

Mobile Fraud: the next online challenge

St. Gallen, Switzerland, September, 16 2011 – If the late 90s witnessed how e-commerce revolutionized the way consumers shop, then 2011 will definitely be the year when mobile commerce or m-commerce change the way online business is done. If you are an online merchant, chances are that an increasing percentage of your online sales will come via smart phones in the following months. The statistics speak by themselves – mobile commerce is here to stay. M-commerce sales worldwide are predicted to reach USD119 billion by 2015 while the average increase in the number of consumers to carry out payments via the phone is expected to reach 40% globally. Mobile payment security will be a key issue as it is not difficult to estimate the rise in fraudulent orders made through this channel.

Understanding the main reason why m-commerce has taken the online world by storm is vital to better assess the risks mobile-related fraud involves: mobile channel enables e-merchants to influence e-shoppers real time and react to the customers' needs at the same speed. For instance, consumers can be tempted with *kickbucks* or instant coupons, which work on a right here, right now basis, thanks to the geolocation capabilities in their devices. Smart phones also enable consumers to store their fidelity cards in digital format and take advantage of special in-store promotions, while interacting with other consumers off and online. Moreover, as the steady acquisitions by giant eBay show, the implementation of NFC (Near Field Communication) chips will make payments from mobile devices even easier and faster, multiplying the chances merchants have to convert sales.

Ironically enough, what makes mobile shopping so convenient to consumers and profitable to e-merchants is also the biggest challenge in managing mobile fraud. M-commerce is, well, mobile *and* immediate; therefore merchants should revise their anti-fraud tools and adapt them if needed in order to fully benefit from the advantages of mobile commerce. Some of the aspects e-merchants should consider to successfully manage m-fraud and optimize their mobile sales are the following:

- Their web shops and especially their checkout sites (if redirected to a different one) should be suitable to the mobile channel, as not all smart phones' operating systems can support web shops correctly and thus the wrong checkout system can block the payment from being completed.
- Anti-fraud tools relying mainly on geolocation verification should be revised accordingly and become more flexible, as the own nature of m-commerce implies more changes in the physical location than online shopping conducted from a PC.
- Similarly, IP addresses change more often during m-commerce, which calls for a revision of the verification tests, making tools less dependent on this feature.

E-merchants are equally advised to consider fraud management as a whole, and make sure they trust the same system to monitor the risk all fraudulent orders present to their online business, regardless of the channel used to place the order, to better assess the long-term implications of fraud management in the company's objectives.

➤ How does CashRun help e-merchants face the m-fraud challenge

At CashRun we believe that online fraud cannot be totally erased, but **it can certainly be minimized and managed**. Our **CashShield** solution is the ultimate platform to manage the risks fraud presents to your online sales, including those from mobile channel.

- ✓ **CashShield's 200+ automated verification tests screen real time all orders after payment**, making our solution perfectly compatible with any operating system, helping merchants manage their fraud from one single platform.

- ✓ **CashShield's proven risk management algorithm** is finely tuned to be used with a more flexible margin within its geolocation features. In addition, CashShield makes features such as the browser and the operating system of the mobile channel more relevant when filtering potentially fraudulent orders.
- ✓ **CashShield's market's only 100% Chargeback Protection policy** protects your online business, and ensures the highest number of genuine orders is processed, regardless of the channel used by your customers.

CashShield is any online merchant's perfect partner to centralize your fraud management operations, and ensures merchants achieve an optimized return per risk level, so they can focus on their core competencies and accelerate revenue growth.

For more information, please visit www.cashrun.com/cashshield or email enquiries@cashrun.com

About CashRun – www.cashrun.com

CashRun was established in 2007 with the objective of supporting businesses' needs for effective and affordable online payment solutions. Since establishment, CashRun has had tremendous success with industries that are sensitive towards fraud, and continues to be at the forefront for solutions centering around e-commerce. With strong global presence and partnerships, CashRun supports businesses to develop firmly their core competencies, protect as well as maximize their revenues and growth, and minimize the risks credit card fraud presents to their operations.

