[White Paper]

The Future of Authentication: Overcoming IAM Challenges in Retail, Hospitality, and Media Through Passwordless Solutions

The retail, hospitality, and media industries face unique challenges in balancing strong security with a seamless user experience. These challenges also create opportunities to enhance identity and access management (IAM) by adopting modern authentication methods like passwordless authentication. Traditional multi-factor authentication (MFA) is often impractical in these environments due to factors such as shared devices, limited access to mobile phones, and the high cost of distributing security tokens to all users. Additionally, requiring employees to use personal devices is not always feasible, making software tokens an unreliable solution. Given these constraints, businesses must explore cost-effective, user-friendly alternatives to ensure secure and efficient authentication.

92%
of businesses plan to move to passwordless technologies

THE HIDDEN RISKS AND LIMITATIONS OF TRADITIONAL PASSWORDS

Since authentication is often performed in a public space, special care needs to be taken to ensure that bad actors do not observe the password being entered. Additionally, password management and helpdesk calls present a problematic user experience and can be costly. Password-based approaches can also jeopardize customer data which may be accessible through shared workstations.

According to the FIDO Alliance, traditional password-based authentication methods are both cumbersome and vulnerable to breaches. 76% of businesses are still using phishable authentication methods, such as passwords and 43% leverage multi-factor authentication (MFA) when it comes to authenticating users.

BREAKING BARRIERS: OVERCOMING THE KNOWLEDGE GAP IN PASSWORDLESS AUTHENTICATION FOR RAPID ADOPTION

The main barrier to passwordless authentication is the lack of understanding of passwordless technologies. 55% of IT leaders feel they need more education on how the technology works.

Employees are customers of any authentication solution. The adoption of passwordless technologies provides a positive user experience, streamlines operations, and greatly improves security. Passwordless authentication presents a unique opportunity by eliminating the need for passwords altogether. Instead, it utilizes user friendly alternatives that improve security posture

through passwordless alternatives. For example, all store employees may be issued badges or a personal NFC device that can be leveraged for passwordless authentication. 50% of IT leaders believe that passwordless authentication will reduce the need for non-passwordless MFA offerings and 56% believe it will also result in a reduction in help desk requests.

For example, a large hotel chain is looking to improve the login experience. 80% of users are franchises and there is no mandate for these users to follow corporate authentication processes. The existing solution is outdated and needs to be replaced. This technical debt incurs costs from both maintenance of the system and helpdesk interactions. Instead of implementing another password-based solution, their goal is to leverage modern authentication processes while improving the user experience for franchisees. Simplification of the authentication flows ensure that users with limited technical skills can access corporate systems as needed. The chain is looking to marry passwordless technologies with identity orchestration tools to deliver a complete solution.

Similarly, a media company is looking to extend passwordless technologies to the entire organization. The company originally was looking at tokens for MFA. After determining that tokens were cost prohibitive, the company instead is reviewing passwordless technologies using the badges already distributed to employees. Another challenge is that users have multiple personas that need to be considered. The company is looking a combining passwordless technologies with an identity data fabric to solve these challenges. They are currently vetting solutions for implementing passwordless technologies.

STRATEGIC ROLLOUT: KEY STEPS FOR IMPLEMENTING PASSWORDLESS AUTHENTICATION

Passwordless authentication in the retail sector for store employees requires careful thought when deploying to distributed retail locations. User licenses may be inexpensive, but the rollout costs may be significant. These costs must be reviewed and understood prior to the implementation. Additionally, sufficient time must be afforded to the rollout. Stores are often distributed and have specific components to operate store transactions. NFC or other store devices may need to be upgraded to accommodate passwordless scenarios.

Implementing passwordless authentication requires a well thought through approach with senior leadership buy-in.

These stages include:

- **Assessment and Planning:** Evaluate the existing authentication systems and identify areas with significant security implications and poor user experience. These areas can then be incorporated into a roadmap for delivering passwordless solutions.
- **Technology Selection:** Review technologies available to ensure that the solution meets the business requirements. Factors such as security requirements, user personas, required infrastructure and components, and passwordless methods need to be considered.

- **Integration Approach:** Review security and user requirements to best define the integration approach. Existing retail systems may need to be extended to incorporate passwordless technologies. Review the solution requirements to ensure that there is minimal disruption to retail operations which can have costly impacts. Review how passwordless technology can integrate with legacy systems like mainframes, cloud environments and hybrid systems.
- **Deployment Approach:** Leveraging a staged approach minimizes risk and allows for adjustments through the deployment process. Determine user constituencies that provide the least risk when determination the rollout strategy. Deploying to low-risk user groups first ensures that there is minimal revenue impact and impact to retail customers.
- **Training and Education:** Educate the various user constituencies about the benefits of passwordless technologies and the use of the improved systems. Training should be specific to the user personas and include real-life scenarios. This will promote adoption of the solution and also minimize support costs.
- **Monitoring and Optimization:** Put in place the needed systems to properly monitor the solution. This will improve security and facilitate the determination of authentication metrics. Additionally, collecting things like user feedback ensures that the solution is operating at maximum effectiveness.

Leveraging a thoughtful and thorough implementation approach will ensure a successful deployment with minimal disruption.

NAVIGATING THE CHALLENGES: KEY CONSIDERATIONS

Several challenges need to be considered when deploying a passwordless solution to users in the retail sector. Standards in the space are not finalized and there are multiple standards to review (WebAuthn, Fido 2, etc.). Additionally, challenges exist to ensure that there is no revenue impact for passwordless deployments. Vendor lock-in also becomes a concern. Organizations need to weigh the risks of relying on proprietary passwordless technologies and strategies to ensure vendor neutrality.

While there are significant benefits, passwordless authentication does present some challenges.

- **User Acceptance:** Users may initially resist changing the authentication method. Passwords are an accepted form of authentication and establishing trust in new authentication methods may present several barriers. Communication and education provide a means to improve user acceptance and reduce user resistance.
- **Complexity:** Integrating passwordless authentication with retail systems may be complex and requires careful planning. There may be significant investment in legacy and home-grown systems that require modification to accommodate passwordless processes. Additionally, purchased solutions may not readily support passwordless authentication.

- **Security Concerns:** While passwordless authentication improves security, careful implementation is required. Keycards, biometric data and other passwordless methods require a secure management tier and also must comply to industry standards around the storage and transmission of passwordless tokens.
- **Cost Implications:** The costs associated with a passwordless deployment may be considerable if not planned correctly. Ensure that these are accounted for in the planning stage and during vendor evaluation.
- **Privacy Concerns:** Considerations such as the ethical implications of biometric data collection and storage must be considered. Additionally, compliance with regulations like GDPR or CCPA may impact the passwordless implementation.

CONCLUSION

Passwordless authentication offers a transformative approach to security and user experience, eliminating the vulnerabilities of passwords while streamlining operations. A well-planned deployment, backed by the right technology and comprehensive training, ensures a smooth transition and maximizes adoption. By proactively addressing potential challenges, organizations can implement a scalable and future-ready authentication strategy. Embracing passwordless solutions not only enhances security but also builds trust, improves efficiency, and positions organizations for long-term success in an evolving digital landscape.

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