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Transforming guest experiences: the role of digital identity in hospitality

Guest Journey

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Synopsis

The hospitality industry is evolving with the adoption of digital identity management systems. Traditional identity verification methods, often time-consuming and insecure, are giving way to more efficient and secure digital identity verification. By implementing decentralized systems and biometric face authentication, hotels can improve the guest experience through expedited check-in processes, personalized services, and enhanced privacy. However, challenges such as data protection compliance, data decentralization, and system integration must be addressed. This digital transformation presents significant advantages for both hoteliers and guests, streamlining processes, and bolstering data security in the digital age.

Identity in Hospitality is not what it used to be. For some people, identity is simply a passport, maybe a driver's license. For others, identity can also include a loyalty card or an access card. To many, it is about a username and password to access some website or even an email address. The truth is: identity is all of that. Those are simply examples of particular facets of our identity in Hospitality.

Managing guest identity presents a significant burden for hoteliers in the hospitality industry. Firstly, hoteliers must establish verification processes and systems to confirm the identity of guests, which can involve requesting identification documents, such as passports or driver's licenses, and cross-referencing them with reservation details. Secondly, guest verification adds complexity and friction to the check-in process, leading to longer waiting times, guest dissatisfaction and ultimately lower revenue per available room. We all know staff should focus on high-value human-touch guest interactions that add to the hotel top line instead of typing numbers behind a desk. In a digital world, why would staff even need a desk anyway?

One of the headaches in managing identity in hospitality, is all the inaccurate data floating in hotel databases that were simply mistyped and which generate overhead and can make properties non-compliant with national laws. But the biggest headache is that properties store too much personal information, and they will be liable for any breaches. Remember all those hundreds of thousands of passport scans stored somewhere in your back end?

So what is the future of identity in hospitality? One thing is certain: the future of identity in hospitality is digital and hoteliers need to automate its verification and delivery. Another is that privacy will be at the core of how they should go about it. But how exactly can such transformation take place in the coming couple of years and what factors should hoteliers take into account? This is what this article is about.

AUTOMATED DIGITAL IDENTITY VERIFICATION

Striking a perfect balance between rigorous verification and a smooth guest experience can be challenging. Automated digital identity verification offers an answer for hoteliers to mitigate the burden of guest verification, cut down on operational costs, and improve the whole guest experience. Essentially, it enables remote check-in: guests can simply take a picture of their ID and a selfie to validate their identity and then all guest information can be accurately received by the property management system as usual. No manual intervention, everything flows smoothly. Such approach is already mainstream in the security-driven compliance-obsessed banking industry all around the globe, so why wouldn't it be suitable for hotels?

Check-in is the first contact hotels have with a guest. Moments like these can make or break their experience. Sadly, waiting at the front desk and filling out paperwork are common friction points. The last thing anyone wants after a long trip is to arrive at the hotel, tired from traveling, and have to wait until their identity is verified and their data is entered into the system. Digital identity can solve many of the challenges that the hospitality industry currently faces, including friction on the guest experience and operational inefficiencies.

PRIVACY, PRIVACY, PRIVACY

It is no secret that the hospitality industry faces numerous challenges, and many of these challenges are related to guest identity. Data privacy concerns are at an all-time high, guests have become very wary of sharing their personal information. It is not acceptable anymore to ask for a full passport scan that is stored outside the guest's control, fully ignoring all privacy principles just because it is consented by the guest. It's also a major liability for hotels. But how exactly can hotels deal with this?

An emerging concept -- decentralized digital identity -- brings improved privacy for guests and streamlined processes that can help hoteliers to reduce operational costs. With digital identity, staff doesn't need to spend time getting guest information; they can then focus on creating more personalized experiences. And with its decentralized nature, privacy issues get solved by design.

DECENTRALIZED DIGITAL IDENTITY: THE WAY PRIVACY SHOULD HAVE BEEN SINCE DAY 1

So what exactly is decentralized digital identity? To put it simply, it's a way to manage identity data that doesn't store personal data in a centralized database and that is fully controlled by the user. Let's contrast this with a centralized identity system, where our identities are usually managed and stored by a single entity, such as the government or some private company. Personal data is out of individuals' hands and managed entirely by entities. The burden of data management, protection, and security falls on organizations. Plus, identity could be compromised if the central entity is hacked, or the data isn't properly protected.

In contrast, a decentralized system eliminates the need for a central authority, reducing the risk of hacks or data breaches. In such systems, customers have complete control over who has access to their identity data and for how long, via verifiable credentials. They can choose to share just the necessary data, such as name or nationality, instead of sharing the full identity information or scans of passports, thus providing an additional layer of privacy.

COMBINING DECENTRALIZED DIGITAL IDENTITY WITH FACE BIOMETRICS

Pairing decentralized digital identity with biometric face authentication in the hospitality industry has the potential to revolutionize the guest experience.

Face authentication offers a convenient and secure way of verifying identity, eliminating the need for physical documents or identification cards. By capturing and analyzing facial biometrics, guests can prove their identity from anywhere, at any time, using only their smartphones — during the check-in process or whenever identification is required.

When these two technologies are combined in the hospitality industry, numerous benefits emerge. Firstly, the check-in process can be expedited and made more efficient. Guests no longer need to fill out forms or present physical identification documents. They'll present their ID card once — and then a verifiable credential is created; one they can use every time they stay at your hotel. This streamlined process saves time for both guests and hotel staff, reducing wait times and improving the overall guest experience.

Additionally, the combination of these technologies enables hotels to offer personalized and tailored services to their guests. Once a guest's decentralized digital identity is verified, hotel staff can access relevant information about their preferences, previous stays, and special requests. This allows for a more personalized check-in experience, where guests can be greeted by name, offered their preferred room amenities, or presented with personalized recommendations and offers based on their past preferences.

By integrating face biometrics with decentralized digital identity, hoteliers can provide guests with full control over their identities and better customer service at the same time.

CHALLENGES AND BENEFITS OF IMPLEMENTATION

We have seen how digital identity can transform the guest experience in the hospitality industry. However, there are several challenges in implementing digital identity solutions. There are data privacy concerns that must be addressed to ensure that guests' personal information is protected.

As hotels embrace digital identity solutions to enhance guest experiences and drive revenue, it is crucial to prioritize and safeguard the privacy of guest data. Respecting data privacy not only builds trust with guests but also ensures compliance with data protection regulations.

Here are key considerations for hotels when creating and managing guest digital identities while maintaining data privacy:

- Compliance with data protection regulations: Hotels must comply with applicable data protection regulations, such as the General Data Protection Regulation (GDPR) in the European Union or the California Consumer Privacy Act (CCPA) in the United States. This includes obtaining necessary consent, providing access to guest data upon request, and promptly addressing data breach incidents.

- Decentralization of data: Instead of storing all guest personal identifiable information in a centralized database, the best identity and biometric solutions use decentralized technologies, reducing the risk of a single point of failure and unauthorized access. Decentralization also gives guests greater control over their data by enabling them to manage their own digital identities and selectively share information with trusted entities.

- Integration: A face authentication or identity management solution that seamlessly integrates with any hotel apps and Property Management Systems (PMS) holds significant importance in the hospitality industry, ensuring compatibility and interoperability, reliable performance in high-demand times, and handle a large amount of guest data and transactions without compromising system performance.

CONCLUSION

Digital identity based on biometrics is a game-changer for the hospitality industry. Its ability to improve guest experience, streamline processes, and reduce costs cannot be understated. With use cases such as self-check-in, improved loyalty programs, and faster payment methods, it presents benefits for both hoteliers and guests.

By embracing decentralized digital identity and pairing it with biometric face authentication, hotels allow guests to really enjoy their stay. Not only does it align with the evolving expectations of guests in the digital era, but it also positions hotels for long-term success, ensuring unprecedented levels of information security and data privacy.

Pedro Torres — Founder and CEO, Youverse
With many years of experience in technology, innovation and product design, from large telco companies to medium- size companies and start-ups, and a strong research background, Pedro Torres has worked for the last seven years in global executive positions in customer experiences based on biometrics to enable immersive and seamless journeys. A strong believer in decentralised self-sovereign approaches to privacy, Pedro has been leading efforts to provide the necessary protection and control to users as they authenticate for convenience with their face in multiple services such as proving identity to create a bank account, automatically checking-in to hotels, picking up car rentals or pay for goods and use loyalty in a fully contactless on-the-move fashion. Pedro has recently co-founded Youverse to disrupt the world of private authentication.

Youverse — youverse.id/use-cases/hospitality
We dreamt about opening a bank account just by saying it out loud; or never having to remember one single password or carry any cards. But we wanted something special, we wanted users to authenticate without having to disclose their biometrics to anyone. So, we began building the future together as a team. In the Youverse vision of the world, every interaction requiring authentication should be possible with a simple look. Right now, there is no offer in the market providing ubiquitous private handsfree authentication.