

A grayscale background image showing a close-up of an airplane's wing and a large jet engine. The wing is positioned diagonally across the frame, and the engine is visible on the right side. The image is slightly faded to allow the text to stand out.

**WEBINAR**

# **KEEPING FRAUD DOWN WHEN BUSINESS RAMPS UP**



July 23, 2020

**ARC**

# Presenters



**Cornelius Hattingh**

Director, Revenue Integrity

**ARC**



**Wouter Opheij**

Head of Business Development



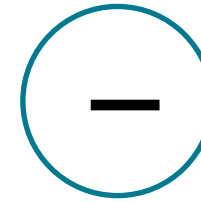
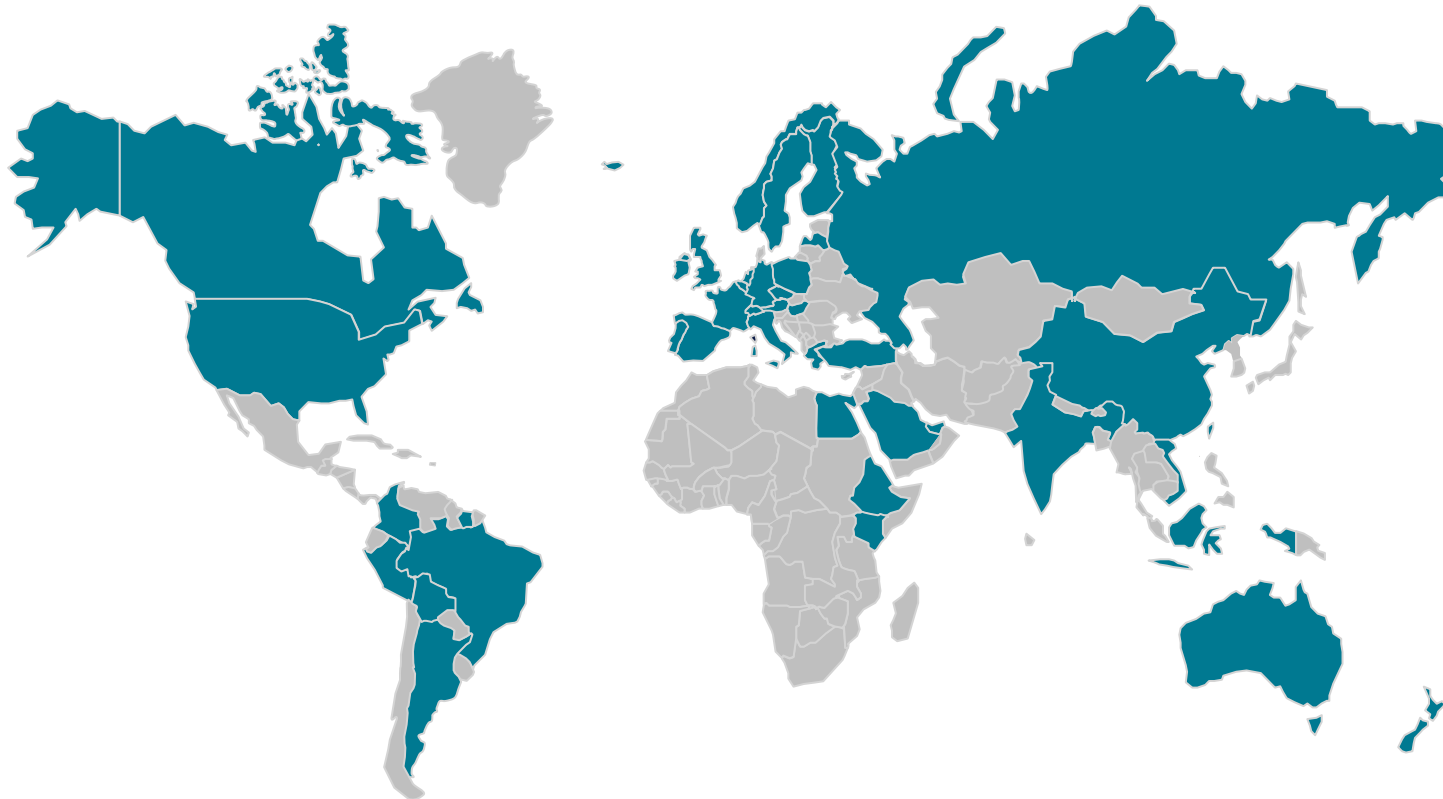
**PERSEUSS**

# Agenda

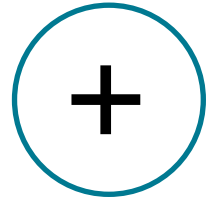
- State of the industry
- Fraud trends and forecasts
- Our goal: reduce risk
- Live exercise

# About Perseuss

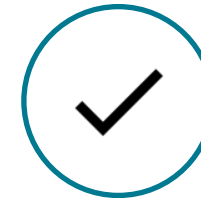
## The PERSEUSS Contribution to Risk Reduction



**29** million  
negative data  
elements



**3.2** billion  
positive data  
elements



**200** million  
transactions  
processed  
annually



**10,000**  
new fraud  
uploads  
weekly



# Industry Snapshot

ARC



# Travel Recovery Insights Portal

Specific views into

- Ticketing
- Online search activity
- Recovery trends
- Geographic metrics
- Type of travel
- Travel month
- Consumer sentiment and spending
- Airline capacity

tableau public

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Portal Home Summary: Search & Tickets Summary: Consumer Sentiment Recovery Trends Domestic vs International Imp... Travel Month Comparison Metrics by Geography Consumer Attitude

## Travel Recovery Insights Portal

BCG × ARC × 3VICTORS

Click on a topic title to learn more

### Overview

During the pandemic, supply and demand for air travel have been upended like never before. With airline operations and ticket demand dramatically reduced, the industry now faces the challenge of understanding the pace and shape that the subsequent recovery may take.

To deliver the highest-quality data, tools, and dashboards needed to overcome this challenge, BCG has built the Travel Recovery Insights Portal. The portal compiles proprietary data from several sources and is updated weekly.

The portal delivers data from BCG's Demand Sentinel and Consumer Sentiment research, data provided by Airlines Report Corporation (ARC) and 3Victors, and other third-party data from Oxford, OAG Aviation Worldwide, SimilarWeb, the Organization for Economic Co-operation and Development (OECD), and Johns Hopkins University. It provides specific views into ticketing and online search activity by geographic region, type of travel, and travel month, among other trends.

### Capturing Data Across the New Purchase Funnel for Air Travel

Market Landscape	Ability to Travel	Interest	Search	Purchase
Airline Capacity	COVID Progression	Economic Sentiment	Air Travel Search Powered by 3Victors	Air Travel Transactions Powered by ARC
Click button for Airline Capacity trends Hover for takeaways	Click button for COVID Progression trends Hover for takeaways	Click button for Economic Sentiment trends Hover for takeaways	Click button for Air Travel Search trends Hover for takeaways	Click button for Air Travel Transactions trends Hover for takeaways
Government Support	Government Restrictions	Customer Sentiment	Web Traffic	

## Trends by Departure Month

Exploring builds by departure month across geographies

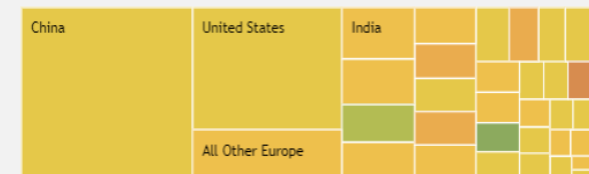
Selected metric: Tickets Trip type: (All) Trip direction: (All)

Note: For searches and searched nights, our indirect GDS data—while reflective of the market overall—may not reflect certain highly direct market segments (e.g., Brazil domestic)

? Questions? Please check out our FAQs, and contact BCG at TravelRecoveryInsights@bcg.com with any inquiries

Reset all filters

Origin: United States



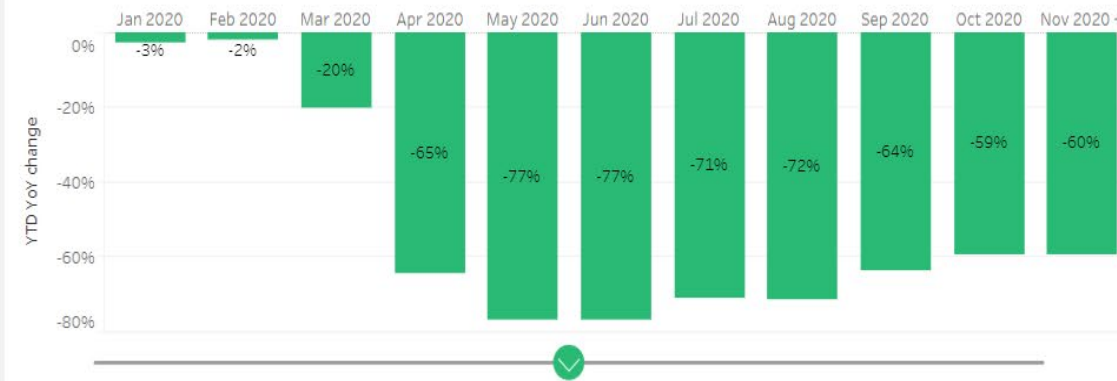
Destination: (All)



2020 YoY Tickets Size = YTD 2019 Tickets

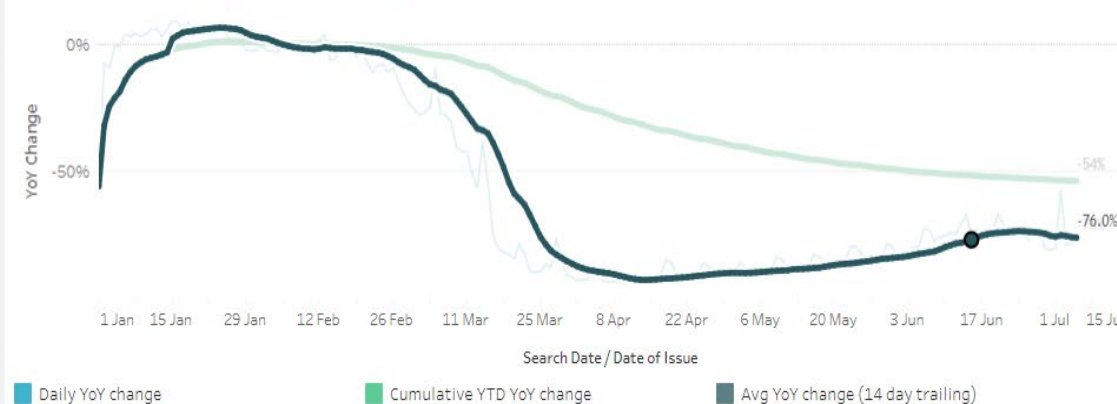
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## 2020 YoY Change in Tickets YTD by Departure Month for Travel from United States to All countries



View below: Trend in YoY Tickets for flights departing in the selected departure month(s) above

## Cumulative Buildup of YoY Change in Tickets



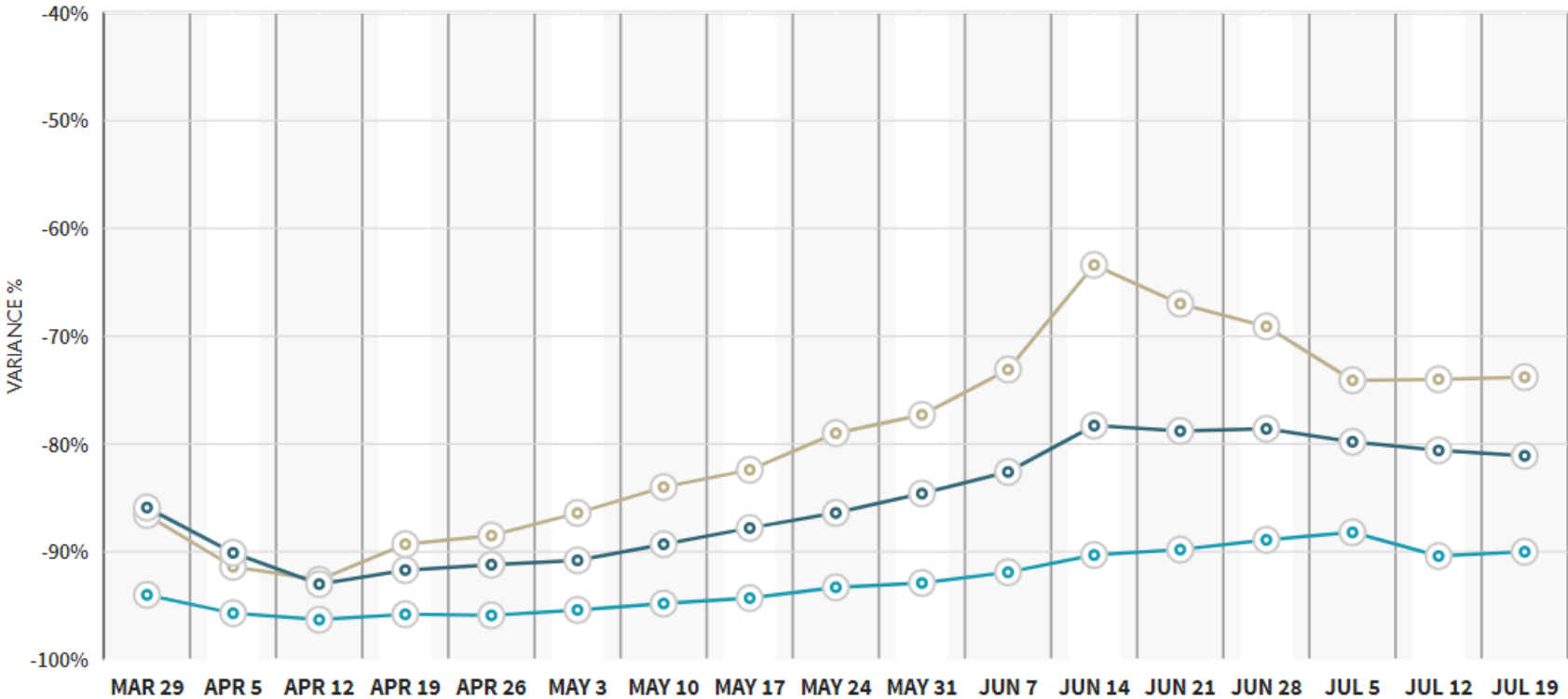
# Travel Recovery Insights Portal

## Information in depth

- Recovery trends by geography, departure date, flight trait
- Year over year and week over week performance for routes to identify where demand may be returning
- Includes ticketing data and travel searches
- Updated weekly

# Variances in Tickets Sold by Segment for All Itineraries

✓ Corporate    ✓ Online    ✓ Leisure / Other



**YTD** -60.06% Corporate    **YTD** -51.95% Online    **YTD** -55.57% Leisure / Other

# Updated Air Travel Data

**ARCcorp.com**

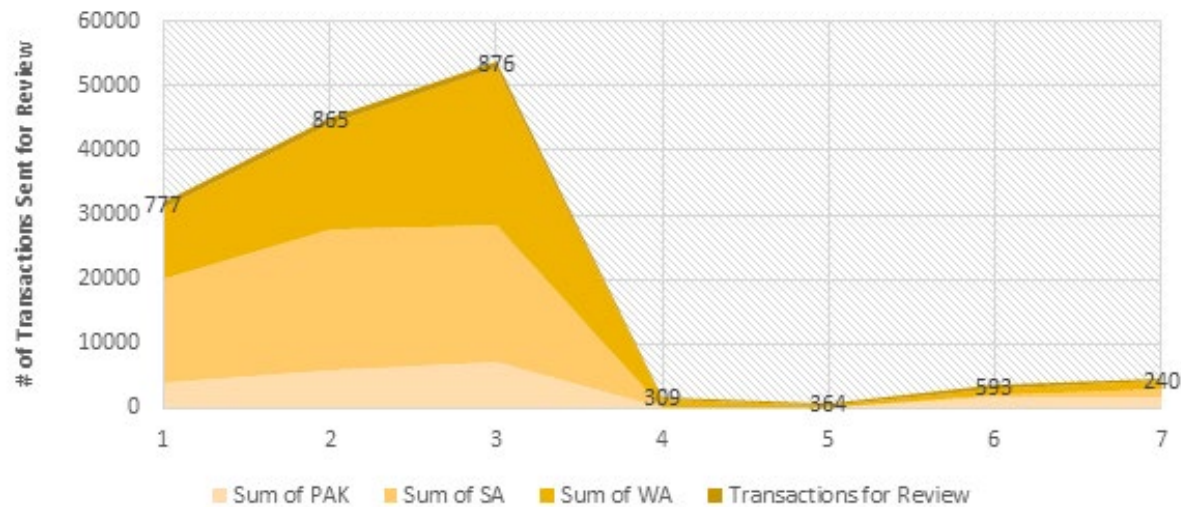
Each week, ARC updates tickets sold and sales compared to the same week in 2019 and the year to date.

The data look at ticket variances by week and year to date for three significant industry segments: corporate, online travel agencies, and leisure/other.

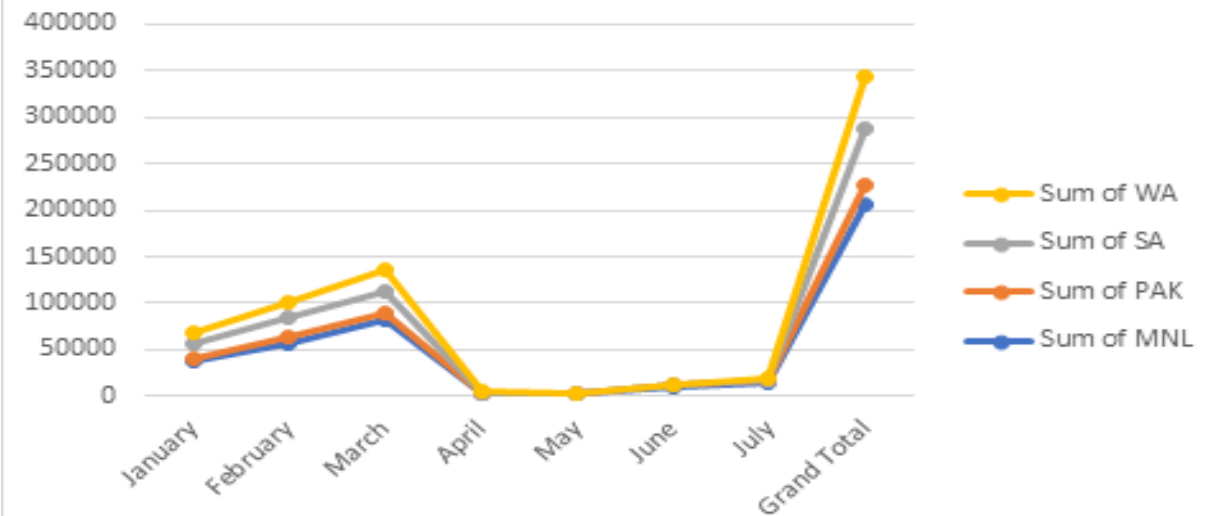


# ARC Insights

## FOP Fraud Alerts 2020



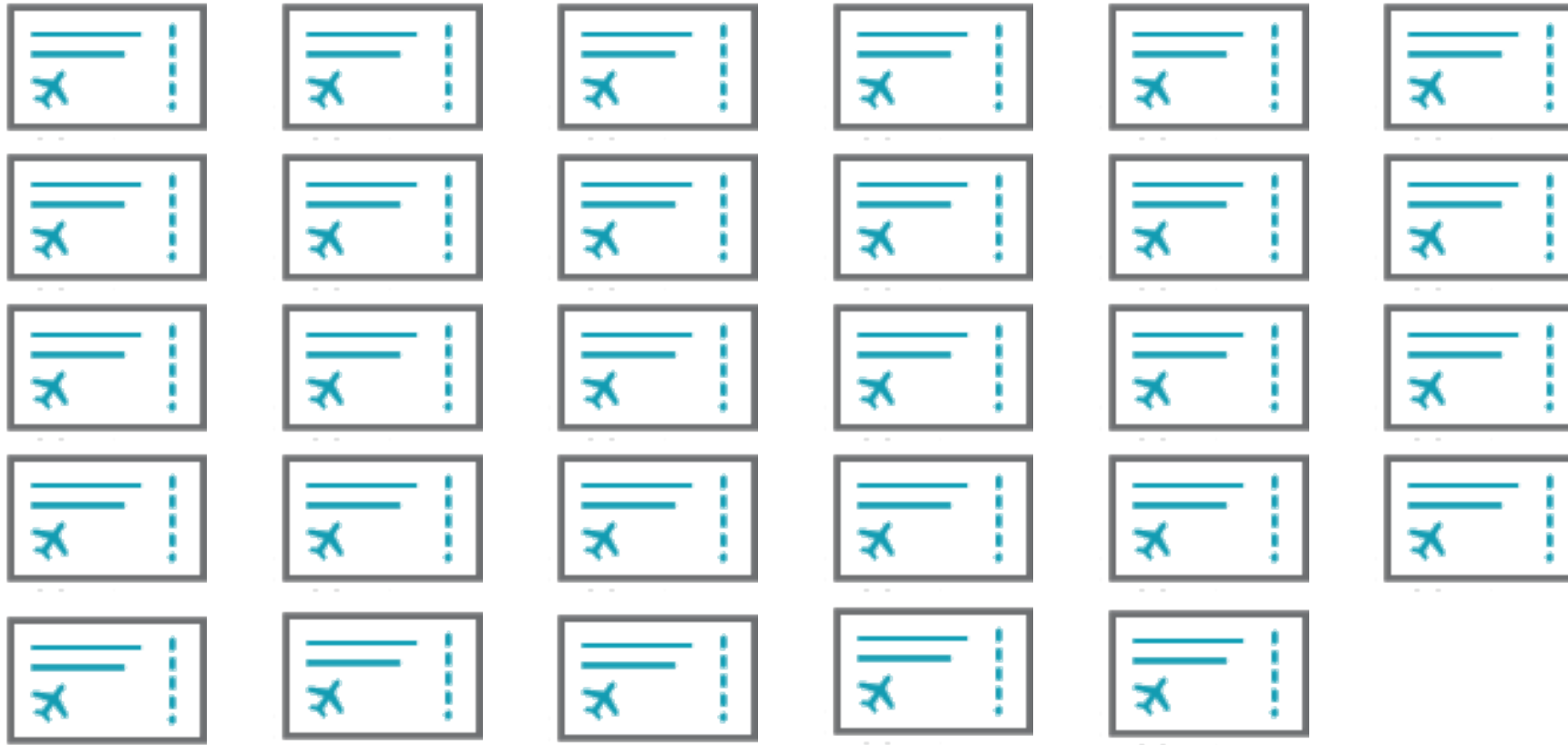
## FOP Trend by Transactions Sum



# **Fraud Impacts, Trends and Forecasts**

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# The Impact of a Chargeback on Your Business



On average, travel agents must sell 29 new tickets to recover from one chargeback and often lose 2 to 3 times the transaction amount.

# Trends to Expect: COVID-19

## Part 1. Getting back to “normal”

- Domestic travel is expected to recover first.
- New ways of online communication may decrease need for business travels.
- Mindful travel vs. mass travel.
- Pricing vs. travel budget.
- When will travelers be confident enough to start travelling?
- There is uncertainty where and when people can travel (new technologies are being implemented to fill in this gap).
- New hygienic expectations and standards while travelling: reduced personal contact, enhanced sanitization, temperature checks and social distancing.

*Is travel ever going to be the same again?*



# Trends to Expect: COVID-19

## Part 2. Expectations in Payments and Fraud

- Increase of contactless payment and use of mobile wallets.
- Further shift from card present to card not present payment.
- Fraudsters are not sleeping – any crisis presents an opportunity to criminals.
- There has been a change in booking behavior – even harder to differentiate legitimate from fraud.
- In the travel industry, refund and chargeback problems persist (because of cancelled travels).
- Friendly fraud is flourishing.
- Lack of staff in the travel industry makes it harder to review suspicious bookings.

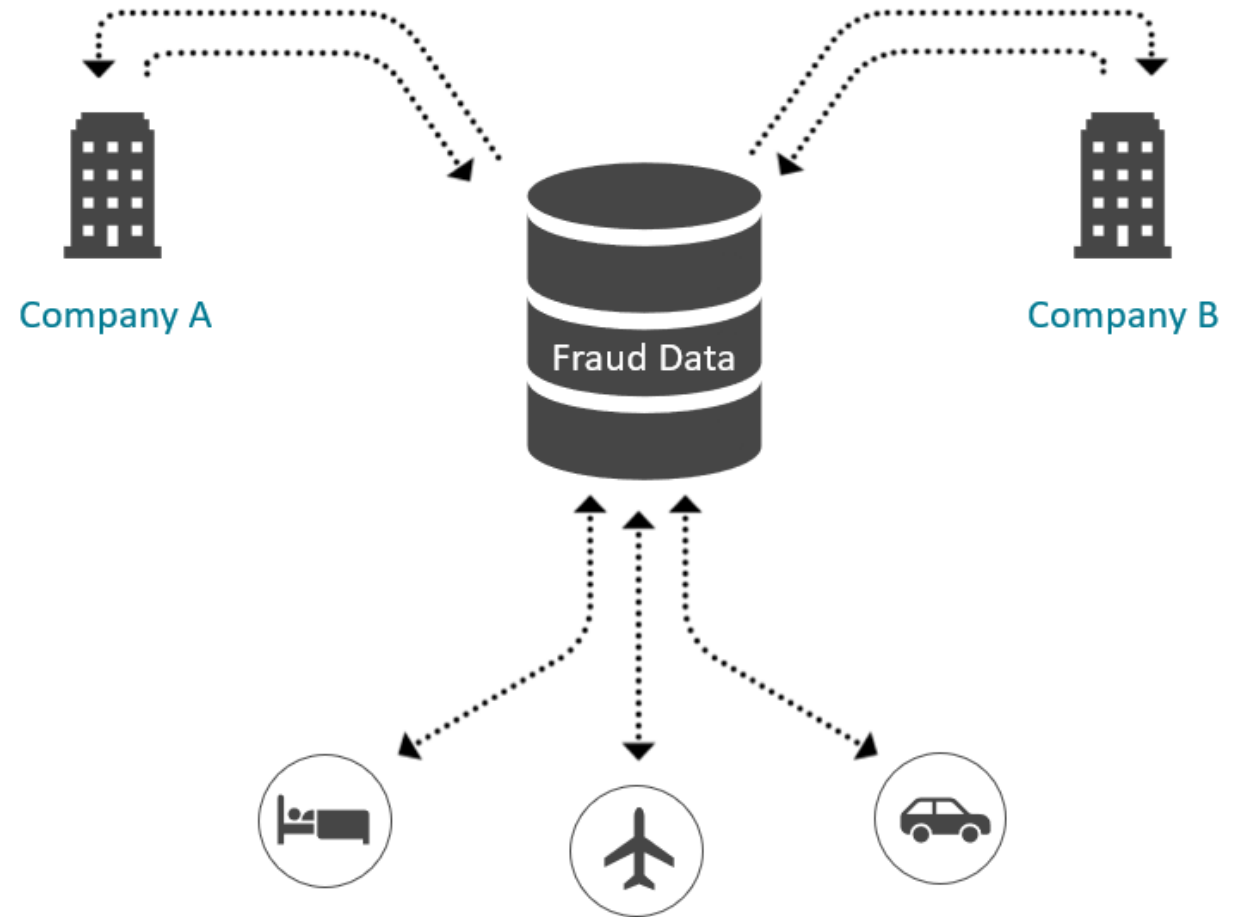
*Fraud levels are expected to increase.*

**The Goal: Reduce Risk**

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# How Do We Reduce Risk?

1. By relying on patterns of behavior in transactions
  - 80% of the transactions checked, we've seen before
2. From a single cybercriminal to sophisticated criminal groups, fraudsters 'shop' at multiple merchants all over the world:
  - 35% match ratio between merchants
3. Data sharing among businesses worldwide
4. Artificial intelligence
  - automatically calculates risk levels
  - uses confirmed fraud data
  - uses transactional data
  - uses time-based data
  - uses many data sources
  - combines all data elements



*The Perseuss data sharing model*

# ARC Risk Check, Powered by Perseuss

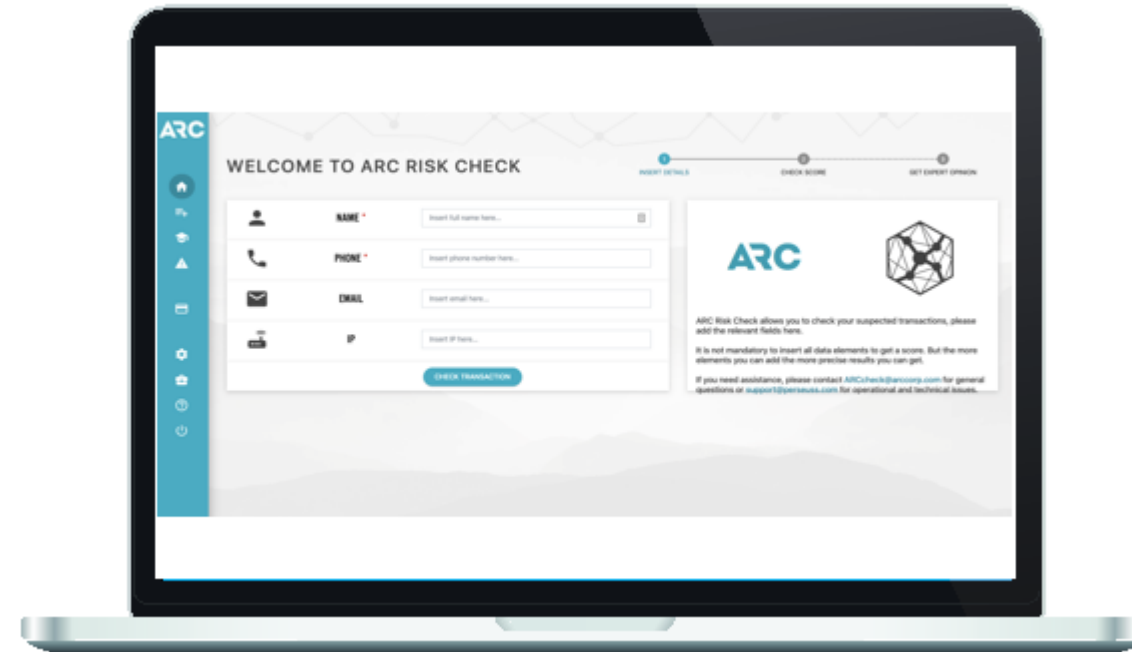
*A global fraud-mitigation tool made stronger by the combined intelligence of its participants.*

Manual checking – for small and mid-size companies

- Easy to use
- Clear and transparent user interface
- Quick decisions

API – for companies with larger volumes

- Real-time results
- Effective fraud screening
- No manual entry needed





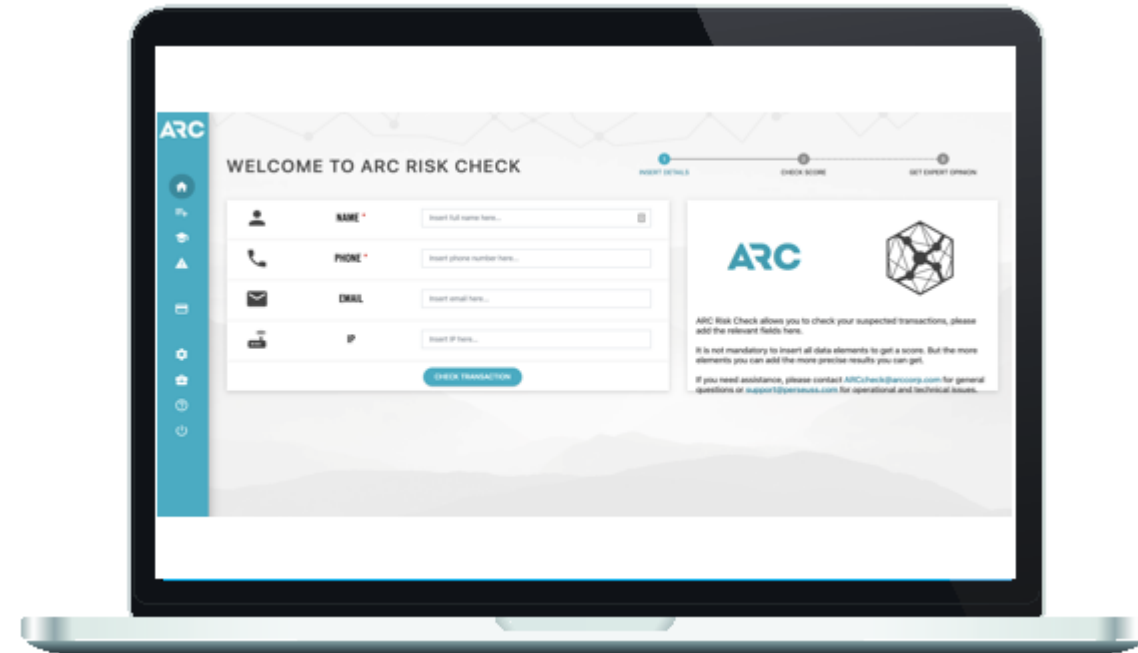
# Live Exercise

# Free Use of ARC Risk Check

- Prepare for the months ahead with two months of free access
- Easy enrollment
- Supported

“...extremely easy to set up as a manual review tool and our analyst team was able to get started using it right away!”

– Dan Erickson, Product Operations Manager – Fraud, Hopper



# ARC Risk Check Results

- **Gain Confidence**
  - **Grow Business**
  - **Save Money**
- Check more suspicious transactions because it's easy.
  - Process more good transactions.
  - See fewer chargebacks & false positives.
  - Accept better incoming bookings.
  - Call ARC fraud experts.
  - Protect your business from fraud cost.

# Thank You for Your Time

## Contact Information

- Questions for our presenters
  - Cornelius Hattingh, ARC  
chattingh@arccorp.com
  - Wouter Opheij, Perseuss  
wouter@perseuss.com
- Free use of ARC Risk Check for two months.  
[Enroll here.](#)
- To report fraud
  - stopfraud@arccorp.com

## Resources You Can Use Now

- [Travel Recovery Insights Portal](#) (website)
- Travel Recovery Insights Portal [“Travel Recovery Trends to Watch”](#) (video insights and a tour of the portal)
- [Air Travel Data During COVID-19, Updated Weekly](#)
- [Fraud prevention training](#)
- [Subscribe to fraud alerts](#)
- [Other fraud webinars](#)
- [See all our fraud prevention resources](#)



# ARC



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