



RESEARCH REPORT

The Rise of Integrated Identity Platforms

**REPORT SUMMARY
MAY 2023**

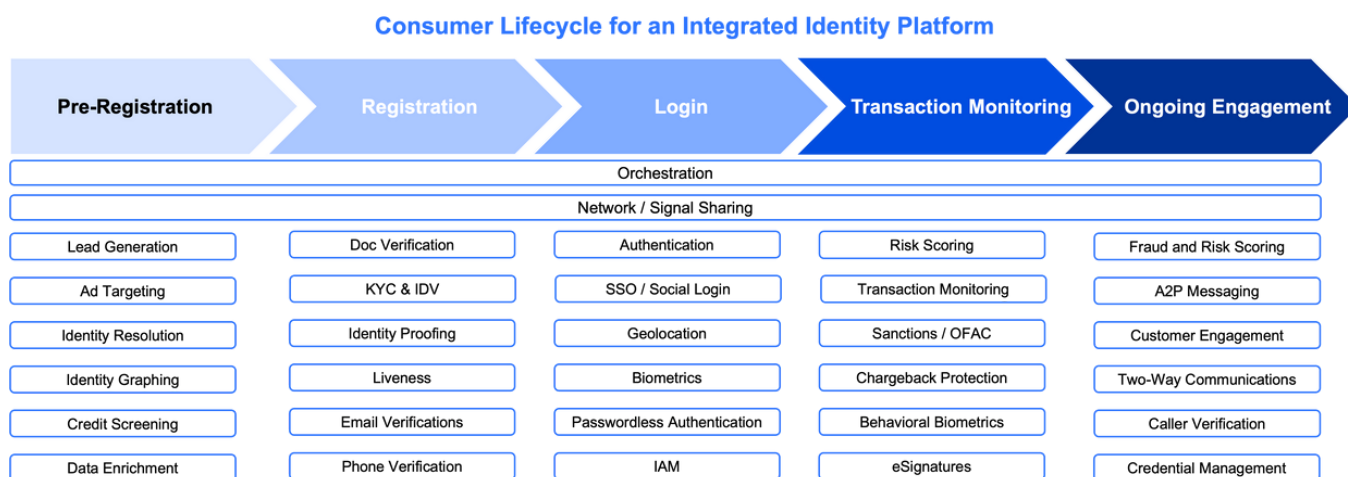
Report Summary

The emergence of Integrated Identity Platforms (IIPs) represents a significant shift in the consumer identity landscape. IIPs offer comprehensive end-to-end solutions that streamline capabilities across the consumer lifecycle, enabling businesses to combat sophisticated fraud attacks, enhance UX for the end users, and simplify complicated, siloed legacy solutions.

Macro market conditions have significantly reduced onboarding volumes over the past 18 months, leading buyers to look for vendors who can optimize conversion rates while reducing business costs. As a result, digital identity solution providers have begun to build capabilities throughout the lifecycle, increasing their share of wallet with enterprise clients. However, our research shows that nearly half of enterprises still rely on four or more point solutions to solve a single use case.

There’s a growing opportunity for Integrated Identity Platforms, with a total addressable market of \$48.1B in 2023, increasing at a 24.6% CAGR to reach \$115.9B by 2027. IIPs can build capabilities across the five stages of the customer lifecycle, from pre-registration and registration to log-in, transaction monitoring, and ongoing engagement. They offer a one-stop-shop solution for enterprises, enabling them to keep pace with implementing and integrating endpoint solutions.

Figure: Relationship between Key Product Features and Consumer Lifecycle Stages



Source: Liminal 2023; Capabilities list for each stage is not exhaustive.

The diagram above illustrates how the capabilities of Integrated Industry Products (IIPs) align with different stages of the consumer lifecycle. While IIPs do not require every feature for each stage, their comprehensive capabilities enable them to address a wide range of use cases.

The need for IIPs is driven by several factors, including the rapidly evolving market, increasing end-user expectations, costly enterprise app integrations, and privacy regulations. Moreover, point solution identity vendors face challenges in a competitive market, struggling to differentiate themselves and requiring flexibility. As the market matures, enterprises demand a simplified vendor stack, and IIPs provide these solutions by offering a single platform that can integrate with specialty endpoint solutions.

Consolidation will be a significant driver in accelerating the development of IIPs, and we anticipate inorganic growth and M&A to play a significant role. We've already begun to see a bevy of this activity. Leading identity vendors are looking to acquire revenue-accretive solutions that have strategic value in adding capabilities across the consumer lifecycle.

As leading identity vendors enhance their platforms to capture the market opportunity, there is a strong ROI for enterprises. Our research analysis shows that using an Integrated Identity Platform can result in a 15.3x annual return per dollar spent, enabling businesses to onboard and transact with more consumers, avoid high overhead costs, and reduce fraud losses. Consumers benefit from a more seamless experience that enables faster decision times when creating new accounts and reduces friction when accessing them, improving customer lifetime value. Twenty-nine percent of consumers who engage with businesses that employ the type of secure solutions that Integrated Identity Platforms offer, report having greater trust toward that brand.

The Integrated Identity Platforms market is projected to grow from \$48.1B in 2023 to \$115.9B by 2027 with a 24.6% CAGR

As we enter the platforming phase of this market, IIPs are poised to meet the growing demand for better user experience and a simplified vendor stack. With over ninety use cases that can be solved with IIPs, this is an opportunity for enterprises to stay ahead of the curve and gain a competitive advantage. The secure nature of IIPs also helps increase consumer trust, making them a valuable asset for businesses looking to build long-term relationships with their customers.

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Key Features in the Report:

- Solution Definition
- Segment Analysis
- Market Drivers
- Headwinds and Tailwinds
- Return-on-Investment
- Value Creation
- Detailed Market Sizing Projections (2023-2027)

Key Questions Answered:

1. What is the market size for Integrated Identity Platforms?
2. What are the key trends and market drivers for this solution?
3. How is the industry expected to develop over the next 5 years?
4. Which use cases will drive growth and adoption for IIPs?
5. How will the increasing use of IIPs influence the digital identity landscape?

About Us

Liminal

Liminal is a market intelligence and strategic advisory firm serving digital identity, fintech, cybersecurity solution providers, and the private equity and venture capital community. Since 2016, Liminal has provided strategy and analytical services that support executive decision-making at all product and business lifecycle stages. We advise some of the world's most prominent and innovative business leaders, investors, and government officials on building, buying, and investing in the next generation of digital identity solutions and technologies.

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