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The new state of the biometrics market

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Falling short of prior 'disruptive' status, the solutions must actually work **C. Maxine Most, Principal Acuity Market intelligence**

Six years ago when I first evaluated the biometrics industry, I referenced Geoffrey Moore's classic technology adoption model as a framework for individual players to leverage market opportunities as well as a means for advancing industry market development as a whole. Today, I would argue that the dynamics of the market have fundamentally changed and require a modified approach to strategic market development.

The market for biometrics is in a strange state and will most likely not follow the typical path of disruptive technology adoption. Biometrics has been considered a disruptive innovation on the verge of breakthrough for an extended period of time. Post 9/11 security concerns that were supposed to push biometrics over the edge just created an even greater expectation of rapid market acceleration that never materialized.

In terms of classic technology adoption, as defined by Moore's "Crossing the Chasm" and "Inside the Tornado, " this translates into an expectation of rapid chasm-crossing from early to mainstream markets, followed by targeted bowling alley development, proceeding to a period of nearly insatiable market demand…the tornado. Instead, in the past six years the market has essentially passed over the chasm and stalled out. This is due to the failure of technologies to deliver promised capabilities, and market players to develop complete, commercially viable solutions based on available technology capabilities.

There has been far too much infatuation with the belief (wish?) that large government contracts–not targeted commercial opportunities–would be the engine driving rapid market expansion. Progress on the government front has simply not provided the scale of opportunity necessary for the industry to thrive. The result: market players–with few noteworthy exceptions–have failed to leverage the classic target market development phase of the adoption lifecycle to produce commercially viable, proven solutions which would then be directly applicable to large-scale ID systems.

This has created a market dynamic where biometrics as a class of disruptive or discontinuous technology has not moved completely through its revolutionary market development cycle and yet is now subject to significant evolutionary or continuous innovation. In other words, just as biometrics is beginning to stabilize and deliver on past promises, current expectations continue to be driven by "next generation" technologies.

While there is now clear industry momentum towards solutions development, to a large extent the market-making opportunity has passed. The industry is no longer in a position to define the marketplace but rather is increasingly subject to very specific market-driven requirements and customer demands. It is likely, therefore, that this market will experience linear growth rather than the exponential growth most readily associated with Moore's technology lifecycle. Rather than the typical "hockey stick" curve of recent innovations such as mobile phones or the Internet, biometrics adoption will mimic the growth curve of ATMS, which, in 20 years, had achieved an 80% adoption through linear growth.

This has significant strategic market development implications. In a classic market development scenario, target market penetration precedes concern with larger opportunities. This is the process of developing dominant category positioning to leverage the ensuing "tornado" phase. However, given the current state of the marketplace, biometrics players across the value chain must simultaneously manage progress towards expansion into large looming market opportunities while rigorously and systematically building a target penetration strategy.

The industry must relinquish the mantle of disruption innovation and focus on truly delivering on the promise of biometrics by providing working solutions to real problems

based on existing capabilities…biometrics that actually work.

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Nuance, a speech recognition technology developer, has acquired Israel-based voice biometrics technology developer PerSay, according to a TMCNet article.

As both companies have been operating in very similar fields, the resulting boost in research and deployment assets is expected to help the new company drive the voice biometrics marketplace.

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Precise Biometrics explains match on card

Match-on-card biometrics receives a lot of buzz because of its potential privacy-enhancing abilities. Precise Biometrics' Michael Harris explains the technology as well as some of the benefits noting that there are more than 100 million national ID cards which use math-on-card in circulation as well as 60,000+ match-on-card credentials deployed within the U.S. Department of State.

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TechConnectWV announces award program

TechConnectWV, a professional coalition devoted to the growth and diversification of West Virginia's economy through promotion of technology companies, has announced it is initiating an awards program to recognize companies involved in biometric and identity management technology whose new developments could bring new jobs to the state.

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Report: heavy growth in biometrics

The research firm MarketsandMarkets has released a new study of the biometrics marketplace that projects a heavy growth rate over the next four years. Advances in Biometric Technologies and Market Analysis breaks down the various modes of biometrics such as fingerprint, iris and facial and by regions such as North America, Asia and Europe.

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CSC wins contract for biometrics program

CSC Identity Labs, a developer of biometric technology, has been awarded a contract by the not-for-profit West Virginia-specific biometrics industry group TechConnectWV for the development, launching and implementation of a biometrics and identity management program.

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University of Alabama researcher awarded biometrics grant

Qi Hao, an assistant professor in the Department of Electrical and Computer Engineering at the University of Alabama, has been awarded a grant from the National Science Foundation totaling $420,000 per year over three years for research of security applications for behavioral biometrics, according to an article from the Examiner.

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