According to Ingenico ePayments’ data, most travelers in LATAM arrive or depart from these top five airports:

**PTY** Tocumen International Airport | Panama City, Panama

**SCL** Comodoro Arturo Merino Benítez International Airport | Santiago, Chile

**LIM** Jorge Chavez International Airport | Lima, Peru

**BOG** El Dorado International Airport | Bogota, Colombia

**GRU** Sao Paulo – Guarulhos International Airport | Guarulhos, Brazil

We work with some of LATAM’s biggest airlines, visiting all of these destinations, by helping them reach more customers around the world. Make sure that you’re targeting all of your international travelers throughout their journey, with the most payment methods and comprehensive acquiring coverage available.

Visit: [www.ingenico.com/epayments](http://www.ingenico.com/epayments) to learn more
Who are you in the Digital Age?
How identity is the key

By Francesco Scarnera
CEO - iBe TSE
First commercial flight was just over 100 years ago

• Jan. 1, 1914, the St. Petersburg-Tampa Airboat Line became the world’s **first** scheduled passenger **airline** service, operating between St. Petersburg and Tampa, Fla.

• 1 passenger – you knew who the passenger was

• 1 pilot – probably was only one for all the flights

• There was no need for KYC, AML, authentication and fraud management processes

Source: Jeremy Hsu, *10 greatest moments in flight*
Picture: University of South Florida
Overview of the current landscape

How many people fly each year?

<table>
<thead>
<tr>
<th>Year</th>
<th>Passengers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>2,483,000,000</td>
</tr>
<tr>
<td>2010</td>
<td>2,700,000,000</td>
</tr>
<tr>
<td>2011</td>
<td>2,864,000,000</td>
</tr>
<tr>
<td>2012</td>
<td>2,999,000,000</td>
</tr>
<tr>
<td>2013</td>
<td>3,152,000,000</td>
</tr>
<tr>
<td>2014</td>
<td>3,328,000,000</td>
</tr>
<tr>
<td>2015</td>
<td>3,568,000,000</td>
</tr>
<tr>
<td>2016</td>
<td>3,810,000,000</td>
</tr>
<tr>
<td>2017</td>
<td>4,100,000,000</td>
</tr>
<tr>
<td>2036</td>
<td>7,800,000,000</td>
</tr>
</tbody>
</table>

Source: The Telegraph, data taken from the International Air Transport Association, 2017

People fly **doubled** in **10 years** and Expected to almost **double** in the next **15 years**

How many planes are out there?

The total number of aircraft currently in service is approximately **23,600** as per aviation analysts of Ascend, where airliners.net claims there are **39,000**.

Source: The Telegraph - UK, 2017

What factors contributed to this increase?

1. Expansion of economies and the rise in Asia and Africa
2. Cheaper airfares, thanks to both efficient planes and competition
3. OTAs and compare websites leads to frictionless customer experience; easier for consumers to book and buy a flight ticket with the growth of the mobile use
The concept of identity is not new. From beads and wax seals to passports, ID cards and other official documents, the way defining the identity has changed. Identity is the first step for every transaction between two or more parties to answer the below questions:

- Validation of a credential: Is this genuine information?
- Verification of an identity: Does the information match the identity?
- Authentication of an identity: Does this human match the identity? Are you really who you claim to be?

Source: World Economic Forum, on the threshold of a digital identity revolution, 2018
What are the current challenges?

Challenges for consumers:

- **Limits to portability and acceptability** - recognised identity differs widely among countries and organisation. Individuals end up with thousands of digital and physical credentials;

- **Social and financial inclusion** - countries without any official identity makes the social and financial inclusion impossible;

- **Inability to manage data** - not able to know which entity has what parts of the data, where it is, how long the entity has access to the data and who is monetizing the data;

- **Sharing of personal identification information** - limited ability to select the persona and specific data that they want to share depends on the each interest;

- **Not user-friendly** - identification, verification, authentication processes are often tedious, repetitive.

Challenges for businesses:

- **Identification, verification, authentication processes are inefficient, costly but mandatory**;

- **Identity data are disparate, inaccurate and difficult to find**;

- **Data protection** regulations are different from country to country; compliance is difficult and expensive;

- **Large investments have been made for compliance, but are not 100% effective**;

- **Primary focus at the moment is on humans; device identification is coming in the near future**

- **Time consuming** process that takes focus away from understanding and fulfilling consumers needs

Source: World Economic Forum, on the threshold of a digital identity revolution, 2018
Three different types of identity

**Physical identity**
Passport, National ID, driving license and anything physical ID that can identify you (who/what it claims to be through a set of attributes).

**Digital identity**
Set of electronic attributes such as biometric templates, online browsing records and phone numbers to allow identification online/remoteley.

**“???” identity**
Emerging topics and advancements in digital technology, AI, robotics and automation will require new thinking and approach to identity.

**Physical identity** was designed to enable face-to-face transactions among entities.

**Digital identity** enables transactions in the digital world.

Source: World Economic Forum, on the threshold of a digital identity revolution, 2018

We are here!!!
So What...Why identity is important?
Key Opportunities / Challenges

- Compliance
- Fraud management
- Consumer frictionless journey
- Product development – marketing/sales
Compliance through regulations 
(Learnings and Best Practices from FS applied to Travel)

- Anti-Money Laundering (AML) regulations require firms to verify the identity of their clients

- Know Your Customer (KYC) is necessary to safeguard against fraudulent and terrorism related activities

- Payments Services Directive 2 (PSD2)
  - strong authentication
  - payment institutions license

- Data Protection
  - need to authenticate customers to correctly use data
  - General Data Protection Regulation (GDPR), coming into force on the 25th May

- PCI DSS
  - payment card industry standards

- Electronic identity, Authentication and Signature/Seals (eIDAS)
  - rules for electronic identification and trust services
  - verify the identity of individuals and businesses online or the authenticity of electronic documents

- Schemes (Mastercard/Visa)
  - merchant onboarding requires KYC B2B

- Money transmitter
  - license requirement

Note: the above regulations are not exhaustive
Fraud is on the rise and is becoming every industry’s problem

Most common fraudulent types
- Stolen card and card details
- High jacked loyalty miles
- Employee account phishing
- Airline account hacking
- Account takeover
- Identity fraud

Source: RSA security report, 2016

Source: Edgar, Dunn & Company, Fraud in Travel Payments, 2018

APAC: Asia Pacific
AMS: North and South America
EMEA: Europe, Middle East, and Africa

OTA: Online travel agents
TMC: Travel management companies

2017 global travel spend and fraud cost estimates

Top Merchants affected by Fraud Transactions

Average value of Fraud transaction

Source: RSA security report, 2016

2017 global travel spend and fraud cost estimates

Source: Edgar, Dunn & Company, Fraud in Travel Payments, 2018
Data breaches

Source: CBInsights – from the company itself

ATPS Worldwide 2018 Sponsored by:
User experience: frictionless experience
(Learnings and Best Practices from FS applied to Travel)

Users looking for
• Convenience
• Security
• Simple, streamlined checkout
• Mobile friendly experience
• Last-minute bookings
• Flexibility with different channels
• Innovative products
• Faster payment

- Mobile payments 30% of global transactions
- $1.5bn customer funds loaded into loyalty scheme.
- 1m people ordering via mobile every month

- Pre-paid international card
- 60 sec. onboarding journey
- All done via smartphone
- Regulated by the FCA

- Money without borders
- In any currency
- Whenever, wherever
- No overdrafts, no interest

- Face ID to unlock the phone
- Face recognition links to Apple Pay
How Digital Identity could be applied to Travel for a Frictionless Customer Journey

1. Standardisation: Register in standardised system for trusted traveller status with participating governments

2. Digital Profile: Facilitate booking and verify eligibility to travel. Profile aggregates all travel information, passport information and syncs your data into each booking interface. Data will be saved for future travel.

3. Technology clearing house: You choose to push your digital profile to government agencies and your destination for pre-visit and a smoother experience. Governments can verify your eligibility to travel and trusted status.

4. Automated trip pass: Your personalised digital service that manages your travel, develops your itinerary, remembers your preferences, handles in-service bookings and tracks international purchases.

5. Geo-location: Seamless check-in with verification for travel prior to airport arrival and instant recognition during travel journey

6. Luggage: Luggage is marked automatically with your digital profile, allowing for easy drop off and pick up

7. Security: Use of biometrics will confirm you are ticketed passenger and allow you through security. No lines, no queues- frictionless security devices. Travellers are pulled aside if there is any issue.

8. Know me: Traveller can push their digital profile to the in-country security agency to expedite the immigration experience at the destination

9. Automated trip pass: Your trip pass has tracked your purchases and you can choose to digitally submit the data to the government for your declaration forms.

Product development / marketing / sales

Data Collection
- Collect, design and synthesize of data by internal and external data sources

Cluster Analysis
- Customer segmentation based on behavioral variables

Macro Profiles
- Identification of macro profiles
- Guidelines for marketing actions

Personas
- Enrichment and personification of the profiles identified
Each player in the travel industry can be impacted from identity

**Travel specific**
- Value chain is complicated
  - Search comparison
  - OTAs
  - Travel agent
  - Trip organisers
  - Airlines
  - Car rentals
  - Hotel operators
  - Accommodation rentals
  - Taxi
  - Payment providers
- But ID is key to successful interaction and transaction
Purpose of the benchmarking report

1. Regulation drives better identification
2. Consumer expectations ask for frictionless journey
3. Innovation produces new methods
4. Competition gives new products and new providers of identity services

This choice can be overwhelming

1. Provide an understanding of the current landscape in identity
2. Understand how specific requirements can be met
3. Navigate various offerings by putting them in broad ‘clusters’ (categories)
4. Provide some ideas for future outlook of the identity
Seven clusters

1. Onboarding
   - The action or process of taking on a new customer (individual or company)

2. Access
   - Control of physical access into premises or access to online account or mobile application or service

3. KYC
   - The process of identifying and verifying the identity of clients

4. AML
   - A set of procedures, laws and regulations designed to stop generating income through illegal actions

5. Authentication
   - A process of ‘recognising a user’ used to identify a person based on previously captured credentials

6. Biometrics
   - A process using human characteristics to authenticate a person is the same as the person who enrolled

7. Fraud Mgmt.
   - Organisational processes to prevent, detect, contain, and remedy fraud

Source: iBe TSE Ltd. Identity – A Key to the Customer, 2018
How to identify Jane Smith?

Seven key stages in the identification process, hence seven clusters

1. **Identity proofing**
   - How can I be sure (enough) that Jane Smith exists?

2. **Identity verification**
   - Is this person who is opening the account the same Jane Smith?

3. **Enrolment**
   - What can I use to easily authenticate Jane when she comes back?

4. **Authentication**
   - Is this the same customer who enrolled?

5. **Fraud Management**
   - How can I be sure that Jane Smith exists?

6. **AML**
   - What can I use to easily authenticate Jane when she comes back?

7. **Access**

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ATPS Worldwide 2018 Sponsored by:
ID providers are positioned differently across the clusters

Source: iBe TSE Ltd. Identity – A Key to the Customer, 2018
Some providers per cluster

### Onboarding
- emailage
- Experian
- Callcredit Information Group
- IdentityMind Global

### Access
- TRUSONA
- Entrust Datacard
- RSA
- GBG
- Gemalto

### KYC
- Experian
- iD MERIT
- Callcredit Information Group
- IdentityMind Global

### AML
- Callcredit Information Group
- IdentityMind Global
- Experian
- iD MERIT

### Biometrics
- Facebanx
- hooyu
- Trulioo

### Authentication
- INTEGRITY
- RSA
- THE ID Co.
- iSignthis
- DIGIDENTITY

### Fraud Management
- experian
- Callcredit Information Group
- CONTEGO

Source: iBe TSE Ltd. Identity – A Key to the Customer, 2018
ATPS Worldwide 2018 Sponsored by: CyberSource®
ID scan solution

4 types of ID documents accepted
- 33%

3 types of ID documents accepted
- 76%

Accepting 2 or less types of ID documents
- 19%

Source: iBe TSE Ltd. Identity – A Key to the Customer, 2018
92% of the companies are choosing morphological approach towards biometrics (face, finger, voice)
8% in behavioural (typing patterns)
0% in biological (DNA, blood)

80% face recognition
50% fingerprint
20% voice
20% other

Source: iBe TSE Ltd. Identity – A Key to the Customer, 2018
...and for the full report,

please go to [http://www.ibe-disruptors.com/](http://www.ibe-disruptors.com/) and click on IDENTITY BENCHMARKING REPORT download, or

click the link [*Identity Benchmarking Report*](http://www.ibe-disruptors.com/), or

e-mail me on: [f.scarnera@be-tse.com](mailto:f.scarnera@be-tse.com)
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