



The Financial Impact of Fraud

Merchants Challenged as E-Commerce Fraud Rises Post-EMV

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This report analyzes the findings of a new independent study that examines how the cost of fraud has significantly increased post-EMV when compared to 2015, and the associated challenges impacting a merchant's ability to successfully grow their business.

Key findings:

- Fraud costs merchants more than 7.5% of their annual revenue.
- False positives account for 2.8% of revenue lost.
- Fraud and chargeback management consume between 14% and 23% of operational budget.
- Digital goods merchants suffered the worst losses, at 8.6% of revenue on average, but hybrid goods merchants faced similar costs at 8.1% of revenue.

Vesta Corporation retained Javelin to conduct an independent online study in June 2016 of 500 e-commerce merchants earning \$1 million or more annually, including 156 merchants selling only digital goods, 155 merchants selling only physical goods, and 189 hybrid merchants, selling both types of goods.

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