

Giftnix combats eGift fraud with digital identity solutions



CASE STUDY



“Telesign combines phone number intelligence with SMS communications, a necessity for any e-Commerce business.”

Brandon Copley
Founder & CEO

Industry
e-Commerce

Products
Intelligence, SMS Verify

About Giftnix

Giftnix.com is an online gift card store. Their secure and highly rated platform is designed for the instant digital delivery of various gift cards from Groupon, iTunes, PlayStation, AMC, along with many other top brands, making instant gift giving quick and easy. Giftnix is considered one of the best sources for eGifts because their service starts with customer security.

Every day, personally identifiable information (PII) is leaked or compromised in organizational data breaches, resulting in increased fraudulent activity online. Stolen credentials, financial and other personal information are used to make purchases and perform other malicious activities impacting e-Commerce businesses like Giftnix and their customers. Devoted to providing quality service, Giftnix is aggressive in their approach to security, using a complete fraud prevention system to decrease fraud while increasing customer satisfaction.

The Challenge

Giftnix.com alleviates the stress of timeframes and deadlines for its customers, allowing gifts to be sent directly to recipients immediately after an order is placed. Giftnix was experiencing an influx of fraud through the use of stolen credit cards, fraudulent identities and other attack vectors. In addition to harming the consumer, fraud and chargebacks can negatively impact the company's bottom line and brand reputation.

Giftnix began looking for additional technology-based solutions to help them combat fraud and enhance their existing fraud prevention system. At the top of their list was finding an effective way to gain deeper insights into their customers without adding too much user friction or additional steps during the transaction process. They required actionable data that could help them identify fraud risks or potential value before a completed customer purchase.

Telesign Delivered



Reduced credit card chargebacks



Enhanced ability to verify customers



Broader global SMS reach



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The Solution

Giftnix evaluated several different solutions and ultimately chose Telesign for their phone number intelligence and risk analysis services, which are powered by a machine learning fraud model that delivers a risk recommendation based on the phone number submitted. Giftnix added Telesign's Intelligence and SMS Verify products to their existing workflows to build out a comprehensive fraud protection platform that employs a multi-layered security approach.

"With the data that Telesign provides, we know who our customers are. We're able to determine fraudsters from legitimate customers, preventing fraud much quicker now," stated Brandon Copley, Founder & CEO, Giftnix. "We're also able to reach customers globally, with Telesign's SMS communications service, to quickly close the loop on identity verifications, if needed."

With their previous vendor, Giftnix had problems reliably delivering communications to their customers. With Telesign, Giftnix is now also able to ensure their mission-critical SMS messages are being delivered without issues, easily reaching international customers.

Results

Less fraud—experiencing significantly less credit card chargebacks & happier customers

According to Copley, Telesign has been a great addition to Giftnix's multi-layered security approach system. They are seeing less fraud from stolen credit cards, and as a result, significantly less impact on their margins from costly chargebacks. With fewer calls coming into the Giftnix support team related to invalid credit card charges, they are also seeing the added benefit of happier customers.

Using Intelligence, Giftnix has been able to establish more accurate and trusted digital identities for their customers.

Enhanced customer verification & trusted digital identities—ability to verify customers instantly

By identifying potentially fraudulent activity by analyzing the risk associated with a phone number, Giftnix can—with a high degree of certainty—better determine whether a particular interaction is valid, risky, or linked to previous fraud. Using global identity signals and adaptive machine learning, additional insights can be gleaned and used to verify customers in milliseconds. Giftnix eGifts are sent to customers within minutes (up to 15 mins) of a purchase, a convenience their customers appreciate, since some competitors can take up to 2 to 3 hours.

Broader SMS reach globally—critical SMS messages reach customers quickly

By harnessing Telesign's extensive global network, which spans over 230 countries and territories, Giftnix has successfully broadened its reach to accommodate international customers looking to purchase eGifts for recipients in the US. This improvement not only ensures a smoother and more reliable eGift purchasing process for international customers but also combats SMS delivery issues, which previously contributed to an increase in support calls.