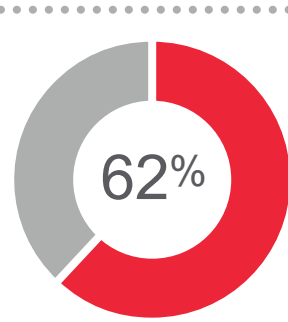




Mastering Retail Payments and Fraud Protection

for Better Experiences – and More Conversions

A smooth checkout means **happier customers** and **bigger profits**. But there are many roadblocks between “Add to Cart” and “Payment Approved.”

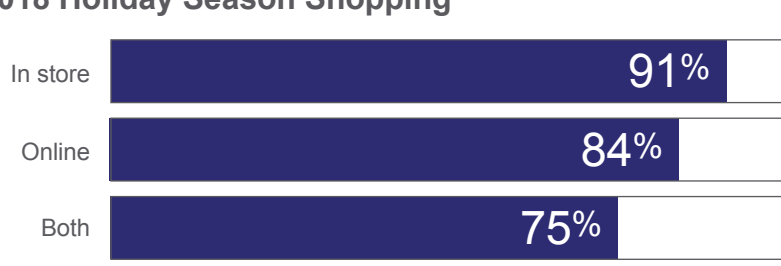


Of companies rank **improving customer satisfaction** a top-three reason for embracing **digital commerce**.¹



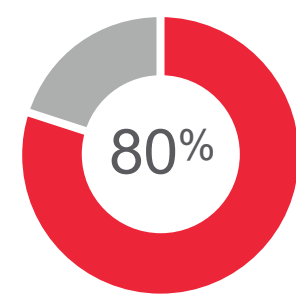
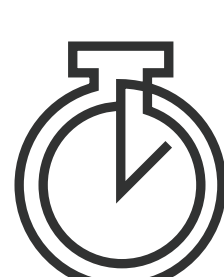
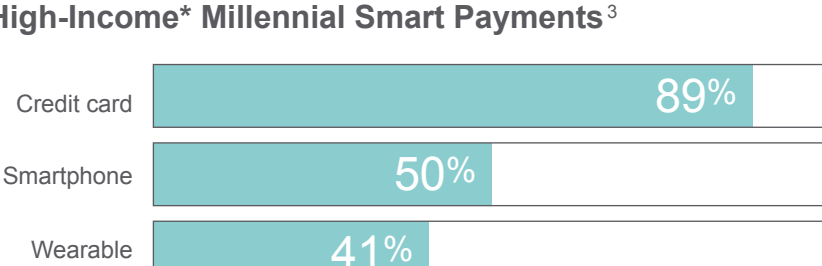
But today, satisfaction must extend across **more channels**.

2018 Holiday Season Shopping²



High-income Millennials in particular are **omnichannel** and **speed-focused**.

High-Income* Millennial Smart Payments³



Of high-income Millennials are Amazon Prime members.

*>\$70,000/year

Mobile commerce especially is becoming popular.

35%

Of smartphone-enabled customers make mobile payments at physical points of sale.⁴

39%

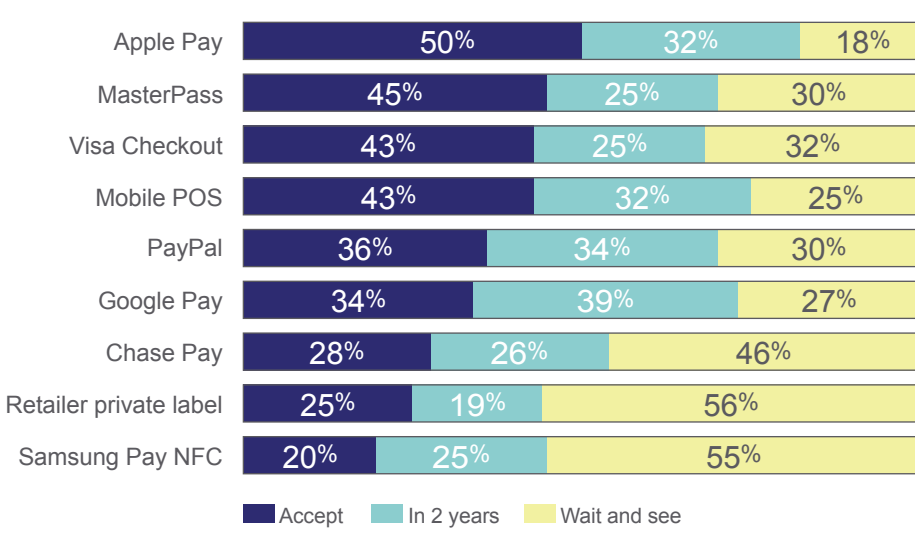
Respond to “buy” buttons.⁵

25%

Click on shoppable photos.⁵

And **online merchants** must accept **more payment types**.

Digital Payment Methods Accepted by North American Retailers⁶



But **ecommerce fraud** remains a major challenge.

Data breaches

1,632 in 2017

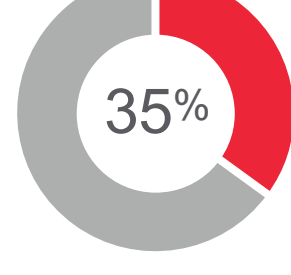
1,244 in 2018

Records exposed

645M

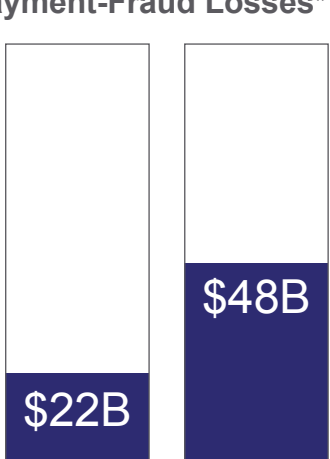
10 per second

126% Increase in stolen consumer records with personally identifiable information (PII)⁸



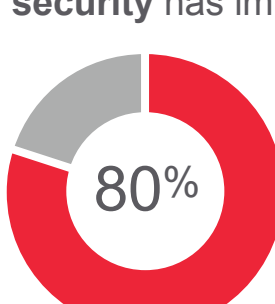
Of retailers say implementing new, emerging **digital and mobile payment types** is their **top payment-related initiative** for the next 18 months.⁷

Annual Online Payment-Fraud Losses*



*Ecommerce, airline ticketing, money transfer, banking services⁹

In part that's because **physical POS security** has improved.



Decrease in card-present fraud for Europay, Mastercard and Visa (EMV) chip-enabled merchants between 2015 and 2018¹⁰

So fraudsters now focus on **ecommerce**.

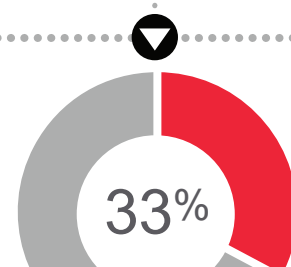
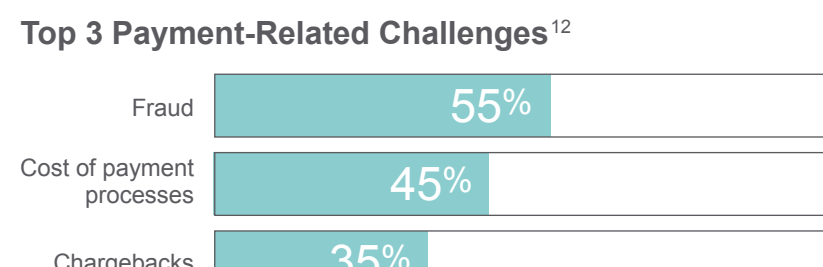
14% Compound annual growth of card-not-present fraud from 2018 to 2023

\$130B

Amount retailers will lose¹¹

No wonder **fraud and chargebacks** remain major headaches.

Top 3 Payment-Related Challenges¹²

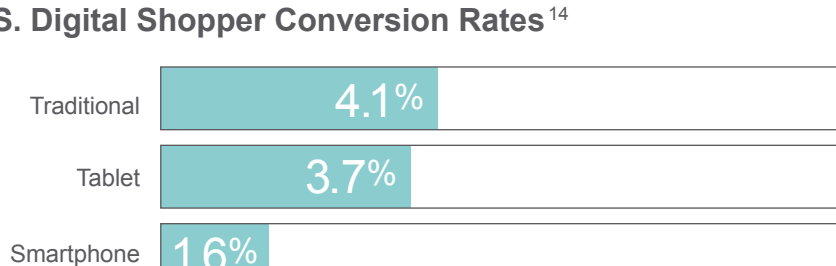


Of retailers say **fighting fraud** is their **top payment-related initiative** for the next 18 months.¹³



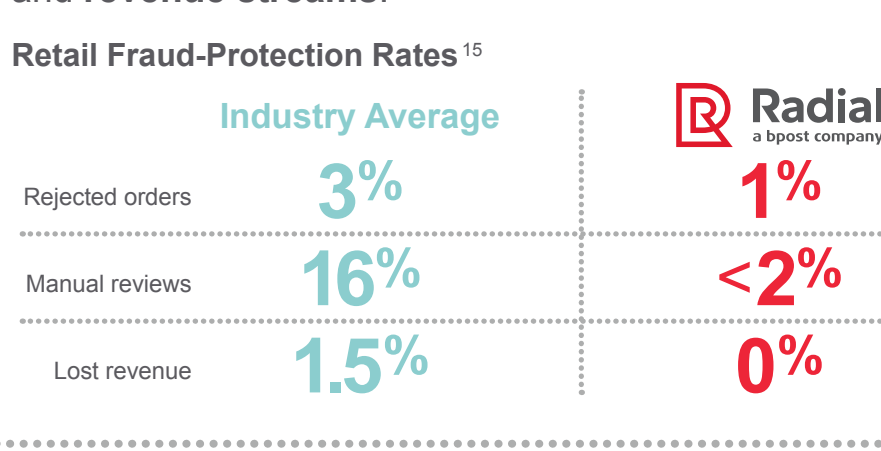
In addition, **conversion rates** remain low.

U.S. Digital Shopper Conversion Rates¹⁴



But effective fraud protection can optimize **sales conversions** and **revenue streams**.

Retail Fraud-Protection Rates¹⁵



Retailers that master payments and fraud drive higher satisfaction – and higher profits. Find out how in our new point-of-view paper, **“Five Actions on Retail Payments and Fraud Protection You Need to Take Now.”**

¹ “The Gartner Digital Commerce Vendor Guide, 2018,” Figure 2, Gartner, August 2018
^{2,3} “2018 Holiday Outlook,” PwC, 2018
⁴ “Global Proximity Mobile Payment Users: eMarketer’s Estimates for 2016 – 2021,” eMarketer, February 2018
⁵ “2018 Holiday Outlook,” PwC, 2018
⁶ “Digital Payment Methods That North American Retailers Accept or Plan to Accept,” Statista, 2019
⁷ “The State of Retail Payments – Outlook for 2019,” Forrester, November 2018
⁸ “2018 End-of-Year Data Breach Report,” Identity Theft Resource Center, 2018
⁹ “Future Fraud: 3 Dynamics Changing Fraud in 2019,” Juniper Research, November 2018
¹⁰ “Chip Technology Helped Reduce Card-Present Counterfeit Payment Fraud by 80 Percent,” Visa, 2019
¹¹ “Retailers to Lose \$130bn Globally in Card-Not-Present Fraud Over the Next 5 Years,” Juniper Research, January 2019
^{12,13} “The State of Retail Payments – Outlook for 2019,” Forrester, November 2018
¹⁴ “Conversion Rate of Online Shoppers in the United States as of 3rd Quarter 2018, by Device,” Statista, 2019
¹⁵ Radial and industry data