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Decentralized Identity Market Forecasts to 2032 – Global Analysis By Type (Biometrics and Non-biometrics), Deployment Model, Technology, Application, End User and By Geography

https://marketpublishers.com/r/D28802596C0FEN.html
Date: August 2025
Pages: 200
Price: US$ 4,150.00 (Single User License)
ID: D28802596C0FEN

Abstracts

According to Stratistics MRC, the Global Decentralized Identity Market is accounted for $3.0 billion in 2025 and is expected to reach $123.3 billion by 2032 growing at a CAGR of 70% during the forecast period. Global Decentralized Identity is a user-centric identity framework that enables individuals to control and manage their digital identities without relying on centralized authorities. Built on blockchain and cryptographic technologies, it ensures secure, verifiable, and privacy-preserving identity transactions. This model empowers users with ownership of credentials, reducing risks of data breaches and misuse. It is increasingly adopted across sectors like finance, healthcare, and government to enhance trust, compliance, and interoperability in digital identity management systems.

According to Forbes, major banks spend up to USD 500 million on cybersecurity annually, with USD 25 billion being spent in the US on AML compliance.

Market Dynamics:

Driver:

Increased demand for user-controlled data.

Increased demand for user-controlled data is a strong driver propelling decentralized identity solutions. As consumers grow wary of data breaches and misuse by centralized platforms, they seek systems that give them ownership over credentials. Decentralized

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identity empowers users to decide what data to share, enhancing transparency and trust. Organizations across finance, healthcare, and government are adopting these models to comply with privacy regulations, improve security, and deliver frictionless authentication experiences aligned with next-generation digital ecosystems.

Restraint:

High implementation costs and expertise needed.

High implementation costs and specialized expertise required to deploy decentralized identity platforms remain a significant restraint. Organizations need to invest in blockchain infrastructure, cryptographic protocols, and skilled professionals to design and maintain these systems. Integration with legacy IT environments adds further complexity and expense. For many small and mid-sized enterprises, the financial burden and talent scarcity slow adoption. This barrier may limit market penetration until technology matures and standardized, cost-effective solutions become widely accessible.

Opportunity:

Integration with IoT & Web3

Integration with IoT and Web3 ecosystems presents a compelling opportunity for the decentralized identity market. As billions of connected devices proliferate and the internet evolves toward decentralized applications, secure identity becomes critical. Decentralized identifiers can enable seamless authentication between people, devices, and services without central intermediaries. This creates opportunities for innovative use cases in supply chain, smart homes, digital wallets, and metaverse environments, positioning decentralized identity as the backbone for trusted and interoperable next-generation digital interactions.

Threat:

Governments and traditional ID providers may resist change

Resistance from governments and traditional identity providers poses a threat to widespread decentralized identity adoption. Centralized institutions often view decentralized models as disruptive to their authority and control over citizen or customer data. Regulatory uncertainty, reluctance to update legal frameworks, and lobbying by

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established identity management players can slow deployment. This tension between innovation and policy inertia may hinder scalability, creating fragmentation in the global ecosystem and reducing trust among enterprises considering adoption.

Covid-19 Impact:

The COVID-19 pandemic accelerated digital transformation and remote interactions, highlighting the importance of secure online identity verification. Organizations and governments adopted digital onboarding, health credentials, and contactless services, driving interest in decentralized identity solutions. However, budget constraints and operational disruptions temporarily delayed large-scale implementations. As economies recover, the heightened awareness of digital security and privacy risks has created momentum for investments in user-controlled identity frameworks that improve trust, compliance, and resilience against future crises.

The biometrics segment is expected to be the largest during the forecast period

The biometrics segment is expected to account for the largest market share during the forecast period propelled by, rising adoption of biometric verification for secure, frictionless authentication. Fingerprint, facial, and iris recognition technologies are increasingly integrated into decentralized identity platforms to bind credentials to unique physical traits. This strengthens identity assurance and reduces fraud risks. As consumers demand more seamless and reliable experiences, biometrics become a cornerstone of next-generation identity systems across finance, healthcare, and government sectors.

The cloud-based segment is expected to have the highest CAGR during the forecast period

Over the forecast period, the cloud-based segment is predicted to witness the highest growth rate influenced by, scalability, cost-efficiency, and faster deployment capabilities. Cloud infrastructure allows organizations to integrate decentralized identity solutions without heavy upfront investments in on-premise hardware. It also supports continuous updates, interoperability, and global access. With enterprises rapidly migrating to cloud ecosystems, vendors are offering flexible SaaS platforms that combine decentralized identity management with compliance, analytics, and automated workflows, driving strong market momentum.

Region with largest share:

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During the forecast period, the Asia Pacific region is expected to hold the largest market share fuelled by, rapid digitalization, expanding internet penetration, and supportive government initiatives around digital identity. Countries like China, India, Singapore, and Australia are actively exploring decentralized frameworks to improve security and citizen services. Large populations and the proliferation of smartphones create strong demand for secure, scalable identity solutions. Regional investments in blockchain infrastructure further bolster adoption of decentralized identity technologies.

Region with highest CAGR:

Over the forecast period, the North America region is anticipated to exhibit the highest CAGR driven by, robust technological innovation, advanced regulatory frameworks, and strong enterprise adoption. The U.S. and Canada are home to leading blockchain, identity management, and cybersecurity vendors developing decentralized solutions. Growing concerns over data privacy and high-profile breaches have increased demand for user-centric identity systems. Combined with aggressive investments in Web3 infrastructure, this environment is accelerating rapid market expansion across industries.

Key players in the market

Some of the key players in Decentralized Identity Market include Microsoft Corporation, Accenture plc, Wipro Limited, SecureKey Technologies Inc., Persistent Systems Limited, Avast Software s.r.o., Civic Technologies, Inc, R3, 1Kosmos Inc., Nuggets, IBM Corporation, Validated ID SL, Dragonchain, Ping Identity, Evernym Inc., Ontology and SoluLab.

Key Developments:

In June 2025, Acer Inc. announced its strategic entry into decentralized identity technologies, developing secure hardware wallets and blockchain-based identity management tools. This initiative aims to provide encrypted, user-controlled digital identities for consumers and enterprises, enhancing privacy and security.

In May 2025, Microsoft expanded its Azure platform in May 2025 to enhance decentralized identity services, enabling enterprises to issue, verify, and manage user credentials securely via blockchain. The updated Azure Active Directory supports verifiable credentials and decentralized identifiers (DIDs), facilitating compliance with

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global privacy regulations and simplifying identity verification workflows for customers in finance, healthcare, and government sectors.

In April 2025, Accenture spearheaded a global consortium initiative in April 2025 to accelerate decentralized identity adoption across industries. The program includes collaborating with partners to develop open standards, interoperability protocols, and scalable decentralized identity solutions, focusing on improving consumer trust and regulatory compliance. Pilot projects are active in Europe and North America involving retail and banking sectors.

Types Covered:

- Biometrics
- Non-biometrics

Deployment Models Covered:

- Cloud-Based
- On-Premises

Technologies Covered:

- Blockchain
- Self-Sovereign Identity
- Public Key Infrastructure
- Zero-Knowledge Proofs

Applications Covered:

- Identity Verification

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- Access Control
- Data Privacy Management
- Credential Management

End Users Covered:

- Government
- Financial Services
- Healthcare
- Telecommunications
- Education

Regions Covered:

- North America
  - US
  - Canada
  - Mexico
- Europe
  - Germany
  - UK
  - Italy
  - France

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- Spain
- Rest of Europe

Asia Pacific

- Japan
- China
- India
- Australia
- New Zealand
- South Korea
- Rest of Asia Pacific

South America

- Argentina
- Brazil
- Chile
- Rest of South America

Middle East & Africa

- Saudi Arabia
- UAE
- Qatar

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South Africa

Rest of Middle East & Africa

What our report offers:
- Market share assessments for the regional and country-level segments
- Strategic recommendations for the new entrants
- Covers Market data for the years 2024, 2025, 2026, 2028, and 2032
- Market Trends (Drivers, Constraints, Opportunities, Threats, Challenges, Investment Opportunities, and recommendations)
- Strategic recommendations in key business segments based on the market estimations
- Competitive landscaping mapping the key common trends
- Company profiling with detailed strategies, financials, and recent developments
- Supply chain trends mapping the latest technological advancements

Free Customization Offerings:

All the customers of this report will be entitled to receive one of the following free customization options:

Company Profiling

Comprehensive profiling of additional market players (up to 3)

SWOT Analysis of key players (up to 3)

Regional Segmentation

Market estimations, Forecasts and CAGR of any prominent country as per the client's interest (Note: Depends on feasibility check)

Competitive Benchmarking

Benchmarking of key players based on product portfolio, geographical presence, and strategic alliances

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Note: Tables for North America, Europe, APAC, South America, and Middle East & Africa Regions are also represented in the same manner as above.

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