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Steve Geib
Vice President of Client Services,
New Era Tickets

New Era Tickets uses iovation to Keep Scalpers and Fraudsters Out of the Arena

Created by Comcast-Spectacor, New Era Tickets offers highly customized, uniquely branded ticketing options for its customers while keeping fraud rates almost non-existent with iovation ReputationManager.

Fraud Challenges

- Increase in online ticket sales was leading to increasing rates of fraud and higher chargeback rates
- Fraudsters were using stolen credit and identity information to evade restrictions put in place to prevent scalping and unfair ticket sales
- Scalpers were working together online to defraud entertainment organizations and their customers

Solution Requirements

- Identify users independent of credit and identity information
- Track velocity of purchases coming from individual computers
- Catch criminals’ behavior within a limited window of time

Results using iovation

- 98% reduction in total fraud losses
- Fraud losses dropped from triple digits to nearly zero at one site alone
- Increased operational efficiency prevented the need for as many as 12 additional full-time employees

About New Era Tickets

Created by Comcast-Spectacor in 2004, New Era Tickets brings a new way of doing business to the entertainment industry through its full-service ticketing and database marketing solutions. Making use of the latest technology, New Era Tickets provides a variety of services including internet ticket sales, order fulfillment, customer service, access control and print-at-home technology, up-selling and cross-selling, stored value technology, online ticket exchange, ticket auctions, client training and support team, and database marketing.

In addition to offering a comprehensive list of services, New Era Tickets also makes its solutions highly customizable, offering clients complete control over their ticket prices, branding, and marketing data. By allowing clients to leverage their own brands, and their unique understanding of their customers and markets, New Era Tickets helps its clients realize increased ticket sales and overall revenue growth.

Based out of Exton, Pennsylvania, New Era Tickets serves over 60 clients through the US and Canada, from sports organizations to entertainment companies, including the Philadelphia 76ers, the General Motors Centre, The Rose Quarter, Dover Motorsports and Pocono Raceway. Handling 11–12 million ticket sales annually, New Era Tickets processes \$400-450 million in business transactions each year. Additionally, the company manages 30 different customer databases, with each database containing up to 2 million records.

The Fraud Challenge

In the time that New Era Tickets has been in business, the company has seen a significant shift in people's buying habits. "Five years ago, if we could sell 40-50% of the tickets online, that was considered a success. Now, we sell 90% of the tickets online," observes Steve Geib, Vice President of Client Services for New Era Tickets. However, despite the benefit of increased online sales, the down side is that criminals making purchases online can much more easily use stolen or illegitimate credit cards, due to the card-not-present buying environment.

While the challenge of fraudsters using stolen credit cards is common among most online retail sites, the online sale of tickets, as opposed to other "hard goods," presents its own unique challenges. With the advent of new technologies like print-at-home tickets that make the transfer of the good being purchased almost immediate, the review time on transactions is extremely limited. "In our business, catching the bad guys can be really difficult. Since there's nothing being shipped, we've got to stop them upfront. Our real challenge is trying to find them fast and reject the order out-right," says Geib. If the fraudulent behavior isn't caught at the time of purchase, New Era Tickets—who processes the transactions for its clients—faces the potential increase of its chargeback rate at the same time its clients are stuck with the loss of the ticket price.

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Another challenge is that online fraud, in all industries, is becoming increasingly dominated by organized individuals with well-planned strategies for taking advantage of the system. With many sporting events and music concerts commanding enormous ticket prices—such as \$180 for an NHL ticket, or \$750 for an Eagles ticket—fraudsters can make significant profits by fraudulently purchasing multiple tickets online and then quickly reselling them. Obviously, the more demand there is for a ticket, and the closer it is to the time of the event, the easier it will be for a fraudster to turn the tickets around, and thus the more susceptible the event is to fraud.

In one particular case Geib recalls, someone purchased a single ticket to a Rolling Stones concert online, then, using the print-at-home feature, printed the ticket multiple times and sold all of the illegitimate copies for over \$1,000 each. The result? Not only did all of the unsuspecting victims who purchased the illegitimate tickets lose their money—as well as their faith in the security of online sales—but since the original ticket was purchased with a stolen credit card, the venue lost as well. In order to combat these kinds of situations and protect both event-goers and the venues, New Era Tickets had to find an effective fraud solution that could catch fraudsters quickly and keep them from coming back.

The iovation Solution

When New Era Tickets began looking for fraud solutions, iovation was immediately recommended by multiple merchant services companies in the industry. And, as New Era Tickets began seriously comparing its various options, iovation emerged as the best fit. “Everything iovation does just fit for us. It was quick, it was easy, it was up and running on the first day— and the return was almost immediate,” says Geib.

Part of what makes iovation so effective for New Era Tickets is that it gives the company quick visibility into the activity on its sites by focusing on the computers being used to submit transactions, rather than on the personally identifiable information being submitted. Without this device-based information, organized fraud rings and repeat offenders are extremely hard to identify since they can set up multiple accounts with different information every time. This is partly the reason that government efforts to mitigate scalping and regulate ticket sales have been largely ineffective. “The reality is that device recognition is one of the only ways to really stop scalping and unfair ticket sales,” says Geib. “Every time someone puts in a new address, a new name, etcetera—you can’t tell if it’s really a different person. But with iovation, I can tell that someone at one machine just bought 80 tickets.”

When New Era Tickets sees fraudulent activity originating from a computer, using iovation ReputationManager, that device can be tagged so that the client site can simply deny any future transactions originating from it. This kind of visibility gives New Era Tickets a powerful advantage. “We know who our scalpers are and where they’re coming from,” says Geib. “They think they’re fooling us, but we can see them moving around.”

Results

By using iovation, New Era Tickets gained the ability to protect its clients from fraud at the same time as regulating ticket sales and keeping the marketplace fair for event-goers. What started out as a significant fraud problem—resulting in nearly six-figure losses from one client alone—turned into an almost non-existent issue, with Geib estimating a 98% reduction on the company's fraud losses, thanks to iovation. The company has been so effective at stopping fraud, in fact, that Geib notices many fraudsters have gotten the hint and simply started avoiding its sites. "There's almost no fraud anymore," says Geib. "Now it's a matter of someone not liking their seat. Can you imagine? Now that's our biggest problem."

Another huge benefit for New Era Tickets has been the savings on operational costs that iovation has made possible. With iovation ReputationManagement, the fraud management process is so efficient that New Era Tickets needs only one dedicated full time person. This saved the company from hiring a whole team of people—as many as 12 more full time employees—that would have been required for tracking the fraud without the use of iovation. "When you're talking about manual reviews, the man hours are huge. With iovation, we're so much more efficient. Thanks to this technology, we know exactly who we're dealing with and we can tie it all together quickly. That knowledge is priceless."



For more information about New Era Tickets and their products and services, please contact:

New Era Tickets
930 East Lincoln Highway
Suite 200
Exton, PA 19341
www.neweratickets.com

To learn more about iovation ReputationManager™ and how it helps organizations fight online fraud and abuse, visit www.iovation.com.



iovation Inc.
111 SW 5th Avenue, Suite 3200, Portland, OR 97204
+1.503.224.6010 tel | +1.503.224.1581 fax
www.iovation.com