A Connected CNP / CP Future: How to Fight Fraud when Consumers Engage via Multiple Channels

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Agenda

Unprecedented industry changes
Payment fraud landscape changes
How to survive
What you need to know to grow and protect your business
Industry and Fintech Changes Impacting Restaurants

**EMV is changing the fraud landscape**
- Fraudsters are moving online
- Shifting card fraud liability from financial institutions to merchants

**eCommerce is the new way to connect with customers**
- Consumer expectations are changing
- eCom now represents 15% of all consumer spend and on the rise

**Merchants moving online to grow sales and satisfy customers**
- Explosion of eCommerce and mCommerce
- New intermediaries between restaurants and customers
  - DoorDash, Grubhub, Postmates, UberEats,
eCommerce: Becoming the Norm

➢ Key stats point to importance of eCommerce:
  • 60% of consumers order delivery or takeout once a week
  • 31% use a delivery service 2 or more times / week
  • 34% of online orders are at least $50 or more

➢ Nights Outs are being replaced by Nights In
  • Dinner and movie vs online ordering & video streaming
  • Millennials are changing the paradigm
Card Fraud

Fraud loss growth

+45%

between 2015-2020

Fraud loss by 2020

$12B

CNP fraud losses

+22%

Over the past two years
Card Fraud at Restaurants

- Chargebacks and fraud losses following online ordering
- Chargebacks are at nuisance level but rising
- Challenging for restaurants to operationalize
Ways Fraud Impacts Restaurants

- Card testing
- Gift card fraud
- First party fraud
- Mobile app purchases
Approaches to Fight Card Fraud

1. Do nothing
2. Single Channel System
3. Dual Channel System
Future of Payments and Fraud

Payment trends

• Contactless
• Faster access to funds
• Growth of the ‘Pays’

Fraud Trends

• Multi-channel fraud solutions
• Managed services (turn it over to the experts)
• Fraud collaboration (vendor + restaurant-managed)
Summary

Digital commerce is here to stay
Continued growth in mCommerce and eCommerce
Payment options will continue to expand (no foreseeable reduction)

Fraud and chargebacks will become a more common issue
Find a good partner who understands these dynamics or grow your staff’s knowledge