

## **Voice Biometrics in 2007: Scaling Up for the Mass Market**

*Even with a potential FFIEC mandate for phone-based multifactor authentication on the horizon and the insidious cost of fraud continuing to rise, the question remains: Are voice biometrics ready for mass adoption? All directional indicators point to "Yes," as does a growing roster of implementers and prospects. Speaker verification solutions have the potential to raise customer satisfaction while conforming to the strictures of "strong" authentication. A multitude of solutions providers are emerging to support two-factor authentication for telephone banking that remains cost-effective by leveraging existing CRM, Web services and security infrastructures.*

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## Key Findings

- **Identity theft related fraud is increasingly moving the phone channel** – The FTC reported over \$60B of identity theft related fraud in 2005, and the numbers continue to increase; organizations and individuals that perpetrate fraud are now shifting their attention to the weaker electronic channels, specifically telephone banking.
- **Voice biometrics is no longer the “Rocket Pack” of security technologies** – Multi-factor authentication is a “must” in an age of heightened fraud and spoofing. For the phone channel, voice biometrics is the natural biometric for spoken interactions.
- **The phone lends itself well to a second factor** – Voice biometrics can be captured unobtrusively in the course of responding to a greeting message and stating the purpose of one’s call. Thus, it can fit into the contact center workflow.
- **A deadline looms for securing phone-based banking** – While the FFIEC has not yet established a deadline for stronger phone channel authentication, Opus Research believes that a deadline will be announced late in the second quarter of 2007, and likely set for the end of 2008.
- **Increased voice biometrics usage builds comfort with consumers and confidence with security personnel** – Multifactor authentication solutions in contact centers will reap the privacy protection benefits and, in many cases, discover they can be deployed in a cost-effective manner by automating caller authentication.
- **Vendor partnering and collaboration will rule the day** – Successful vendors in 2007 will need to offer a flexible range of multifactor authentication offerings, blending security, speech user interface, enterprise software and call center integration skills. Partnering and cooperative selling among vendors will be seen at various levels of the solution stack.

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