**W4-Team: Customer Development**

Instructions and Template

Team Number and Name: Project 7 (PICCSA)

List all students who actively worked on this Assignment:

1. Name: Jingyi Li
2. Name: Khajan Joshi
3. Name: Aaradhy Sharma
4. Name: Sandeep Wishwala

**Part 1: List Your Three Target Customer Segments** (*Note: if you propose a platform that connects “buyers” and “sellers” like Uber or Airbnb, you need to do it twice, for “buyers” and “sellers”)*

Segment 1: International students in the USA

Segment 2: H1B and OPT holder

Segment 3: AVG American customers

**Part 2: Where will you find them?** List three places you would go to find your customers and interview them *(as mentioned above, you might need to do it twice, for “buyers” and “sellers”):*

Place 1:

**Customer**

Friends in the US who are students

**Bank**

Relatives/friends in the US and working in banking industry

People related to banking on online forum

Bannker in india that provide education Loan and forex card

**Merchant**

Relatives/friends in the US working in merchant stores

On online forums

Place 2:

**Customer**

Online forums in the US (discord server, reddit, etc.)

**Bank**

LinkedIn (people working in credit card fraud departments)

**Merchant**

LinkedIn (people working in merchant stores)

Place 3:

**Customer**

Online groups for University students in the US (eg. Facebook groups)

**Bank**

Phone call to US Bank customer service

**Merchant**

E-mail to merchants

**Part 3: Write your Top Three customer interview questions** (*as mentioned above, you might need to do it twice, for “buyers” and “sellers”*). Use EXACT wording. AVOID “closed” questions and do not ask about FUTURE! Make sure to review lecture slides with examples.

**Customer**

Q1: How often do you use your credit card versus other forms of payment?

Q2: Why do you prefer credit card payments in spite of possible frauds, over other forms of payments?

Q3: If you have ever been a victim of credit card fraud or know anyone who has, how was their experience in getting the refund?

**Bank**

Q1: Why don’t bank use 2FA for their transaction when tech giants like google and WhatsApp use it?

Q2: How does bank manage did it make the problem of fraud and financial loss less?

Q3: Why is there a difference in authentication when a customer shops online compared to a physical transaction?

**Merchant**

Q1: How much is the percentage of sales from credit cards? How much yearly loss and liability is incurred from credit card fraud? (in % if actual figures are confidential) and how is the loss covered?

Q2: Why do you still give the option to customers of paying using credit card in spite of the potential losses from credit card fraud?

Q3: Is there any change in trust that your cashiers exhibit towards customers when they pay using a card that requires a PIN, instead of just a swipe. (We are trying to understand if there is a behavioral change from the merchant’s side when a security feature is added)

**Part 4: Get out of the building to validate your problem is real!** Interview five customers per person. Take interview notes. Include specifics: person’s info (name, age, occupation), place where you interviewed, answers to questions and any additional insight they shared with you. NOTE: it is understood that during COVID-19 you might not be able to interview in person, do it via phone, email, etc.

Team member #1 name: Jingyi Li

Interview Notes #1:

**Customer**

**Haochen Liang; age:22; student; interviewed through WeChat**

Q1: How often do you use your credit card versus other forms of payment?

A1: Most of my life is using credit cards, such as going to the supermarket and shopping. Use a debit card only if the credit card is not accepted.

Q2: Why do you prefer credit card payments in spite of possible frauds, over other forms of payments?

A2:

Because many credit cards can accumulate points, points can be exchanged for other goods. And when you book hotel or buy a ticket, there is often a discount if you use credit card.

Q3: If you have ever been a victim of credit card fraud or know anyone who has, how was their experience in getting the refund?

A3: My roommate has a Wells Fargo credit card, but she lost it. In the next few days, she often received notices on her mobile phone, such as buying air tickets and shoes. She went to the bank to tell the teller when her card had been lost and asked the bank to investigate where her credit card was used. Finally, the bank confirmed that her credit card had been stolen, so they froze the card and returned the money.

**Merchant**

**Liwen Zhang (a friend of mine who took a part-time job in Zara); age:22; student; interviewed through WeChat**

Q1: How much is the percentage of sales from credit cards? How much yearly loss and liability is incurred from credit card fraud? (in % if actual figures are confidential) and how is the loss covered?

A1: I don’t know the accurate percentage data but I’m pretty sure that most people use credit cards. And I also don’t know the percentage of fraud, but I heard that basically all of the victims received the refund.

Q2: Why do you still give the option to customers of paying using credit card in spite of the potential losses from credit card fraud?

A2: Because using credit cards simplify the paying process and the cashier wouldn’t be bothered with the changes anymore. Thus, I believe the bank can cover the refund.

Q3: Is there any change in trust that your cashiers exhibit towards customers when they pay using a card that requires a PIN, instead of just a swipe. (We are trying to understand if there is a behavioral change from the merchant’s side when a security feature is added)

A3: No, I don’t think so.

**Bank**

**An employee from CMBC (don’t know name); don’t know his age; interviewed through WeChat**

Q1: Why don’t bank use 2FA for their transaction when tech giants like google and WhatsApp use it?

A1: Because people nowadays live a high-speed life, they would think it’s too troublesome.

Q2: How does bank manage did it make the problem of fraud and financial loss less?

A2: This probably should go to the credit card department, which I’m not in it. But as far as I know, if the credit card receives notification of a large amount of money be spent abroad, the credit card department would phone the customer and ask them whether the money was spent be the card owner, the trade will be done only when the answer is yes.

Q3: Why is there a difference in authentication when a customer shops online compared to a physical transaction?

A3: When it is physical transaction, the authentication is done basically through password and signature. While shopping online, the methods are one-time password, and there would be further security checking tool used when the amount is large.

Interview Notes #2:

**Customer**

**Qi Lu; age:26; Engineer; interviewed through WeChat**

Q1: How often do you use your credit card versus other forms of payment?

A1: Always use credit card when possible.

Q2: Why do you prefer credit card payments in spite of possible frauds, over other forms of payments?

A2: Various useful bonuses and convenience.

Q3: If you have ever been a victim of credit card fraud or know anyone who has, how was their experience in getting the refund?

A3: I once got fraud charge on my credit card, contacted the credit card company and immediately got refund, plus got a new card. And as far as I know, all my friends that got fraud on the card got refunded without any trouble.

Personal insight: Using credit card is timesaving for both customers and merchants while using cash can take a long time for cashier to give the change. It is very annoying for people who have emergency.

**Merchant**

**Ilona Reed; age 36; coffee shop owner; interview through phone**

Q1: How much is the percentage of sales from credit cards? How much yearly loss and liability is incurred from credit card fraud? (in % if actual figures are confidential) and how is the loss covered?

A1: Over 80% are from credit cards. Fraud did happen but in a rather small rate. All the customers get their refund.

Q2: Why do you still give the option to customers of paying using credit card in spite of the potential losses from credit card fraud?

A2: Obviously it’s quicker. The cashiers don’t have to do the math anymore.

Q3: Is there any change in trust that your cashiers exhibit towards customers when they pay using a card that requires a PIN, instead of just a swipe. (We are trying to understand if there is a behavioral change from the merchant’s side when a security feature is added)

A3: No, honestly I don’t pay much attention to that.

**Bank**

**Mr. Song who works in ICBC; age unknown; interviewed through phone**

Q1: Why don’t bank use 2FA for their transaction when tech giants like google and WhatsApp use it?

A1: Well I don’t think that our customers would like that for its time-consuming.

Q2: How does bank manage did it make the problem of fraud and financial loss less?

A2: There would be a threshold of the consuming amount, if the money in this trade is higher than the threshold, the credit card would send message to the card owner.

Q3: Why is there a difference in authentication when a customer shops online compared to a physical transaction?

A3: Signature would be acquired in physical transaction. And while shopping online, as soon as you logged in with your credit card, you will receive message to assure that the one who is using the card is the true card owner.

Interview Notes #3:

**Customer**

**Yitang Zhang; age:18; student; interviewed through Weibo**

Q1: How often do you use your credit card versus other forms of payment?

A1: I currently don’t have a credit card because I have no source of income or any assets. Usually I use debit card or cash as my method of payment. Though I think when I get my own credit card, I would prefer to use credit card.

Q2: Why do you prefer credit card payments in spite of possible frauds, over other forms of payments?

A2: Because I think the bank would be able to resolve this problem, and it’s more convenient.

Q3: If you have ever been a victim of credit card fraud or know anyone who has, how was their experience in getting the refund?

A3: My mom’s credit card was stolen once but it was years ago, so my memory was vogue and only remembered that it took a period to get refund.

**Merchant**

**An employee in Applebee’s Grill; age unknown; interviewed through phone**

Q1: How much is the percentage of sales from credit cards? How much yearly loss and liability is incurred from credit card fraud? (in % if actual figures are confidential) and how is the loss covered?

A1: I am not the cashier nor the owner, but I can see that most of the customers pay by credit card. Also, I don’t know if there is credit card fraud happened here.

Q2: Why do you still give the option to customers of paying using credit card in spite of the potential losses from credit card fraud?

A2: It’s convenient, and pretty much free the cashier.

Q3: Is there any change in trust that your cashiers exhibit towards customers when they pay using a card that requires a PIN, instead of just a swipe. (We are trying to understand if there is a behavioral change from the merchant’s side when a security feature is added)

A3: No, it’s totally okay for me.

**Bank**

**An employee works in CEB, age unknown; interviewed through phone**

Q1: Why don’t bank use 2FA for their transaction when tech giants like google and WhatsApp use it?

A1: Because it’s not easy to apply for customers.

Q2: How does bank manage did it make the problem of fraud and financial loss less?

A2: The one-time password of course. While using the card, we will send message to your phone to confirm.

Q3: Why is there a difference in authentication when a customer shops online compared to a physical transaction?

A3: Signature for physical transaction. And one-time password for shopping online.

Interview Notes #4:

**Customer**

**Dong Liang, age:52; manager; interviews through WeChat**

Q1: How often do you use your credit card versus other forms of payment?

A1: Mostly credit cards and seldom debit cards.

Q2: Why do you prefer credit card payments in spite of possible frauds, over other forms of payments?

A2: Because it is a rather convenient paying method and I think the bank can help me to get the refund even if the fraud did happen.

Q3: If you have ever been a victim of credit card fraud or know anyone who has, how was their experience in getting the refund?

A3: I have never been a victim of credit card fraud and haven’t heard that anyone of my family or friends been through that situation.

**Merchant**

**An employee in Hambourgao; age unknown; interviewed through phone**

Q1: How much is the percentage of sales from credit cards? How much yearly loss and liability is incurred from credit card fraud? (in % if actual figures are confidential) and how is the loss covered?

A1: I can tell more than 90% customers use the credit cards. Little frauds happened here and all of the victims get their refund.

Q2: Why do you still give the option to customers of paying using credit card in spite of the potential losses from credit card fraud?

A2: For its convenience. And I believe the banks and credit card companies would cover the refund.

Q3: Is there any change in trust that your cashiers exhibit towards customers when they pay using a card that requires a PIN, instead of just a swipe. (We are trying to understand if there is a behavioral change from the merchant’s side when a security feature is added)

A3: No, I don’t pay much attention to that.

**Bank**

**An employee works in GDB, age unknown; interviewed through phone**

Q1: Why don’t bank use 2FA for their transaction when tech giants like google and WhatsApp use it?

A1: 2FA makes the payment process safer indeed, but maybe the process is a little complicated to the card owners.

Q2: How does bank manage did it make the problem of fraud and financial loss less?

A2: We use the one-time password. And for trades involving large amount of money there are more security steps.

Q3: Why is there a difference in authentication when a customer shops online compared to a physical transaction?

A3: physical transaction: signature and passwords. shopping online: one-time password.

Interview Notes #5:

**Customer**

**Rayen Fu; age:23; student; interviewed through WeChat**

Q1: How often do you use your credit card versus other forms of payment?

A1: I use credit card in most occasions.

Q2: Why do you prefer credit card payments in spite of possible frauds, over other forms of payments?

A2: For its convenience. Using cash would slow down the paying process and I don’t like to keep loads of coins.

Q3: If you have ever been a victim of credit card fraud or know anyone who has, how was their experience in getting the refund?

A3: Fortunately, I never been through a credit card fraud. One of my friends had, but I heard that she got the refund after that, but I don’t know the details about that.

**Merchant**

**Grace Harrison; age:27; bookstore owner; interviewed through facebook messenger**

Q1: How much is the percentage of sales from credit cards? How much yearly loss and liability is incurred from credit card fraud? (in % if actual figures are confidential) and how is the loss covered?

A1: There are more than 90% customers use the credit cards to pay. Little frauds happened here and all of the victims get their refund.

Q2: Why do you still give the option to customers of paying using credit card in spite of the potential losses from credit card fraud?

A2: Because is quick so that there wouldn’t be a lot customers waiting.

Q3: Is there any change in trust that your cashiers exhibit towards customers when they pay using a card that requires a PIN, instead of just a swipe. (We are trying to understand if there is a behavioral change from the merchant’s side when a security feature is added)

A3: No.

**Bank**

**An employee works in SPDB, age unknown; interviewed through phone**

Q1: Why don’t bank use 2FA for their transaction when tech giants like google and WhatsApp use it?

A1: We don’t think the customer would accept it for its complicated paying method.

Q2: How does bank manage did it make the problem of fraud and financial loss less?

A2: OTP and Youdun(a security method used by SPDB).

Q3: Why is there a difference in authentication when a customer shops online compared to a physical transaction?

A3: physical transaction: signature and passwords. shopping online: one-time password.

Team member #2 name: Khajan Joshi

Interview Notes #1:

**Customer – Ashwin Mundra (Brother-in-law), 40, Sr. Director - Enterprise Sales (WhatsApp call)**

Q1: How often do you use your credit card versus other forms of payment?

A1: I would say I use my credit card for almost all of my purchases and payments. About 99% of the time. Since my Undergrad days, I have been a regular credit card user.

Q2: Why do you prefer credit card payments in spite of possible frauds, over other forms of payments?

A1: Using a card provides convenience. I don’t need to carry cash. My spending is trackable. I get regular expense reports from the bank. It helps me understand my spending behavior.

Q3: If you have ever been a victim of credit card fraud or know anyone who has, how was their experience in getting the refund?

A3: Yes I’ve been a victim multiple times. I somehow end of losing 100s to 1000s USD every 3 to 4 years, since I started using credit cards 20 years ago. But generally a good experience as a high premium card holder. No liability from my side. Hassle was about calling. Got a new card from the bank without any request. Only issue was that for 3 days I didn’t have a card.

**Bank – (skype call with wonderful customer service representative at Simple)**

Q1: Why don’t bank use 2FA for their transaction when tech giants like google and WhatsApp use it?

A1: We use SMS-based 2FA. It’s required when purchases are greater than USD1000 or paying a new contact, during instant transfers, and also while editing contact information of the account holder’s profile.

Q2: How do banks manage to make the problem of fraud and financial loss less?

A2: I would say 100k plus cases per year for US banks of an average 100USD. Which is Billions of dollars. They would typically fund it with insurance.

Q3: Why is there a difference in authentication when a customer shops online compared to a physical transaction?

Online, the idea is the person is not there. Card is not present, so there needs to be some verification.

**Merchant (asked my friend to speak to a Manager at Wallmart)**

Q1: How much is the percentage of sales from credit cards? How much yearly loss and liability is incurred from credit card fraud? (in % if actual figures are confidential) and how is the loss covered?

Majority of sales are from credit cards (more than 50%). Loss is covered by the bank I believe. Also there is insurance. Also, merchant said they check signature.

Q2: Why do you still give the option to customers of paying using credit card in spite of the amount of losses from credit card fraud?

Preferred way for customers. Don’t want to lose customer. Making the sale is the focus. Transactions can be tracked.

Q3: Is there any change in trust that your cashiers exhibit towards customers when they pay using a card that requires a PIN, instead of just a swipe. (We are trying to understand if there is a behavioral change from the merchant’s side when a security feature is added)

Not really in normal cases. But if someone seems to be a suspect, then they would ask more questions, like ID.

Interview Notes #2:

**Customer Jyoti Joshi, 37, Sales Director in New Jersey (sister)**

Q1: How often do you use your credit card versus other forms of payment?

98% of the time

Q2: Why do you prefer credit card payments in spite of possible frauds, over other forms of payments?

Don’t want to carry cash and cheques. Its easy to track with credit card. Bank records can be accessed. Spending record is available

Q3: If you have ever been a victim of credit card fraud or know anyone who has, how was their experience in getting the refund?

I know someone. The Credit Card Company called him and made sure if it was him. They figured out if it was fraudulent and they thought it was not him. He said to block it and card got cancelled right away. Got full refund.

**Bank -**

Q1: Why don’t banks use 2FA for their transaction when tech giants like google and WhatsApp use it?

A1: We actually do confirm the identity of individuals during any sensitive transactions. We may not use the similar methods like tech. giants as we have not adopted that technology, but we do try to make sure transactions are not fraudulent. (Captial One spokesperson on gizmodo.com)

Q2: How do banks manage to make the problem of fraud and financial loss less?

A2: Frauds are prevented by limiting the maximum purchase amount from a card. The loss is absorbed by either insurance or it is the issuer’s liability if the fraud detection was not quick enough. (Via Quora, Fabrice Colas, 4 Years in Fraud Prevention)

Q3: Why is there a difference in authentication when a customer shops online compared to a physical transaction?

Appearing in person, they can check ID if in doubt. Online they can't verify identity other than having a secure PIN (Via cardfellow.com)

**Merchant**

Q1: How much is the percentage of sales from credit cards? How much yearly loss and liability is incurred from credit card fraud? (in % if actual figures are confidential) and how is the loss covered?

A1: Credit Card networks like VISA have agreements with merchants. Example, chargeback – when merchants fail to validate identity of the buyer. They also have insurance when frauds exceed a particular limit. (Via Quora, Mayur Shetty, Journalist who has covered banking for 25 years)

Q2: Why do you still give the option to customers of paying using credit card in spite of the amount of losses from credit card fraud?

Its easy to use. Definitely there are frauds, but convenience and benefit is higher when it comes to credit cards. (Via Quora, Mayur Shetty, Journalist who has covered banking for 25 years)

Q3: Is there any change in trust that your cashiers exhibit towards customers when they pay using a card that requires a PIN, instead of just a swipe. (We are trying to understand if there is a behavioral change from the merchant’s side when a security feature is added)

Not really (asked my friend living in the US to ask a Wallmart cashier)

Interview Notes #3:

**Customer (Vishnu Nandan, 27, PHD student at Purdue University, school friend)**

Q1: How often do you use your credit card versus other forms of payment?

A1: I think I use about 60% of my spending via credit card and about 40% via debit cards. Also, I don’t use cash.

Q2: Why do you prefer credit card payments in spite of possible frauds, over other forms of payments?

A2: I actually never thought of it that way. Honestly, I don’t usually spend more than 200 USD in a month. I quickly settle the bill every few weeks. It’s just more convenient because I have the leverage of using money that is not mine. Although I realize I have to pay later.

Q3: If you have ever been a victim of credit card fraud or know anyone who has, how was their experience in getting the refund?

A3: My roommate had a credit card fraud last week. He called the bank, and in a day he got the reimbursement immediately. He had an Amex card. I personally did not have a credit card fraud.

**Bank**

Q1: Why don’t banks use 2FA for their transaction when tech giants like google and WhatsApp use it?

A2: HSBC does use 2FA. But only for transactions involving funds leaving an account. Not for checking a balance or transferring funds between HSBC accounts. (HSBC spokesperson on gizmodo.com)

Q2:How does bank manage did it make the problem of fraud and financial loss less?

A3: Most of the fraudulent cases are paid back to the customer (called a chargeback) by the merchant and not banks. The merchant is responsible for detecting the loss. Only when merchants cannot pay, banks absorb the losses. (Via quora - Michael Mohlman, CEO)

Q3: Why is there a difference in authentication when a customer shops online compared to a physical transaction?

A3: There are bots that can detect fraudulent transactions online. For physical transactions, we can ask the buyer to provide additional information when there is a doubt (via wallethub.com)

**Merchant**

Q1: How much is the percentage of sales from credit cards? How much yearly loss and liability is incurred from credit card fraud? (in % if actual figures are confidential) and how is the loss covered?

A1: Credit Card networks like VISA have agreements with merchants. Example, chargeback – when merchants fail to validate identity of the buyer. They also have insurance when frauds exceed a particular limit. (Via quora, Mayur Shetty, Journalist who has covered banking for 25 years)

Q2: Why do you still give the option to customers of paying using credit card in spite of the potential losses from credit card fraud?

A2: Because of the tremendous revenues from credit card sales. People like to use credit. They don’t keep cash. Credit card purchases give merchants access to a large base of customers. (via a mutual friend (answered by my friend Vibutesh, 27, Recent graduate from Bentley University)

Q3: Is there any change in trust that your cashiers exhibit towards customers when they pay using a card that requires a PIN, instead of just a swipe. (We are trying to understand if there is a behavioral change from the merchant’s side when a security feature is added)

A3: I don’t think so. I wouldn’t really care (answered by my friend Vibutesh, 27, Recent graduate from Bentley University)

Interview Notes #4:

**Customer Vibutesh, 27, Recent graduate from Bentley University**

Q1: How often do you use your credit card versus other forms of payment?

A1: 95 to 98% using credit card.

Q2: Why do you prefer credit card payments in spite of possible frauds, over other forms of payments?

A2: Because it is convenience. Inaccessibility to cash, I mean it’s a pain to get cash. I have to go out of my way to get cash. Credit card helps me track my expenses. It is easier to use than cash. Although I do change my credit cards every year or so.

Q3: If you have ever been a victim of credit card fraud or know anyone who has, how was their experience in getting the refund?

A3: I lost 1200USD from third party payments, when I bought furniture on eBay. The person sold it but no one ever came for the delivery. He had my details, and 2 weeks later I discovered that my bank account was overdrawn. Didn’t get help from the bank. I have also been a victim using merchant transactions and have got the refund almost everytime. During COVID I have had 3 instances of frauds. There were hidden transactions/recurring transactions which I cannot cancel. But I have been successful in getting the refunds.

**Bank (A mutual friend working at Wells Fargo, age: mid 30s)**

Q1: Why don’t bank use 2FA for their transaction when tech giants like google and WhatsApp use it?

A2: We do have some cases when customers have to get an approval from the bank to proceed with payments. 2FA is probably not used because the refund process for customers is not difficult. They like the convenience of seamless transactions.

Q2:How does bank manage did it make the problem of fraud and financial loss less?

A3: Banks are now introducing extra security features to prevent losses. The losses are generally covered by insurance.

Q3: Why is there a difference in authentication when a customer shops online compared to a physical transaction?

A3: Customers have to put zip code for online transactions. This is a card-not –present case. So it is an added security feature. During physical transactions, the person can be identified. If the transactions are large, they will be asked for IDs.

**Merchant (WhatsApp call to a mutual friend, age 36, working as a Data Scientist in Ohio)**

Q1: How much is the percentage of sales from credit cards? How much yearly loss and liability is incurred from credit card fraud? (in % if actual figures are confidential) and how is the loss covered?

A1: 60 to 65% transactions are using credit cards. Merchants write off our bad debt as a large merchandise. Smaller merchants either absorb the loss or ask the customer to pay.

Q2: Why do you still give the option to customers of paying using credit card in spite of the potential losses from credit card fraud?

A2: Merchants will lose a chunk of business if they start mandating cash. It’s not possible to accept cash payments of large transactions. Credit card purchases make it easier to account for sales. Merchants can accommodate lucrative schemes for customers if they use credit cards. It may sound unethical, but they think it is profitable for them, even if the customer is in debt. Other industries like gas stations, prefer cash because they want to avoid paying the banks, the extra fee when someone using a credit card. For large merchants, it is nothing compared to the enterprise agreements they have. It’s negligible compared to the magnitude of their sales revenues.

Q3: Is there any change in trust that your cashiers exhibit towards customers when they pay using a card that requires a PIN, instead of just a swipe. (We are trying to understand if there is a behavioral change from the merchant’s side when a security feature is added)

A3: Merchants don’t really care if the transaction is small. For larger transactions, they would probably prefer confirming the buyer’s identity regardless of a PIN.

Interview Notes #5:

**Customer (Dhruv Ravishankar, 27, works as a process Engineer in Boston at Wayfair, school friend)**

Q1: How often do you use your credit card versus other forms of payment?

A1: I would say always. I don’t carry cash. I prefer using credit card, because I don’t have to pay immediately.

Q2: Why do you prefer credit card payments in spite of possible frauds, over other forms of payments?

A2: It is easy for me compared to cash and I feel it is safer than carrying cash. I trust Paypal’s security when I make online transactions. And when I make physical transactions, I sign the receipt.

Q3: If you have ever been a victim of credit card fraud or know anyone who has, how was their experience in getting the refund?

A3: Getting the refund was difficult as I noticed the charges quite late. I wish I paid more attention to my credit card bills.

**Bank**

Q1: Why don’t bank use 2FA for their transaction when tech giants like google and WhatsApp use it?

A1: We don’t think our customers would be as happy as they are now, of not having to go through a time consuming process. They like to make quick logins and transactions, and we like to provide them that. (American Express spokesperson answer found on online article at gizmodo.com)

Q2: How do banks manage to make the problem of fraud and financial loss less?

A2: Banks have algorithms that can detect when suspicious activity is taking place in any account. They can reduce frauds that way. (This was also answered by my school friend, Vishnu Nandan, 27, PHD student at Purdue University)

Q3: Why is there a difference in authentication when a customer shops online compared to a physical transaction?

A3: There is a larger scope of fraud via online payments than physical. Fraudsters can make multiple smaller payments at quick intervals. This cannot be easily replicated for physical transactions. This is one reason why there is extra authentication required for online transactions. (This was also answered by my school friend, Vishnu Nandan, 27, PHD student at Purdue University)

**Merchant (Dhruv Ravishankar, 27, works as a process Engineer in Boston at Wayfair, school friend)**

Q1: How much is the percentage of sales from credit cards? How much yearly loss and liability is incurred from credit card fraud? (in % if actual figures are confidential) and how is the loss covered?

A1: Being an online company, the percentages of sales from credit cards is higher than debit cards at Wayfair. The losses are negligible in comparison to the revenues. Not sure how the losses are covered.

Q2: Why do you still give the option to customers of paying using credit card in spite of the potential losses from credit card fraud?

A2: Two reasons, we are an online company. We use only online transactions. Don’t accept bitcoin. Second reason we have good control and audit processes to mitigate fraudulent transactions. It’s a small problem for it to be a no-go

Q3: Is there any change in trust that your cashiers exhibit towards customers when they pay using a card that requires a PIN, instead of just a swipe. (We are trying to understand if there is a behavioral change from the merchant’s side when a security feature is added).

A3: If I was a cashier, I would feel more confident and would trust the buyer if they used a PIN. I would not feel the need to ask for an ID, which might be an awkward situation.

Team member #3 name: Aaradhy Sharma

Interview Notes #1:

**Customer Lynnette veras Age 42 (Financial Business Analyst) (question asked by relative)**

Q1: How often do you use your credit card versus other forms of payment?

A1: I use my credit card more often than cash or debit.

Q2: Why do you prefer credit card payments in spite of possible frauds, over other forms of payments?

A3: It's easier to get reimbursed if fraud happens given all their fraud protection policies.

Q3: If you have ever been a victim of credit card fraud or know anyone who has, how was their experience in getting the refund?

A3: Yes, I’ve been a victim of credit/debit fraud and I was partially reimbursed after a long investigation was concluded.

**Merchant Anurag Sharma (49) Submersibles and Electrciinc, uncle living in pheonix arizona**

Q1: How much is the percentage of sales from credit cards? How much yearly loss and liability is incurred from credit card fraud? (in % if actual figures are confidential) and how is the loss covered?

A1: I would say Percentage of sales from credit card 50%

Fraud is around 5%

100% loss is covered

Q2: Why do you still give the option to customers of paying using credit card in spite of the potential losses from credit card fraud?

A2: because we are 100% covered for the fraud and get 5%cash back and better rates if we use credit card to buy from Master card

Q3: Is there any change in trust that your cashiers exhibit towards customers when they pay using a card that requires a PIN, instead of just a swipe. (We are trying to understand if there is a behavioral change from the merchant’s side when a security feature is added).

A3: no customers don't like to pay via credit card as our sales are higher amount and we have to change the processing fees.so they like to pay via checks

(Once we get into big fraud that had credit card involved indirectly but the fraud was more of fake order tha credit card fraud)

**Bank** Dharmesh Vidhani axis bank Indore (didn’t share age) Telephonic interview

Q1: Why don’t banks use 2FA for their transaction when tech giants like google and WhatsApp use it?

A1 Sir we have forex card which in INDIA use OTP and pin but once you are in US payment will be direct it probably more smooth there to transact directly plus those people don’t care much about money

Q2: How does bank manage frauds. did it make the problem of fraud and financial loss less?

A2: All your money is insured so at least out banks don’t take tension of it

Q3: Why is there a difference in authentication when a customer shops online compared to a physical transaction?

A3: I don’t know much but its almost no big deal even if its different to transact

(the given Q & A was in hindi language and is then changed to English)

Interview Notes #2:

**Customer Aditi Sharma 24 (relative sister) business intelligence developer medegy healthcare (whatsapp**

Q1: How often do you use your credit card versus other forms of payment?

A190% time I use my credit card over any other form of payment

Q2: Why do you prefer credit card payments in spite of possible frauds, over other forms of payments?

A2 Credit cards has great reward and point programs because of which I prefer to use credit card. Also, it using credit card frequently help me build my credit score and to increase my credit line

Q3: If you have ever been a victim of credit card fraud or know anyone who has, how was their experience in getting the refund?

A3: Yes, I was faced credit card fraud once.

My purse was stolen, and I was able to block all my cards before any purchase was made.

Other than one card there was a transaction of $200. I was asked to submit official FIR of missing card along with some other documents and I got my money back but it took them almost 8 months to return it back

Additional insight I think there will be no credit card in future people will do transaction with fingerprint and stuff

**Merchant Vyoma Sharma 45 relative (aunt) WhatsApp**

Q1: How much is the percentage of sales from credit cards? How much yearly loss and liability is incurred from credit card fraud? (in % if actual figures are confidential) and how is the loss covered?

A1. Percentage of sales from credit card 90%

Fraud 2%

Loss covered 100%

Q2: Why do you still give the option to customers of paying using credit card in spite of the potential losses from credit card fraud?

A2 because we are 100% covered for the fraud and get 4%cash back

Q3: Is there any change in trust that your cashiers exhibit towards customers when they pay using a card that requires a PIN, instead of just a swipe. (We are trying to understand if there is a behavioral change from the merchant’s side when a security feature is added).

A3: yes customer willing to pay only if we don't charge them credit card processing fees

And they want to make sure that we don't save the card information on file

Additional insight (honestly people here don’t care much about fraud)

**Bank Jangleschmitt Q. Ensterburg 49 and 3/4ths First State Bank of Kiester (r/banking) reddit**

Q1: Why don’t banks use 2FA for their transaction when tech giants like google and WhatsApp use it?

A1: Lots of them do it or did at one time. But it’s an opt-in service. They aren’t new either. Discover, for a long time, had something called Discover Desk shop that let you use a tokenized version of your card. Visa and MasterCard had similar solutions.

The problem was twofold:

Customers had to opt into the service. Most didn’t.

Businesses has to opt in to offer the service. Lots didn’t.

And so, a lot of these solutions disappeared.

That said, lots of the contactless stuff require more than just the card. If I’m using ApplePay for example I need my fingerprint or passcode for it to work.

Q2: How does bank manage frauds. did it make the problem of fraud and financial loss less?

A2: I can’t say as I’ve never worked in fraud ops.

Q3: Why is there a difference in authentication when a customer shops online compared to a physical transaction?

A3: Because card-not-present transactions work differently. There’s a different mechanism to charge your card at the cash register compared to purchasing something online where you’re not physically at the merchant’s location.

Interview Notes #3:

**Customer Marian Castellano Call Center Manager 44 (mutual friend)**

Q1: How often do you use your credit card versus other forms of payment?

A1: I use my debit card more frequently and use my credit cards for big important purchases.

Q2: Why do you prefer credit card payments in spite of possible frauds, over other forms of payments?

A2: I don’t. I prefer using my debit card. Although, both options send me notification if there is possible fraud.

Q3: If you have ever been a victim of credit card fraud or know anyone who has, how was their experience in getting the refund?

A3: I’ve actually been a victim of fraud and they gave me a refund once the investigation was completed.

**Merchant Merchant Pinky Virani 47 years Dollar store (friend to relative question asked by relative)**

Q1: How much is the percentage of sales from credit cards? How much yearly loss and liability is incurred from credit card fraud? (in % if actual figures are confidential) and how is the loss covered?

A1: most of my transaction is in cash due to my area very few transactions in credit card I cant give a proper percent as I never calculate it but lets say 90 %. wth around 10% fraud

Q2: Why do you still give the option to customers of paying using credit card in spite of the potential losses from credit card fraud?

A2 I accept credit card because I am insured so even if fraud happen I am okay with it

Q3: Is there any change in trust that your cashiers exhibit towards customers when they pay using a card that requires a PIN, instead of just a swipe. (We are trying to understand if there is a behavioral change from the merchant’s side when a security feature is added).

A3: yes we have signature feature on receipt which many buyer use

Additional insight payment with card is easy for cashier who is bad at maths

**Bank Akhilesh Malviya Avanse (bank that has provided me education loan and will provide forex card**

Q1: Why don’t banks use 2FA for their transaction when tech giants like google and WhatsApp use it?

A1In here they use this feature but in state it is direct because of their fast life

Q2: How does bank manage frauds. did it make the problem of fraud and financial loss less?

A2 Sir we have partnership with banks like thomas cook they are big bank hence they can handle it

Q3: Why is there a difference in authentication when a customer shops online compared to a physical transaction?

A3 I myself hasn’t done it so I can't say but maybe they send bill that’s why they need your address in online credit card transaction

Interview Notes #4:

**Customer Saswat Satapathy/ Age 25 Marketing/ Data Analyst Citrix (friend communication WhatsApp)**

Q1: How often do you use your credit card versus other forms of payment?

A1 I use my credit card almost always; it helps me improve my credit score and increase my credit limit.

Q2: Why do you prefer credit card payments in spite of possible frauds, over other forms of payments?

A2 because it Increase my credit limit and improve my credit score

Q3: If you have ever been a victim of credit card fraud or know anyone who has, how was their experience in getting the refund?

A3: I have had pleasant experiences with the credit card company where they immediately recompensated the entire amount that was deducted.

Additional Insight: - The additional insight that I would like to provide is, the fraud had happened to both my debit card and credit card. Surprisingly it was easier to get my refund on the credit than the debit

**Merchant Shawn 35 clinic reddit**

Q1: How much is the percentage of sales from credit cards? How much yearly loss and liability is incurred from credit card fraud? (in % if actual figures are confidential) and how is the loss covered?

A1all my transaction are from credit card or from claim haven't had major fraud as per knowledge as these stuffs is handle by accounts

Q2: Why do you still give the option to customers of paying using credit card in spite of the potential losses from credit card fraud?

A2 well we allow this because its easy for the customer to do transaction and amount is also big. plus, haven't had major fraud per se.

Q3: Is there any change in trust that your cashiers exhibit towards customers when they pay using a card that requires a PIN, instead of just a swipe. (We are trying to understand if there is a behavioral change from the merchant’s side when a security feature is added).

A3: I didn’t observe such behavior in clients.

**Bank kary 45 Thomas cook bank discord server**

Q1: Why don’t banks use 2FA for their transaction when tech giants like google and WhatsApp use it?

A1bank doesn’t use 2FA because to bank customer should have seamless transaction first as it has very tight competition like visa discover and master.

Q2: How does bank manage frauds. did it make the problem of fraud and financial loss less?

A2 Banks are really huge stock market and economics are reallly complicated but let's just say they have so much money they don’t care

Q3: Why is there a difference in authentication when a customer shops online compared to a physical transaction?

A3: that’s because of mechanism followed in this is fundamentally different

Interview Notes #5:

**Customer Keshav** Sai Deekonda Age 26 Cloud Financial Analyst (mutual friend whatsapp)

Q1: How often do you use your credit card versus other forms of payment?

A1I usually prefer credit cards over other methods of payment almost every time.

Q2: Why do you prefer credit card payments in spite of possible frauds, over other forms of payments?

A2 Because it is easy to carry and use credit cards compared to cash.

Q3: If you have ever been a victim of credit card fraud or know anyone who has, how was their experience in getting the refund?

A3: I was never a victim of such kind of fraud.

**Merchant James Eckman learning chef chicago friend (whatsapp call)**

Q1: How much is the percentage of sales from credit cards? How much yearly loss and liability is incurred from credit card fraud? (in % if actual figures are confidential) and how is the loss covered?

A1Almost 90% transaction are done via card fraud ones are around 10% give or take

Q2: Why do you still give the option to customers of paying using credit card in spite of the potential losses from credit card fraud?

A2: its easy for customer to pay plus they receive benefits

Q3: Is there any change in trust that your cashiers exhibit towards customers when they pay using a card that requires a PIN, instead of just a swipe. (We are trying to understand if there is a behavioral change from the merchant’s side when a security feature is added).

A3: customer generally focuses on food and amount rarely on mediumm of payment

**Bank Chalsea, bank worker (met at discord)**

Q1: Why don’t banks use 2FA for their transaction when tech giants like google and WhatsApp use it?

A1:bank primary focus is nowadays to streamline transaction so pin can be hindrance for customer

Q2: How does bank manage frauds. did it make the problem of fraud and financial loss less?

A2: I don’t know much about it banks are big corporation there profits are massive as compare to these loss

Q3: Why is there a difference in authentication when a customer shops online compared to a physical transaction?

A3: I guess it's supposed to do with billing in online transaction address can act as a pin itself.

Team member #4 name: Sandeep Wishwala

Interview Notes #1:

**Customer (Gargi Rathore ,25, student at Georgia University)**

Q1:

A1: - I use credit card most of the time, around 95% of my purchases are done with credit card.

Q2:

A2: - Only because of the offers and the rewards point that we collect after every purchase.

Q3:

A3: - I am very fortunate with that, I have never been a victim of fraud.

**Merchant (via quora , multiple interviews answers)**

Q1:

A1: - 60-70% of the transaction are credit card transactions, around 3-4% loss incurred every year and we covered 100% loss.

Q2:

A3: - It’s just a matter of few more seconds with that kind payment mode and we never discourage them to use any of the method because we believe in good customer service.

**Bank (Arun shukla , 34, Avanse)**

Q1:

A1: - Depends on customer requirements, they want a seamless transaction facility.

Q2:

A2: - That’s the risk involved in this business and we got it covered.

Q3:

A3: - Because in physical transaction the card is present, and the merchant can validate that card with customer which in most of the cases reduces the chances of frauds. On the other there is no way of authentication of the card.

Interview Notes #2:

**Customer (Aditya Bairagi,26, student at UTD)**

Q1:

A1: - I use credit card for larger payment and for short purchases I prefer cash.

Q2:

A2: - Because of flexipay facility and the rewards obviously.

Q3:

A3: - Never dealt with a fraud.

**Merchant (Shelly Agrawal ,26, worker at café)**

Q1:

A1: - Most of the payments are done with credit cards only, don’t know how loss incurred because that’s all managed by other department as I work on payment counter don’t have to deal with all that.

Q2:

A2: - For competition because most of the merchants give all payments options.

Q3:

A3: - No not at all, for survival we can’t afford to do that.

**Bank (Shubham Mishra, 29, SBI)**

Q1:

A1: - We do provide that security features but in USA most of payment portal use direct payment method instead of using 2 factor authentication method.

Q2:

A2: - we don’t care about the loss as the market is big the loss occurred due to card frauds are very less compared to profit.

Q3:

A3: - In online the payment portal does not offer any security feature like otp they directly process payment, but in physical transaction where card is present the merchant can validate the card with the customer.

Interview Notes #3:

**Customer (Achal Datre ,27, student at NEU)**

Q1:

A1: - 90% of my purchases are done with credit card only.

Q2:

A2: - because of the rewards point and it also benefit my credit score.

Q3:

A3: - Yes I have been a victim of credit card fraud, it was done on my previous credit card the purchase done with that card is online and the amount was $9. I immediately report that transaction to my bank and they refunded me all my money within 10 or 12 days, all I did was placed a mail about that fraudulent transaction. After that they changed my credit card also.

**Merchant (Sam, 32, works at Walmart)**

Q1:

A1: - 70-80% of the sell is done with credit cards, roughly 2% loss we incurred every year due to credit card frauds. And if we have to pay for frauds, we do 100% payment.

Q2:

A2: - It’s easy for customers and 8 out of 10 customers ask to pay through credit card.

Q3:

A3: - I have never seen that behavioral change.

**Bank (via Quora, multiple interviews answers)**

Q1:

A1: - Because of the market requirements, customers prefer seamless transaction method.

Q2:

A3: - We have to deal with that we don’t have any other choice.

Q3:

A3: - The mechanism is totally different in both transaction modes there is no way of authentication in case of on-line transaction only card details needed which can be fill by anyone if your cards information has been leaked.