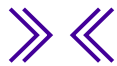


E-commerce explosion: seeking out the best deals online with total peace of mind!

PAYMENT

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New populations of e-consumers from around the world, new online services, an (essentially) borderless online economy – while these trends are driving e-commerce transactions, our perception of risk tends to change as our online shopping habits evolve.



Seasonal peaks in activity continue to drive shoppers to the web. Habitual shoppers now find themselves shopping online more often than ever and a newest wave of online consumers has arrived.

Stéphane Girodon, Head of Business Development, Financial Institutions at IDEMIA

The changing face of e-commerce

In the early days of e-commerce, there was a very specific population of shoppers who belonged to the hyper-connected, I-want-it-now generation. In recent years, however, we've seen the arrival of a new population. They're older and less connected, but they, too, couldn't resist the draw of next day delivery or the convenience of booking travel, hotels and other services online. Seasonal peaks in activity – notably Black Friday sales in the US, which hit 6.22 billion dollars this past year¹ or Singles' Days in China, which set a new record with nearly \$31 billion in 24 hours² – also continue to drive shoppers to the web.

In parallel, the buying habits of frequent online shoppers have evolved as well. For this population, shopping online with major retailers has become second nature – an entire day of running from store to store replaced with just a few clicks on their favorite websites, any time of day or night. On top of increasing frequency, these savvy shoppers also use the internet to seek out better deals, lower prices or rare finds. Nearly a third of them are now using social media to browse for new items to buy. Facebook is the most popular network people are using (26%), followed by Instagram (8%) and Pinterest (6%)³. Online shopping – once reserved for major purchases from well-known retailers – now runs the gamut, from everyday grocery items to tracking down hard-to-find items. Habitual shoppers now find themselves shopping online more often than ever and on lesser-known or even foreign websites.

A booming market

These trends have led to a boom in e-commerce. Today, in the United States and European Union, the average consumer shops online at least once a month or as often as once a week (24 – 52 online transactions per year)⁴. American consumers are leading the charge with 43% declaring themselves as regular online shoppers and 16% making weekly online purchases⁵. As the trend grows, experts predict that more than 2 billion consumers will be shopping online in 2019⁶, generating a worldwide revenue of more than 5 trillion dollars by 2021, up from 2 trillion at the end of 2017⁷.

More online shopping, more risk?

These shifts in behavior and the evolving e-commerce landscape are inevitably accompanied by new fears and challenges. For example, the newest wave of online consumers feel hesitant to share their credit card information, wary of how it will be used, stored and potentially reused – a legitimate fear without any means of checking that the user of the card number actually has the card in hand and is the rightful cardholder. Meanwhile, seasoned shoppers, who have always freely shared their data, have begun to feel more exposed to fraud as their online purchases multiply. Additionally, as their spending habits take them to smaller, international retailers, they too become preoccupied with trust issues. In fact, lack of trust in a website or its data usage and storage policies is the third most cited reason that consumers abandon their online shopping carts.

Seamlessly boosting buyer confidence

IDEMIA saw a clear need for a solution that would boost buyer confidence and security, without requiring a change in behavior or additional hoops to jump through. Today, most standard Card-Not-Present (CNP) transactions are secured by the static 3-digit code on the back of payment cards. **IDEMIA's MOTION CODE** replaces this traditional code with a mini screen displaying a code that refreshes every hour or every day. Totally transparent for the e-merchant – including on websites and mobile applications storing card details for frequent transactions⁸, this technology renders stolen card information useless after a very short period, further securing online transactions and easing the minds of new and seasoned online shoppers alike. Even those who are the most hesitant to share their credit card information online will immediately understand the valuable security that this dynamic code can bring.

¹ Adobe Analytics

² Alibaba

³ Marketing week

⁴ IDEMIA

⁵ NPR (National Public Radio) and the Marist Institute for Public Opinion

⁶ e-marketer

⁷ e-marketer

⁸ In this particular case, the e-merchant will only ask the cardholders to update the 3-digit code of their cards for a first transaction on a new device.