Holiday Retail Fraud Survey
2019 Insights
Holiday Retail Fraud Survey Overview

Background
The TransUnion Holiday Retail Fraud Survey asked more than 2,500 consumers about their expectations and plans for shopping, payments and their views on identity verification during the 2019 holiday season.

Objective
To provide insights regarding consumer views and the impact that intrusive prevention initiatives may have on online consumers, as well as retail’s bottom line.

Key findings

- Nearly half (46%) of survey respondents are concerned with being victimized by fraudsters this holiday season.
- More than 95% of shoppers view additional identity validation as positive.
- A majority of survey respondents say they wouldn’t shop with a company that has experienced a data breach.
Consumer spending for the 2019 shopping season appears strong, despite concerns regarding U.S. economy’s stability

Even though 27% feel unconfident about the stability of the U.S. economy, the vast majority of shoppers (71%) plan on spending more or the same on holiday shopping than last year.

How confident do you feel about the stability of the U.S. economy?

Given your personal financial situation, do you plan to spend more, the same, or less money on holiday shopping than last year?
As expected, consumers will conduct the majority of their shopping online and over half are using a mobile device.

Q: What percentage of your holiday shopping will be done online?
A: More than 75% of consumers will do at least half of their shopping online.

Q: When you shop online, what are the most common devices you use?
A: Mobile devices are being used as much as desktop computers when it comes to online shopping.
Consumers value additional security measures and view additional validation positively

When using a mobile device almost half of survey respondents view the use of device security capabilities as an important feature.

Over 50% of shoppers are more likely to make an online purchase from a retailer that provides two-factor or multifactor authentication rather than just username and password.

The cost of fraud is especially detrimental to retailers during the holidays. Those able to strike a balance between sophisticated identify verification and a great shopping experience will benefit all year round.
While cash, debit cards and credit cards still serve as dominant payment methods, nearly 12% of consumers will use alternatives, such as PayPal and mobile payment apps.

Over 33% of holiday shoppers expect to use bank-issued credit cards and retail credit cards for purchases.

What is your preferred payment type during the holiday shopping season?
Consumers prioritize coupons, promotions and loyalty points when deciding where to shop this holiday season

Q: How important are coupons, promotions or loyalty points when deciding where to shop?
A: 86% of consumers prioritize coupons, promotions and loyalty points over other benefits.
Black Friday and Cyber Monday are two of the biggest shopping days of the year for retailers, but they can also prove to be challenging from a fraud perspective given the high volume of online transactions and promotions.

Fraudsters can dilute the value of deals and promotions for consumers while causing financial harm to retailers.

Shannon Wu-Lebron
SR. DIRECTOR RETAIL AND E-COMMERCE MARKETS, TRANSUNION
Fight fraud with a 360º view of consumers

With TransUnion’s multi-faceted solution, retailers can quickly and accurately determine good customers from criminals.
Prevent fraud

• **Assess** fraud risk of online transactions or identities

• **Identify** potentially fraudulent actions or behaviors

• **Investigate** suspicious behavior and inconsistent data elements

**TransUnion solutions**

- FraudForce Device-Based Reputation*
- SureScore Trust Indicator
- Fraud Models and Scores
- Fraud Prevention Exchange
- Investigations (TLOxp)

*Powered by iovation
Authenticate consumers

- **Validate** the claimed identity is who they say they are
- **Utilize** authentication at specific touchpoints
- **Employ** methods that match the risk level

TransUnion solutions
- Knowledge-Based Authentication
- One-Time Passcode
- ClearKey Device-Based Authentication*
- LaunchKey Multifactor Authentication*

* Powered by iovation
Establish consumer identity

- **Verify identity** against a broad set of personal and digital data
- **Utilize** when an account is originated or provisioned
- **Form a basis** for greater identity confidence

**TransUnion solutions**
- Identity Verification
- FraudForce Device-Based Reputation
- IDVision Alerts
- Verified Prefill
Your customers have a story

Retailers, your customers have spoken:
• 52% wouldn’t shop with a company that has experienced a data breach
• 95% of shoppers view additional identity validation as positive
• 46% are concerned about being victimized by fraudsters this holiday season

With 96% of consumers planning on shopping during their holiday season, retailers have a responsibility to protect their customers.

Visit transunion.com/industry/retail-ecommerce to learn more about TransUnion’s powerful fraud solutions.