

# The New Imperative: Digital IDs

Navigating Global Standards, Challenges, And Opportunities

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## Unmasking Digital Identity Trends

The advent of digital identity technologies stands at the precipice of transforming global engagement, security, and economic dynamics. This comprehensive study delves into the current state of digital ID integration and reveals a broad-based momentum toward adoption and a nuanced understanding across sectors. Through the lens of global collaboration and public trust, we explore the intricate balance of advancing digital identity frameworks while navigating the barriers of geopolitical tensions, cybersecurity risks, and the imperative for inclusive, equitable access.

In January 2024, Regula commissioned Forrester Consulting to conduct a survey with 226 decision-makers at the manager level and above who are responsible for their organization's ID verification solutions. The respondents were primarily from companies in Europe, North America, and the Middle East that have at least 500 employees.

## Key Findings



### **Widespread adoption and positive perception:**

This study shows a significant endorsement of digital ID technologies across multiple sectors.



**The role of physical documents:** Despite the growing integration of digital IDs, physical documents are not being phased out. They continue to play a critical role in identity verification processes and ensure a balanced approach between traditional methods and new technologies.

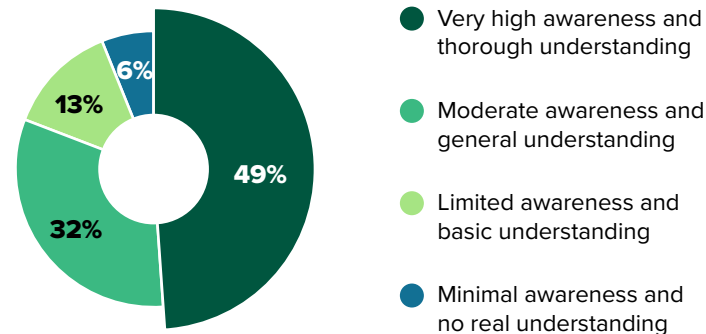


**Need for global standards:** There is a strong consensus (74% agreement) on the need for unified global standards for digital IDs.

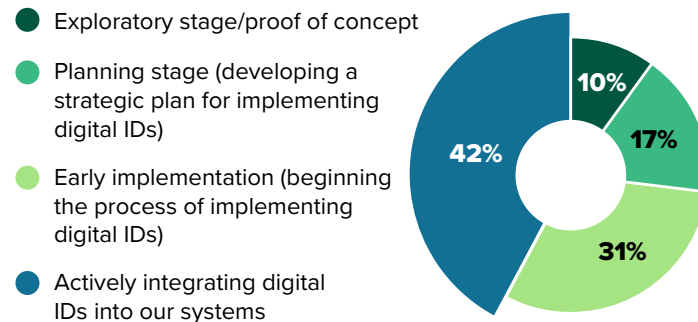
## Advancing Digital Identity: Awareness, Integration, And Impact

Digital identity transforms how the public and private sectors interact, which enhances security, reduces fraud, and ensures privacy. Forty-nine percent of respondents said their organization has a high to very high awareness of digital IDs, and there are regional disparities. Organizations from countries with advanced digital infrastructures and regulatory frameworks like Germany (63%) show higher integration rates, while those from other countries are just beginning to explore digital possibilities. Moreover, companies in sectors with high customer interaction frequencies such as finance (50%) lead in adoption. Forty-two percent of respondents' organizations are currently integrating digital IDs, and 31% are in early implementation stages. The integration of digital IDs is not merely a technological upgrade, but a complex evolution influenced by regional readiness, sectoral demands, and market dynamics.

### “How would you rate your organization’s awareness and understanding of digital ID?”



### “How far along is your organization in the digital ID strategy implementation?”



## Physical Documents Will Remain Crucial In IDV Processes

Despite advancements in digital IDV technologies, 46% of respondents' organizations still prioritize manual document verification. This method coexists with modern techniques, such as biometric verification (54%) and automated checks (53%). In industries like aviation (63%) and finance (44%) where security demands are stringent, physical documents provide unmatched authenticity. Additionally, 44% of respondents said their firm uses third-party services that often rely on physical documents for identity checks. In countries with rigid regulatory frameworks such as the US (50%) and Germany (49%), the reliance on physical documents is pronounced. These methods are integral to a comprehensive, multilayered security approach. While digital methods evolve, physical documents remain indispensable, which ensures reliable and trustworthy identity verification across various regulatory environments.

### “What methods are currently used in your organization for remote identity verification (IDV)?”

**54%**

Biometric verification (e.g., facial recognition, voice recognition)

**53%**

Automated documentation verification (e.g., online, credit databases)

**49%**

Multifactor authentication (e.g., sending codes to users' phones or emails, authentication apps, knowledge-based authentication, blockchain verification)

**46%**

Manual document verification (e.g., remote video interview, passport, driver's license)

**44%**

Third-party authentication services

## The Need For Unified Global Standards For Digital IDs

As the digital landscape evolves, 74% of surveyed stakeholders emphasized the necessity for global digital ID standards to ensure interoperability and consistency across borders. This unified approach is pivotal not only for maintaining a vibrant identity verification (IDV) market, but also for fostering its evolution. Far from signaling an end, 72% of respondents said the integration of digital IDs is crucial for developing a robust global digital economy. However, achieving consensus on such standards is challenging. About 71% of respondents recognize the difficulties posed by varied regional perspectives on identity and privacy, which can complicate global acceptance. This scenario isn't merely about adoption; it's a call for collaborative innovation to tackle these complexities.

## “To what extent do you agree with the following statements about global implementation of digital IDs?”

● Strongly agree ● Agree

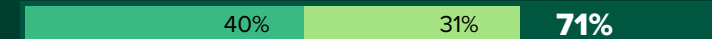
Establishing unified global standards for digital ID is essential for ensuring consistency and interoperability.



Implementing digital IDs is a critical step for the development of an effective global digital economy.



Varied regional perspectives on identity and privacy significantly complicate the worldwide acceptance of digital IDs.



Bridging the technological disparity among countries is a major challenge for the equitable access to digital ID systems.



The global rollout of digital IDs is likely to be gradual due to the need for widespread infrastructure development, like internet access and hardware.



Base: 226 decision-makers at the manager level and above who are responsible for their organization's marketing strategy

Note: Showing top five; total percentages may not equal separate values due to rounding.

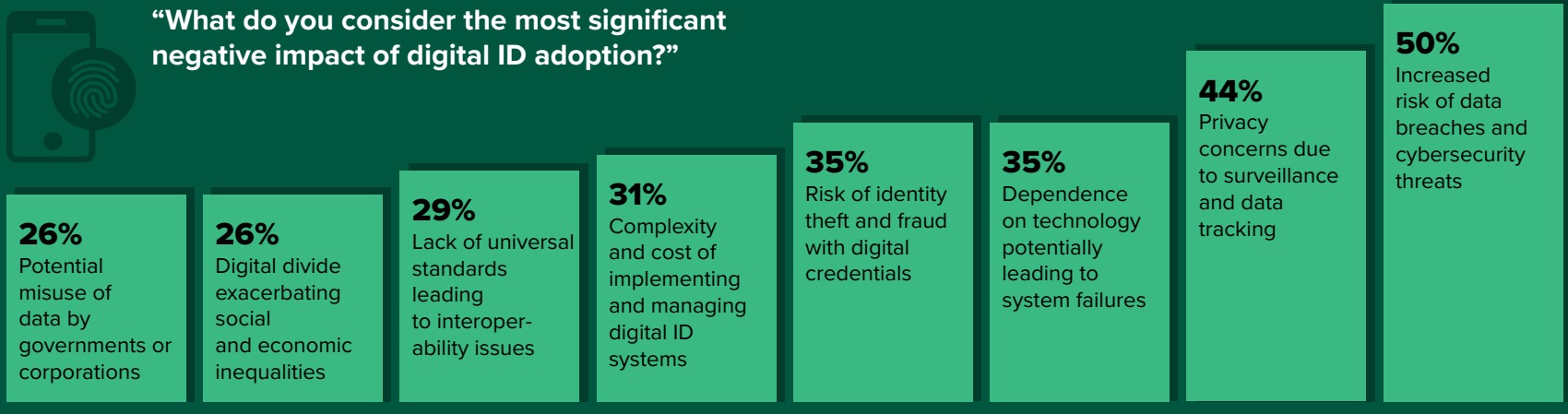
Source: A commissioned study conducted by Forrester Consulting on behalf of Regula, March 2024

## The Challenges With Digital ID Adoption

As digital ID adoption grows, it is essential to recognize and address the potential negative impacts respondents highlighted. The most significant concern (noted by 50% of respondents) is the increased risk of data breaches and cybersecurity threats, which underscores the critical need for robust security measures in digital ID systems. Germany's strong regulatory frameworks emphasize data protection under General Data Protection Regulation (GDPR) (46%), while the UAE's rapid digitalization efforts underscore the necessity for robust security frameworks to mitigate risks of data breaches, which 46% of respondents noted as a concern. Meanwhile, 44% voiced fears about privacy and are worried that digital IDs could deepen surveillance and data tracking. Additionally, 35% said the potential for technology failures and identity theft alarms is a negative, which highlights the importance of reliable systems.



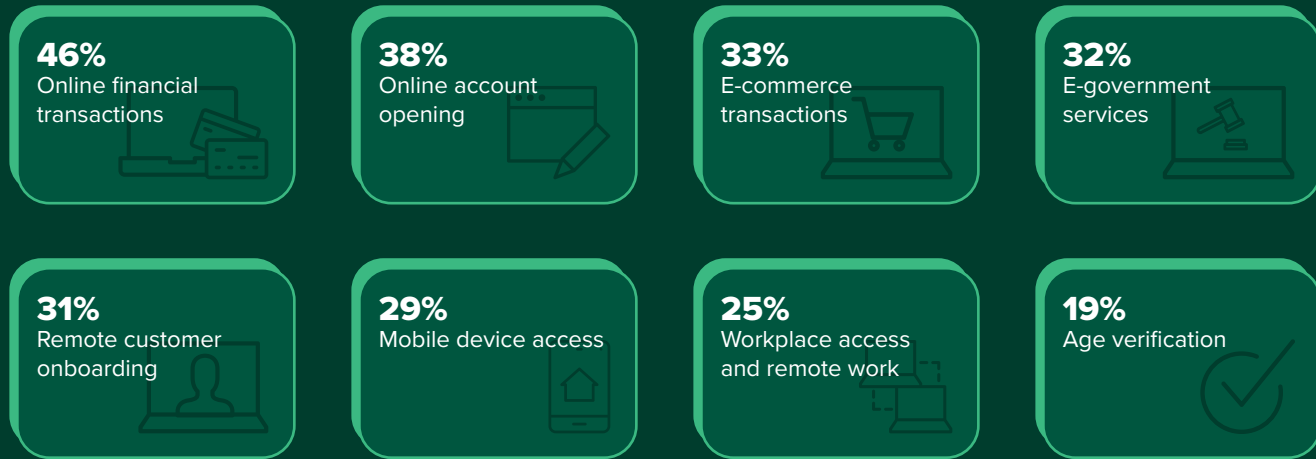
“What do you consider the most significant negative impact of digital ID adoption?”



# Transforming Transactions And Services With Digital ID

Digital IDs are poised to revolutionize sectors that rely heavily on secure and efficient identity verification. Survey results predict the benefits that will bring the fastest results are online financial transactions (46%), online account opening (38%), and e-commerce (33%), which reflects a strong expectation for these technologies to enhance user experience and trust. Particularly in the UK, 50% of respondents (more than respondents from any other country) said they believe e-government services will see the greatest improvement because it will be a critical part of the UK's national infrastructure. This shift toward digital IDs promises not only to streamline transactions, but also to bolster security, which illustrates a pivotal advancement in how we interact with services daily.

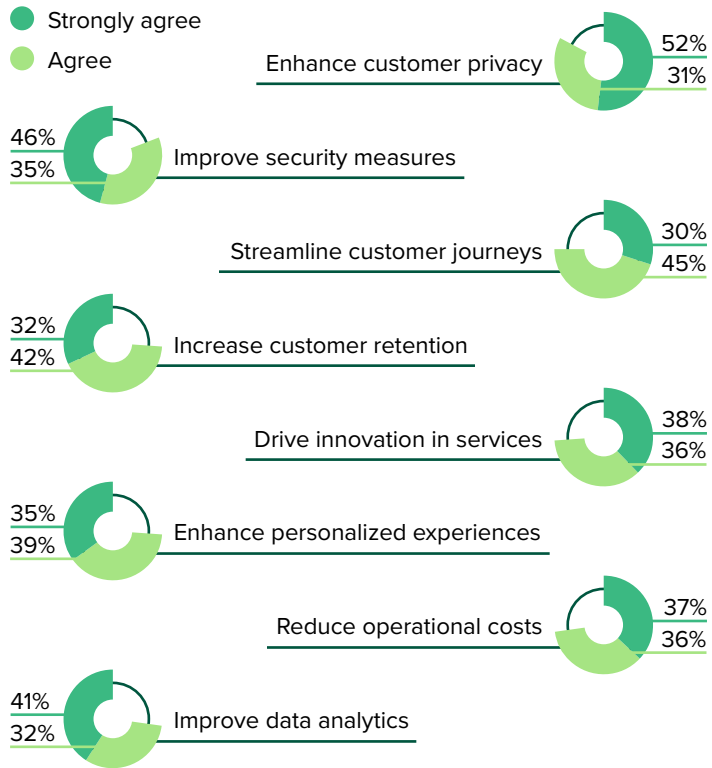
“In which of the following use cases will the benefits from digital ID implementation be noticeable and bring fastest results?”



## Digital ID Transforms Customer Engagement Capabilities

Imagine a world in which every customer interaction is seamlessly secure and intensely personalized. This is the future digital IDs are crafting. According to our survey, 83% of experts see digital IDs as a shield that enhances customer privacy, while 81% view them as fortifying security that builds trust in every transaction. Moreover, 75% of respondents believe these IDs streamline customer journeys and transform complex processes into effortless experiences. As digital IDs integrate deeper, 74% of leaders anticipate their organization will not only retain customers, but also inspire loyalty through innovative, tailored services. This isn't just about technology; it's about redefining engagement and making every digital handshake a gateway to enhanced trust and personalized service.

## “How do you anticipate digital ID will transform customer engagement in your industry?”



Base: 226 decision-makers at the manager level and above who are responsible for their organization's marketing strategy  
 Note: Showing top eight responses  
 Source: A commissioned study conducted by Forrester Consulting on behalf of Regula, March 2024

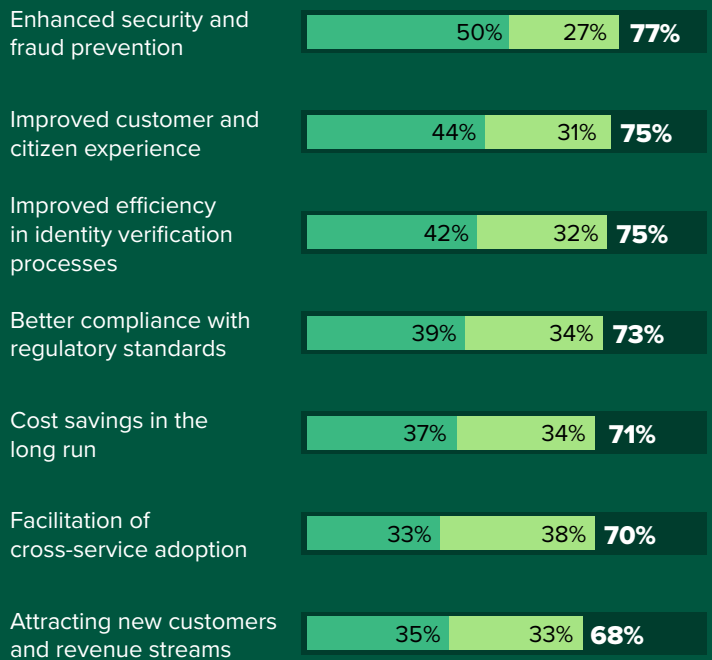
## Digital ID's Role In Enhancing Security And Reducing Fraud

The adoption of digital ID technologies marks a significant leap forward in securing data and reducing fraud across industries. Eighty-two percent of respondents from organizations in the US expect digital IDs to substantially improve their company's security infrastructure and fraud prevention capabilities. This is a sentiment that is somewhat lower in the UAE at 68%. The notable difference underscores the varied expectations and readiness levels across regions because of different regulatory environments and cultural attitudes towards privacy and technology adoption.

Digital IDs are set to transform how transactions and customer data are secured, addressing both current vulnerabilities and anticipating emerging threats. The implementation of digital ID is not merely an upgrade, it is a critical evolution that offers a strategic edge in the ongoing battle against fraud.

## “Which of the following do you consider the top positive transformation factors for your industry resulting from the adoption of digital identity?”

● Strongly agree    ● Agree



Base: 226 decision-makers at the manager level and above who are responsible for their organization's marketing strategy  
 Note: Total percentages may not equal separate values due to rounding.  
 Source: A commissioned study conducted by Forrester Consulting on behalf of Regula, March 2024

## Conclusion

A fundamental shift toward a more resilient, streamlined, and globally interconnected digital landscape is emerging.

- **A new dawn with digital IDs.** Integration of digital IDs will ignite innovation and fortify the global digital economy. But physical documents remain integral. This underscores a harmonious coexistence of traditional and modern authentication methods.
- **Driving toward consensus.** Seventy-four percent of respondents' organizations are advocating for standardized protocols in digital IDs. This lays the cornerstone for an integrated global digital framework.
- **Enhancing the future while honoring tradition.** The adoption of digital ID technologies signifies a major leap in efficiency, security, and connectivity. But digital IDs will not replace physical documents; they'll enhance them.

### Project Team:

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### Contributing Research:

Forrester's Security and Risk  
research group



## Methodology

This Opportunity Snapshot was commissioned by Regula. To create this profile, Forrester Consulting supplemented this research with custom survey questions asked of respondents with responsibility for identity verification solutions at their organization. The custom survey began in January 2024 and was completed in May 2024.

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## Demographics

COUNTRY	
Germany	15%
UK	22%
UAE	25%
US	37%

COMPANY SIZE	
500 to 999 employees	23%
1,000 to 4,999 employees	33%
5,000 to 19,999 employees	25%
20,000 or more employees	18%

LEVEL OF RESPONSIBILITY	
Final decision-maker	38%
Part of a team of decision-makers	43%
Influence decisions	19%

INDUSTRY	
Technology services	23%
Financial service	22%
Telco	20%
Aviation	18%
Government	17%

Note: Percentages may not total 100 due to rounding.

A hand is shown on the left side of the frame, reaching towards the center. The background is a dark green, futuristic digital interface. It features a large circular gauge or dial in the center, surrounded by various data visualizations, including bar charts and line graphs. The overall aesthetic is high-tech and data-driven.

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