

Global eCommerce Retail Sales Up 209 Percent in April, ACI Worldwide Research Reveals

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Home office equipment, gaming and digital entertainment are among the sectors that continue to experience growth

NAPLES, Fla. & LONDON--(BUSINESS WIRE)--May 12, 2020-- The COVID-19 crisis continued to drive global eCommerce sales in April, with the general retail sector experiencing 209 percent growth compared to the same period last year, according to an analysis by [ACI Worldwide](#) of hundreds of millions of eCommerce transactions from global online retailers. Following general retail, the gaming segment saw the biggest bump, up 126 percent in April.

The sustained increase in eCommerce transaction volume reflects a full month of wide-ranging restrictions on in-store retail activity and other COVID-19-related measures, evidenced by average transaction volume growth of 23.5 percent in April versus the same period last year. By comparison, there was a 5.3 percent increase in March 2020, when lockdowns first came into effect.

"Trends in eCommerce purchasing behaviors that we began to see in March have continued in April, as hundreds of millions of consumers around the world adapt to the restrictions put in place to inhibit the spread of the coronavirus," said Debbie Guerra, executive vice president, ACI Worldwide. "Consumers are increasingly making use of click-and-collect options because of convenience and safety—but these changing patterns also attract fraudsters, resulting in a significant uptick in attempted fraud."

Fraud attempt rates reached 4.3 percent in April, slightly down from 5.3 percent in March, but still up from 3.8 percent compared to this time last year. Attempted fraud is focused on segments that have seen high sales growth, such as consumer electronics, with the average ticket price of attempted fraud up \$26. Click-and-collect—or buy online, pick up in store—also accounted for a rise in attempted fraud. The transactional value of attempted fraud rose by 9.9 percent, reflecting fraudsters' continued emphasis on popular high-value items including laptops and TVs.

"Fraudsters continue to use the disruption to the status quo to target unsuspecting consumers and unprepared businesses," continued Guerra. "While vigilance is paramount, merchants also need to ensure that they are scrutinizing their fraud strategies to quickly adapt to a highly dynamic new retail environment."

Key Findings:

Online retail sectors with rising transaction volumes in April 2020 (compared to April 2019):

- General Retail: +209 percent (74% in March), Gaming: +126 percent (97.3% in March), Digital downloads: +26 percent (5.4% in March), Liquor online sales (Australia-specific): +208 percent (85% in March)

Online retail sectors with declining transaction volumes in the same period:

- Ticketing: -99 percent, Travel: -91 percent, Online dating: -5 percent

Transaction volume trends January-April 2020 (compared to same period in 2019):

- Digital downloads: +17 percent, Gaming: +60, Retail: +24 percent

Fraud Trends:

- Chargebacks for non-fraudulent reasons (i.e., "friendly fraud") have risen by 25 percent through the end of March as merchants face challenges in processing refunds, staffing call centers or delivering services. Note that merchants are aggressively working to lower chargeback volumes and related costs as they also try to improve the dispute experience for consumers.
- Average fraudulent attempted purchase value increased by \$26 in April, driven by electronic purchases and increases in click-and-collect; this corresponds to a fraudulent attempted transactional value increase of 9.9 percent. Average value of genuine purchases sank by \$21.
- Fraud attempt rate rose 1.6 percentage points in April 2020 to reach 5.3 percent, up from 3.7 percent in April 2019.

"Consumer behavior is very much in flux, with some sectors thriving while others are focused on surviving the economic impacts of the pandemic," concluded Guerra. "We've seen retailers across sectors and geographies innovate and quickly adapt—including making changes to payment method acceptance—but fraud prevention must now be a focus. Transaction volumes are rising while average ticket size is decreasing, putting pressure on margins and creating challenges for supply chains and logistics, while fraudsters target those big-ticket items that are seeing spikes in sales."

Tips for Consumers to protect identity and personal information during the COVID-19 crisis:

- **Beware of online requests for personal information.** Coronavirus-themed emails seeking personal information are likely to be phishing scams. Legitimate government agencies won't ask for that information. Delete the email.
- **Check the email address or link.** Inspect a link by hovering the mouse over the URL to see where it leads. Sometimes it's obvious the web address is not legitimate. But keep in mind phishers can create links that closely resemble legitimate addresses. Delete the email.

- **Watch for spelling and grammatical mistakes.** If an email includes spelling, punctuation and grammar errors, it's likely a sign of a phishing email. Delete the email.
- **Look for generic greetings.** Phishing emails are unlikely to use a person's name. Greetings like "Dear sir or madam" often signal an email is not legitimate.
- **Avoid emails that insist acting now.** Phishing emails often try to create a sense of urgency or demand immediate action. Delete the email.

Tips for Merchants to maintain security and deliver to customers during the COVID-19 crisis:

- **Maintain security and deliver a great customer experience**, as consumer purchasing behavior—both genuine and fraudulent—has changed.
 - For example: Express shipment and buy online, pick up in store delivery methods continue to grow, making transaction decision speed and accuracy critical.
 - Use customer profiling and time-on-file techniques to maintain the customer experience for valued customers and ensure good transactions are still accepted.
- **Expect an increase in "friendly fraud" chargebacks** as a result of growing financial difficulties among consumers. Friendly fraud occurs when a cardholder receives goods but denies making a purchase or a family member makes purchase without cardholder approval.
 - Monitor systems and update as necessary. Business intelligence tools and real-time monitoring lead to immediate decisions and responses. Employ rapid access to fraud intelligence to inform rules changes in real time.
 - Engage frequently with web and mobile site security management. Give these teams the tools, techniques and procedures to detect, contain and mitigate botnets. And considering the presence of both good and bad bots, put business policies in place to address this issue with clarity for both teams.

About ACI Worldwide

ACI Worldwide, the [Universal Payments](#) (UP) company, powers [electronic payments](#) for more than 6,000 organizations around the world. More than 1,000 of the largest financial institutions and intermediaries, as well as thousands of global merchants, rely on ACI to execute \$14 trillion each day in payments and securities. In addition, myriad organizations utilize our [electronic bill presentment and payment](#) services. Through our comprehensive suite of software solutions delivered on customers' premises or through ACI's [private cloud](#), we provide real-time, [immediate payments](#) capabilities and enable the industry's most complete [omni-channel payments](#) experience. To learn more about ACI, please visit www.aciworldwide.com. You can also find us on Twitter [@ACI_Worldwide](#).

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