



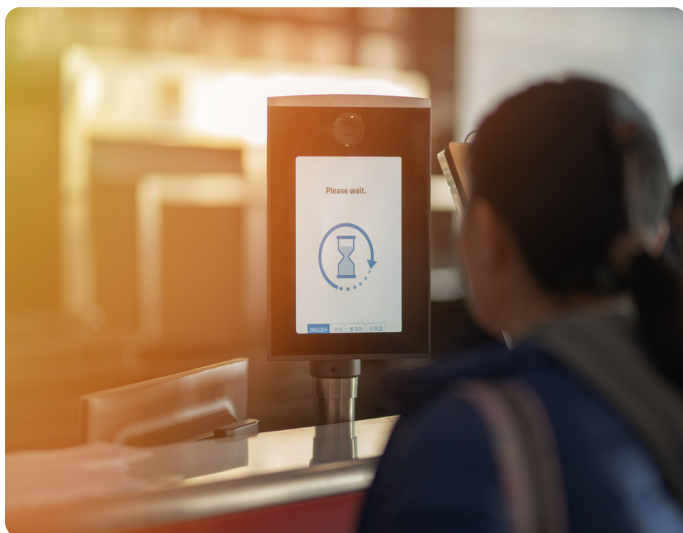
**SITA**

SITA DIGITAL TRAVEL

# The explosion in the digital identity market

By Michael Zureik, Senior Digital Travel Architect

SITA's 2023 IT Passenger Survey found that almost 50% of travelers experienced long waiting lines and congestion at the airport, adding to anxiety for the journey. With IATA's prediction that passenger numbers will double from 4 billion in 2019 to 8 billion by 2040<sup>1</sup>, the travel industry recognizes that change is required.



So it's just as well that digital identity is such a huge and fast-growing market. With all the extra pressure on our industry, we're going to need to embrace technology improvements wherever they're available.

Estimates vary according to the size of the market and growth projections, but everyone agrees it'll be spectacular. IMIR Market Research, for example, estimates that the global digital identity solutions market size was valued at US\$42 billion in 2023 – and is projected to reach US\$115 billion by 2032<sup>2</sup>.

One of the main enablers has been digital wallets. In 2022, there were already 3.4 billion digital wallet users worldwide, which is expected to grow by 53% by 2026, reaching 5.2 billion users. Digital wallet transaction values meanwhile reached US\$9 trillion in 2023 and are forecast to exceed US\$16 trillion by 2028<sup>3</sup>.

The same picture can be seen at national levels, with the adoption in many countries of programs designed to deliver better citizen services while improving government efficiencies. Mobile Drivers Licenses (mDL) in the US are proving to be a successful digital identity credential within the US over the past couple of years, with adoption only growing. Of these, India's Aadhaar, based on a combination of biometrics and demographic data, is by far the largest digital identity program in the world and is now being used by well over 1.3 billion people.

As industries such as retail and banking and countries around the world continue adopting digital identities, there's growing pressure for the travel sector to join in too – driven by governments, airports, airlines and passengers alike. WTTTC reports that the travel and tourism sectors contribute to 9.1% of the global GDP, which illustrates how passengers don't end at the gate. It's an end-to-end journey.

So far, this has been limited by a reluctance on the part of airlines or airports to take on the responsibility of securely managing the sensitive personal data of large numbers of passengers. But that problem can easily be solved by using a decentralized approach, where travelers' digital identities are stored and managed on their own mobile devices rather than on centralized databases. This brings the risk of data breaches down to close to zero and meets rigorous legislative criteria. Most importantly, it leaves passengers in control of their own data.

<sup>1</sup> [www.iata.org/en/iata-repository/publications/economic-reports/global-outlook-for-air-transport---june-2023/](https://www.iata.org/en/iata-repository/publications/economic-reports/global-outlook-for-air-transport---june-2023/)

<sup>2</sup> <https://www.linkedin.com/pulse/digital-identity-solution-market-overview-size-yxpc/>

<sup>3</sup> <https://capitaloneshopping.com/research/digital-wallet-statistics/>

“ICAO has now completed the definition of standards for Digital Travel Credentials (DTCs). And here at SITA, we have a proven, trusted, and easy-to-deploy solution based on those standards.”

Passengers, for their part, are proving ever more confident and enthusiastic and now want and expect to use their biometrics to travel more easily and hassle-free. IATA's 2023 Global Passenger Survey reported that 46% of passengers used biometrics at the airport, up from just 34% a year earlier. Three-quarters of passengers said they preferred to use biometric data over traditional passports and boarding passes, and 87% said they would share their immigration information if it sped up the airport arrival process – up from 83% a year earlier. Fully 91% of passengers are interested in special programs to expedite security screening for trusted travelers via background checks<sup>4</sup>.

From a governmental perspective, ICAO has now completed the definition of standards for Digital Travel Credentials (DTCs). And here at SITA we have a proven, trusted and easy-to-deploy solution, based on those international standards.

In Aruba, we proved that a government can integrate an ICAO DTC into its pre-clearance process within days, test within weeks, and deploy within months. Large, complex, and costly multi-year projects are now a thing of the past.

So digital identity, with both biographic and biometric information, shared with travelers' consent well in advance of arrival, is shaping up to be the bright future of pre-clearing passengers for a seamless border crossing. Moving forward, DTCs are in the process of evolving from DTC Type 1 to DTC Type 2 and will eventually lead to DTC Type 3.

These are defined by ICAO as follows:

- DTC Type 1 – Self Derived. This is the DTC already in use today, and which we're using in Aruba. It's generated by passport holders and stored by them on their mobile devices. The passport is still required for verification.
- DTC Type 2 – Authority Derived. This is generated by the government authority, directly, so the physical passport is only needed as a reference document. Governments are expected to start issuing Type 2 DTCs within the next five years.
- DTC Type 3 – Authority issued. This is issued rather than simply generated by the state, so the physical passport is no longer needed – passengers could simply use their mobile devices as their identification (just as some countries already allow a virtual driving license to be stored on the phone).

In the end, it's all about convenience and efficiency. So let's imagine a world where passengers consent to share their DTC in advance of travel to governments and airlines from the comfort of their home.

Imagine a world where they can keep their passport in their pocket for the entire journey.

Imagine a world where governments can easily know and vet passengers days in advance of their arrival.

Imagine a world where the solution is able to meet privacy regulations with ease.

The really great news is that it's already here today – with SITA.

<sup>4</sup><https://www.iata.org/en/pressroom/2023-releases/2023-10-25-01/>

# Digital Travel – a win-win-win for all stakeholders

By Aleksei (Alex) Markachev, Digital Travel Product Manager

Digital travel is an absolute game-changer right across every part of the travel industry – but now is the time for air transport to jump on board. And here at SITA, we are ready today to help deliver on our promises. This will affect and benefit all stakeholders – including airlines, airports, governments and travelers.



## A win for airlines

Airlines spend a huge amount of time and effort in making sure they know who they're carrying and whether they are allowed to travel to their chosen destination. Airlines must meet the obligations of complying with complex and ever-changing regulations. It's essential that they do this, of course, for safety and security reasons, but manual checks are laborious, expensive, and not always accurate. They also increase passenger anxiety, and lead to increased passenger dissatisfaction waiting in long queues. And the penalty for getting it wrong is inconvenience for passengers and expense for airlines, with governments imposing hefty fines on airlines carrying inadmissible passengers. At worst, getting it wrong poses genuine threats to security and safety.

Airlines are embracing a “Digital First” strategy by promoting self-service check-in 24 hours in advance at home like never before. SITA's Digital Travel is a natural extension of this, allowing manual processes, such as document checks, to now also be completed at home. Digital Travel, enabled by biometrics, means airline staff manual duties can better serve their passengers through automation. It decreases the pressure on frontline staff and can even help take some of the processing away from the airport itself – via online biometric enrolment, for example.

In addition, airlines are looking to improve their retailing experience through Know Your Customer (KYC) initiatives. KYC allows airlines to have confidence in the identity of their passengers, thereby strengthening relationships and enhancing the customer experience. With Digital Travel, this extends to other revenue areas, such as partnerships with car hire companies and hotels. By leveraging KYC, airlines can offer personalized services and promotions, creating a seamless and integrated travel experience for their passengers.

It also allows airlines to differentiate themselves by delivering a much better passenger experience and to create synergies with other customer services, including lounge access, loyalty programs, and more. With trusted digital identities, you can explore new business models on and off the airport and derive new revenue streams.

“Digital travel means you can facilitate governments to make preliminary security and immigration checks well ahead of travel, including issuing electronic travel authorizations or eVisas if required.”

## A win for airports

Airports are some of the most complex operating environments on earth, balancing the needs and constraints of dozens of different processes in real time every day. External factors such as weather, scheduling, and unscheduled maintenance can significantly impact an airline for hours or days.

As passenger numbers increase, digital travel can dramatically help reduce the pressure from terminal congestion – both by increasing throughput and by taking some of the processing off-airport. Queue-bound processes such as check-in, bag drop, and boarding can be made faster, smoother, and hassle-free when the passenger journey is biometrically enabled.

Digital travel frees up your gate agents from administrative duties, such as manual document checks. So they can focus more on customer satisfaction duties – such as boarding elderly passengers, young families, and travelers with disabilities.

## A win for governments

Governments want to know who's coming to their country as far in advance as possible, and ideally, before they even set off on their journey. You want to push your borders out to the point of departure, or even prior to check-in, from the comfort of the passenger's home.

Digital travel means you can facilitate governments to make preliminary security and immigration checks well ahead of travel, including issuing electronic travel authorizations or eVisas if required. You can pre-clear passengers for travel before they even get on the plane, with traveler identities checked in advance by using government-grade digital identity credentials such as

the Type-1 ICAO DTC. This improves security and lets immigration officers at arrival focus on higher-value duties such as roaming or intelligence. So you deliver a better passenger experience for visitors to your country.

Passengers overwhelmingly favor convenience and a hassle-free journey – especially on arrival in a foreign country. Indeed, 87% said they would share their immigration information if it sped up the airport arrival process – up from 83% a year earlier. Fully 91% of passengers are interested in special programs to expedite security screening for trusted travelers via background checks<sup>5</sup> and travelers they will actively avoid countries known for long and tedious immigration processes, choosing destinations instead that make it easy for them.

## A win for travelers

In the digital era, the vast majority of people use technology every day, and they're now highly accustomed to interacting with their devices using biometrics.

Digital travel is simply an extension of this process, as passengers move seamlessly through the airport and onto the aircraft. With digital travel, it is possible to securely store travel credentials on their mobile devices. Passengers own and control their digital identities and consent to how they will be used and with whom. With biometrics, instead of physical travel documents, they also benefit from far better protection of their private data.

Through interaction with airline or airport apps, passengers can also benefit from loyalty programs, special offers, and improved service across their journey end-to-end.

<sup>5</sup><https://www.iata.org/en/pressroom/2023-releases/2023-10-25-01/>



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