CHINA EASTERN 中國東方航空

CyberSource®
the power of payment

China Eastern Airlines Corporation Limited

CyberSource helps a leading airline improve its order acceptance rate by more than 20%

CHALLENGE

China Eastern Airlines Corporation Limited (China Eastern) is one of the world's top five airlines in passenger volume[1], carrying almost 80 million passengers annually. To get a bigger slice of the overseas market, the carrier wanted more visibility and control over its international transactions and the fraud risks that may impede business growth.

The airline started out with 3-D Secure, a payer authentication system, but soon felt it was insufficient fraud protection that left gaps in managing online payments. The fraud rate was kept low, but the order acceptance rate was equally low at below 60%. China Eastern also did not want to rely on in-house manual reviews, as it would be a huge resource investment, or implement rigid screening rules that would eliminate all potential traces of fraud but unintentionally reject more valid orders.

SOLUTION

China Eastern needed to minimise fraudulent transactions without raising the reject rate so that payment volumes—and profits—can be increased. It worked together with CyberSource Managed Risk Services team to better understand its fraud challenges, and implement a new fraud strategy.

"We learned that having a low fraud rate isn't always an accurate indication of successful fraud management. On the contrary, it might mean that good orders and genuine customers are being turned away. Hence it is important to assess a strategy not only by its fraud rate, but also by its order rejection and false positive rate," said a China Eastern spokesperson.

The airline also rolled out CyberSource Decision Manager in January across its entire online platform for cross-border transactions to automate fraud detection and make it faster and more accurate.

"CyberSource helped us realise our fraud issues and implement an efficient fraud strategy that boosts our acceptance rate by more than 20% while keeping fraud levels low."

China Eastern spokesperson

BUSINESS CHALLENGE

An ineffective fraud strategy that sacrificed order acceptance for a low fraud rate.

SOLUTION

CyberSource Managed Risk Services for insights into its fraud challenges, and CyberSource Decision Manager automate fraud detection to be faster and more accurate.`

BUSINESS VALUE

Boosted order acceptance rate from less than 60% over **80%** while maintaining a low fraud rate of below **0.2%**

Increased payment volume by more than **20%**

Gained a better understanding of fraud management to help grow its business

BOOST ORDER ACCEPTANCE FOR CROSS-BORDER TRANSACTIONS

Within three months of implementing CyberSource solutions, the airline saw dramatic improvements to its fraud control and bottom line.

By comparing insights from more than 68 billion global transactions and 260 real-time correlation tests, Decision Manager allowed China Eastern to automate and accurately evaluate orders rapidly. This helped the acceptance rate soar from less than 60% to over 80%, while still maintaining a low fraud rate of below 0.2%. As a result, China Eastern enjoyed over 20% increase in payment volumes from international sales.

INCREASE IN STAFF PRODUCTIVITY

Through Managed Risk Services, the airline was able to outsource its entire fraud operations—which include automated screening and manual reviews—to a team that delivers the round-the-clock monitoring and fraud expertise it previously lacked. This significantly boosted staff productivity. Staff are now able to devote their time on more business-centric tasks to contribute directly to revenue growth. At the same time, customers now have a secure and frictionless buying experience.

MAP FRAUD MANAGEMENT TO BUSINESS GROWTH

With a deeper knowledge in fraud management, China Eastern has put in place a holistic fraud management strategy that balances fraud control and order acceptance. This enabled the airline to reach its business goals of reducing operating costs, maximising revenue, and enhancing the customer experience.

"Our partnership with CyberSource helped us address our fraud issues, and gave us a better understanding of fraud. Instead of seeing it as a cost centre, we now approach fraud management as a means to accepting more legitimate orders with less manual intervention, which is key to growing our business to where we want it to be," concluded **China Eastern's** spokesperson.

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ABOUT CYBERSOURCE

CyberSource, a wholly-owned subsidiary of Visa Inc., is a payment management company. Over 475,000 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, CA and maintains offices throughout the world, with regional headquarters in Singapore, Tokyo, Miami / Sao Paulo and Reading, U.K. For more information, please visit **http://www.cybersource.com/asiapacific**

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