

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,

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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



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Card Fraud

Fraud loss growth

+45%

between 2015-2020

Fraud loss by 2020

\$12B

CNP fraud losses

+22%

Over the past two years

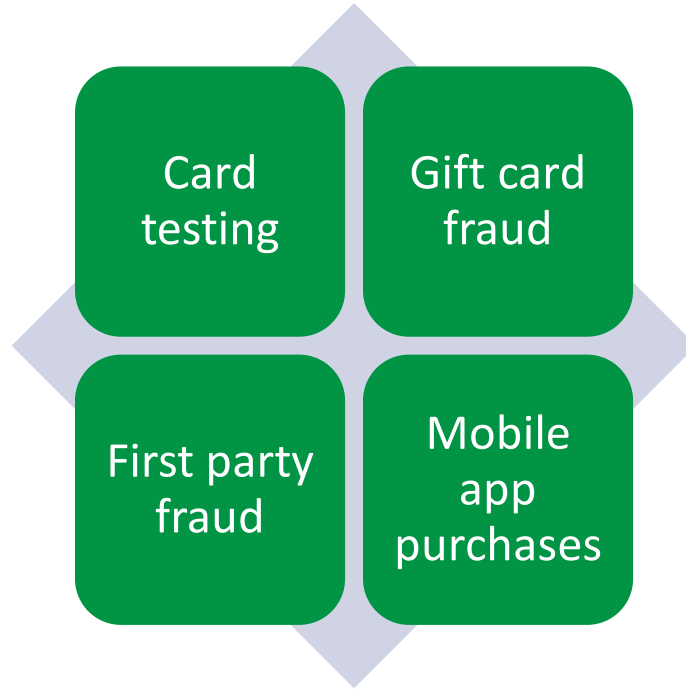
Card Fraud at Restaurants

Chargebacks and fraud losses following online ordering

Chargebacks are at nuisance level but rising

Challenging for restaurants to operationalize

Ways Fraud Impacts Restaurants



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Approaches to Fight Card Fraud

1

Do nothing

2

Single Channel System

3

Dual Channel System

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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)

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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

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