

Facial Recognition Market - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)

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Report description:

The facial recognition market is expected to register a CAGR of 21.9% over the forecast period. Since the outbreak of COVID-19, vendors worldwide have already upgraded their algorithms to accommodate new changes and norms. For instance, a study by the National Institute of Standards and Technology (NIST) found that several algorithms, reconfigured since the pandemic began, make far fewer mistakes when analyzing masked faces. In some cases, error rates were ten times better than before.

Key Highlights

China is one of the prominent consumers and exporters of facial recognition technology, as various government bodies in the country have adopted surveillance technologies. Currently, the country has the most extensive public surveillance system.

According to Comparitech, China has 54% of the world's cameras, equating to 540 million CCTV cameras.

Furthermore, India approved the deployment of its Automated Facial Recognition System (AFRS) across the nation, allowing facial biometrics to be extracted from CCTV and video, which will be matched with the image of individuals' photos whose identity information is housed in a database by the National Crime Records Bureau under the purview of the Minister of State for Home Affairs.

The Indian government's Aadhaar project is one of the largest biometric databases globally, and it is currently held by over 95% of the country's population, which is around 1.3 billion. The UIDAI contains a citizen's fingerprint, facial recognition, and iris.

Currently, citizens in the country are actively using the technology for authentication, primarily to avail various government benefits, processes, and facilities.

The market is witnessing various developments from private and public organizations, further boosting market growth. For instance, in August 2022, DRDO developed an advanced Facial Recognition Technology (FRT) to increase surveillance. The DRDO has developed FRSD to solve the issue of facial recognition in the wild, where there are wide-ranging issues like low-resolution cameras.

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Government initiatives are expected to contribute to the significant growth of such technologies. For instance, the US government plans to reshape airport security through facial recognition, registering, and identifying visitors. Additionally, several North American Free Trade Agreement (NAFTA) member banks mandated using facial and voice recognition technologies for online identity verification. Companies have collaborated with federal governments to implement the technology for their surveillance and identity management. The Chinese e-commerce giant, Alibaba, invested USD 600 million in SenseTime, a Hong Kong-based company that provides facial recognition software to businesses and governments across China. Moreover, a Chinese intelligence interaction company, Hanwang Technology, developed a facial recognition technology that can identify people wearing masks.

Facial Recognition Market Trends

Retail and E-commerce is Expected to Hold Significant Share

While facial recognition technology did not initially absorb a massive demand from the retail industry, it provided the adequate potential for the technology over the past few years.

The advancement in three technical fields, neural networks, big data, and graphical processing units (GPU), has played a significant role in the widespread use of facial recognition technology in the sector. For instance, apparel retailers are leveraging technology to deliver customized products to customers visiting their stores.

Facial recognition technology is expected to help retailers analyze mood and facial expressions at different SKUs and further enhance their shopping experience, preventing theft and shoplifting as the technology helps increase security at the store level. ? The demand for cameras equipped with facial recognition technology among the stores is expected to surge over the forecast period. In addition to security and surveillance, the demand for technology in the industry is fueled by the growing application of enhancing consumer insights to offer a better customer experience.

However, data security and privacy concerns combined with data regulations are limiting the adoption rates in the industry as it is complex and cost intrinsic to set up the system to adhere to the rules as it consumes a significant amount of money. Large enterprises have the upper hand in adoption rates and are difficult for SMEs.

Asia-Pacific is Expected to Register Fastest Growth

The Asia-Pacific is one of the most prominent regions for adopting facial recognition, owing to technological development, rising infrastructure growth, and increasing application in numerous areas. Massive industrialization and the growing consumer electronics industry in the region showcase exciting opportunities for the players in the market and the scope for significant growth.

China has used facial recognition technology for a long time and built a giant database for facial identification of its population of more than 1.3 billion. Moreover, the country has had several partnerships that have helped the company maintain domination over the global physical security equipment market.

Moreover, the country has deployed facial recognition glasses for the country's police force to spot citizens and tourists and use real-time ID authentication to primarily fight crimes during celebrations.

The country is embracing facial authenticated payments. AliPay, China's biggest payment app, started a trial for the smile-to-pay feature at a branch of KFC in Southern China, which uses facial recognition to identify customers and automatically charges them through the app.

Further, in August 2022, Hyderabad International Airport announced using facial recognition to enable seamless and hassle-free travel. In line with the DigiYatra program, the Hyderabad International Airport will roll out the digital processing of passengers as a

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proof of concept through the DigiYatra platform.

With an increasing urban population and purchasing power, Asia-Pacific is one of the largest markets for consumer biometrics. Increasing mobile transactions for banking in countries such as India and China, coupled with their governments' initiatives, are expected to be the major drivers for the facial recognition market in the region.

Facial Recognition Market Competitor Analysis

The facial recognition market is fragmented, despite significant players operating in the market, such as NEC Corporation, Gemalto NV, Panasonic Corporation, etc. With the number of startups growing substantially, the market studied is expected to witness a highly competitive scenario shortly.

July 2022: Secunet, a Germany-based security and biometric firm, announced to equip Zurich Airport with its technologies to make the facility compliant with the European Entry/Exit System (EES). The EES scheme will require third-country nationals to register with a facial image and four fingerprints to cross the Schengen area's land, sea, and air borders.

March 2022: Authorities in Brunei received facial recognition technology from NEC as part of the Department of Internal Security's efforts to enhance security coverage. The facial recognition system will help the department of internal security work toward addressing new and emerging security threats, including terrorism.

Additional Benefits:

The market estimate (ME) sheet in Excel format

3 months of analyst support

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