# Cinépolis

## Growing mobile revenue quickly while managing fraud across channels

**BACKGROUND**

Cinépolis is the largest cinema group in Latin America and the fourth largest worldwide, operating more than 500 cinema complexes in 13 countries, including the US. For convenience, customers can reserve seats online or through mobile apps, bypassing lines at the box office.

**CHALLENGE**

Cinépolis wanted to support its rapid mobile channel growth and minimize online fraud while providing a great customer experience during checkout. For every fraudulent ticket sold, Cinépolis lost about 3 times the face value of the ticket when you include potential food and beverage concessions and advertising revenue. They needed a powerful solution to help manage fraud and minimize their revenue losses across all of their revenue channels, including mobile.

**SOLUTION**

Cinépolis chose CyberSource Decision Manager, which includes the World's Largest Fraud Detection Radar, to help automate the risk assessment for 100% of their orders. With instant ticketing purchase and download, there was no time for Cinépolis to manually review orders. Cinépolis also relies on CyberSource Managed Risk Consultants for additional risk expertise and to help optimize their fraud operations.

Cinépolis worked with Visa to understand their risk profile and customized CyberSource Decision Manager to track and monitor orders made using their mobile applications, as well as through their web and call center channels.

Using device fingerprinting to detect whether the order was placed via a mobile device, Cinépolis is able to build custom mobile-specific rules, and analyze reports to understand the effectiveness of those rules. This is how CyberSource Decision Manager helped Cinépolis manage mobile fraud effectively.

## IMPROVING CUSTOMER MOBILE EXPERIENCE WHILE MINIMIZING FRAUD

Visa provides fraud management for all channels

### >120%
Growth in mobile revenue

### >45%
Reduction in chargeback rate

### <0.16%
Chargeback rate

### >1 Million
CyberSource Decision Manager monthly transactions

*"Visa provides a fraud management platform that allows us to proactively minimize fraud and protect revenue without compromising the customer's" buying experience. By implementing CyberSource, we were able to save resources, increase our tickets sales and prompt many 'would-be fraudsters' to abandon our selling channels".* Joaquín Rodríguez Lavalle, IT Strategy and Architecture, Cinépolis

# Additional Insights

## MANAGING FRAUDSTERS' MIGRATION BETWEEN CHANNELS

When Cinépolis released their mobile app, they did not expect the mobile channel to be any riskier than other sales channels, and thus did not screen those transactions for fraud. However, Cinépolis soon saw a spike in chargebacks and realized that fraudsters had moved from the web to the mobile channel.

Cinépolis quickly implemented Visa's Fraud Management Platform and brought their overall fraud rate down to 0.16%. Using CyberSource Decision Manager, their Managed Risk Analyst was able to create different risk profiles and rules to help reduce fraud across their mobile and web channels. Closer analysis revealed fraudsters migrated back to the web which is easier to use for card testing.

## ACCEPTING MORE GOOD ORDERS

Since Cinépolis uses automated transaction screening for 100% of their orders, it's critical that their automated system is optimized. They take multiple measures to help find a balance between lowering fraud risks and ensuring good customer orders are not mistakenly rejected.

First, Cinépolis performs a detailed analysis of its chargebacks and uploads this information into CyberSource Decision Manager for further analysis. Cinépolis also tests rule changes in CyberSource Decision Manager in passive mode to make sure they don't negatively impact the customer experience. If good customers are impacted, Cinépolis has a customer service policy and processes in place to help those customers by providing discount coupons or free cinema tickets. Lastly, Cinépolis places "trusted" customers in a white list in CyberSource Decision Manager to allow their orders to be automatically accepted the next time they shop.

## MOBILE DRIVES REVENUE GROWTH

Cinépolis is an example of a company that saw exponential growth in the number of mobile transactions. They know that going to the movies is an impulse decision. As smartphones and tablets have become increasingly popular with consumers, mobile has also become the channel of choice for Cinépolis customers, replacing box office and web orders. When they introduced their mobile app, mobile volume quickly grew over 400% in two years. This channel now generates over half of Cinépolis' online revenue.

Cinépolis relies on CyberSource Decision Manager to automate risk assessment and CyberSource Managed Risk Services to help them create effective fraud mitigation strategies. Today, Cinépolis is the first merchant in the Latin America and Caribbean region to reach 1 million monthly CyberSource Decision Manager transactions.