Microsoft, Doubleclick and Google were quick to see a business model in online data bases that contain the identification of people. However, there are risks.

At present, there are many companies creating online data bases that contain the identification of people and objects for very diverse purposes. Microsoft, for example, is working on the restructuring of Passport, its identity management platform. The idea is to add new services to its operating system so as to help users identify themselves on the Internet.

However, some observers think that Microsoft’s intention is to monopolise identity services with the widespread deployment of its own platform. If that is so, the electronic identity (username and password) that users would use for all web pages that require registration would be in Microsoft’s hands.

Doubleclick, the online marketing services company, has created a publicity network in which it acts as intermediary between advertisers and content providers. One of its advantages is that it has a data base with information on the advertisements the audience sees in different media. This lets the company design made-to-measure publicity campaigns.

Google is a third instance of initiative directed at profiting from identification. The search services company foresees exploiting the user information it stores to personalise the advertisements in searches, e-mails and even in web pages with its ad-sense service.

The fact of having online data bases makes the universalisation of electronic identities of individuals possible. This has several advantages, not only for the person or potential customer, but also for companies.

For the individual, one of the benefits is that the customer can access the content offered by different web pages using a single name and password. In this way there is a considerable saving of time, given that it is not necessary to create new identities each time a person wants to access the information provided by a company.

Spam
On the other hand, there is no need to introduce one’s electronic mail on the Internet, which would greatly help to reduce the reception of Spam. But undoubtedly the most important advantage for the user is that it would be much simpler for him to control his data and the way these are distributed on the Internet. By simply going to a source, the customer could update his profile (if he so wishes) and decide which data are to be made known to all web services he is subscribed to.
This last point also represents an advantage for the company, since it would be cheaper for it to keep its customer database up to date. When a customer changes his address, his job, his e-mail address or modifies other personal preferences that he is willing to share, this update will be automatically updated in all the different databases. This greatly helps Customer Relationship Management (CRM) because companies are able to provide a better service for their potential customers. So both sides benefit.

However, the universalisation of electronic identities of individuals is not without problems. The biggest among these is robbery of identities, which has forced companies like Microsoft to change course and to work on the authentication of two factors instead of just one password.

The databases that enable management of product identity are also growing in importance, above all with the popularisation of RFID technology (Radio Frequency Identification). This system not only lets one assign a single code to a product, it also makes it easier for manufacturers and retailers to automatically locate a product right through the supply chain.

**Product code**
Suppliers can send Electronic Product Codes (EPC) to retailers. Several organisations are working towards making this code a standard where it is stored in a universal data bank, so that all retailers can use the same EPC to have access to all the details of any product (type, production, customers that asks for information, etc.).

Although the EPC implies an exchange of complex data where coordination is essential for their proper translation and synchronisation (in spite of the fact that this is not an easy technology to adopt), numerous enterprises are expected to adopt this technology in the near future.

In this way it is quite likely that in the future there are universal data bases that identify users and products. As we have seen, this will bring about a whole new series of advantages. However, at the same time, it will require new challenges in the field of privacy and security.

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**Is the management of identities a worthwhile investment opportunity?**

**Profits for the Organisations**
*Elena Maestre, Senior Manager at PwC*

At present, the identities management process has been complicated by the growth of the information systems areas, which can be put down to several reasons, among which are the multiplication of users (members, providers, etc.), the diversity of technological environments and, as a result, the increase in the number of administrators.

Different initiatives on identities management, which seek to guarantee the access/supply to certain areas (and in time) for authorised people, have arisen to work out these questions. These initiatives provide the organisations with obvious benefits, among which five stand out. Firstly, there is cost reduction, which is mainly associated with three concepts: efficient processes that are developed in time for user supply management, synchronisation of the support systems of those processes and efficiency.
in the human resources involved. Secondly, there is a tightening of security associated with the control and automatic, predefined follow-ups for such supply processes. Moreover, there is an improvement in complying with the regulation, which is more and more insistent on questions of confidentiality and privacy. There is also an improvement in its use, getting closer to users as well as personalising them in those matters needed to carry out their work. Lastly, the consolidation of information, which enables the reuse of preestablished security components and so speed up processes such as the launching of new products.

**Business Models**

**Brian Subirana, IESE professor**

If the market creates value for customers and we are able to appropriate it in a sustainable way, then this could turn out to be the business of the century. Electronic identities (of objects as well as people and computer programmes) seem destined to become the backbone of applications such as automatic payment of micro-services, software agents who represent products at auctions to get the attention of consumers on supermarket screens, unification of invoices, B2B services, personalised piped music, etc. The balance between supply and demand of services based on identities will eventually be what determines the size of the market. If this is big, the next Microsoft or the next source of income for Microsoft may well be the company that is able to get just a small part of all the associated transactions. However, if electronic identities become a government regulated standard, with many authorised brokers, then competition will rule the day. In that case, the appeal of the business will depend to a large extent on the regulatory details the make up the sector.