


A person wearing a dark hoodie is seen from the side, looking at multiple computer monitors in a server room. The room is dimly lit with blue light from the screens and cables hanging in the background.

NO TO FRAUD. YES TO BUSINESS.

A series of vertical light blue bars of varying heights, arranged in a slightly wavy pattern across the middle of the page.

Here's the question that was facing Radial Inc, a major provider of fraud management services to the e-commerce industry: how do you combat fraud and improve customer experience at the same time? Agile development and AI, that's how.



THE CHANGING FACE OF FRAUD

Fraud is not only an ever-present threat to anyone selling online, it is also an ever-changing problem, as cyber crime becomes ever more sophisticated. As fraudsters gain access to new technology and hacking toolkits, companies like Radial need to react quickly to ensure customers have a secure, yet convenient shopping experience and to safeguard merchant goods and revenue against fraudulent activity.

In 2016, the underlying third-party fraud management system Radial used was starting to show limitations which was a potential risk. As a third-party product, it was outside Radial's control, which meant Radial had to refer all alterations to the third party – which took an unacceptable amount of time.

NEED FOR AGILITY

Radial was also on a tight internal timeline with just 11 months to implement an agile approach to counter fraud. Infosys was given the task of finding it.

There were three key objectives:

- Faster time to market for fraud detection model changes (a natural consequence of Radial having direct control over its own system)
- Increase fraud detection agent productivity with better usability and case management functionality
- Enhance scalability beyond 300 million transactions per year

Given the 11 month deadline, Radial decided to implement a COTS solution and Infosys was tasked to shortlist the software package and platform that would fit the bill.

BREAKTHROUGH

Our experience of Pega meant we could implement quickly – and that would enable Radial to adapt themselves quickly.



BUYER BEWARE?

Infosys leveraged its proprietary INCEPT framework to identify the right solution that met all the functional, technical and budgetary and timeline requirements within acceptable tolerances.

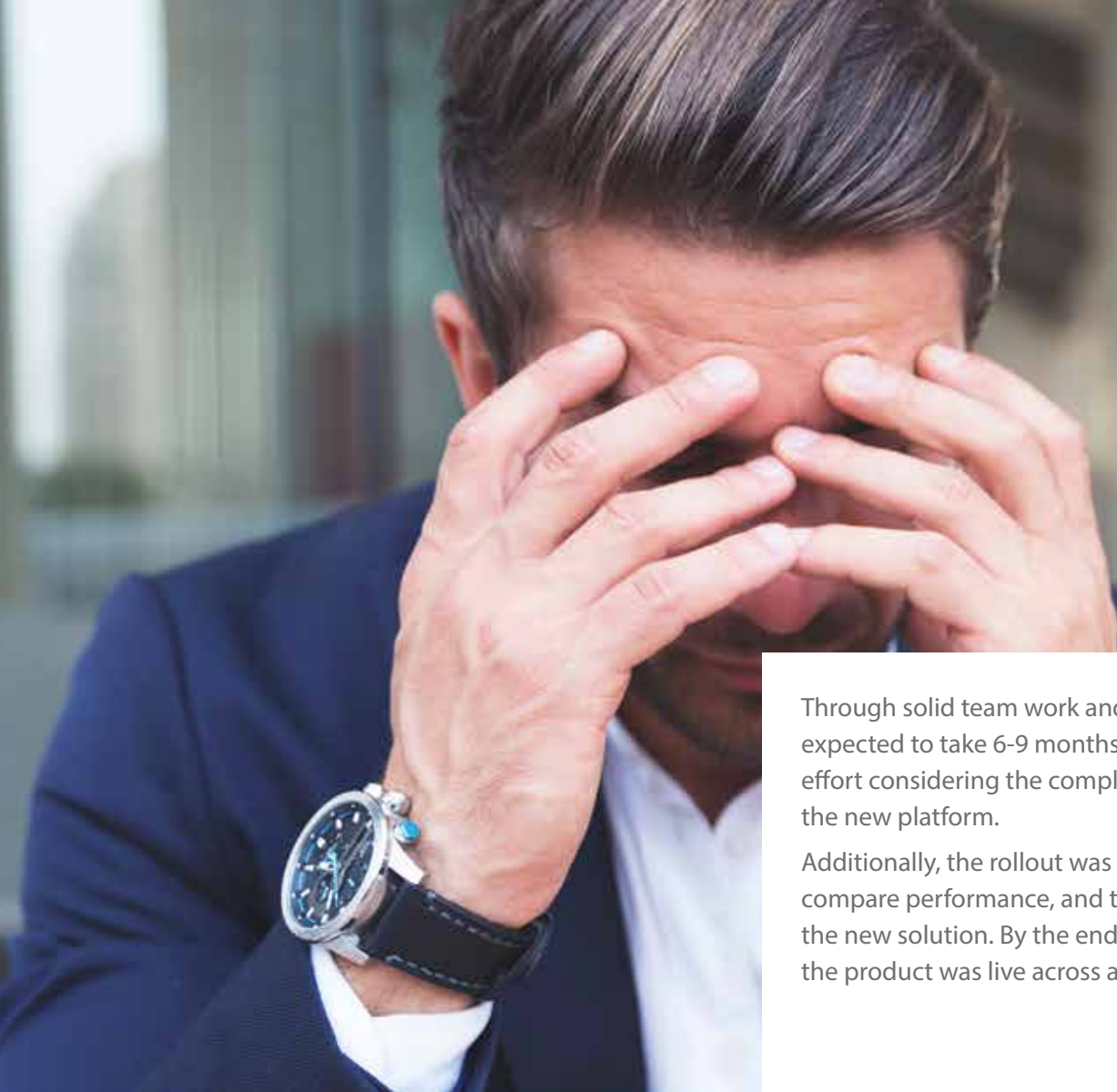
INCEPT enabled Infosys to reach out and quickly get hold of the specs and product demos by leveraging its industry partnerships and running parallel streams with different prospective vendors. Armed with this and able to logically map the various options against Radial's strategic business needs, the Radial procurement department was able to make a fast – yet highly informed – decision on the technology that was to be used as the platform for the new system. The Pega PRPC Rules Engine & Case Management system was duly chosen.



FRIEND OR FOE?

There is a flip-side to the fraud protection game. Merchants are wary of fraud, but also laser focused on providing a seamless shopping experiences and reduced delivery times. Filtering every suspicious customer – or taking too long to vet customers – introduces unacceptable delays into the e-commerce experience, potentially costing them more than the fraud itself.

In order to maintain Radial's reputation for providing one of the highest approval rates in the industry, we turned to machine learning and AI in order to more accurately distinguish good customers from malign threats. Guest checkouts, for example, account for many purchases but the lack of login information makes fraud detection enormously challenging. Because the Radial system can match a transaction to known customer data such as device, location and IP addresses, it is able to quickly approve genuine purchases. The new system therefore had to perform highly sophisticated levels of anti-fraud detection, whilst also ensuring fast processing and the ability to handle a high volume of transactions.



DEADLINE APPROACHING

Through solid team work and close collaboration, a project that was typically expected to take 6-9 months was completed in just 4 months – a phenomenal effort considering the complexity of the large migration and implementation on the new platform.

Additionally, the rollout was carried out in parallel, with the new system tested to compare performance, and to ensure that all Radial merchants could be moved to the new solution. By the end of June 2017, all milestones had been reached and the product was live across all merchants.

**THE RISING THREAT
OF ONLINE FRAUD**

US\$2 BILLION

**TOTAL ONLINE FRAUD
EXPECTED BY 2020**

65 PERCENT

**OF ONLINE FRAUD
WILL COME FROM
E-COMMERCE BY 2020**

**\$4 ^{OUT}
OF \$1000**

**WILL BE OF
FRAUDULENT
ORIGIN BY 2020**



SECURITY, IN THE BLINK OF AN EYE

The newly created application has been a major improvement over the previous system. It is now capable of processing over 300m transactions/year with an average response time of less than 2.5 seconds. As Radial moves to enhance the product line and increase its market share in fraud detection, it is confident of moving to sub-second response times catering to many different market segments such as digital downloads, online gaming, and virtual gift cards that were previously not possible.

The application is more accurate too, with review & fraud detection showing an improvement of 5 times over the legacy application on end-to-end process. In addition, Radial's fraud detection agents are more productive and have the capacity to efficiently handle peak order volumes of the holiday season.

More importantly, Radial now has complete control of the solution and its merchants have greater flexibility to adapt their business processes ensuring scalability and quicker response without compromising on security.

RESPONSE TIMES HAVE
REDUCED FROM OVER
300 SECONDS
TO LESS THAN
2.5 SECONDS

FRAUD DETECTION
CAPABILITIES
ENHANCED
5 TIMES
COMPARED
TO LEGACY
SOLUTION

PROJECTED
TIMEFRAME OF
DELIVERED
IN JUST **9 MONTHS**
4 MONTHS

**WE DID THIS FOR THEM.
WE CAN DO IT FOR YOU.**



Fraud is unpredictable – you have to be ready for anything and react quickly. We now have a system of our own that we can quickly adapt to counter any threat with agility.



Ashwin Kumar, Radial Senior Director

To find out more about Radial Inc. visit www.radial.com.