

Akamai to launch cloud-based e-pay service

By RAJU CHELLAM

ONE of the world's leading Web services and content delivery companies, Akamai Technologies, is planning to launch its secure e-payment solutions early next year in the Asia-Pacific region, with Singapore as the hub.

The service will enable merchants who sell their goods or services online to convert credit card data to a token on Akamai's cloud, thus making it harder for thieves to access the information.

Cambridge, Massachusetts based Akamai provides cloud-based services for optimising Web and mobile content and applications, online high definition video, and secure e-commerce. It competes with companies such as Level 3 Communications, Limelight Networks, and Mirror Image Inc. Nasdaq-listed Akamai posted revenues of US\$253.6 million for its last fiscal third quarter-ended Sept 30, 2010, up 23 per cent year-on-year.

Called the Akamai Edge Tokenisation, the e-payment security service will also offer automatic compliance with the PCI DSS (Payment Card Industry Data Security Standard). The cost of obtaining PCI annual compliance assessments for e-payments for merchants can runs into thousands of dollars.

'PCI DSS compliance has been a cost of doing business and can be substantial,' according to Michael Suby, vice-president of research at Stratecast, a division of research house Frost & Sullivan.

'For example, the reported cost for annual compliance assessments can run into six figures, excluding the cost to change systems and operations to become compliant. A service like Edge Tokenisation offers e-commerce companies an innovative way to reduce these costs while still protecting against card data breaches.'

Edge Tokenisation automates credit card tokens or tickets on the Akamai cloud, thus offering stronger levels of payment security and ease of operations for Web retailers without the need to increase spending on internal infrastructure. 'The Akamai cloud does not run on its own data centres but on Akamai servers embedded with telcos and ISPs (Internet Service Providers) across the world,' Akamai's Zurich-based vice president of international marketing Martin Haring told BizIT in an interview.

'We run 77,000 servers in 90 countries that optimise web content, boost online delivery of data, cut latency and enable high quality of online service. In Singapore our servers work with all the three telcos here - Singapore Telecommunications (SingTel), StarHub and MobileOne.'

The Edge Tokenisation service was launched in the US in late September. Akamai has integrated its cloud-based technology with tokenisation solutions from CyberSource, which is part of credit card giant Visa, to enable seamless transmission of tokenised data.

'This service is a game changer that will free merchants from an environment where credit card information is stored in local data centres, at high risk of being stolen by data thieves,' Mr Haring says.

'By doing away with the need to route customer credit card data through their infrastructure, it becomes harder for thieves to access the information by breaking into the databases where they're stored.'

Michael Walsh, CEO of CyberSource, says Edge Tokenisation automatically combines the concept of hosted payment acceptance and payment tokenisation with cloud-based web infrastructure.

'This makes it easy for online merchants to meet compliance requirements with less cost, complexity and time,' he says. 'We've always maintained merchants shouldn't seek to secure payment data, but instead, eliminate contact with it.'

Mr Haring says Akamai is seeking to partner with payment

gateway and security services companies in the Asia-Pacific region. In the US, CyberTrust is one such partner that uses Edge Tokenisation.

CyberTrust, an information security company, was formed in 2004 with the merger of TruSecure and Betrusted security companies. Cybertrust later acquired a large stake in Ubizen, a European security services firm based in Belgium, to become one of the largest information security firms in the world. In July 2007, Verizon bought Cybertrust for an undisclosed sum.

Some Akamai customers include Apple, Microsoft, ESPN, Audi, Fujitsu, Nasdaq, and Standard Chartered Bank.

StanChart uses Akamai's solutions to boost speed of the banjos secure content delivery and help open up new markets quickly.

'The bank reduced the time it took Indian consumer banking customers to complete a five-step banking process from 70 seconds to 20 seconds,' says Robert Hughes, an Akamai executive vice-president.

'Corporate banking customers in Asia saw a 25 per cent improvement in online performance for the bank's Straight2Bank application. These improvements led to a 20 per cent increase in the bank's wholesale banking transaction volume worldwide.'

According to a recent IDC (International Data Corp) survey, more than 50 per cent of organisations in the Asia-Pacific conduct online transactions currently. The big growth areas over the next 12 months will be mobile access and streaming video.

'In mobile access, companies in Singapore, Hong Kong, and Malaysia lead the region,' IDC reports. 'Up to 86 per cent in Malaysia will have mobile access to Web applications over the next 12 months. In view of this, 20 per cent of organisations across the region plan to give employees mobile access, as well as support bandwidth-heavy streaming video applications.'