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Press Release

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KCC releases circulation trends of mobile phone, email spams in 1st half of 2013

- KT, LG U+ found to be major transmission channels of mobile phone text spams, email spams, respectively -

The Korea Communications Commission (Chairman Kyeong-jae Lee) and the Korea Internet Security& Agency (President Ki-joo Lee) announced the “**result of analysis on the circulation trend of spams in the first half of 2013**” through major players that serve as transmission channels of mobile phone spams and email spams.

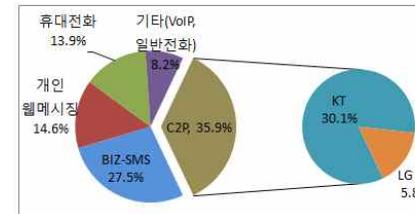
KCC and KISA conducted analysis on how service providers’ spams are most widely circulated based on spam reporting filed with KISA and results of a survey on the per-capita number of spams received by the Korean public from January to June this year. As for mobile phone text spams, mass text message transmission services including BIZ-SMS and C2P were the targets of analysis; for email spams, broadband Internet service and email services provided by portal sites were investigated.

The largest service provider of mobile phone text spams in the first half of 2013 was C2P (accounting for 35.9% of the total); KT (accounting for 30.1% of all spams) was found to be transmitting the largest number of

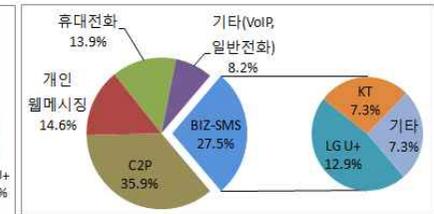
spams among the C2P service providers. For email spams, LG U+ 9 (accounting for 55.0% of all spams) transmitted the largest number of spams.

□ **Mobile phone – transmission service**

- o Major spam transmission services were in the order of mass text message transmission service (C2P: 35.9%, BIZ-SMS: 27.5%), personal web messaging services at mobile telecom carriers’ websites(14.6%), and mobile phone services of mobile carriers’ (13.9%).
- o Major spam senders via C2P were ranked in the order of KT (30.1%)and LG U+ (5.8%), whereas those through BIZ-SMS were LG U+(12.9%)and KT(7.3%), according to the analysis.



[fig. 2] C2P Ratio by Business Holders



[fig. 3] BIZ-SMS Ratio by Business Holders

- o In the personal web messaging service wherein text messages are sent via the website of mobile telecom carriers, LG U+ took up the largest portion by accounting for 14.6 percent of all spams. Note, however, that the company waged a self-cleaning campaign, including the termination of contract with mass spammers in February; thus significantly reducing the volume of spams since March (414,000 in January → 3,000 in June) and managing it stably since.
- o As for the number of spams via mobile phones, LG U+ (6.8%) was found to be the biggest transmitter. The number of such

spams has been constantly increasing since 2012 as the texting service cost became effectively free.

□ **Mobile phone – reception service**

- A survey on the average daily per-capita number of text spams received by Koreans showed that they receive 0.23 text messages on the average (0.24 in the first half of 2012 → 0.22 in the second half of 2012 → 0.23 in the first half of 2013).
- Moreover, intelligent spam filtering services, a free auxiliary service provided by mobile carriers, were found to be providing generally low filtering rates; hence the need for improvement.

(as of June 2013)

Classification	KT			SKT	LG U+
	High	Intermediate	Low		
Filtering rate	43%	39%	22%	37%	7%
Ratio of inaccurate filtering	1%	0%	0%	0%	0%

[Table 1] Filtering and Inaccurate Filtering Rate of Intelligent Spam Filtering Services by Service Providers

- ※ SKT and LG U+ are taking steps to improve the spam filtering rate (September 2013).
- ※ KT is providing its Intelligent Spam Filtering service, which allows the user to select the level of filtering among three degrees (high/intermediate/low).
- ※ The rate of inaccurate filtering is the ratio of non-spam messages wrongfully filtered out as spams.

□ **Email**

- **(Transmission service)** Among Internet service providers (ISPs) that send email spams, LG U+(55.0%) and SK Broadband (10.5%) were the frequently used channels of spam transmission, according to the survey.

- **(Reception service)** A survey of the average daily per-capita spam reception among the public showed that people receive 0.51 spams on the average (1.64 in the first half of 2012 → 1.40 in the second half of 2012 → 0.51 in the first half of 2013), and that they are receiving 0.68 spams via Daum, 0.38 via Naver, and 0.35 via Nate.

Classification	Daum	Naver	Nate	Average
First half of 2013	0.68	0.38	0.35	0.51

□ **General assessment**

The number of spams via mobile phone and email has been constantly declining since 2012. This is believed to be the result of service providers' voluntary efforts to cut spams based on the "analysis and publicizing of spam circulation trends" conducted since 2012 and the government's reinforcement of anti-spamming policy.

Still, while the number of spam texts sent via mobile carriers' web messaging service for individuals has been on the decline, the number of spams generated at providers of C2P, a mass text message transmission service, was found to have been surging. Providers of mass text message transmission service have staged self-cleaning efforts including filtering of words that are widely used in spam messages, yet certain service providers have been negligent because either they seek sales generated from spamming or they failed to exert proactive efforts to filter spams, considered a reason for the hike in the number of spams.

As for emails, self-cleaning efforts to reduce spams, including portal service providers' continued development of spam filtering technology and denial of service to IPs sending spams by ISPs, are believed to have helped reduce spams (number of email spams: 1.4→0.51).

□ **Future policy**

KCC will require mobile carriers to share information on malicious spammers and consequently prevent subscription to their services aimed at spamming (borrowing of account name) as well as further strengthen the restriction of service use by spammers.

Additionally, KISA will send to service providers spam information necessary for blocking spams(URL of advertisements, IPs sending spams, etc.) in real time to enable the latter to block spams and increase the level of spam filtering provided by mobile carriers and Internet portals so as to beef up the blocking of spams further.

[Glossary]

- ▷ **BIZ-SMS:** Service wherein a business that has constructed a web-based mass text message transmission system sends messages to subscribers to mobile service by linking exclusive lines with mobile carriers
- ▷ **C2P(Computer to Phone):** Same web-based mass text message transmission service as BIZ-SMS service but separately refers to the case wherein the transmission service providers are mainstream telecom carriers and are linked with mobile carriers through interconnection
- ▷ **ISP(Internet Service Provider):** Business that provides Internet service to individuals and companies
- ▷ **MSO(Multiple System Operator):** Business that owns multiple cable TV channels and also provides Internet service
- ▷ **Web messaging service for individuals:** Text message transmission service that mobile carriers provide for free or for a fee to their subscribers via their websites
- ▷ **Mobile carriers' intelligent spam filtering service:** Free auxiliary service wherein mobile carriers filter out spams before the spams reach their subscribers' phones
- ▷ **Email spam trap:** System that detects the spams sent to unidentified multiple people by creating virtual email addresses (about 130,000)
- ▷ **RBL(Real-time Blocking List):** Real-time spam filtering list (list of IPs from which email spams are transmitted) used by portals and mail server operators to filter spam mails