mobile connect

Secure digital identity is now in our hands

MOBILE CONNECT CONSUMER RESEARCH REPORT: CHINA
Undertaken by KRC Research for the GSMA

Personal Data

As the digital economy expands, both individuals and businesses are looking for ways to interact easily online without compromising security and privacy. Building on the successes and strategic insights delivered by the GSMA Mobile Identity programme, the GSMA Personal Data programme aims to help digital service providers and consumers find the optimum balance between privacy, security and convenience.

In line with the objectives of the GSMA Board, the programme and its operator partners have prioritised the development of digital identity services. Working together, they aim to bring to market digital identity solutions that provide a safe, seamless and convenient consumer experience, a consistent user interface and low barriers to entry across the digital identity ecosystem.

gsma.com/personaldata

GSMA Intelligence

To gain insights into consumers' evolving attitudes to mobile and digital services, the GSMA Personal Data Programme commissioned KRC Research to canvas the views of smartphone users in China on sharing personal data, authentication and identification online. One of the main objectives was to better understand how Chinese consumers will respond to Mobile Connect; a mobile operator-led service for secure authentication and identification.

The study, which combined an online survey of 1,000 smartphone users and a Shanghai-based focus group for face-to-face discussions, was conducted in February 2015. In the online survey: 55% of the respondents were millennials (born between 1980 and 1997); 35% were from Generation X (born between 1965-1979); 7% were young boomers (born between 1955-1964); 3% were older boomers (born between 1946-1954).

Just over half (56%) of the respondents had a bachelor's degree.

This paper, which summarises the key findings of the research, is written primarily for mobile operators and digital service providers, including banks, commerce and governments, who could benefit from adopting Mobile Connect.

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Executive Summary

In China, as elsewhere, consumers are increasingly using mobile phones to access a wide range of digital services. Overtime, Chinese consumers expect their handsets to take on an even more pivotal role in their lives with many daily tasks performed via their mobile phone. However, as consumers become increasingly reliant on digital services, there is growing frustration about the mechanism of access and concern about privacy implications. The GSMA commissioned KRC Research to gain insights into consumers' evolving attitudes to mobile and digital services, and how they'd respond to Mobile Connect, a mobile operator-led service for secure authentication and identification. The study revealed 86% of consumers would be likely to adopt Mobile Connect as their primary log-in for most websites, apps and online services. The study found that the core proposition will resonate with consumers, if clearly explained, and there is a clear opportunity for mobile operators to harness the inherent security of their network assets to create value from individuals and digital service providers. This report, aimed at mobile operators, details the consumer response to Mobile Connect and recommendations to maximise the positive impact of the service to their subscriber-base.

CURRENT CHALLENGES FOR DIGITAL SERVICES

In China, as elsewhere, consumers are increasingly using mobile phones to access a wide range of digital services. Overtime, Chinese consumers expect their handsets to take on an even more pivotal role in their lives with many daily tasks performed via their mobile phone.

Time spent accessing internet via your mobile per day

>6 HOURS
<1 HOUR
1 HOUR
3-6 HOURS
1-3 HOURS
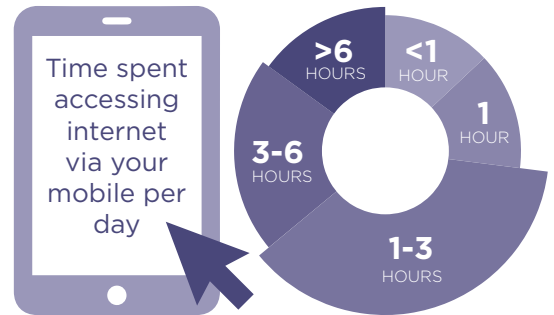
However, as consumers become more reliant on digital services, frustration around access and privacy grows.

81% AGREE THAT

"Having to remember multiple usernames and passwords, forgetting them and having to create new ones or reset is a significant problem."

WHO DO THEY TRUST WITH THEIR DATA?

Consumers feel their data is very or somewhat secure with the following organisations:

76% MY BANK

71% MY GOVERNMENT

54% MY MOBILE OPERATOR
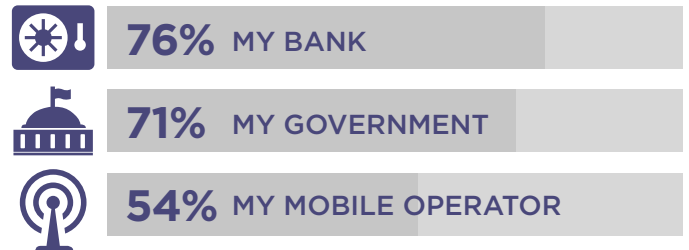
Mobile Operators over Internet players are optimally positioned as providers of secure digital identities.

INTRODUCING:

Mobile Connect Log-in

Mobile Connect is the operator-led secure authentication service.

84% would be likely to use Mobile Connect as their primary log-in for websites and apps

SECURE

85% feel Mobile Connect provides **stronger security** than current log-in due to the combination of phone and PIN

CONVENIENT

84% agreed that Mobile Connect enabled **easy log-in** using your PIN and phone.

Suggested services to use Mobile Connect included:

Financial transations

Pair with location services

Parental Control

Personalise ads

Pre-identification for call centre

and more

PRIVATE

85% liked that Mobile Connect provides **anonymous log-in** for services

86% found the **privacy principles**, governing all that adhere to Mobile Connect appealing too.

1.   Digital challenges facing consumers

In China, as elsewhere, consumers are increasingly using mobile phones to access a wide range of digital services; of those surveyed more than a third spent six or more hours a day accessing the internet from their phones. Over time, Chinese consumers expect their handsets to take on an even more pivotal role in their lives. Within five years, the majority of the respondents in the online survey said they expect to be using their mobile phone to perform daily tasks, such as storing loyalty cards and coupons, and as a ticket for travelling on public transport (see Table 1).

TABLE 1: WHAT DOCUMENTS OR PROCESSES DO YOU EXPECT TO STORE, OR CARRY-OUT, USING YOUR MOBILE PHONE BY 2020?

Storing loyalty cards and coupons	**57%**
Actively protecting yourself, your home and family from hacking and fraud	**56%**
Tickets for travelling on public transport	**55%**
Making a payment to an online store without cards	**50%**
Storing your driving license	**48%**
Authorising access to home internet and TV	**47%**
Entering your place of work, VPN, printers etc.	**42%**
Entering a country using a passport	**41%**
Registering or sharing information with your doctor	**37%**
Filing your tax returns	**31%**
Voting in elections	**26%**
Proving your age when purchasing alcohol or cigarettes at a self-service check out	**25%**

But even as consumers become increasingly reliant on their mobile phones and digital services, there is growing frustration about the steps they are required to take to access these services and their lack of control over their data and privacy.

There is widespread dissatisfaction, for example, about the log-in process employed by websites and apps; almost one third (32%) of the respondents admitted that they encounter problems logging into online services on a weekly basis.

In China, the study found that many consumers would like to move away from having to remember multiple different usernames and passwords and acknowledged that juggling usernames and passwords is a headache.

81% AGREE THAT

"Having to remember multiple usernames and passwords, forgetting them and having to create new ones or reset is a significant problem."

There is also growing concern in China about the privacy implications of the increasingly digital and data-driven economy. Many digital services require consumers to share some information about themselves and the study found that consumers in China are happy to do that in exchange for something of value. But most individuals want better control of their personal data and privacy with 67% of the respondents agreeing with the following statement that: "Online privacy and security is a major concern of mine and I do everything I can to make sure I'm protected."

Some 67% of the respondents said they are "ok letting companies know a little about me in exchange for access to services or products." However, consumers' comfort levels vary with the type of data being shared. For example, 80% are comfortable sharing data about their personal interests and preferences in exchange for deals and other benefits, but only 42% felt the same about personal details, such as address, date of birth and mobile number (see Table 2).

TABLE 2. % COMFORTABLE SHARING DATA ABOUT THEIR:

Personal interests and preferences	**80%**
Shopping & purchasing needs	**75%**
Network data: operator's name, phone location, roaming country	**67%**
Electricity, gas and water bill/usage data	**66%**
Websites visited	**62%**
Device details: technical details and reference numbers of your handset, operator account, and SIM card	**48%**
Phone account data: contract type, payment history	**44%**
Personal data: name and address, mobile number, email address, date of birth	**42%**

...in exchange for deals and other benefits.

Moreover, there is a perception among Chinese consumers that their personal data is being traded on the Internet in a way in which they have no control.

Most respondents in the online survey also felt that they aren't getting a fair deal.

84% of respondents in china agreed (19% strongly, 65% somewhat) with the statement: "I don't feel I'm getting as much value from my personal data as online companies are, and it doesn't seem fair."

80% AGREE THAT

"I feel like I am treated as the product by big internet companies who collect my data, and sell it to other companies for advertising and marketing."

2.   Who do Chinese consumers trust?

Banks and the Chinese government are the most trusted custodians of consumer data. More than three quarters of respondents said that they feel their personal data or information is very secure or somewhat secure with banks and 71% with the government (see Table 3).

TABLE 3: HOW SECURE DO YOU FEEL YOUR PERSONAL DATA OR INFORMATION IS WITH EACH OF THE FOLLOWING ORGANISATIONS?

	Very secure	Somewhat secure
My bank	25%	51%
My government	18%	53%
My mobile operator	14%	40%
My insurance provider	12%	43%
Weibo	9%	33%
Renren	8%	33%

In this respect, mobile operators are in a **significantly stronger** position than the leading Internet players with more than half the respondents who felt their data is secure with mobile operators (54%) optimally, positioning them as providers of secure digital authentication.
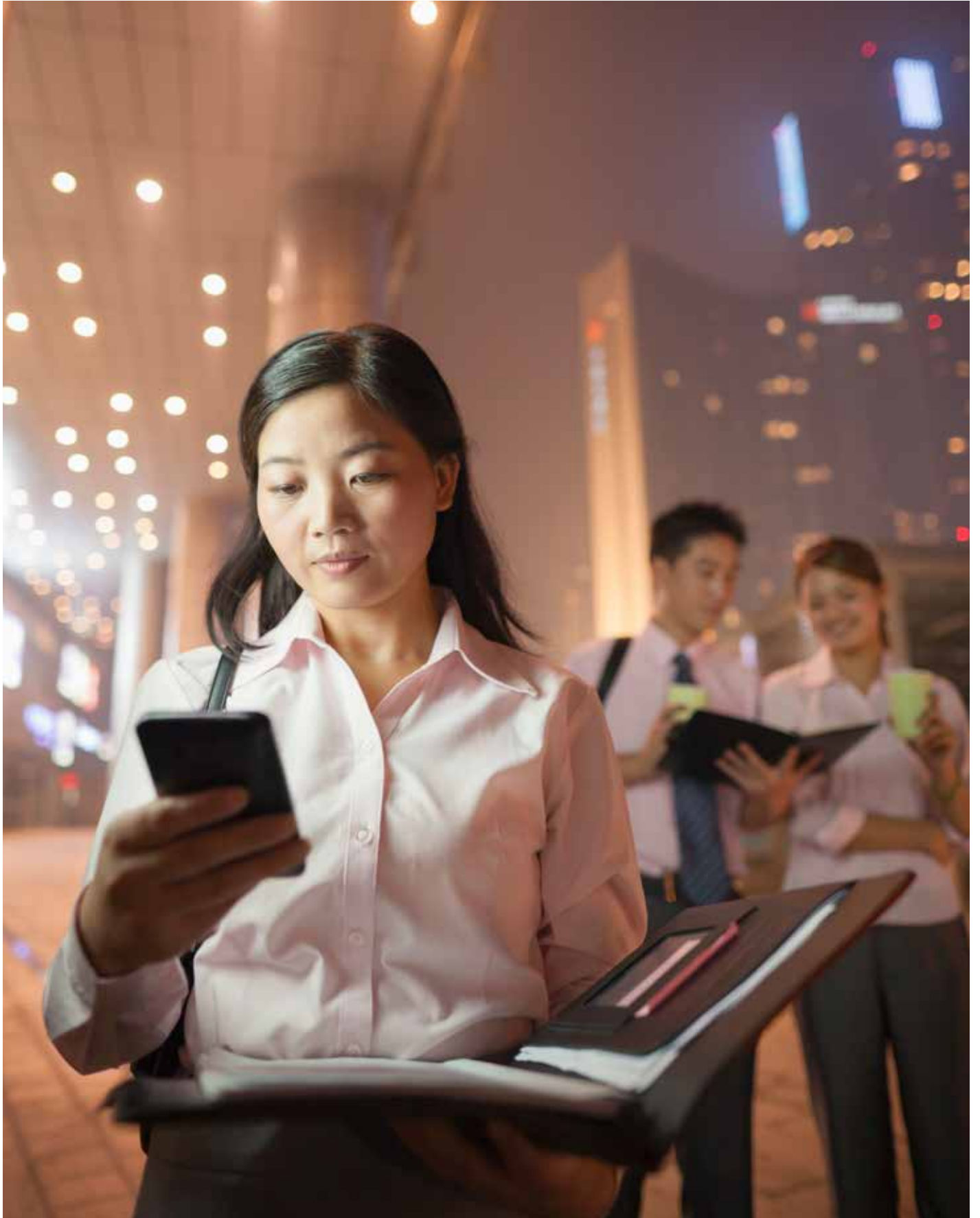
3. Introducing Mobile Connect

Participants were given a comprehensive description of Mobile Connect, developed by the GSMA with a lead group of mobile operators. Mobile Connect offers customers:

- ■ Simple, secure access which leverages the inherent security of network assets via their mobile phone for authentication.

- ■ Anonymous log-in with control over what personal information is shared.

- ■ An alternative to multiple passwords and access mechanisms, which can consistently be used at different security levels.

Once the key aspects of the Mobile Connect service had been described, respondents were asked how likely they would be to use **Mobile Connect as their primary log-in** for most websites, apps, and other online services. The response was very positive: **29% said very likely and 55% somewhat likely.**

The Mobile Connect proposition to enable individuals to log-in to multiple websites using a mobile phone, and just one password for all the sites, resonated with 84% of the Chinese consumers surveyed (see Table 4).

Moreover, a similarly high proportion of respondents welcomed the Mobile Connect promise to deliver stronger security than current log-in systems through the combination of the consumer's phone and a PIN (a two factor authentication mechanism). User anonymity supported by Mobile Connect can also be very important to Chinese consumers: The survey revealed that most Chinese consumers are keen to be able to log-in anonymously for those services that do not need to know their identity (see Table 4).

TABLE 4

	Very appealing	Somewhat appealing
Mobile Connect enables you to easily log-in to multiple websites using your mobile phone, and just one password for them all	31%	53%
Mobile Connect provides stronger security than current log-in systems thanks to the unique combination of your phone and its password	36%	49%
Mobile Connect allows you to log-in anonymously for those services that do not require to know your identity.	34%	51%

84% would be likely to use Mobile Connect as their primary log-in for websites and apps

3.1 Universal log-in for multiple websites

The use of a single sign-in mechanism, without compromising on security, resonated with 84% of the respondents, who said that a "single log-in solution - a username and password that you were confident were secure - for all or most websites," would be beneficial (37% said very beneficial and 47% somewhat beneficial).

87% of those surveyed would envisage using Mobile Connect "for almost all log-in scenario, instead of having to remember dozens of potentially weaker passwords. Respondents were presented with other scenarios in which Mobile Connect could be used, with an overwhelming majority interested to use Mobile Connect for all (see Table 5), demonstrating the broad reach this service could have online:

TABLE 5: % TOTAL INTERESTED

Reduced risk of identity theft and credit card fraud by increasing the security of all your financial transactions online and in the store because your bank and payment providers can quickly check with you	88%
For almost all log-in scenarios, just one strong password to remember that delivers high security, instead of having to remember dozens of potentially weaker passwords	87%
Shorter wait times or queues and better service at call centres, enabled because Mobile Connect allows you to pre-identify yourself	85%
Easier and more secure authorisation of online banking transactions without the fuss of using 'card devices', and filling in long forms to prove your identity	82%
Real-time parental control of your family's log-in to online services	80%
Alert your bank that you are roaming in a specific country so that you don't run into any problems with using debit or credit cards abroad	79%
Personalize ads based on your own personal information, under you control, rather than on the assumptions of major internet players	76%
Auto-fill online registration forms or payment details from the information held by your mobile	74%

3.2 Strong security

A high proportion of respondents also welcomed the Mobile Connect promise to deliver stronger security than current log-in systems through the combination of the consumer's phone and a PIN (a two factor authentication mechanism). The research also highlighted the worries of consumers in China about identity theft and associated fraud. By utilising the secure network assets that operators have access to, Mobile Connect is able to offer access at strong levels of security. The ability of Mobile Connect to provide secure and reliable identity verification appealed to more than 80% of the people participating in the survey (see Table 6).

80% FOUND

The ability of Mobile Connect to provide secure and reliable identity verification appealing.

TABLE 6

	Very appealing	Somewhat appealing
Mobile Connect provides advanced protection from the growing threat of identity theft	35%	49%
Mobile Connect provides a more secure verification of your identity - proving you are the real you	30%	52%

3.3 Control over personal data

The study found strong latent demand among Chinese consumers for a service that could give them greater control over their personal data. Mobile Connect offers anonymous access, without sharing data with the website or app, without customer consent. The user anonymity supported by Mobile Connect is also very important for Chinese consumers: Most respondents were keen to be able to log-in anonymously for those services that do not need to know their identity (see Table 5). When they were introduced to future features of Mobile Connect, including managing data themselves, 76% of respondents liked the idea of being able to manage permissions for sharing their personal data with online services (see Table 7).

There was even more enthusiasm for a consistent set of privacy guidelines across digital service providers, currently all participating parties offering Mobile Connect must adhere to agreed privacy principles, in order to be compliant with the service, and feature the brand mark (see Table 7).

TABLE 7

	Very appealing	Somewhat appealing
Mobile Connect allows you to manage permissions for sharing your personal data with online services.	25%	51%
Mobile Connect creates a personal data vault that allows you to collect, manage and control your personal information	28%	51%
The services where Mobile Connect is offered must adopt the same set of privacy guidelines, reinforcing your privacy and control	33%	53%

4.   Conclusions

Mobile operators are ideally placed to address Chinese consumers' demands for straightforward and secure authentication and identification, commanding greater consumer trust as holders of personal data than Internet services. Operators have the opportunity to delight their customers by solving a real issue for them online, resulting in deeper relationships with those customers.

Mobile Connect could be very widely adopted in China. In the survey, **29% of respondents said they would be very likely or 55% somewhat likely to adopt Mobile Connect as their primary log-in** for most websites, apps, and other online services when they understood the product. The study found its core propositions will resonate with consumers in China if the service is clearly explained and positioned, with consumers feeling comfortable using it for a wide variety of online services, broadening their reach and frequency of use.

All in all, these findings suggest there is a clear opportunity for mobile operators to harness the inherent security of their network assets to create value for both individuals and service providers. Offering Chinese customers a simple and convenient authentication and identification solution would increase usage of digital services (both those run by mobile operators and third parties) and further progress the development of the digital economy.

84% STATED

They would be likely to adopt Mobile Connect.

5. Recommendations for operators

To maximise the positive impact of Mobile Connect, as a new service, mobile operators should:

1 Explain how Mobile Connect works and address security concerns

The participants in the focus groups wanted to understand the technical details behind Mobile Connect, so they could judge how secure the service is for themselves. In particular, mobile operators need to explain how Mobile Connect can effectively safeguard personal data using two factor authentication, even if they were to lose their phone or relinquish their mobile number.

2 Seek endorsements and partnerships

If consumer banks endorsed Mobile Connect, ensuring that customer data is safe, their identity is protected, and their privacy is respected, 84% of the respondents said they would be more likely to use Mobile Connect as their primary log-in for most websites, apps, and other online services. Asked the same question about the government, 94% of respondents also said they would be more likely to use Mobile Connect as their primary log-in, so seeking endorsements, and accreditations from regionally relevant sources can boost the service's uptake.

3 Clearly differentiate Mobile Connect

The research also highlighted the need for mobile operators to spell out very clearly what differentiates Mobile Connect from other authentication and identification solutions, both in terms of the log-in experience and data verification. One of the key areas of differentiation will be the ability of Mobile Connect to give consumers greater control. One participant commented: "I really like the idea that I can control my data at different levels, thereby choosing the level of transparency."

4 Aim to scale rapidly

The study highlights the positive response Mobile Connect would be likely to receive from consumers, and identifies a number of potential environments they envisage the service to be of use. In some discussions, the participants in the focus groups in China adopted a "herd mentality" towards Mobile Connect, saying that they would be more likely to try the service once it had become popular with their peers. "If more and more people would use it, I would definitely try it as well," noted one participant. Therefore achieving scale will be important for the successful launch of Mobile Connect; offering Mobile Connect for free to consumers will be essential to encourage early adoption, as well as offering a wide variety of digital services where Mobile Connect is listed as the log-in mechanism.

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Personal Data