PAXLABS
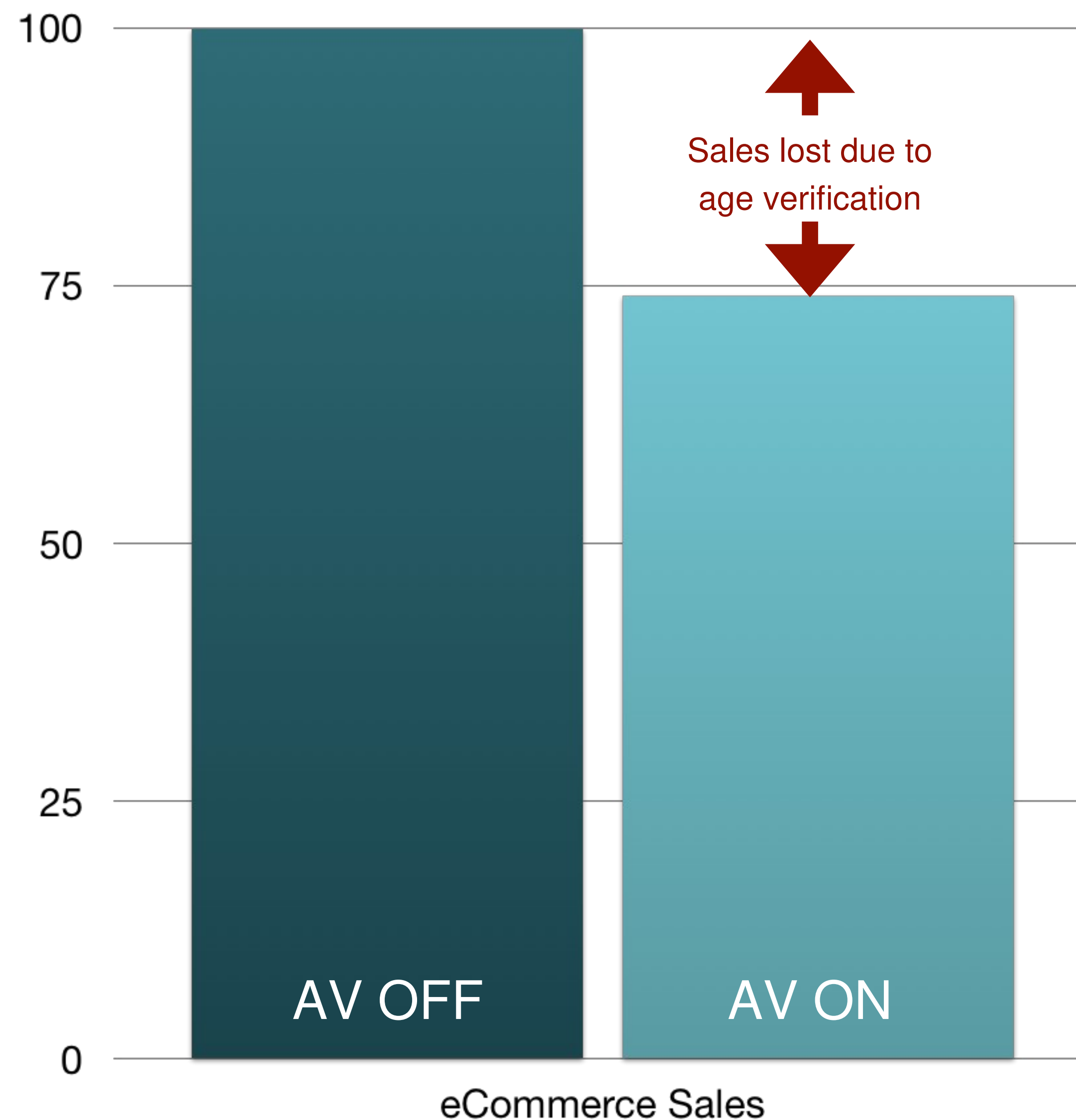
JUUL AGE VERIFICATION

Why are we talking about age verification for PAX?

- As of January 31st, the legal obligation for Pax to age verify customers becomes more serious / mandatory for eComm.
  - See Ryan for specifics

- Currently, customers on paxvapor.com are not being age verified at purchase.

- When age verification was on in it's current state, we had a 74% success rate for customers who were trying to age verify. This means that 26% of customers were unable to order online.

Sales lost due to age verification
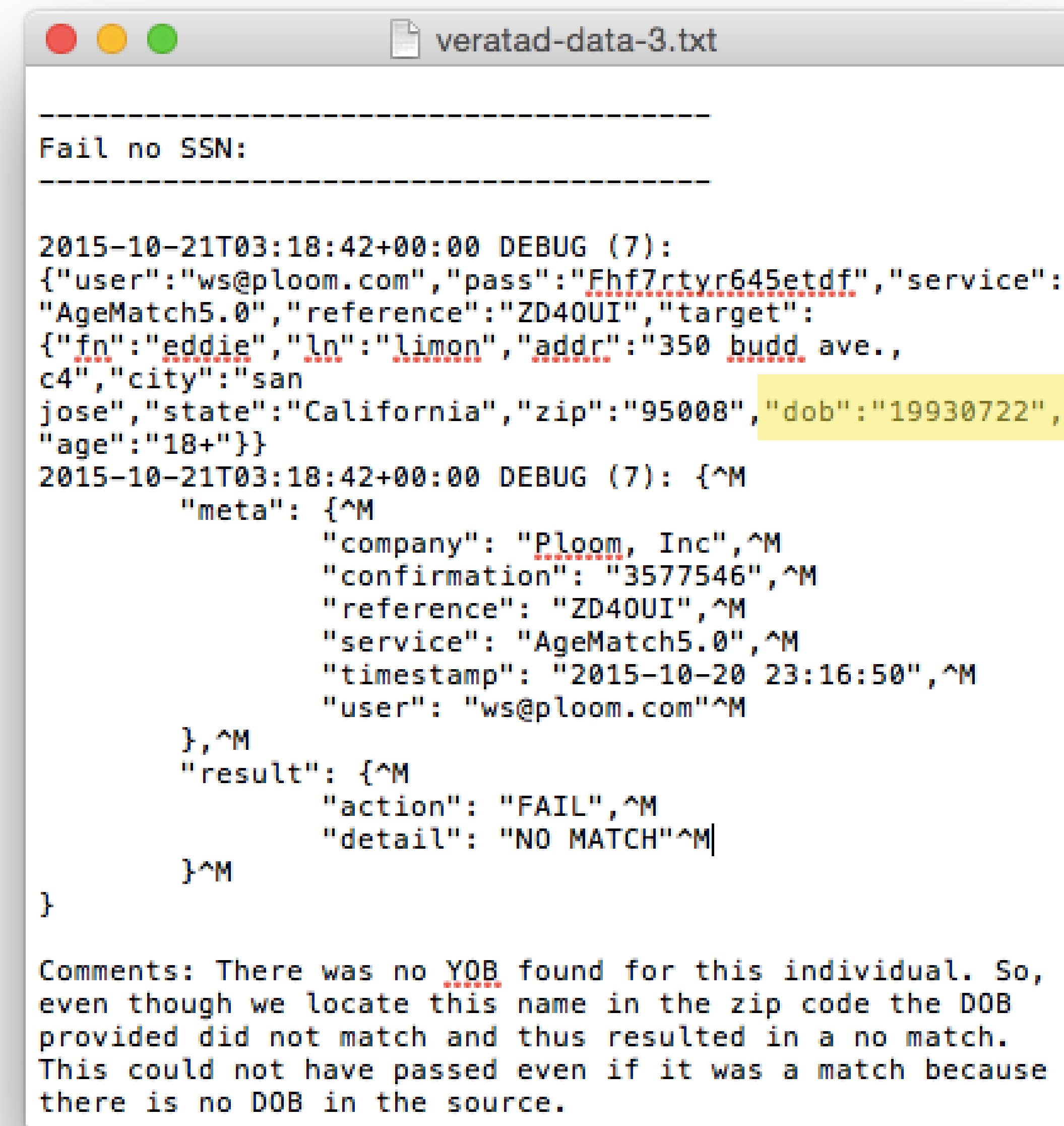
AV OFF

AV ON

eCommerce Sales

Why did we lose so many sales?

- According to data I have from Veratad, it does not appear that all 26% of those customers were actually underage.

- Rather, our UI for age verification was difficult for users to navigate, and:

- Veratad's matching logic erred on the extremely conservative side.

- Often, even though we supplied data about users, Veratad was unable to read that data and find a match.

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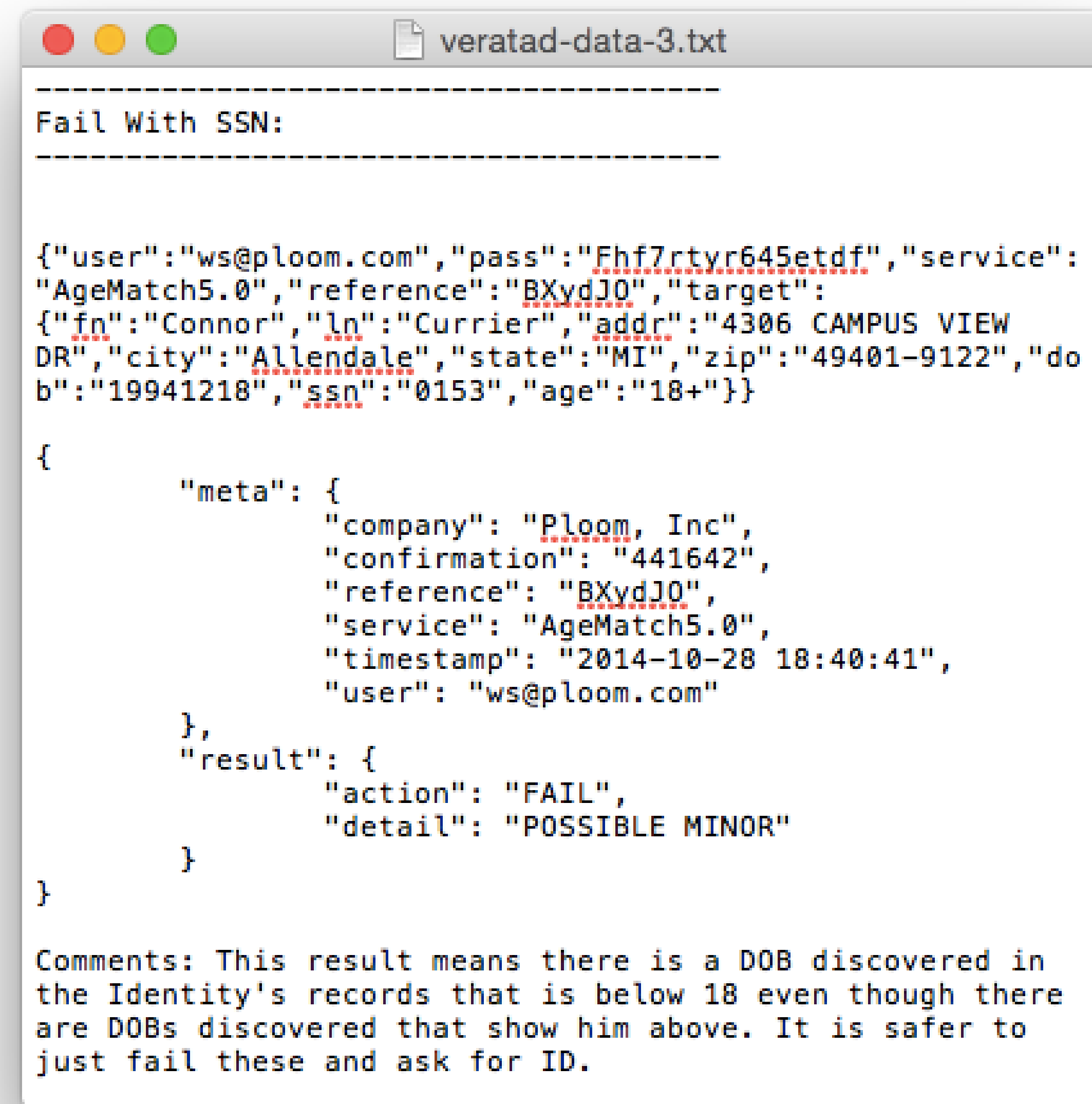# Here's an example of Vertad's error responses:

- Comments from Veratad on this order:

    "There was no **YOB** found for this individual. So, even though we locate this name in the zip code the DOB provided did not match and thus resulted in a no match. This could not have passed even if it was a match because there is no DOB in the source."

    - However, YOB is being passed from Magento — in this case, 1993.

    - We need to investigate ways to ensure that Veratad can read the data format being sent by Veratad correctly.

veratad-data-3.txt

```
-------------------------------------
Fail no SSN:
-------------------------------------

2015-10-21T03:18:42+00:00 DEBUG (7):
{"user":"ws@ploom.com","pass":"Fhf7rtyr645etdf","service":
"AgeMatch5.0","reference":"ZD4OUI","target":
{"fn":"eddie","ln":"limon","addr":"350 budd ave.,
c4","city":"san
jose","state":"California","zip":"95008","dob":"19930722",
"age":"18+"}}
2015-10-21T03:18:42+00:00 DEBUG (7): {^M
        "meta": {^M
                "company": "Ploom, Inc",^M
                "confirmation": "3577546",^M
                "reference": "ZD4OUI",^M
                "service": "AgeMatch5.0",^M
                "timestamp": "2015-10-20 23:16:50",^M
                "user": "ws@ploom.com"^M
        },^M
        "result": {^M
                "action": "FAIL",^M
                "detail": "NO MATCH"^M
        }^M
}

Comments: There was no YOB found for this individual. So,
even though we locate this name in the zip code the DOB
provided did not match and thus resulted in a no match.
This could not have passed even if it was a match because
there is no DOB in the source.
```

Here's another example:

- Comments from Veratad on this order:

    "This result means there is a DOB discovered in the Identity's records that is below 18 even though there are DOBs discovered that show him above. It is safer to just fail these and ask for ID. "

  - Veratad agrees that this user was 19 when trying to purchase, but decided to fail him just in case.

  - Do we agree with this level of caution?

```
                                      veratad-data-3.txt

--------------------------------------
Fail With SSN:
--------------------------------------


{"user":"ws@ploom.com","pass":"Fhf7rtyr645etdf","service":
"AgeMatch5.0","reference":"BXydJO","target":
{"fn":"Connor","ln":"Currier","addr":"4306 CAMPUS VIEW
DR","city":"Allendale","state":"MI","zip":"49401-9122","do
b":"19941218","ssn":"0153","age":"18+"}}

{
        "meta": {
                "company": "Ploom, Inc",
                "confirmation": "441642",
                "reference": "BXydJO",
                "service": "AgeMatch5.0",
                "timestamp": "2014-10-28 18:40:41",
                "user": "ws@ploom.com"
        },
        "result": {
                "action": "FAIL",
                "detail": "POSSIBLE MINOR"
        }
}

Comments: This result means there is a DOB discovered in
the Identity's records that is below 18 even though there
are DOBs discovered that show him above. It is safer to
just fail these and ask for ID.
```

What can we do about this?

- Decide if we want to remain as cautious as Veratad has been with users who are close to, but obviously over, 18.

→ Compliance, Kate

- Ensure that the data format we deliver to Veratad can be read by Veratad's systems so users are not rejected in error.

→ Nick, Adam, Mark, Kate, Veratad

- Make it much easier for users to go through the age verification process on-site by only asking them for the data points we actually need to run an age verification on them.

→ Kelly, Kate, Compliance

making age
verification
suck less for users.

How can we make age verification suck less for users?

- Only ask for the info we absolutely need to reduce work for the user

- This should both reduce frustration when providing the information, and may also ensure more accurate matches with Veratad's records which would increase our success rate.

- Make sure we're clearly messaging WHY we need this info and HOW it's being used; specifically, that we are NOT storing SSN and what third party is using it. (Kelly has addressed!)

- Reduce the number of clicks in the flow

- Make sure that the pages look trust-worthy to reduce the number of negative reactions on step 3, SSN request.

Checkout

Checkout Method ✓

Billing Information

It's important to ensure your billing address matches exactly what appears on your statements from the card-issuing bank.

Email Address* 0/40

First Name*   Last Name*

Company 0/40

Street* 0/40

Floor/Suite/Apartment Number 0/40

City*   State*   Zip/Postal Code*

Please select state ▾

Country*   Phone*

United States ▾

☐ Save My Information for Later
☑ Sign up for our mailing list to receive exclusive content and special offers

CONFIRM YOUR BIRTHDAY

Information provided during check-out is used to verify you are over 18 to ensure tobacco and nicotine products stay out of the hands of minors.

Date of Birth

MM/DD/YYYY

● Ship to this address   ○ Ship to different address

*Indicates required fields

CONTINUE

Order Progress

Billing Address

Shipping Address

Shipping Method

Payment Method

Source: https://www.industrydocuments.ucsf.edu/docs/yxvx0301

Step 1 is checkout— no changes

Proposed Step 2.

- Removes a click by bringing form fields onto the previous page

- Limits the amount of info we ask for to only the essentials for age verification. Greatly reduces user effort.

- Uses new copy from Customer Service that is much more informative and reduces confusion / cognitive overhead.

⚠ You're almost there...

Hey Kate,

For your convenience, your order #100000070, has been created.

Your order isn't complete yet ... We weren't able to verify your age using the information provided.

Before your order can ship, please provide alternate information. If your age cannot be verified immediately we may ask for additional details from you. We'll walk you through each step.

PAX Labs Inc. is legally required to verify you are an adult to purchase our products.

⚠ Please use an address other than the billing address you provided during check-out. We can best verify your age using:

- Addresses on official ID's like your driver's license.
- A permanent address where you receive bills.
- A previous address where you lived for at least one year.

Legal First Name

Legal Last Name

Alternate Home Zip Code

Alternate House Number

We don't think you look a day over 18, but...

VERIFY MY AGE TO COMPLETE PURCHASE

PAX   PAX 2

STORE LOCATOR   CUSTOMER CARE   MY ACCOUNT   UNITED STATES   CART (0)

You're almost there...

Looks like we weren't able to verify your age using the alternate address. The last four of your SSN is needed to verify you further.

Please enter the last 4 digits of your social security number:

VERIFY MY AGE TO COMPLETE PURCHASE

- PAX Labs Inc. uses an industry standard, certified service Veratad Technologies to accept and verify your information against public databases.

- Just like your credit card information, the information you are being asked to provide is not processed or stored by PAX Labs and is only used by Veratad Technologies to further verify your age.

- If you have any questions or concerns, feel free to contact PAX Labs customer service at 844.334.4PAX

PAX	PAX 2	ABOUT	CUSTOMER CARE	STORE LOCATOR	MY ACCOUNT
Buy Now	Buy Now	About	PAX	Find a Retailer	Sign In
Learn More	Learn More	Affiliate Program	PAX 2		Create Account
Accessories	Accessories	News	Warranty		My Cart
User Guide	User Guide	Press	Shipping & Returns		Product Registration
		Events	Orders		
		Careers	Contact		
		Retail & Wholesale			
		Press Kit			

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NOT FOR SALE TO MINORS I CALIFORNIA PROPOSITION 65 - Warning: This product contains nicotine, a
www.industrydocuments.ucsf.edu/docs/yxvx0301

Proposed Step 2.

- Informative copy from CS about why we need your SSN and that it will not be stored.

- Unlike previous flow, maintains same page style. Consistency breeds trust.

Proposed Step 2.

- Unlike previous flow, maintains same page style. Consistency breeds trust.

- Adds a link to contact customer service to reduce user effort if they are going to contact us.

- (We can change the word bummer. That's what's there now.)

⊘

Bummer!

You may have entered the last four of your SSN incorrectly.

- The last step to confirm your age before we can ship your order requires you to upload an image of an official ID.

- Please make sure all details including your picture and DOB are clearly captured before uploading.

- Images are sent securely to Veratad Technologies servers and are permanently deleted within 24 hours.

- If you have any questions or concerns, feel free to contact PAX Labs customer service at 844.334.4PAX

[UPLOAD MY ID]   [CONTACT US]

PAX	PAX 2	ABOUT	CUSTOMER CARE	STORE LOCATOR	MY ACCOUNT
Buy Now	Buy Now	About	PAX	Find a Retailer	Sign In
Learn More	Learn More	Affiliate Program	PAX 2		Create Account
Accessories	Accessories	News	Warranty		My Cart
User Guide	User Guide	Press	Shipping & Returns		Product Registration
		Events	Orders		
		Careers	Contact		
		Retail & Wholesale			
		Press Kit			

Assumptions & technical considerations

Age verification data match logic:

Here are the combinations of data that we can use to age verify a customer. If any of these combinations matches a record in Veratad's database that is old enough, they are age verified.

- First name, Last Name, Address Zip (note: not full address, just their zip.)
- First name, Last Name, DOB, Zip
- First name, Last Name, DOB, **House Number**
- First name, Last Name, SSN4, YOB
- First name, Last Name, SSN4, Zip
- First name, Last Name, SSN4, House Number

Assumptions:
- We assume that the user has already correctly input their date of birth.
  - (Kate note — I am extremely hesitant to allow users to enter another DOB here as we might end up with data in Magento that says they are under 18, but an age verified user. I think we need to focus on ensuring our initial collection of DOB is correct.)