

vente-privee

Enhancing customer recognition at the checkout reduces customer friction and drives sales

The challenge

vente-privee was confident that it had fraud under control, but felt its customer conversion rates were impacting overall sales revenues.


The company wanted to reduce friction being caused by referrals to 3D Secure (3DS) authentication, which it believed was adversely affecting customer experiences and damaging overall sales revenues.

Internal testing showed conversion rates when 3DS was used, were lower than on non-3DS channels. This had an impact on revenues because of interrupted service. vente-privee was also very conscious of the impact the interruptions 3DS was having on shoppers - highlighted by subsequent drop-out and basket abandonment. At the same time, the company also wanted to ensure it continued to safeguard genuine customers and maintained its consistently low fraud rates.

Why recognition counts

The challenge vente-privee faced hinged on the ability to quickly recognise and serve good customers – whether they were new or returning shoppers. Increasing its customer recognition capabilities were a logical extension of its overall proposition given its exclusive community of shoppers with a shared common interest in high quality, high-value offers.

Research shows consumer desire for recognition within any trust-based relationships is often vital to long-term success¹. Two thirds of customers also favour security protocols when they go online. But it also emerged that if security measures result in friction then it will quickly have an impact on overall use. It was also noted that

vente-privee  vente-privee is the original pioneer in the concept of flash sales. It offers exclusive designer brands for a limited time, at heavily discounted prices, to a community of savvy online shoppers who often subscribe to get daily sales alerts.

Having launched in France in 2001, the company has become a European leader with 72 million customers across eight European countries. It now has more than 6,000 employees and generates around € 3,3 billion gross turnover a year.

half of consumers said there was nothing worse than an unsuccessful attempt to complete a purchase online because of a failure to be recognised.

The solution

Experian showed how its FraudNet solution could enable vente-privee to enhance shopper recognition in real-time, by integrating device intelligence onto the payments page to seamlessly and instantly collect and analyse hundreds of device attributes along with data from the transaction and the payment details. This real-time analysis also built positive customer behaviour patterns for both returning shoppers and first-time customers. The additional insight also significantly enhanced vente-privee's ability to improve its ongoing customer service and consistently deliver a more favourable user experience, bypassing unnecessary 3DS challenges.

¹ 2018 Global Fraud and Identity Report - Experian

“When we started the implementation of FraudNet we imported our existing business rules into the system, and decided to trust the recommended set of rules provided by Experian best practices. After a quick fine tuning, we could clearly see that among the transactions that FraudNet was still recommending to send to 3DS - the 3DS failure rate was way higher than for others. This was a clear indication that FraudNet was really spotting the fraudulent attempts! ”

— Vincent Muller, vente-privee Head of Fraud Prevention

FraudNet

FraudNet was specifically designed to deliver a comprehensive, frictionless fraud management solution that protects the customer experience in the midst of rising fraud threats. FraudNet's multi-layered approach deploys quickly and can be easily tailored to view suspect events, make informed decisions, and perform link analysis to quickly recognise multiple events with common themes. Designed to detect fraud as well as fast-track trusted customers, FraudNet helps grow and enable digital business.

Results

- FraudNet enabled vente-privee to reduce 3DS referrals by two thirds.
- Reduced friction and improved customer experience, helped deliver a 1% jump in conversion rate = - a significant sum for a business with a gross annual income of more than €3.3 billion.
- All achieved while ensuring that the overall fraud rate stayed at a consistently low level.

Conclusion

Experian's Global Fraud Report found that 84% of businesses believe *“certainty about a customer's identity reduces the need for fraud risk mitigation”*, but few organisations have reflected in their customer management strategies.

vente-privee's experience highlights how recognition can increase customer certainty, enable friction to be removed and the cost-effectiveness of using device intelligence - rather than applying a suspicion driven one-size-fits-all approach to all customers.