



How TicketNetwork achieved great ROI with an accountable fraud partner

Meet TicketNetwork

Founded in 2002, TicketNetwork.com's online marketplace connects ticket buyers and sellers for live events ranging from Taylor Swift to Major League Baseball games.

Ticket sellers on the site include box office promoters and licensed ticket sellers with extra inventory as well as individuals with tickets they don't need. Fans can access more than 100,000 concerts, sports, and theater events worldwide through the marketplace.

Challenge

For companies in the live entertainment ticketing industry, card-not-present (CNP) fraud proves especially pervasive. Ticket marketplaces deal in digital products that are in high demand and easy to resell. TicketNetwork needed a fraud solution that could adapt to fluctuating risk and demand cycles in online ticketing.

TicketNetwork looked for internal and external fraud solutions as fraud schemes to combat increasingly sophisticated and agile fraud attacks. It needed a solution that could handle events with higher levels of fraud risk, such as big NBA showdowns or musical artists such as Drake and Bad Bunny, which tend to have a higher fraud risk than events like Disney on Ice.

In 2014 TicketNetwork released its own proprietary fraud prevention solution, an algorithm-based system developed and run by the company's engineering team to target fraudulent purchases. But TicketNetwork found that the system couldn't keep up with the ever-changing tactics of determined criminals.

Volatile demand created a chargebacks challenge for TicketNetwork. After live entertainment essentially flatlined during the pandemic, demand and prices soared back in 2022 as consumers flocked back to live events. Fraud rebounded too, especially as new COVID variants surged, causing postponements and venue changes that increased "friendly" chargeback filings.



Solution

Because fraud management falls under the finance department at TicketNetwork, the company pays close attention to how fraud affects its profit and loss (P&L). It also closely tracks reject rates, accept rates, false positives, and chargeback rates, which it categorizes into nonfraud, criminal, friendly, or merchant error segments.

To help shore up its losses and grow revenue, TicketNetwork put a number of tools in place to tackle both friendly and criminal chargebacks and also to contest illicit filings.

First, the team looked into exploring ways to speed up the process since manual review took so long. They decided to test out a more automated model based on Riskified's machine-learning approach. They began by sending only declined orders to Riskified. Tremendous results prompted TicketNetwork to send all their order volume to Riskified just 10 months later.

With Riskified as an accountable fraud partner, TicketNetwork was fully indemnified against fraud chargebacks through the Riskified Chargeback Guarantee. Its costs became 100% predictable, regardless of the ups and downs of ticket volumes or demand. TicketNetwork also gained full control over approval rates and consistently avoided excessive chargeback programs.

Results

By partnering with an accountable fraud partner, TicketNetwork was no longer subject to the revenue gouging that fraud attacks cause — **it could maintain predictable profitability knowing that they no longer assumed liability for chargeback losses.**

“Our phased test of Riskified, which started first on declined orders only, let us both train the model and see the actual ROI we would get ahead of time.”

Chris Hummer
CFO, TicketNetwork

50-75%
reduction in
chargeback rates



“As CFO, I care about the overall impact of our anti-fraud efforts on P&L. The Riskified Chargeback Guarantee gives us complete predictability in our chargeback costs as well as control over our approval rates, so I can easily see the ROI of our Riskified investment.”

Chris Hummer
CFO, TicketNetwork