DIGITAL IDENTITY

Global trends and highlights from the US

mobile connect

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Global trends in e-commerce and the importance of identity to secure transactions

Mobile internet traffic now accounts for more than half of all global online traffic, **reaching 51.2%** of the world's total this year. There are now **8.8 billion** mobile connections globally, among over 5 billion individual mobile subscribers.

With this proliferation of connections however comes, unfortunately, greatly increased opportunities for cybercrime. Cybercrime is now estimated to cost around $600 billion per year globally, an increase of some $100 billion from 2014, bringing revenues lost to cybercrime to 0.8% of global GDP.

This trend has not escaped consumers' notice – online customers are increasingly wary of the uses to which their personal details and information are put, and increasingly reluctant to risk losing control of their online identities. If the growth projected above is to be realised, consumer confidence is essential.

$600 BILLION | THE GLOBAL COST OF CYBERCRIME

GLOBAL FIGURES

8.8B MOBILE CONNECTIONS[1]

5B UNIQUE MOBILE SUBSCRIBERS GLOBALLY[2]

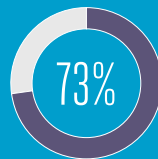**3.7** BILLION UNIQUE USERS › **THE GLOBAL MOBILE POPULATION[3]**

51.2% IN 2018 › **MOBILE INTERNET TRAFFIC** AS SHARE OF TOTAL GLOBAL ONLINE TRAFFIC[4]

WORLDWIDE CYBERCRIME COSTS AN ESTIMATED **$600** USD A YEAR[5]

73% OF CONSUMERS WILL SWITCH FROM A POORLY DESIGNED MOBILE SITE TO AN ALTERNATIVE MOBILE SITE THAT MAKES PURCHASING EASIER[6]

[1] GSMA Intelligence
[2] GSMA Intelligence
[3] www.statista.com/topics/779/mobile-internet/
[4] www.statista.com/topics/779/mobile-internet/
[5] www.internetsociety.org/blog/2018/02/the-cost-of-cybercrime/
[6] Google Research

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Mobile technology driving e-commerce in the United States

Mobile connections are particularly dense in the United States, with over 341 million at the end of last year, more than the total number of US citizens. Mobile e-commerce is consequently showing remarkable growth in the US, where retail sales via smartphone are forecast to rise at a compound annual growth rate of 18% over the next five years. Retail e-commerce as a whole will reach a total of $462 billion in the US this year, reaching an astonishing $638 billion by the end of 2022. Mobile technology is driving much of this growth: smartphones will impact more than $1 trillion of total US retail sales at some point in the customer journey this year, accounting for more than a third of total sale volumes.

340 MILLION MOBILE CONNECTIONS IN THE US

US FIGURES

WE FORECAST THAT US RETAIL SALES VIA SMARTPHONE WILL GROW AT A COMPOUND ANNUAL GROWTH RATE (CAGR) OF 18% OVER THE NEXT FIVE YEARS[1]

PLUS, SMARTPHONES WILL IMPACT MORE THAN ONE-THIRD (OR MORE THAN $1 TRILLION) OF TOTAL US RETAIL SALES AT SOME POINT IN THE CUSTOMER JOURNEY IN 2018.[2]

341.2 M MOBILE CONNECTIONS IN THE US IN Q4 2017[3]

322.17 B USD > RETAIL E-COMMERCE SALES IN THE UNITED STATES IN 2016[4]

US E-RETAIL SALES OF PHYSICAL GOODS VIA AMAZON IN 2017 AMOUNTS TO **54.47 B** USD[5]

[1] www.forrester.com/report/2018+Retail+Best+Practices+Mobile+Web/-/E-RES141594#
[2] www.forrester.com/report/2018+Retail+Best+Practices+Mobile+Web/-/E-RES141594#

[3] GSMA Intelligence
[4] www.statista.com/topics/2443/us-ecommerce/
[5] www.4 statista.com/topics/2443/us-ecommerce/

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Mobile Connect, a global identity service

Mobile Connect enables users to verify their identities online **securely and conveniently via their smartphone** – allowing them to log in to commercial apps and websites through a simple two-step process, while protecting their privacy via the unparalleled security credentials of mobile networks.
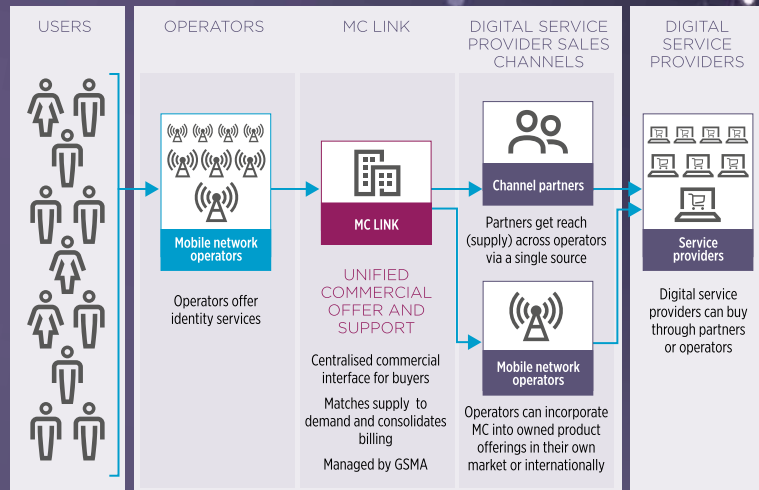
By matching users to an item most have on them at all times, **the need for an additional device is eliminated**, as is the need to remember multiple usernames and passwords.

A PIN or biometric scan is entered in response to a one-off prompt from the desired service, allowing users to authorise payments quickly and securely, without the need to share their telephone number. The anonymised data which results from this process can then be used by operators to monetise the process while also providing information by which services can be improved.

Mobile Connect therefore provides the natural progression from traditional identity verification methods like usernames and passwords. Users are both increasingly wary and impatient with passwords: GSMA Intelligence finds that as many as 86% percent of users have abandoned an online purchase when asked to create a username, with similar numbers preferring a single strong method of verifying their identities across multiple accounts. As hackers become steadily more sophisticated, passwords are also fast becoming redundant from a security perspective: Verizon estimated last year that 81% of data breaches are now caused by compromised passwords. The attrition caused to online commerce by the old username model is therefore pronounced, but it can and will be addressed by Mobile Connect: as demand has soared, Mobile Connect is now being deployed at a rate of one new operator per month globally. This is an increase in coverage of around 26 per cent year on year, representing a global business potential of around $75 billion by 2022.

Mobile Connect Link

Mobile Connect Link (MC Link) is a digital initiative which enables operators and service providers to adopt Mobile Connect globally without needing to manage multiple separate contracts. By offering a 'one-stop shop' interface for cross-border use cases, a single contract can be used for national and international services, with a single billing model and unified technical and commercial processes. The GSMA then provide round-the-clock service monitoring and incident management. Mobile Connect Link thereby maximises the efficiency with which Mobile Connect can be deployed worldwide, as well as facilitating consistent product evolution across operators and markets.

USERS

OPERATORS

Mobile network operators

Operators offer identity services

MC LINK

MC LINK

UNIFIED COMMERCIAL OFFER AND SUPPORT

Centralised commercial interface for buyers

Matches supply to demand and consolidates billing

Managed by GSMA

DIGITAL SERVICE PROVIDER SALES CHANNELS

Channel partners

Partners get reach (supply) across operators via a single source

Mobile network operators

Operators can incorporate MC into owned product offerings in their own market or internationally

DIGITAL SERVICE PROVIDERS

Service providers

Digital service providers can buy through partners or operators

Mobile Connect Link

Delivered by the GSMA

Mobile Connect product 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.
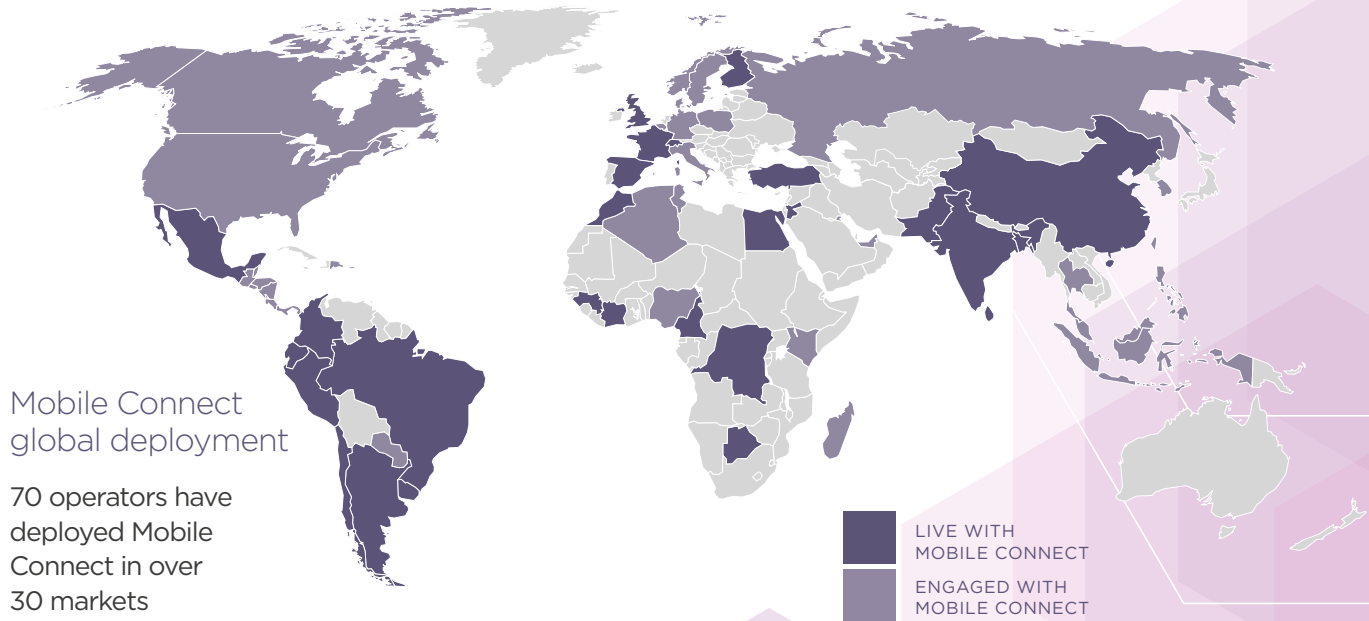
identity

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.

Mobile Connect global deployment

70 operators have deployed Mobile Connect in over 30 markets

LIVE WITH
MOBILE CONNECT

ENGAGED WITH
MOBILE CONNECT

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. Email: mobileconnect@gsma.com.
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