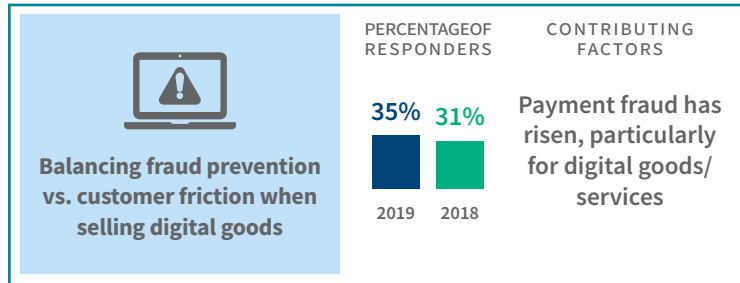
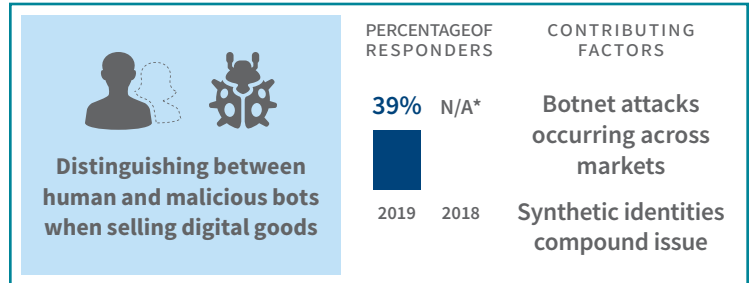
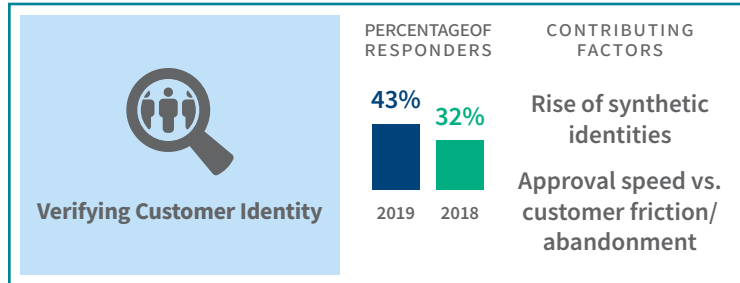


Fighting Retail Fraud: Shut bad actors out and keep good customers rolling in

Top 3 challenges and solutions from the 2019 True Cost of FraudSM Study: E-commerce/Retail Edition

Top 3 Mobile Channel Challenges

FROM OUR STUDY SURVEY RESPONDERS



Consumers love digital commerce. But there's a price you pay for delivering everything with a tap: It opens doors to retail fraud, which has tripled since 2017.

*not asked in 2018

How to fight back: A multi-layered approach

1. Don't go "one-size-fits-all."

Different business models require their own risk mitigation solutions. Consider the weaknesses unique to mobile vs. desktop channels, and physical vs digital goods. These nuances will necessitate device-specific, real-time/velocity checking and digital behavior solutions.



2. Assess both identity and transaction risk.

Identity verification/authentication is important to approve legitimate customers with the least amount of friction. Transaction verification assesses the nature of the activity to keep fraudsters out. Multi-layering with passive, analytics-driven solutions helps ensure a seamless, frictionless customer experience while reducing fraud attacks and the cost of manual reviews. Include:



Velocity checks/real-time scoring at the front end using multiple screening tools, including two-factor authentication.



Digital identity and behavioral biometrics during the customer browsing period to detect anomalies.



Additional authentication checks upon checkout/authorization.

3. Combine physical and digital identity data and analysis for a full "customer" view.

This distinguishes between the real and synthetic or botnet "customer" to reveal anomalies based on device use, linkages, remote channel behaviors, locations and patterns. (Traditional identifiable data alone may miss these, as they mimic real persons and transactions.) It also supports machine learning to proactively prevent fraud.



It's an ongoing process.

Your fraud strategy should continually evolve along with your product offerings and customer engagement strategies. Start by auditing the fraud attacks that have occurred across channels to see where fraudsters have been successful — and where they've been thwarted. They'll continue to test these access points, so conduct ongoing reviews to shore up areas of vulnerability.

LexisNexis® Risk Solutions can help.

We provide powerful identity verification, identity authentication and transaction scoring tools to combat fraud. Learn more, and access the complete True Cost of FraudSM report at [lexisnexis.com/risk/retail](https://www.lexisnexis.com/risk/retail) or call **800.869.0751**.