

MARKETING

## Why brands should cautiously embrace facial recognition in light of Apple's Face ID

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*Apple's Face ID tech is still in its infancy. Image credit: Apple*

By DANNY PARISI

Apple's iPhone X has brought the latest evolution of identification with face recognition, but how will this new tech affect the many brands that work with Apple's parameters?

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Face ID, as Apple calls its face recognition software, is the logical next step after the widely-used Touch ID, but exactly what effect this will have on the luxury industry remains to be seen. As L2 reports relatively low use of Touch ID and Apple Pay already by brands, Face ID could be more of the same or give a jumpstart to both programs.

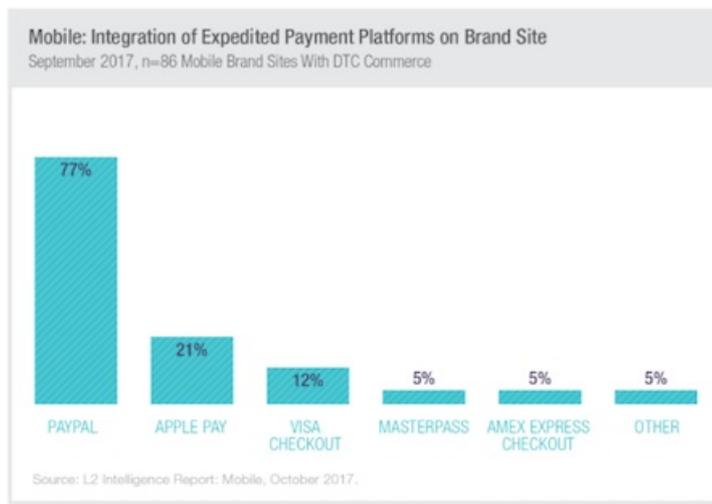
"Brands can expect that Apple's new Face ID will follow in the footsteps of its predecessor, moving from login aid to payment expediter," said Adriel Tey, research associate at L2, New York. "This leaves brands in a quagmire from an adoption standpoint.

"The iPhone X is Apple's only smartphone to offer Face ID, and Touch ID is likely to remain an integral part of Apple's hardware feature set. Thus, the only realistic route is for brands to closely integrate with Apple Pay, which should be a no-brainer considering the security features that Apple touts."

Face ID

Apple casts such a large shadow over the tech and retail worlds that any innovation the company debuts inevitably becomes a natural part of our tech culture, emulated by countless others.

When Touch ID, Apple's fingerprint scanning tech, debuted, it was not long before other smartphone manufacturers did the same. Now, Apples has unveiled Face ID, and the facial scanning tech is sure to be emulated across the industry.



*Apple Pay is still behind PayPal. Image credit: L2*

But Face ID has wider implications beyond just unlocking a phone. Touch ID has long been an integral part of Apple Pay, and while Face ID has not yet been integrated with Apple Pay, it likely will be in the near future.

But Apple Pay adoption still remains quite low. Only 21 percent of brands use Touch ID and the same percentage use Apple Pay, which is dwarfed by PayPal.

But even if just more than 20 percent of iPhone users use Touch ID, that still represents a huge number of consumers whose experiences can be improved through the use of that technology.

If Touch ID is any indication, Face ID will be just as valuable, if not more so, for brands to embrace early and fully. If brands can show consumers that Face ID can be used to improve their online shopping and browsing experiences, the tech will have been a valuable tool.

#### Facial recognition

The ramifications of facial recognition technology extend beyond just Apple, however.

For one, facial tracking technology is helpful for understanding how customers interact with advertisements.

As an example, the Luxury Institute performed a study where they used facial tracking technology to track where customers were looking when viewing video ads from 24 different brands.

The study found that people are more likely to be engaged with video ads that are simple and relatable over flashy and confusing videos with a lot going on.



*Video ads tracked by Luxury Institute. Image credit: Luxury Institute*

Other brands have already embraced the possibilities afforded by facial recognition.

LVMH-owned Sephora is bringing live 3D facial recognition to the existing Virtual Artist feature on its application and Web site, a move expected to boost conversion rates through more accurate facial tracking and rendering.

The augmented reality feature currently allows users to upload a still selfie to virtually try on various products that can be purchased from Sephora, but the new update will allow users to view themselves moving in real time with the digital makeup, with more effective technology. The update comes from the developer ModiFace after a survey of non-Modiface and non-Sephora apps showed that a 22 percent drop in conversion rates occurred when the virtual products did not line up or appear correctly on the user's face ([see story](#)).

With facial tracking and recognition on the rise, brands need to be ready to embrace new technology as soon as it arises to avoid being left behind.

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