

LAZADA CASE STUDY:

# All Fun and Games Until the Scammers Show Up



**Lazada is an international ecommerce marketplace founded in 2012 and owned by Alibaba Group. Headquartered in South East Asia, Lazada is one of the largest ecommerce operators in the region.**

Lazada's shoppertainment strategy unites entertainment and retail to create immersive and engaging experiences for consumers. A key feature of this trend? Gamification. Before we delve into this case study, let's do a quick breakdown of what the gamification phenomenon in ecommerce is, shall we?

In short, gamification refers to the application of game elements such as the mechanics, the technology, the rewards, and so on, to non-game scenarios. By offering interactive, gamified experiences, merchants enable users to become more engaged - while also promoting their products actively, instead of passively. Indeed, users gain a much deeper understanding of a brand and their products when they spend time playing a game!

Lazada has the gamification trend downpat, catering to a wide range of lifestyles and gaming preferences.

As explained by Mu Qingsong, Team Lead within the Gamification team at Lazada, Guangzhou,

**"To succeed with gamification, the shopping and entertainment aspects must be seamlessly combined to create a fun and rewarding environment for users."**

So, what's the problem?

As [Alan Chan](#), Chief Risk Officer for Lazada Group, succinctly states,

**"With every opportunity to serve our customer comes an opportunity for fraud."**

In the case of Lazada's approach to gamification, their immense success within the space has attracted sophisticated scammers. No doubt, gamification is a great marketing tactic that brought Lazada several millions new users. However, some **1.6% of accounts proved to be fraudulent**.

Unfortunately, the ability to label promotion fraud - and ultimately catch it - is not straightforward at any company. This impacts the ability to provide consistent metrics to stakeholders; from the marketing team to the fraud division.

Lazada understood they needed to take control of data inputs and data quality at account opening to beat fraudsters at their own game within the social games

space. Unfortunately, the only inputs Lazada had available at account opening was phone, username and IP address. Meanwhile, in South East Asia, consumers tend to use their nicknames as usernames instead of using their given name. More still, there are often typos in other details provided, such as phone numbers and email addresses, which makes it even more difficult for any company to get the right user information.

### Solution

By partnering with Ekata's data science and account management teams, Lazada was able to immediately clarify where and how fraud was taking place - at the account opening stage. Thankfully, Ekata has a solution that has honed the art of not only elevating the customer onboarding experience for ecommerce companies such as Lazada, but also confidently (and immediately) identifying good customers while eliminating fraud.

By leveraging our [Account Opening Solution](#), Lazada was able to determine the correct top signals to review, specifically the validity of the phone number and the phone carrier, as well as the risk associated with the IP address.





## Outcome

The results of Ekata's performance following our partnership with Lazada are impressive; boasting a **30% detection on fraud** and the ability to signal **and identify over \$30,000 per month of fraud within the social games space**.

Importantly, Ekata enabled Lazada to correctly identify and label the fraud occurring and have refined their rules to increase precision and recall around vouchers, referrals, and rebates.

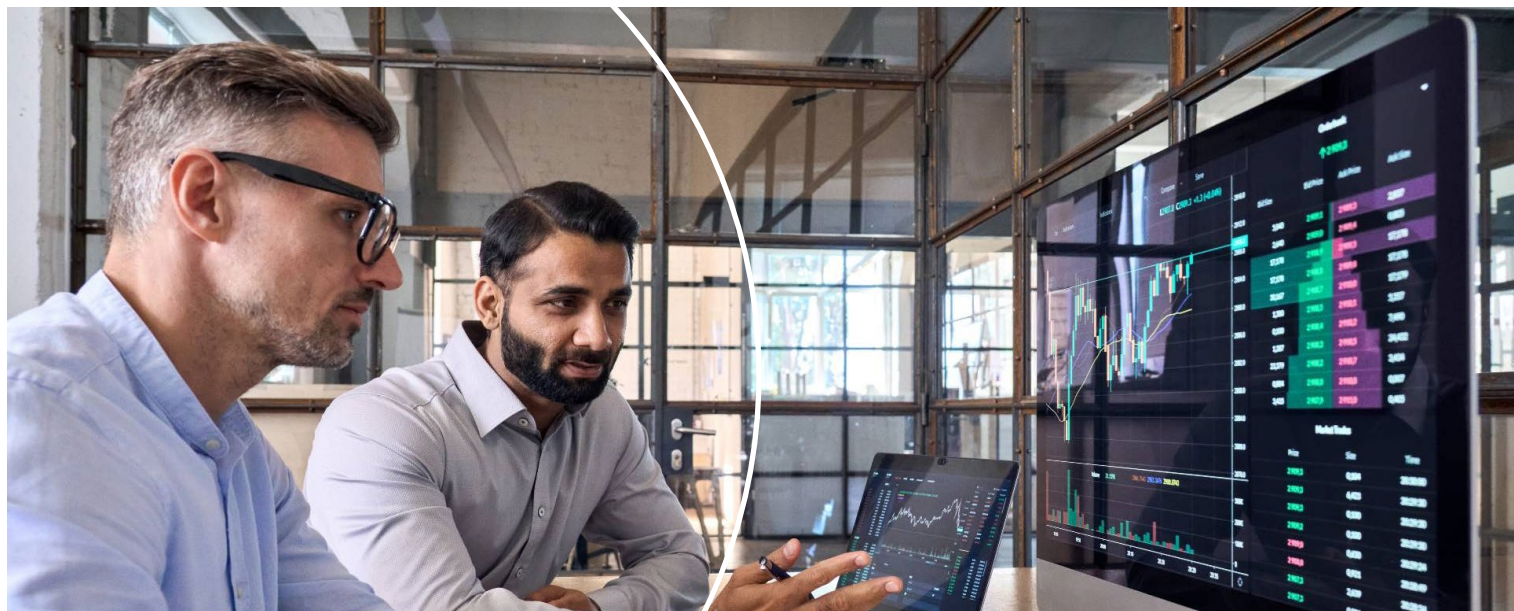
Finally, the **return on investment has been significant - sitting pretty at 14.9X**.

Are you also seeking to catch fraudsters at checkout?  
Discover how Ekata's Account Opening API can best serve your business.

**30%** *30% detection on fraud*

**\$30,000** *per month of fraud signaled and identified*

**14.9X** *ROI*



Looking for a partner who can help you assess customers before they open an account or boost your marketing campaigns' ROI?  
[Chat with us](#) today about Ekata's Account Opening Solution