



DIGITAL IDENTITY
TRENDS AND NEWS IN CHINA AND SOUTH EAST ASIA



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SECURING DIGITAL IDENTITY

THE KEY TO ASIA'S VAST POTENTIAL IN E-COMMERCE

We are living through an exciting time for digital commerce in Asia. According to the Asian Development Bank, e-commerce in Asia as a whole now makes up around a quarter of all annual B2C transactions worldwide.

Much of this commercial activity is underpinned by increased mobile connectivity across Asia - **in China, for instance, mobile internet use accounts for around 80% of e-commerce.**¹ China's 800 million unique mobile internet users have driven growth² in the online retail market of 30 per cent on the previous year, to around \$245 billion in 2017.³ Potential is enormous across the continent, which is well above the world average in connections per person. There are now over 292 million unique mobile internet users in South East Asia,⁴ for instance, and with 564 million smartphone users⁵ in total that number is set to rise considerably over the year ahead. As e-commerce develops, cross-border trade will become increasingly lucrative - in China alone this is to exceed \$125 billion this year,⁶ as 64% of Chinese consumers report their intention to increase online spending.

Attainment of this potential relies, however, on consumer confidence. Consumers across Asia are increasingly wary of online fraud and nuisances such as spam, with more than three quarters having experienced some form of online theft. As the number of services and connections available increase dramatically, so too do points of attack for hackers. Asian businesses too require assistance in securing their future ventures. Cybercrime is known to have cost enterprise in Asia Pacific a total of £171 billion last year,⁷ with the region's top 1,000 businesses exposed to losses of \$750 billion in market capitalisation by 2025⁸ as a result of data breaches. Digital identity must be secured, or user trust will erode and much of the vast commercial opportunity Asia can offer will be lost.

1. China Internet Watch Q2, 2017
2. GSMA Intelligence (estimated Q2, 2018)
3. China Internet Watch, Q2 2017
4. GSMA Intelligence (estimated Q2, 2018)

5. GSMA Intelligence (estimated Q2, 2018)
6. The Cross-border eCommerce (Haikao) Opportunity in China, Frost & Sullivan/Azoya
7. Study by Center for Strategic and International Studies (CSIS) with McAfee, 2018
8. AT Kearney



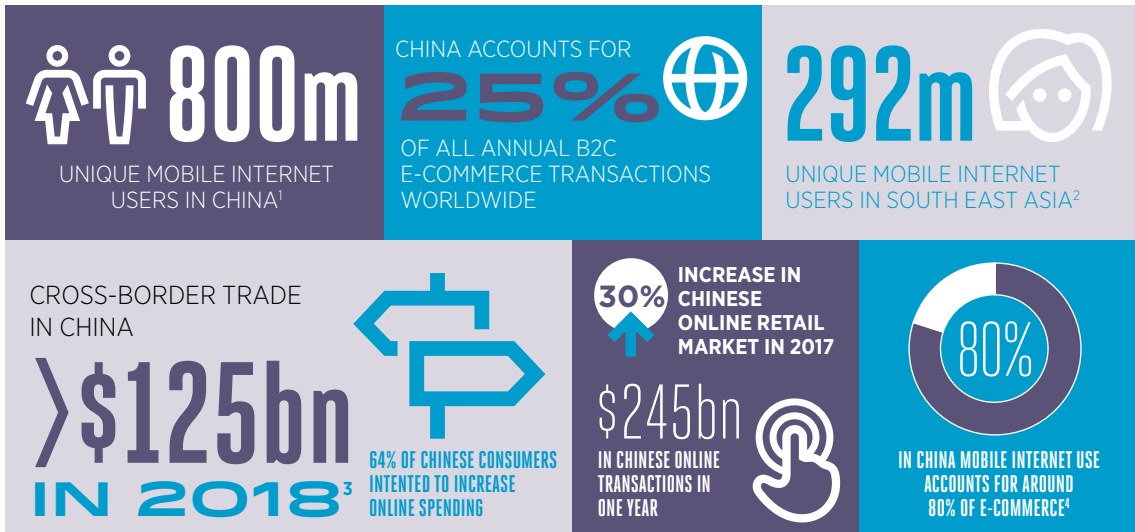
Among the weakest links in online security today is the simple username and password. As more and more services move online, it becomes necessary for users to create and remember an increasingly large number of login details. This is not only inconvenient in itself, but leads to reuse of the same details across accounts – making it possible for hackers not only to steal, guess or crack the password for one service, but many. Verizon concluded last year that as many as 81% of data breaches due to hacking are caused by weak or stolen passwords. The inconvenience of multiple registrations also causes attrition to business; the GSMA's own research finds that 86% of users have abandoned a website when asked to register, and around the same number would prefer a

single, strong means of accessing multiple accounts. As well as basic authentication, a single, universal identity service could also be used to authorise transactions from shared accounts and grant some services – such as healthcare providers – permission to access personal data. In a market with ever-higher expectations around convenience, such an identity service, must be able to use its owner's data to seamlessly – and intelligently – verify transactions with minimal risk.

86% OF USERS HAVE ABANDONED A WEBSITE
WHEN ASKED TO REGISTER⁹

9. GSMA Intelligence (estimated Q2, 2018)

ASIA AT A GLANCE



1, 2. GSMA Intelligence (estimated Q2, 2018)

3. The Cross-border eCommerce (Haïtao) Opportunity in China, Frost & Sullivan/Azoysa

4. China Internet Watch Q2, 2017



\$171bn 

THE COST TO ENTERPRISE IN
ASIA PACIFIC AS A RESULT OF
CYBERCRIME IN 2017⁵

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IN MARKET CAPITALISATION
AS A RESULT OF DATA BREACHES
BY 2025

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5. Study by Center for Strategic and International Studies (CSIS) with McAfee, 2018

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MOBILE CONNECT **A SIMPLE AND SECURE GLOBAL IDENTITY SERVICE**

The mobile industry is in a unique position to meet this challenge. Mobile Connect is the industry's collaborative answer to digital identity – a pan-industry solution which allows the user to log in to apps and websites securely and conveniently, while protecting their privacy. By matching users to an item they have on their person as a matter of course – their mobile phone – Mobile Connect eliminates the need to carry an additional device, while also allowing users to dispense with multiple usernames and passwords. Users initiating transactions receive a prompt to their phone, upon which they enter a PIN or biometric scan, and can thereby confirm their identity to authorise online payments

quickly and easily. Crucially, at a time when consumers are more wary than ever of revealing their phone numbers, this is only shared with their explicit permission. Operator attributes, such as usage and location data, can be used to verify transactions where purchase history is secure and well-established, prompting the user to enter an additional factor of authentication when needed. Where mobile data attributes can be anonymised, these can form part of the business model for operators offering Mobile Connect, allowing them to monetise, while respecting individual users' privacy.



THE MOBILE CONNECT PORTFOLIO



authentication

Mobile Connect Authentication service offers a simple, safe log-in mechanism and two-factor authentication for the user user, where a PIN or fingerprint is requested for extra security.



authorisation

Mobile Connect Authorisation service allows end users to authorise requests from service providers directly from their mobile phone, such as payments or granting permissions.



identity

Mobile Connect Identity service enables end users to confirm or share their personal data, such as name and address, with digital services quickly and securely.



attributes

Mobile Connect Attributes service utilises device and network information for ID verification and fraud prevention.

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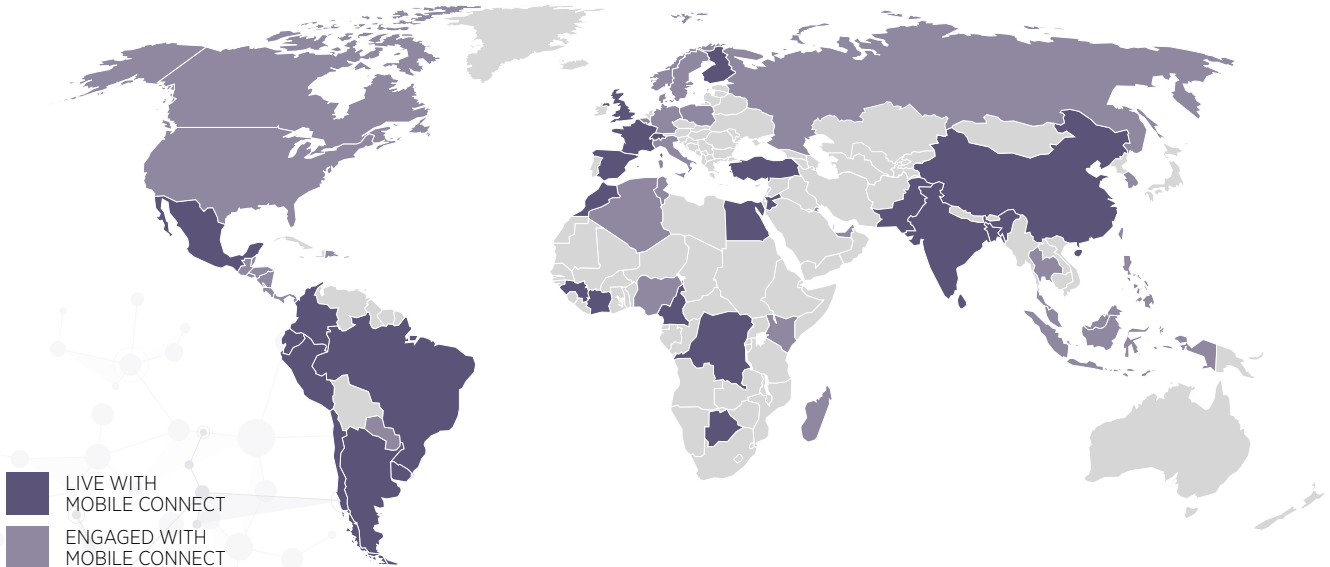
MOBILE CONNECT GLOBAL DEPLOYMENT



NEARLY 60 OPERATORS HAVE DEPLOYED MOBILE CONNECT IN OVER 30 MARKETS 

As the traditional method of accessing online services through usernames and passwords reaches the end of its life, the potential for operators and their partners to fill the gap has become increasingly apparent, and demand has soared.

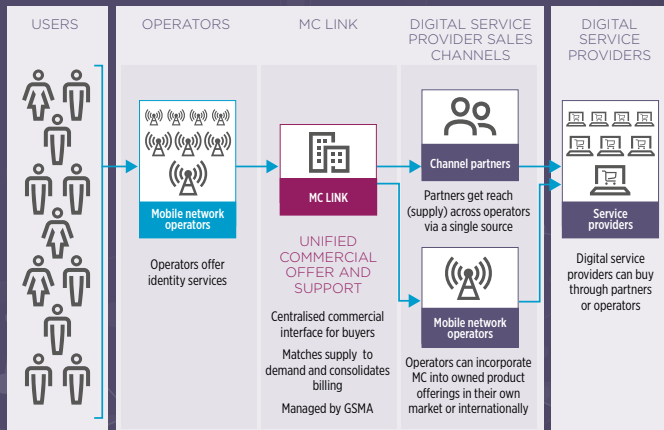
Mobile Connect is now being deployed at a rate of one new operator per month globally, an increase in coverage of around 26 per cent year on year, representing a global business potential of around \$85 billion by 2022. Mobile network operators in China and South Korea have been among the latest to deploy Mobile Connect – all operators in China now offer the service, which is already enabling transactions by 76 million users per day in the Chinese market.



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MOBILE CONNECT NOW EASY TO IMPLEMENT WITH MOBILE CONNECT LINK

The GSMA is launching Mobile Connect Link, a new initiative to enable operators and digital services to implement Mobile Connect quickly and efficiently on a global scale, providing a single contract for national and international Mobile Connect services. Mobile Connect Link offers a 'one-stop shop' interface for cross-border private use cases, allowing for a single contract for national and international services, a single billing mode, and single technical and commercial processes. This allows not only for efficiency and convenience but also permits the GSMA to conduct 24/7 service monitoring and incident management, and facilitates consistent product evolution across operators and markets.



Mobile Connect Link

Delivered by the GSMA

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CROSS BORDER AND UNIVERSAL IDENTITY IN THE INNOVATION CITY



At Mobile World Congress Shanghai 2018, we are proud to present some of the latest uses to which Mobile Connect is being put in the GSMA Innovation City. Throughout the duration of the Congress we will host operators and their partners showcasing innovations focussed on securing and delivering cross-border trade: Deutsche Telekom and SK Telecom for example will demonstrate a new cross-border authentication service to log into a Wi-Fi provider service based in Korea. China Mobile will show how their China Mobile Passport, in alignment with Mobile Connect, will help to secure delivery of Rich Communications Services, as the manifold possibilities of multi-dimensional text messaging come increasingly to market.



Please drop in to Hall N5 of the Shanghai New International Expo Centre at any time during the Congress to see these and more in action, as we consider the work being done to secure the future of digital identity across Asia.



About the GSMA

The GSMA represents the interests of mobile operators worldwide, uniting nearly 800 operators with more than 300 companies in the broader mobile ecosystem, including handset and device makers, software companies, equipment providers and Internet companies, as well as organisations in adjacent industry sectors. The GSMA also produces industry-leading events such as Mobile World Congress, Mobile World Congress Shanghai, Mobile World Congress Americas and the Mobile 360 Series of conferences.

For more information, please visit the GSMA corporate website at www.gsma.com. Follow the GSMA on Twitter: @GSMA