



# Benefits of Adopting Visa Secure with EMV<sup>®</sup> 3DS

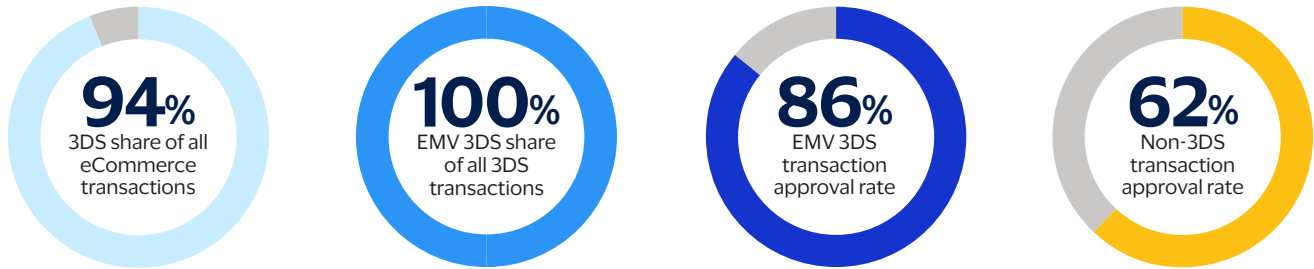
How Best Buy Canada improved  
its customer experience and  
achieved a dramatic drop in  
fraud with EMV 3DS



## EMV® 3DS Adoption Results

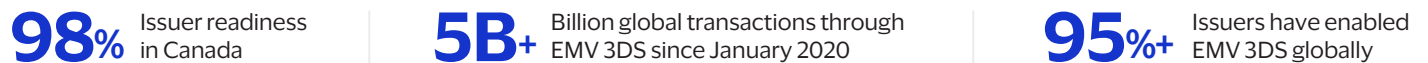
Best Buy Canada implemented Visa Secure with EMV 3DS to help improve its online shopping experience after eCommerce volumes surged with the consumer shift to digital in 2020.

### Best Buy Canada EMV 3DS Results (March 2022)<sup>1</sup>



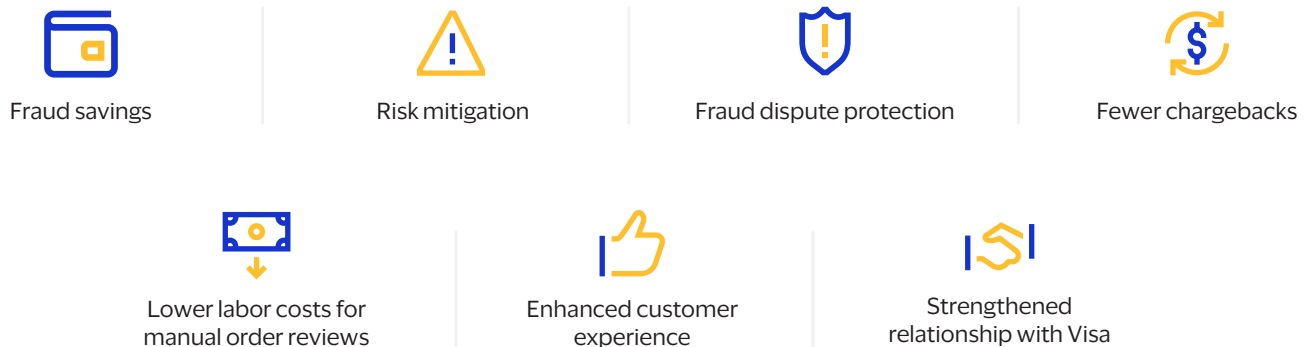
### EMV 3DS Momentum

Issuers and merchants around the globe are embracing EMV 3DS to help deliver positive online shopping experiences.



### Benefits of EMV 3DS

Best Buy Canada's primary reason for adopting 3DS was to prevent fraud and enhance its customer experience. Benefits included:



**Migration to EMV 3DS is critical:** Merchants should consider migrating to EMV 3DS soon, as 3DS 1.0.2 will be sunsetted on October 15th, 2022.

<sup>1</sup> Visa internal EMV 3DS reporting



## Best Buy Canada used Visa Secure with EMV® 3DS to reduce fraud rates, increase approval rates, and streamline its customer experience

### Opportunity

Best Buy Canada’s online transaction volume surged nearly 3x year-over-year in 2020, driven by changes in consumer shopping patterns caused by the pandemic. Online shopping fell somewhat after retail stores reopened, but eCommerce volumes remained 2x higher than they were prior to 2020.

A rapid increase in online orders can often lead to increased fraud risks, more manual and secondary order reviews, and increased return shipping costs — while also driving cost increases within a business’ fraud mitigation programs. Best Buy Canada knew they needed a stronger authentication solution to help them mitigate these risks.

### Solution

Best Buy Canada chose to use Visa Secure with EMV 3DS — running all of its card-not-present (CNP) transactions through this next-generation authentication protocol to help reduce fraud rates. EMV 3DS enabled this holistic approach by operating behind the scenes, providing near-frictionless authentication for most transactions.

### Results

Once EMV 3DS was implemented, Best Buy Canada achieved a dramatic drop in fraud. The merchant’s CNP fraud rate dropped from 36 bps down to 19 bps in the first quarter after implementation. Two quarters after implementation, the CNP fraud rate dropped again — down to 14 bps (for a total 61% reduction) — as the Best Buy Canada fraud risk management team further refined the merchant’s fraud rules.

Manual review rates dropped significantly once EMV 3DS was implemented, which helped decrease labor costs. Authenticating orders quickly and automatically also helped the merchant reduce delays in delivery promises made to customers, as they were able to increase the number of orders shipped immediately.

Customer satisfaction also increased due to EMV 3DS using one-time passwords (OTPs) for authentication challenges, compared to 3DS 1.0, which used static passwords. Using OTPs helped reduce customer service calls from customers who had forgotten their static passwords, which also helped reduce associated labor costs. Authentication challenges are only used for high-risk transactions, which do not happen often.

### Results

## 61%

reduction in CNP fraud rate two quarters after implementation

## 86%

EMV 3DS transaction approval rate vs. 62% Non-3DS transaction approval rate

## 8 bps

unprocessed rate for 3DS transactions vs. 28 bps unprocessed rate for non-3DS transactions (Q1 2022)<sup>2</sup>

## 17 bps

decrease in chargebacks (Q1 2022)



**“Once we fully built-in EMV 3DS, we were able to leverage the next level of authentication to further optimize our fraud logic during the holiday season”**

— Manager of ecommerce Fraud Operations



**Contact your Visa account executive to learn more about Visa Secure with EMV 3DS.**

<sup>2</sup> Unprocessed rate is the measure of customers who either do not complete the OTP (e.g., SMS text verification) in time and either close the window or hit the back button on the authentication page.



## Best Buy Canada's EMV® 3DS Recommendations

### EMV 3DS learnings for merchants

Implementing EMV 3DS enables merchants to reduce risk by providing better fraud risk mitigation and enabling fraud liability shift.

The benefits gained from verifying all transactions through EMV 3DS outweigh the costs of implementation and the time and resources dedicated to building additional internal fraud rules.

Bringing in other teams, such as IT or technology teams, earlier in the process can help organizations solve for any potential technical obstacles to help ensure a smooth implementation.

Leveraging support from other regions can help streamline EMV 3DS implementation. Best Buy Canada worked with the Best Buy U.S. team, who had already implemented EMV 3DS. Frequent meetings with the U.S. team enabled Best Buy Canada to take away learnings, processes, and best practices — which helped them avoid reinventing the wheel.

EMV 3DS is a powerful solution on its own, but the best strategy is to combine it with an internal fraud management system. A multi-layered approach is the best way to fight fraud, as there is no one solution that can combat all eCommerce risks. Merchants should also partner with their authentication providers to help further optimize fraud mitigation in combination with EMV 3DS.



**“Visa has been a great partner. Building this relationship and the open communication with Visa has helped the implementation process.”**

— Senior Manager, Profit Protection and eCommerce Fraud Operations, Best Buy Canada



### Partnership with Visa

Best Buy Canada has developed a great partnership with Visa as they worked together to improve the online shopping experience for Best Buy Canada's customers and reduce fraud rates. Best Buy Canada knows they can reach out to Visa any time they need to and get quick, helpful support in response to their questions. Best Buy Canada has also found the quarterly business reviews to be very helpful.



Contact your Visa representative to learn more about Visa Secure with EMV 3DS or to request a demo.

