

# If the future in Africa is mobile, identity verification is paramount

By Sherry Zameer

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As in many other developing markets in which mobile is outstripping fixed-line networks, mobile operators are becoming an important provider of, and platform for, a growing range of services. As a result, the ability to verify customer identity is becoming a business imperative for mobile operators.



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According to the *2017 Mobile Economy Report* of the GSM Association, Africa currently has 420 million unique mobile subscribers representing a 43% penetration.

**“ By 2020, the report predicts that 500 million Africans will be mobile subscribers, making it the fastest-growing mobile market. Perhaps more important, smartphone connections have doubled in sub-Saharan Africa to nearly 200 million over the past two years.<sup>[1]</sup> ”**

Ovum, meanwhile estimates that mobile broadband connections in Africa will rise from 419 million at the end of 2017 to over one billion by the end of 2022.<sup>[2]</sup>

While the figures may differ, the message is the same: Africa’s digital economy will be built on mobile platforms, creating exciting opportunities for farsighted mobile operators to play a key role in the continent’s digital revolution.

Kenya’s M-Pesa money transfer service was developed partly by Vodafone, for example, and mobile operators are partnering with insurers, retailers, banks and other companies to provide a growing range of services to Africans. Airtime is even being used to replace cash for small payments.

In this growing ecosystem, payment solutions that are both secure and customer-friendly are of paramount importance. In particular, as mobile operators offer more and more services, identity fraud is becoming an issue and needs to be prioritised by mobile operators.

## Traditional vs automated

However, traditional identity verification methods are subject to manual error and provide a frustrating customer experience. In contrast, a digital and automated identity verification solution can have an immediate impact on fraud reduction and even improve customer enrolment.

Orange, France's leading mobile operator, has benefited from this approach to reducing fraud and the resulting financial consequences. In this instance, legacy scanners operated by sales assistants are securely connected to the internet and automatically send the scanned ID documents to a server for instant verification. Upon verification, the sales assistants and fraud departments receive instant reports confirming their status.

*“ A powerful digital identity verification solution that is automated and integrated into the business process brings a new dimension to customer identity management. ”*

While there are a number of associated benefits, here we highlight the four key ones for mobile operators:

## 1. Streamlining customer acquisition

Mobile operators offer customers a growing range of value-added services such as payments, internet of things services and peer-to-peer payment solutions, and this list is growing all the time.

By deploying an identity verification solution, mobile operators could benefit from a consistent and unique digital identity that covers all services at the same time.

Therefore, when existing customers decide to buy a new service, or extend the functionality they already have, it can be done seamlessly and without any additional inconvenience by using their digital identity.

## 2. Providing better customer support

Deploying a solution that is user-friendly right from the start offers a real advantage because it can be improved over time by gathering feedback from sales staff.

In Orange's case, it allowed staff to focus on consumer care rather than on administrative tasks, helping to build stronger relationships. The reliability of the system was also of great benefit.

Mobile operators often experience a huge volume of daily verification requests, but real-time identity verification in stores saves, literally, hundreds of hours.

## 3. Reducing fraud

Deploying identity verification services can help to reduce fraud. In fact, according to the Technology Research Institute, “real-time point-of-sale identity verification services are an invaluable aid to stopping fraudsters from exploiting identity theft”.

For example, since Orange introduced Gemalto's identity verification tool, fraud in some stores was reduced by 100%. Additionally, performing identity verification in front of customers was found to discourage criminals from even attempting fraud.

#### 4. Creating new opportunities through digital services

A multi-channel solution for identity verification, which also works remotely, provides a great opportunity for mobile operators to take the first step towards the creation of a trusted digital identity.

Mobile operators have the opportunity to position themselves as trusted digital identity aggregators by validating the subscriber's identity. This could then lead to further opportunities in complementary markets that require identity verification, from online gaming and banking to car rental. The opportunities in the public and private sector are legion.

#### Looking ahead

Solutions that streamline identity verification, and protect customers' identities, are hugely valued by both customers and businesses. Finding the right balance between accuracy and tolerance for user convenience is critical in this field.

Mobile operators in Africa that adopt the technology now will see immediate benefits in terms of efficiency and customer service — but, in the long term, they will position themselves as pivots within the digital ecosystems built on mobile platforms.

[1] [\*Over half a billion mobile subscribers in Africa by 2020\*](#), *AfricaNews* (25 July 2017).

[2] [\*Reuters, Africa set to top 1 billion mobile internet connections in five years: study\*](#) (6 November 2017).

#### ABOUT SHERRY ZAMEER

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