

# CHIP CARDS



## BIG BENEFITS FOR MERCHANTS AND YOUR CUSTOMERS

Chip cards are a significant leap forward in reducing fraud and enhancing the payment experience for your customers. Consumers want – and expect – their new chip cards to protect them from counterfeit and lost or stolen fraud when doing business with you. It is essential that you, too, are operating in a more secure acceptance environment. Merchants who support chip cards will be perceived more favorably by most consumers, and nearly half say they would prefer to shop at stores that accept them.

### GREATER PEACE OF MIND & SECURITY



#### COUNTERFEITERS BEWARE!

The embedded microchip in a chip card generates a unique, one-time code – making it virtually impossible for a fraudster to access or reuse the cardholder's account information or create a counterfeit chip card.<sup>1</sup>



#### PROVEN TECHNOLOGY

Where chip technology has been adopted, card counterfeit fraud has fallen dramatically. Today, more than 3 billion chip cards<sup>2</sup> protect consumers in more than 80 countries.<sup>3</sup>



#### ADDED SECURITY

To verify the identity of the person using a chip card, for most transactions your customers will enter a Personal Identification Number (PIN) or sign, just as they do today. (Low-value transactions may not require either.) The terminal will tell the cardholder which to use.

# -73%

Losses from card skimming in Canada fell 73% after the adoption of chip technology.<sup>3</sup>

### CONSUMER ENTHUSIASM FOR CHIP CARDS IS HIGH

CONSUMERS ARE CONVINCED CHIP CARDS ARE MORE SECURE, AND THEY EXPECT TO BE ABLE TO USE THEM WHEREVER THEY SHOP.<sup>4</sup>

## 80%

of consumers **expect to use their chip card** at the merchants where they shop today.

## 77%

say owning a chip card would encourage them to **use their card more often**.

## 53%

have a **more favorable opinion** of a merchant when EMV is accepted.

## 45%

would **prefer to shop** at the store that accepts chip cards, and only 5% do not prefer merchants that support chip.

### CONSUMERS WANT CHIP CARDS ACCEPTED FOR EVERYDAY PURCHASES



Consumers expect to be able to use their chip cards at these everyday merchants

## 84%

Mass Merchandising Stores

## 84%

Supermarket/ Grocery Stores

## 82%

Department Stores

## 81%

Gas Stations

## 78%

Drug Stores

## 78%

Food and Beverage Establishments

## 73%

Specialty Electronics Stores

## 72%

Warehouse/ Club Stores

# UPGRADE NOW: PROTECT YOUR BUSINESS AND MIGRATE TO THE NEXT GENERATION OF PAYMENTS

**CURRENTLY, ISSUERS ARE LIABLE FOR ALL FRAUDULENT TRANSACTIONS. THAT WILL SOON CHANGE.**



October 1, 2015, is the date that the U.S. Fraud Liability Shift takes effect.<sup>5</sup> After that date, merchants that have not adopted chip technology may be liable for counterfeit and lost or stolen transactions made using a chip-capable card on their non-EMV terminals.<sup>6</sup>



Don't become a target for fraudsters. Chip terminals are more secure and protect your customers' card data, making it virtually impossible for criminals to steal data or counterfeit a chip card. Upgrading your terminal ensures you receive fraud liability protection, even if a counterfeit card is used at your business. And you will also be ready to accept the next generation of payments – from mobile phones and other contactless devices.

## CONSUMERS SAY CHIP CARDS ARE "EASY TO USE"

Merchants concerned about consumers' ability to make the switch to using chip cards can relax. MasterCard has studied consumers making their first attempts to use a chip card, and most told us that chip cards were "easy to use."<sup>7</sup>

### EASE OF USE

Consumers rate the experience of using a chip card "very easy" and, even if not successful on first use, still rate it

**"EASY"**

#### CHIP AND PIN

SUCCESSFUL ON 1<sup>ST</sup> ATTEMPT



#### CHIP AND SIGNATURE

SUCCESSFUL ON 1<sup>ST</sup> ATTEMPT



NOT SUCCESSFUL ON 1<sup>ST</sup> ATTEMPT



NOT SUCCESSFUL ON 1<sup>ST</sup> ATTEMPT



### CONFIDENCE

Consumers feel confident using a chip card, even if not successful on first use

**"VERY CONFIDENT"**

#### CHIP AND PIN

SUCCESSFUL ON 1<sup>ST</sup> ATTEMPT



#### CHIP AND SIGNATURE

SUCCESSFUL ON 1<sup>ST</sup> ATTEMPT



NOT SUCCESSFUL ON 1<sup>ST</sup> ATTEMPT



NOT SUCCESSFUL ON 1<sup>ST</sup> ATTEMPT



**PEACE OF MIND, EASE OF USE. THAT'S WHAT YOUR CUSTOMERS CAN LOOK FORWARD TO WITH THEIR NEW MASTERCARD CHIP CARDS.**

## YOUR PARTNER FOR THE NEXT GENERATION OF PAYMENTS

1. Smart Card Alliance, EMV: Facts at a Glance.

2. EMVco, Q4 2014.

3. Smart Card Alliance.

4. MasterCard commissioned its fourth survey of U.S. consumers in June 2015 to measure their attitudes toward chip cards. The MasterCard EMV Chip Card Consumer Survey was conducted June 4–11, 2015, among a general population of consumers age 18+ with checking accounts and credit cards (N=2,257).

5. This does not include the liability shift for ATM transactions on October 1, 2016, and automated fuel dispensers on October 1, 2017.

6. Lost and stolen liability is driven by the entity that supports PIN. Counterfeit is driven by the entity that supports chip technology. In the case where both entities support chip technology and/or PIN capabilities, liability shifts to the issuer.

7. MasterCard commissioned its fourth, multi-city usability study in June 2015 to learn how U.S. consumers interact with EMV technology.

To learn more about the benefits of implementing EMV chip technology with MasterCard, contact your MasterCard relationship manager, U.S. Product Delivery, or MasterCard Advisors. You can also visit:

**Our Merchant Web site** <https://www.mastercard.us/en-us/merchants/safety-security.html>

**EMV Migration Forum's** [www.GoChipCard.com](http://www.GoChipCard.com).

