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Voice Biometrics 2009:
Building on Expectations

After years "behind the curtain," a number of voice biometrics-based applications are moving from the pilot stage to full-scale deployments. Long-term growth will depend on how well solutions providers address issues of usability, affordability and integration with existing IVR and security infrastructure. Their track record is definitely improving.

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Key Findings:

- **Slow sales for voice biometrics continued in 2008**– Global spending for licenses, professional services barely exceeded $100 million globally, including licensing, services and transaction processing.

- **Revised revenue forecast reflects pockets of adoption** – Past spending only partially reflects future potential as global adoption for confident phone-based authentication, mobile payment authorization and "voice signatures" accelerates.

- **Spending will exceed $260 million by 2014** – For products and services that integrate voice biometric engines with IVR systems, risk management routines, customer-care contact centers and hosted services providers.

- **Financial services and government poised to grow**– A number of pilot projects have gone live in the past month (Aviva and National Australia Bank, for instance) and more are poised for launch at a moment's notice, but there is no clear timetable or strategic imperative.

- **Focus is shifting to the user experience** – The need for fraud prevention is a given, but solution sales are predicated on the business benefits of shortening the time it takes to authenticate customers over the phone and delivering more services based on high confidence levels surrounding a caller's identity

- **Solutions providers see multiple revenue streams** – While it is a forecaster's nightmare, solutions providers project revenues from software licensing, system integration and fees which can be levied on a "per-user," "per-transaction" or "per-stored voiceprint" basis.

- **Expect more "churn" among technology providers** – The biometric engine is only part of a complete solution and the survival of specialists depends on cementing relationships with integrators, hosts and other solutions providers

- **Make way for new entrants** - Government-sponsored "speaker recognition" (as opposed to speech recognition) research projects are underway and can bring both authentication and identification solutions into the customer-facing product scheme.

- **The market is still fraught with risks** – Translating promise to reality will remain a challenge until a champion emerges from the customer care, security or contact center community

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