

Combat Fraud and Drive Customer Satisfaction with Biometrics

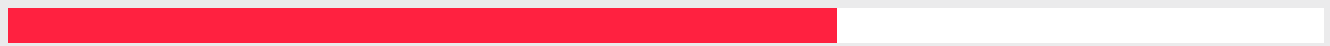
IDC research shows biometric authentication is the key to both security and user experience



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Identity and authentication are at the heart of digital life, whether for citizens or consumers. In the future, governments or certified providers may offer a single reusable digital identity that consumers can authenticate once for access to all their online products and services. As we move towards this streamlined experience, organizations around the globe are implementing biometric authentication systems, which are **safer** than those based on traditional credentials (such as passwords) and **improve consumer experience and loyalty**.

As of today, some **63%** of organizations, from banks and insurance companies to eshops and gaming companies, already use biometric authentication to enable their customers to access their online services. The most widely used authentication factors are fingerprints and face scans.



The main benefits of biometric authentication are:



Improved compliance

It protects customer data and ensures compliance

60%



Improved security

It improves security, as it is more secure than other authentication methods

54%



User convenience

It is easier to use than other authentication methods

48%

Beyond these immediate advantages, biometric authentication contributes to high customer satisfaction levels: 77% of the respondents who use biometrics on their smartphones and tablets say they are satisfied (very satisfied + somewhat satisfied) with biometric authentication, while similar satisfaction levels were cited by 67% of respondents who use them on their computers.

What drives such a high degree of satisfaction among consumers? While 1 in 3 consumers said having to remember multiple usernames and passwords is their biggest authentication headache, in contrast, only 1 in 20 struggle with biometrics.

Legacy authentication methods can have a significant impact on business: 1 in 4 respondents to IDC's consumer survey said they had had one of their online accounts hacked and taken over due to stolen credentials. And more than one-third of those respondents said that, due to unsatisfactory resolution of this issue, they switched to another service.

- **This means that organizations using traditional authentication methods such as passwords have a higher chance of losing customers, while those using biometric authentication have a higher chance of ensuring customer loyalty.**

The benefits of biometric authentication are clear for both businesses and consumers, but a few barriers still exist for a small group of consumers, which will require stronger education efforts to resolve:



About one fifth of respondents worry about their biometric data being stolen. A frequent misconception relates to personally identifiable information (PII): Some consumers fear that companies will store their picture, fingerprint, or voice recording where hackers could potentially steal it. **However, modern biometric authentication solutions do not store any biometric records that could be stolen and used by fraudsters.**



About a quarter of respondents do not believe biometrics are safe or cannot be spoofed. In the past, hackers might have tried to spoof scanners with things like photos, videos or masks for face scans. **Yet, modern biometrics scanners have much higher technical capabilities and are powerful tools for tackling fraud.**

Progress in the area of customer authentication is robust: 83% of the organizations that IDC surveyed have invested in improvements to their customer authentication technology and processes. Those organizations are focused on improving the user experience, strengthening security, and providing prompt support wherever and whenever it is needed. With an educational effort to drive greater adoption of biometric authentication, the outcome will be a win for both providers and consumers – and a thorn in the side of fraudsters.

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