Culture Clash on Facial Recognition: China and the West Take Different Paths

ARTICLE

Victoria Petrock

Consumers' use and acceptance of biometric technology—especially facial recognition—varies widely, depending on which part of the world you're in.
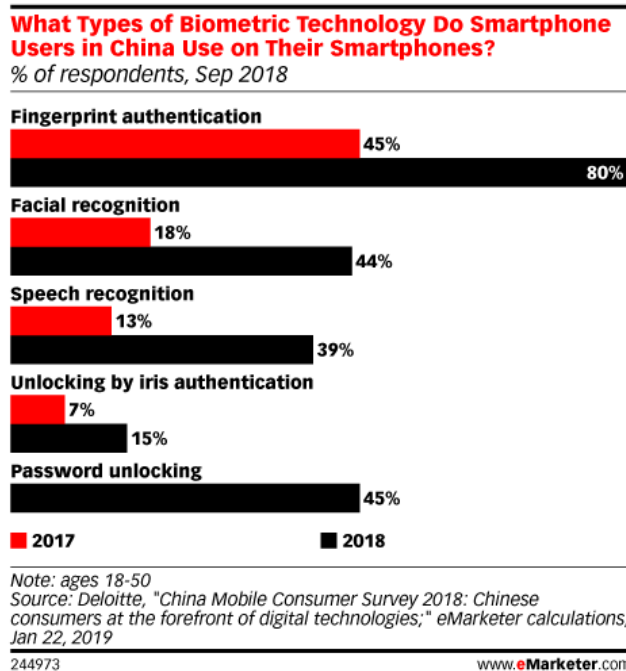
In the US and many parts of the West, facial recognition systems—including those from Apple, Google, Amazon, Microsoft and Facebook—have sparked intense consumer debate and are under heavy fire from privacy advocates for their ability to scan people's faces and identify them without their consent.

Legal challenges, including high-profile lawsuits against these tech giants, make headlines almost daily, and have already forced some companies to reverse course. In June 2019, Microsoft quietly deleted a massive online data set that contained more than 10 million images of 100,000 individuals that was used to train other companies' facial recognition systems. And last month, Facebook, facing heavy fines over its use of facial recognition in photo tagging, announced it would ask its users' permission to use the feature and delete their "face recognition template" if they did not opt in.

The use of biometrics and other personal data has also given rise to a host of new regulations in the West. For example, the EU's General

Data Protection Regulation (GDPR) prevents the "processing" and sharing of biometric data without permission. In the US, the states of Illinois, Washington and Texas have passed biometric privacy laws that impose restrictions on organizations that collect biometric information. In California, the California Consumer Privacy Act (CCPA) regulates biometric data, and the cities of Oakland and San Francisco have banned municipal authorities from using facial recognition.

In China, there are fewer such concerns. The country's large population, communist government and sociocultural mores tell a different story. A September 2018 survey by Deloitte found that the use of facial recognition and other technologies in China had grown significantly from the previous year. Some 44% of smartphone users reported using the technology, up from just 18% in 2017. The use of fingerprint and speech recognition also jumped.

What Types of Biometric Technology Do Smartphone Users in China Use on Their Smartphones?
% of respondents, Sep 2018

Technology	2017	2018
Fingerprint authentication	45%	80%
Facial recognition	18%	44%
Speech recognition	13%	39%
Unlocking by iris authentication	7%	15%
Password unlocking		45%

■ 2017   ■ 2018

Note: ages 18-50
Source: Deloitte, "China Mobile Consumer Survey 2018: Chinese consumers at the forefront of digital technologies;" eMarketer calculations, Jan 22, 2019
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China's public and private sectors have been early and aggressive users of facial recognition. The government routinely pairs large-scale surveillance systems with centralized photo databases to recognize and log people's faces, ages, genders, behaviors and other personal information. This so-called "name-and-shame" infrastructure is being

used to nab suspected criminals and promote "model behaviors." For example, it can spot jaywalkers, track students' class attendance and identify citizens who are disposing of trash improperly.

Technology from China's largest companies is underpinning these initiatives. For example, Huawei, a global provider of facial recognition systems developed technology for subway operator Shenzen Metro in the city of Shenzen to let passengers pay using facial scans instead of fare cards.
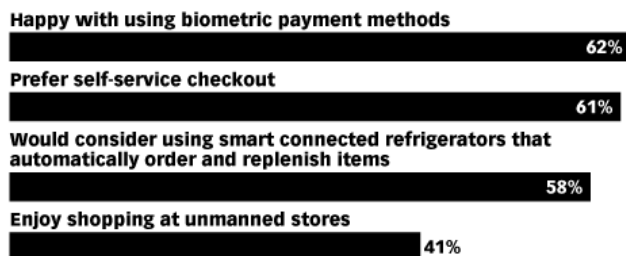
Similarly, ecommerce giant Alibaba recently announced major stakes in prominent Chinese facial recognition startups Megvii and SenseTime following its 2016 acquisition of EyeVerify, a US-based facial recognition company now known as Zoloz. These initiatives have enabled Alibaba to pursue facial recognition solutions in a variety of industries. In retail, for example, it is exploring ways to target customers via facial recognition and deliver promotional offers. And In healthcare, it is enabling patients to register and pay their bill with their face.

Alibaba is also betting big on biometric payments. Alipay—as well as competitor Tencent's WeChat Pay—have are heavily promoting their "smile-to-pay" facial recognition payment systems. And though consumers in China are becoming more aware and concerned about how their personal data is being used, these systems appear to be gaining traction. A May 2018 Mintel survey found that 62% of urban digital buyers in China were "happy" to pay for goods and services using biometric data.

Attitudes of Urban Digital Buyers in China Toward Select Retail Technologies/Internet of Things (IoT), May 2018

% of respondents

Happy with using biometric payment methods
62%

Prefer self-service checkout
61%

Would consider using smart connected refrigerators that automatically order and replenish items
58%

Enjoy shopping at unmanned stores
41%

Note: ages 20-49
Source: Mintel as cited in press release, Oct 31, 2018
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Biometric payments in the US are going in a different direction. Amazon's chain of Amazon Go stores uses a complex network of cameras to track shoppers and merchandise and enable cashierless checkout. However, Amazon has stopped short at identifying customers' faces. In recent weeks, the New York Post reported that the company would soon introduce hand-based payments at its Whole Foods stores. Industry experts believe that this was a conscious decision against facial recognition for fear of inflaming privacy concerns.

"I think they probably made a judgment call that Americans are probably not going to want to pay with their face, but they'll be fine to pay with their fingerprint or their hand," Stephanie Hare, a technology ethics researcher, told the Post. "That feels less like a mug shot."

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