corresponding increase in fraudulent transactions received by Aegean Airlines. The airline quickly realized they needed an expert partner to help them reduce their risks and support genuine sales.



THE CHALLENGE

Aegean Airlines was experiencing fraud issues across a number of channels. Chief among these was the online channel, but fraud was also evident in call center transactions.

Bookings being made less than a week before departure were one of the biggest problem areas, accounting for 81% of fraud. Many of these transactions were being conducted using U.S. cards. The card schemes intervened, introducing the possibility that the airline's U.S. sales channel would be shut down, due to unacceptably high fraud rates. With 50% of Aegean Airlines' transactions coming from international cards, this presented a huge threat to the company's profitability and growth prospects.

After an extensive selection process, Aegean Airlines identified ACI Worldwide, with its sector-specific fraud solutions and global expertise, as the right partner to help the company address these challenges.

THE SOLUTION

Prior to engaging ACI, Aegean Airlines' fraud screening was reliant on manual processes — nothing was automated. ACI's expert risk analysts worked closely with the airline's own team to review the existing rules, also making an historical analysis of six months of transaction data to form a comprehensive view of customer behavior profiles, trends and the effectiveness of the existing fraud prevention approach. Based on their knowledge of the industry and broader fraud trends, the ACI team was able to recommend the addition of several new data fields to enhance Aegean's fraud strategies.

With the information gathered through the review process, ACI worked with Aegean to implement a highly customized version of the ACI ReD Shield® online fraud prevention solution, with built-in case management functionality and a bespoke reporting module — giving Aegean Airlines the ability to view key transaction trends quickly and easily, and obtain other valuable information that would help to implement timely and effective rule changes where needed. Core to the new strategy was a focus on critical issues, for instance, consistently prioritizing short-notice bookings in the fraud screening process.

To ensure a smooth transition into production, ACI's experts stayed on site at Aegean over the course of the launch, providing go-live analysis and making minor adjustments to ensure the solution was fully optimized and working efficiently.

THE BENEFITS

The first year of the collaboration between Aegean Airlines and ACI delivered a range of demonstrable benefits including:

- An average 97% of all confirmed fraud was denied by the rules, saving the airline €3 million
- Manual review rates reduced from 12% to less than 5%
- Chargeback rates are now less than 0.1% on average

The cost savings and efficiencies achieved since the implementation of ReD Shield have also enabled Aegean Airlines to extend the solution to cover call center transactions without any additional resource requirements to support fraud screening.

With its acquisition of Olympic Air, Aegean Airlines is now building on its earlier growth and success, secure in the knowledge that the fraud strategy supports the company's business objectives and, with the help of ACI, is easily reconfigured to address any changes in the customer base or transaction trends.

ACI Worldwide, the Universal Payments (UP) company, powers electronic payments for more than 5,100 organizations around the world. More than 1,000 of the largest financial institutions and intermediaries, as well as thousands of global merchants, rely on ACI to execute \$14 trillion each day in payments and securities. In addition, myriad organizations utilize our electronic bill presentment and payment services. Through our comprehensive suite of software solutions delivered on customers' premises or through ACI's private cloud, we provide real-time, immediate payments capabilities and enable the industry's most complete omni-channel payments experience.

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ACS6322 05-17