

# Pacific Sunwear (PacSun)

## Confidently Riding the eCommerce Revenue Wave



### CHALLENGE

Pacific Sunwear (PacSun), a publicly traded clothing retail company, has over 600 stores in the United States and sells online both in the US and internationally.

PacSun was quickly growing its eCommerce business when it sought out additional help with fraud management. The company was focused on attracting customers and converting them to sales, and recognized that it needed to manage eCommerce fraud more effectively. For PacSun, the priority wasn't just protecting its revenue, but protecting its customers and providing a safe environment to shop.

"Our challenge is threefold", says Douglas Pearce, senior manager of eCommerce operations for PacSun. "We need to maximize sales, that's a given, but we also need to minimize fraud, and ensure that genuine customers aren't mistakenly rejected. Balancing these objectives is a three-way tug-o-war."

### SOLUTION

PacSun decided to partner with CyberSource to manage all of its fraud operations. Through CyberSource, PacSun gains a powerful fraud management platform, Decision Manager, which includes the world's largest fraud detection radar, a Managed Risk Analyst who can optimize and tune the operations to meet PacSun's goals, and a 24-hour order review team to evaluate those truly indeterminate orders.

"We know CyberSource is watching the store, stopping the bad guys and letting the good guys through," says Pearce. "Our Managed Risk Analyst proactively recommends changes to Decision Manager rules to increase revenue—adding a rule to accept more international orders, for instance, or cleaning up our negative list to reject fewer orders."

For PacSun, it is important that its customers' experience is not negatively impacted. The company runs all Decision Manager rule changes through passive testing before deploying them, to understand their effectiveness.

*"CyberSource makes us feel as if we're their only customer—actually, they feel more like a part of our company than a supplier."*

Douglas Pearce, Senior Manager eCommerce Operations, Pacific Sunwear

### RESULTS

## INCREASED FOCUS ON CUSTOMERS ALLOWED FOR INCREASED REVENUE

Intelligent rule review and round-the-clock monitoring help improve the customer experience and keep chargebacks low.

### GROWTH

Revenue growth enabled

### FEWER

Fewer orders reviewed

### LOW

Low chargeback rate maintained year over year

### 24/7

Order review service, increasing sales conversion for PacSun

### LESS RESOURCE

Fewer full-time employees to hire, train, and manage

(Metrics relate to 2011-2013)

## Additional Insights

### SUPPLEMENTING FRAUD EXPERTISE

CyberSource has a global team of Managed Risk Analysts serving many industry types on six continents. Managed Risk Analysts on average have ten years of experience in the industry and share their wealth of global fraud knowledge with each other to better serve their clients.

“Fighting fraud requires a lot of work. We can only bring to it what we know; we don’t have the wider view that CyberSource has,” says Pearce. “They see patterns and behaviors emerging more quickly than we could. CyberSource’s expertise is something we could never replicate on our own.”

### REDUCING REJECTION OF GENUINE ORDERS

Focusing on revenue targets and good customer experience, PacSun is very concerned about rejecting genuine orders. “Our CyberSource Managed Risk Analyst is like a detective with a sixth sense for tuning rules,” says Pearce. “She knows if the rules are too tight or can be loosened up, and she’ll remove redundant rules. She brings that experience with her on day one. For example, she created a rule to manage orders on transactions traditionally considered high risk, allowing us to reject fewer orders and increase revenue.”

The CyberSource team is continually analyzing PacSun’s rules and performance results. “We do a lot of passive testing and rule tweaking to ensure that we accept more genuine orders and get the results that we’re looking for,” says Pearce.

### RESOURCES BUSINESSES CAN COUNT ON

PacSun relies on CyberSource to deliver a good customer experience. The company worked closely with CyberSource to establish business processes and responsibilities so that the CyberSource order review team can directly support PacSun’s customer service. The close collaboration between the two companies is an indication of the trust PacSun places in CyberSource to meet its business objectives.

PacSun leverages 24/7 order review support from CyberSource to ensure that customer orders are processed as quickly as possible, no matter when they shop. CyberSource is able to deliver on this with an order review resource infrastructure that’s staffed strategically worldwide.

### PARTNERING FOR THE FUTURE

PacSun has many planned business initiatives to further growth. “Mobile is the future,” says Pearce. “Our target customers are increasingly using mobile to shop with us, and some don’t even have desktops. We’ll be working with CyberSource closely to monitor and manage the mobile channel to make sure we’re providing a good and safe shopping experience for our customers”.

“We can really focus on moving our business forward and leave the fraud management operations to CyberSource.”

#### CONTACT US

#### NORTH AMERICA

Foster City, CA, United States  
**t.** +1 888 330 2300  
**t.** +1 650 432 7350  
**e.** sales@cybersource.com

#### LATIN AMERICA & THE CARIBBEAN

Miami, FL, United States  
**t.** +1 305 328 1998  
**e.** lac@cybersource.com

#### ASIA PACIFIC

Singapore  
**t.** +800 6363 083 (Singapore)  
**t.** +1800 816 575 (Malaysia)  
**t.** +1800 8756 8388 (Philippines-Globe)  
**t.** +1800 10 802 7222 (Philippines-PLDT)  
**e.** ap\_enquiries@cybersource.com

#### EUROPE, MIDDLE EAST & AFRICA

Reading, United Kingdom  
**t.** +44 (0)118 990 7300  
**e.** europe@cybersource.com

#### JAPAN

Tokyo, Japan  
**t.** +81 3 3548 9873  
**e.** sales@cybersource.co.jp

#### ABOUT CYBERSOURCE

CyberSource Corporation, a wholly owned subsidiary of Visa Inc., is a payment management company. More than 400,000 businesses worldwide use CyberSource and Authorize.Net brand solutions to process online payments, streamline fraud management and simplify payment security. The company is headquartered in Foster City, California. CyberSource operates in Europe under agreement with Visa Europe. For more information, please visit [www.cybersource.com](http://www.cybersource.com) or call 1-888-330-2300.