fiserv.

Digital Commerce and Cybersecurity

A look at how 2020 has fueled digital commerce and heightened cybersecurity awareness based on the 2020 Fiserv Fraud and Security Survey

About the Survey

The 2020 Fiserv Fraud and Security Survey explores the uncertainty surrounding the COVID-19 pandemic and how the growth of remote, digital and touchless experiences have influenced cybersecurity and digital commerce concerns.

We polled 1,037 U.S. adult consumers ages 18 to 74. Respondents were split evenly among generational groups.

Ready to better protect data and build trust with your customer base?
Visit **FirstData.com/Security** or contact your Relationship Manager for more information.

2

Digital Commerce and Cybersecurity

Action Steps for 2021

Digital Adoption is Here to Stay. Are You Ready?

Consumer confidence in digital commerce strengthens with each passing year. Businesses should review their digital commerce strategy and make sure they can keep up with their customers' current demands.

Prepare Your Business for the Touchless Payment Revolution

Touchless payments will continue to grow in 2021. If businesses don't currently have a strategy to cater to mobile payments, QR codes and tap to pay functionalities, now is the time to start.

Provide Touchless Shopping Experiences

Curbside pickup and buy online, pick up in store (BOPIS) are the preferred shopping approaches for many consumers. Consider adding these options to your locations.

Using Wallet Partners? Ensure Their Digital Strategy Aligns with Yours

If your business enables mobile wallets, be sure to evaluate your wallet provider's digital strategies to ensure they meet you and your customers' digital security expectations.

Safeguard Your Customers with a Digital Security and Fraud Strategy

It only takes a single breach for your customers to start looking for alternative merchants. Take the time to regularly review and update your digital security and fraud strategy.

Explore Multi-Factor Authentication

Bring added security to your digital commerce operations by incorporating multi-factor authentication into user profiles. This added security will boost customer confidence while showing your dedication to protecting Personally Identifiable Information (PII).

Ready to better protect data and build trust with your customer base?
Visit **FirstData.com/Security** or contact your Relationship Manager for more information.

3
Digital Commerce and Cybersecurity
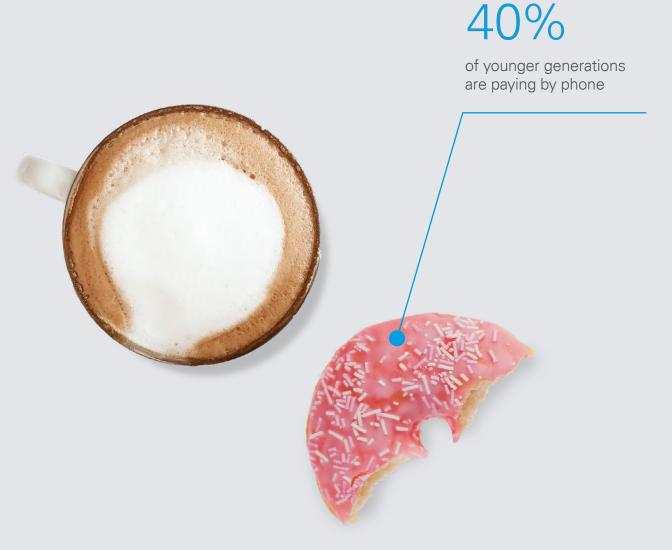
Digital Commerce and Mobile: Better Together

While credit and debit cards (52%) and cash (43%) remain the preferred payment types, digital commerce has a firm footing, as 33% of respondents said they often use phone apps to pay and 15% use QR codes. The biggest adopters of digital payments are Gen Z consumers, with 41% saying they regularly use phone apps to pay. Millennials are close behind at 38%. These same groups are also behind the growth of QR code payments, with 21% of each group's respondents saying they regularly pay this way.

Most preferred mobile payment apps

47%
PayPal

12%
Apple Pay

12%
Google Pay

10%
Venmo

40%
of younger generations are paying by phone

Ready to better protect data and build trust with your customer base?
Visit **FirstData.com/Security** or contact your Relationship Manager for more information.

4
Digital Commerce and Cybersecurity

Touchless Payments are More than a Flash in the Pan

The spread of COVID-19 forced many consumers to explore touchless payments as a safer alternative to traditional cash and credit card-based transactions. Not only did 33% increase their adoption of touchless payment methods, 32% increased their reliance upon this form of payment and 25% increased their trust.

In fact, 69% of respondents said they plan to continue using touchless payments following the pandemic.

Do you plan to continue using touchless payments following the pandemic?

69%
Yes

31%
No

Who is most likely to continue using touchless payments?

70%
Gen Z

74%
Millennials

65%
Gen X

65%
Baby Boomers

33%

increased their use of touchless payments

Ready to better protect data and build trust with your customer base?
Visit **FirstData.com/Security** or contact your Relationship Manager for more information.

5
Digital Commerce and Cybersecurity

Consumers Remain Concerned About Cybersecurity

The growth of digital commerce comes at a time when consumer cybersecurity concerns persist. While year-over-year research has shown a significant decline in those that are much more concerned about their cybersecurity compared to the previous year (44% in 2018 compared to 17% in 2020), most consumers have remained either equally or more concerned about their cybersecurity compared to the previous year since 2018.

How does your current outlook around cybersecurity compare with your outlook last year at this time?

	2020	2019	2018
Much more concerned	17%	19%	44%
Slightly more concerned	22%	29%	26%
Equally concerned	40%	38%	23%
Slightly less concerned	12%	9%	3%
Much less concerned	9%	5%	4%

23%
of consumers believe their personal information is very or extremely secure

Ready to better protect data and build trust with your customer base?
Visit **FirstData.com/Security** or contact your Relationship Manager for more information.

Touchless Moves Toward the Physical Shopping Experience

Merchants have responded to the COVID-19 pandemic by offering new shopping options to consumers, and they are taking notice. While shopping in stores (77%) and online (80%) remain the top options for consumers, 43% of respondents said they have used "buy online, pickup in store" (BOPIS) within the past 30 days, while 50% have taken advantage of curbside pickup. In fact, more than half of Gen Zers and Millennials regularly use these services as well as over 40% of Gen Xers.

How consumers are currently shopping

	In-store	Online	BOPIS	Curbside
Never	8%	8%	40%	34%
Rarely	15%	12%	17%	16%
Occasionally	31%	31%	24%	26%
Often	38%	40%	13%	19%
Daily	8%	9%	6%	5%

43%

of shoppers are taking advantage of buy online, pick up in store (BOPIS)

Ready to better protect data and build trust with your customer base?
Visit **FirstData.com/Security** or contact your Relationship Manager for more information.

7
Digital Commerce and Cybersecurity

More Room in Your Purse and Pocket

The growth of mobile payment options may signal the beginning of the end for the traditional pocket billfold, at least according to 33% of respondents. The reason for this feeling? The growth of mobile payment options has gained consumer confidence. For the past three years (2018-2020), over 60% of survey respondents expressed confidence in their mobile platforms' ability to successfully safeguard their personal information.

This is not to say that physical wallets will go extinct, as more than half of Baby Boomers and over 40% of Gen Xers feel that, despite advancements in digital payments, their phone has not replaced their need for a wallet.

My phone has replaced my wallet

43%
Gen Z

48%
Millennials

28%
Gen X

16%
Baby Boomers

1 of 3

say their smartphone has replaced their physical wallet

.... 6754

Pay with Touch ID

Ready to better protect data and build trust with your customer base?
Visit **FirstData.com/Security** or contact your Relationship Manager for more information.

8
Digital Commerce and Cybersecurity

Insert Chip for Safety

The rollout of chip cards and improved cybersecurity education has done wonders for data security over the past four years. While 57% of respondents said they had their personal credit/debit card compromised in 2017, this number dropped to just 22% in 2020.

My credit/debit card has been compromised

57%	**28%**
2017	2018
32%	**22%**
2019	2020

60%

decrease in number of people whose cards have been compromised

Ready to better protect data and build trust with your customer base?
Visit **FirstData.com/Security** or contact your Relationship Manager for more information.

9
Digital Commerce and Cybersecurity

Going Phishing? Gen Zers and Millennials are Taking the Bait

Despite growing up in the information age, Gen Zers and Millennials seem to be the preferred targets for scammers, with more than 40% noting that their personal information has been compromised. These same groups are also most likely to have their mail stolen (33% for Gen Z and 38% for Millennials). Although the IRS does not call taxpayers to request personal information, 31% of each group also say they have received a call from the IRS asking for this type of information.
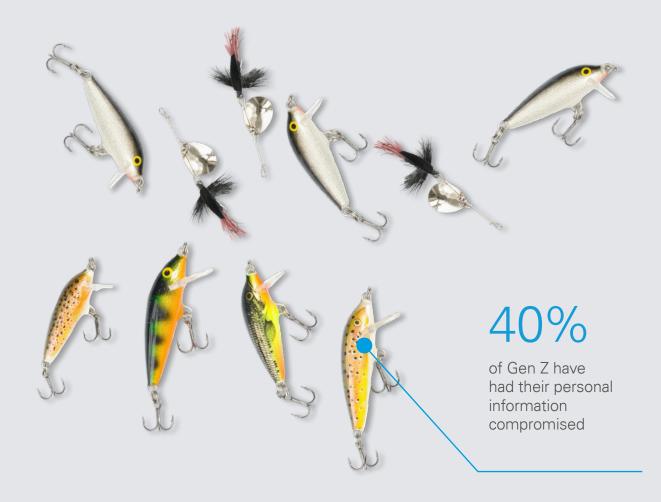
Why the focus on these groups? One potential explanation could be their willingness to share data. Specifically, 28% of Gen Zers and 38% of Millennials said they have provided personal information to someone through email, compared to only 18% of Gen Xers and 14% of Baby Boomers.

I've had my personal information compromised

40% Gen Z	**44%** Millennials
29% Gen X	**19%** Baby Boomers

40%

of Gen Z have had their personal information compromised

Ready to better protect data and build trust with your customer base?
Visit **FirstData.com/Security** or contact your Relationship Manager for more information.

10
Digital Commerce and Cybersecurity

Have Consumers Changed Their Password Lately?

Consumers are becoming more aware of the safety that comes with regular password updates. In fact, only 34% said they only change their password when forced, an 8% decrease compared to 2019 and the second lowest total in the past 4 years (29% in 2018).

For the second year in a row, more than 20% of consumer respondents stated their pet's name is part of their password.

What are you most likely to use as your password?

22% Pet Name	**15%** First Love
11% Birthdate	**11%** Mother's Maiden Name
11% Color	**10%** School Name
9% Spouse Name	**4%** Hometown
4% Street Address	**3%** City

36%

are changing their passwords more often than last year

Ready to better protect data and build trust with your customer base?
Visit **FirstData.com/Security** or contact your Relationship Manager for more information.

11
Digital Commerce and Cybersecurity

Being Social? Be Safe.

Of all digital environments, consumers feel that social media remains the most vulnerable to cyber-attacks for the third year in a row. Consumers show increasing confidence in online shopping and online bill pay platforms. In 2017, 52% of respondents felt online shopping was most vulnerable to a cyber-attack compared to only 18% in 2020. Similarly, 15% felt online bill pay was a prime target for attacks in 2018 compared to just 11% in 2020.

Where are you most vulnerable to a cyber-attack?

33%
Social Media

13%
Mobile Applications

19%
Online Banking

18%
Online Shopping

11%
Online Bill Pay

6%
IoT/Smart Technologies

33%

believe social platforms
are the most vulnerable
to a cyber-attack

Ready to better protect data and build trust with your customer base?
Visit **FirstData.com/Security** or contact your Relationship Manager for more information.

You're Just a Breach Away from Losing a Customer

While consumers have their preferred apps, social channels and retailers, a breach can quickly cause them to search for new alternatives. Nearly half of users surveyed said they would very likely delete a social media account if compromised and another 55% noted they would do the same to a mobile app. The likelihood of losing users increased drastically with age as well, with upwards of 60% of Baby Boomers willing to delete breached social account and another 70% willing to delete a mobile app.

The threat of breaches carries over into retail environments as well, as the number of consumers who would stop shopping at a retailer after a breach has steadily increased since 2018, reaching a new high of 20% in 2020.

Your favorite social media account has been compromised. Do you delete it?

49%	42%	9%
Very likely	Somewhat likely	Not at all likely

Your favorite mobile app has been compromised. Do you delete it?

55%	36%	9%
Very likely	Somewhat likely	Not at all likely

49%

of users said they would delete a social media account if compromised

Ready to better protect data and build trust with your customer base?
Visit **FirstData.com/Security** or contact your Relationship Manager for more information.

13
Digital Commerce and Cybersecurity

Time to Stop the Clock on TikTok?

TikTok has been front and center of cybersecurity news of late and consumers are taking notice. Specifically, 55% of survey respondents say they have no intention of downloading TikTok, including 82% of Baby Boomers. This is not to say that TikTok is going away, as 21% of current users expressed no concerns about continuing their app use, including over 40% of Gen Zers and 24% of Millennials.

Do You Use TikTok?

55%
No and wouldn't even consider downloading

21%
Yes and I'm not concerned about using it

9%
Yes and I'm considering deleting the app

8%
Yes I was, but I already deleted the app due to privacy concerns

7%
What is TikTok?

55%
have no intention of downloading this popular app

Ready to better protect data and build trust with your customer base?
Visit **FirstData.com/Security** or contact your Relationship Manager for more information.

14
Digital Commerce and Cybersecurity

Need a Secure Network? Call Q!

When asked what fictional character they would most trust to set up their home network, a resounding 33% felt Q was the perfect candidate for the job. He wasn't without competition, though, as 27% felt Neo's knowledge of the Matrix could create a fortified network. Get Smart's Professor Carlson was in the running as well at 16%, but unfortunately missed it by that much.

Which fictional character would you most trust to set up your home network?

33%
Q

27%
Neo

16%
Professor Carlson

13%
Elliot Anderson

11%
Chloe O'Brien

1 in 3

would like 007's trusted gadget guru to set up their home network

Ready to better protect data and build trust with your customer base?
Visit **FirstData.com/Security** or contact your Relationship Manager for more information.

15
Digital Commerce and Cybersecurity

fiserv.

About Fiserv

Fiserv, Inc. (NASDAQ:FISV) aspires to move money and information in a way that moves the world. As a global leader in payments and financial technology, the company helps clients achieve best-in-class results through a commitment to innovation and excellence in areas including account processing and digital banking solutions; card issuer processing and network services; payments; e-commerce; merchant acquiring and processing; and the Clover® cloud-based point-of-sale solution. Fiserv is a member of the S&P 500® Index and the FORTUNE® 500, and is among FORTUNE World's Most Admired Companies®.

Ready to better protect data and build trust with your customer base?

Visit FirstData.com/Security or contact your Relationship Manager for more information.