# Mobile Identity

# KDDI au ID: Placing Identity at the Heart of Mobile Strategy

A GSMA Mobile Identity Case Study

As mobile increasingly becomes the primary channel for accessing digital and online services, the ability to manage digital content easily and securely, while also receiving a customised user experience, forms a core element of consumer demand.

KDDI, one of Japan's leading mobile operators, chose to leverage this opportunity by implementing a new "3M Strategy", which posits three major themes: "multi-use" (services and content spanning a wide range of use cases from music, video and books to e-commerce and social networking), "multi-network" (including KDDI's fibre and cable TV fixed infrastructure, 3G, WiMAX and LTE) and "multi-device" (including tablet, PC, TV, smartphones and feature phones). A single identity was seen as a key means by which interoperability between these strategic axes could be developed and the user experience across all media and devices unified.

In May 2010, KDDI launched au ID, which is a federated identity service whereby the customer creates a unique au ID which is used to access all of KDDI's own services as well as third party services. It is also used to authenticate payment via mobile through KDDI's carrier bill offering. In essence, au ID has become the "gateway" for customers to access a variety of services and a means for KDDI to understand its subscriber activities more comprehensively.

With more than 15 million individual au IDs since its launch in May 2010, it is arguably the single most successful operator-provided federated identity solution in existence today. Six key factors can be identified as crucial for the success of KDDI's au ID concept and, ultimately, for securing the operator's leading position in the digital services sphere:

- **Confidence in the curated model:** KDDI consumer research found that customers did not feel safe using smartphones to go online, and often hesitated to use them due to the fear of entering the "open and untrusted internet". KDDI leadership recognised that it could provide a much-needed service to customers by offering KDDI-vetted content through a secured portal (Smart Pass) along with other

services such as digital storage and coupons for a fixed price per month (390 Yen / US$4).

Adding additional benefits on top of the au ID Smart Pass portal, such as coupons, insurance and malware services, content recommendations and reviews, and the highly successful Timeline[1] service, have all contributed to the differentiation of KDDI's service from those of its competitors and to create a fun exploratory environment to which the customer is encouraged to return on a regular basis. This strategy proved extremely successful and helped to secure the operator's position as a trusted brand

- **Revenue share fund:** KDDI recognised the perennial "chicken-and-egg" challenge faced by many operators in getting both service providers and customers to come on board to a new project. The bold decision was made to develop a revenue share model in which a specific fund of money would be set aside to create revenue-share partnerships with content and service providers, which became fundamental to the success of the au Smart Pass proposition, which itself ultimately came to represent the heart of the au ID proposition to customers.

- **Easy integration to Carrier Billing (au Simple Payment):** KDDI understood that customer satisfaction in terms of ease of payment would be a key differentiator for the au ID service. The introduction of au Simple Payment was also a very important milestone in solidifying KDDI's relationships with its content and service providers by enabling a simple payment solution that allowed service providers to focus on their core strengths of content provision by utilising the operator's strong billing and payment management capabilities.

Once KDDI had been successful in attracting customers and encouraging them to make regular use of their au ID, the process of attracting third party service providers became considerably more straightforward. Driving customer traffic in this way enables KDDI's content provider partners to up-sell

their content via the au Smart Pass portal, and thus creating a circular demand which keeps growing.

- **Commitment to interoperable web standards (OpenID):** Keeping the integration process simple for linking the au customer ID authentication to other third party websites was an essential component to attracting a wide range of web-based service providers to partner with KDDI. Utilising the Open ID protocol ensures that KDDI is well positioned to develop further integration and drive additional services with web-based service providers in the future. .

- **A unified and centralised approach to the au ID implementation:** Developing the au ID strategy entailed significant realignment of the organisation to ensure divisions and metrics were aligned to create and manage a single over arching account for each subscriber. The fact that KDDI was able to plan and implement the au ID concept across multiple offerings from one unified position as a single company, with centralised management, was a key factor in the success of its 3M strategy.

- **Automatic customer enrolment to the au ID:** Underlying all of these factors - and, perhaps most fundamental of all to KDDI's success in the au ID venture - is the fact that every au customer is provided with an au ID without needing to consciously make the decision. New customers are automatically enrolled with an au ID, while existing customers are given an au ID when they come into an au store (for a handset or service upgrade) or online. Through enabling the registration through multiple touch-points to the customer, KDDI has effectively tied the au ID inextricably to all KDDI services, thus centralising the au ID as the foundation of the 3M strategy and as the pivotal axis upon which all future services will be developed.

Read about the case study in full and find out more about the Mobile Identity Programme on our website: **www.gsma.com/mobileidentity**

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1  The Timeline feature is a news and social feed from which KDDI subscribers can read about upcoming and KDDI-recommended sites, content and news, as well as jokes and interactive quizzes. Similar to a Twitter feed or Facebook's Timeline, the service has become extremely popular among Smart Pass users as a kind of community forum and fun source of news and updates.