Voice Biometrics 2008:
Meeting Implementation Challenges

Sales of voice biometric-based solutions took a trajectory that was bound to disappoint in 2007. While there continue to be solid sales of enterprise solutions (primarily password reset) across multiple verticals and business sizes, the breakthrough to mass market, customer-facing solutions has been elusive. In the coming years, stepped up security requirements, coupled with the growth of mobile data access and commerce, will propel demand for voice-based authentication solutions and services. Thus far the speed of adoption has been slowed by confusion over technical approaches and concerns about competition or compatibility with existing infrastructure and protocols.

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Key Findings:

Opus Research's forecast for global spending on voice biometric software and solutions has been scaled back, reflecting a number of hurdles that solutions providers face in integrating voice biometrics into security and customer care infrastructures. However, 2008 is emerging as a pivotal year:

- **2007 sales were slower than projected** – Global spending for licenses, professional services barely exceeded $100 million globally, including licensing, services and transaction processing.

- **Extended trials causing tribulations** – Regulatory mandates for "two-factor" authentication and stronger security protocols came with no penalties attached. Existing approaches, involving "knowledge based authentication" and new schemes for "one-time passwords" (OTPs) have had great staying power.

- **Vendor community is undergoing change** – While waiting for purchase orders, the ranks of solutions providers has contracted. But existing suppliers offer better defined solutions and have formed stronger bonds with go-to-market partners and integrators.

- **Password Reset (PWR) is an evergreen application** – Across verticals and independent of deployment size, the use of voice biometrics as part of a secure, password-reset application has built in financial justification (ROI) and internal visibility.

- **Buyers seek standardized solutions** – Current packaging strategies defy apples-to-apples comparisons. In addition to help desks, contact centers and other self-service resources stand out as the next large greenfield opportunity.

- **Open issues involve implementation** – Prospects have pragmatic concerns surrounding implementation tactics, including the classic "on-premises versus hosted" deployment alternatives, pricing structures (per transaction, per seat, per platform) and integration with existing security infrastructure.

- **The ecosystem remains "under construction"** – Voice biometrics is a technology, not a product. Voice biometric solutions providers are counseled to offer solutions to well-defined and recognized problems. PWR is a great example; caller authentication in contact centers is next, followed by mobility. Each of these solution sets will benefit from the participation of well-respected integrator/partners.

- **In search of...exemplary applications** - Growth will be fueled by well-understood, well-excepted and frequently used applications. Password reset accounts for two-out-of-three registered voiceprints (lacking frequent use), but it could turn into the proof-of-concept that meets the challenges triggered by enterprise-wide deployments, including integration with security infrastructure, training of a broad spectrum of personnel and enrollment of rank-and-file workers.

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