

State of CIAM in Asia-Pacific 2022

The trends and issues driving the
adoption of customer identity today

Okta Inc.

80 Pacific Hwy

North Sydney, NSW 2060

info_apac@okta.com

+61 2 8310 4484



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The demand for secure, seamless end user experiences

As digital services pervade every corner of our lives, fuelled by the impact of the pandemic, businesses in Asia-Pacific are accelerating their efforts to deliver better digital experiences to their customers.

To meet rising expectations, these experiences must be seamless, secure, and brought to market as quickly as possible. As a result, organisations of all sizes are turning to customer identity & access management (CIAM) solutions. CIAM allows businesses to embed a secure identity layer into their consumer and SaaS applications, facilitating secure, seamless end user experiences across digital channels. It also ensures partners, suppliers and contractors have access to the right resources, first time, empowering them to collaborate effectively.

But building this identity layer can be complex and time-consuming. It can divert developers' time away from their core task of creating, enhancing and maintaining products, and delay time to market for critical app releases. If implemented poorly, the risks are high: clunky authentication flows can frustrate customers and drive them to abandon their baskets at checkout. A flawed security posture increases the risk of a breach, leading to lack of user trust and adversely impacting customer stickiness and lifetime value.

CIAM is key to protecting an organisation's digital front door. So, how widespread is its implementation – and how are businesses going about it?

Our research shows high awareness of CIAM across Asia-Pacific, along with an appreciation of its importance to an organisation's security strategy. Businesses recognise that customer experience will be the key differentiator in future and, despite the perceived complexity of CIAM, view it as critical to building customer loyalty, improving collaboration with partners and suppliers, and unlocking revenue growth.



Methodology

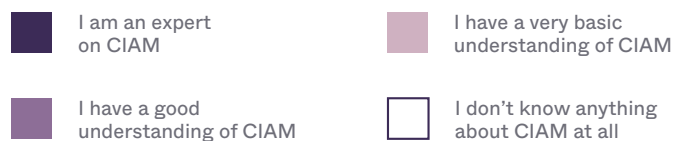
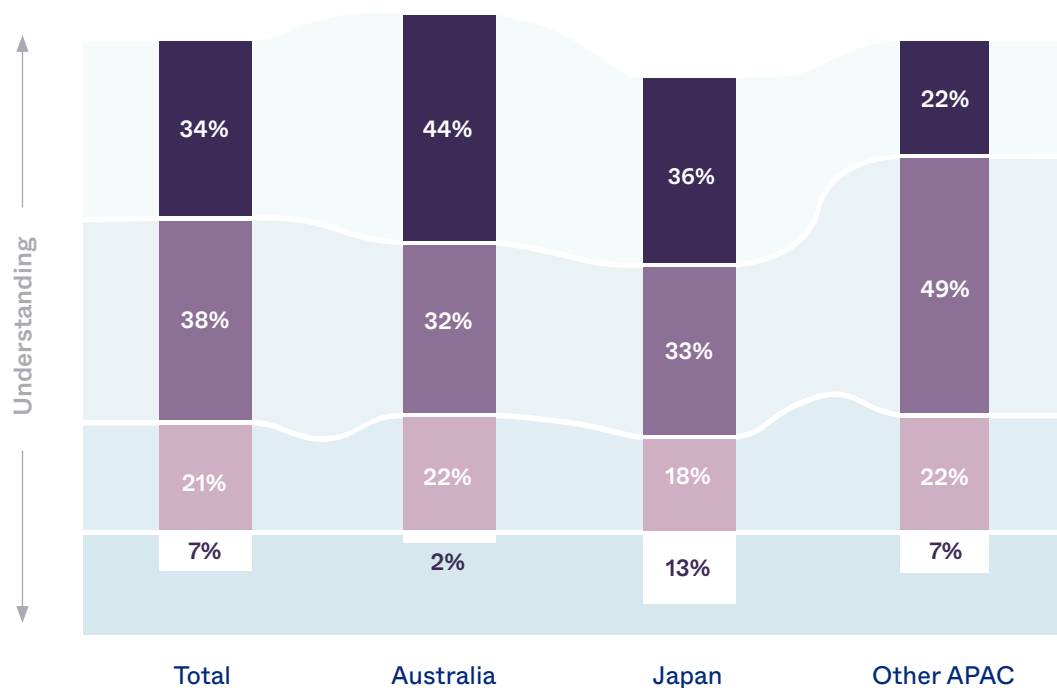
Okta engaged the research firm Statista to conduct this survey online between 28 February and 4 March 2022. The survey questioned 320 employees in South Korea, Hong Kong, Singapore, Philippines, Australia and Japan, in roles including C-level positions, IT and engineering managers and directors, enterprise architects, compliance managers, directors of digital and developers. It aimed to find out to what extent companies in Asia-Pacific are prioritising CIAM, how widely it is being implemented, and the main motivating factors driving adoption.



Importance of CIAM

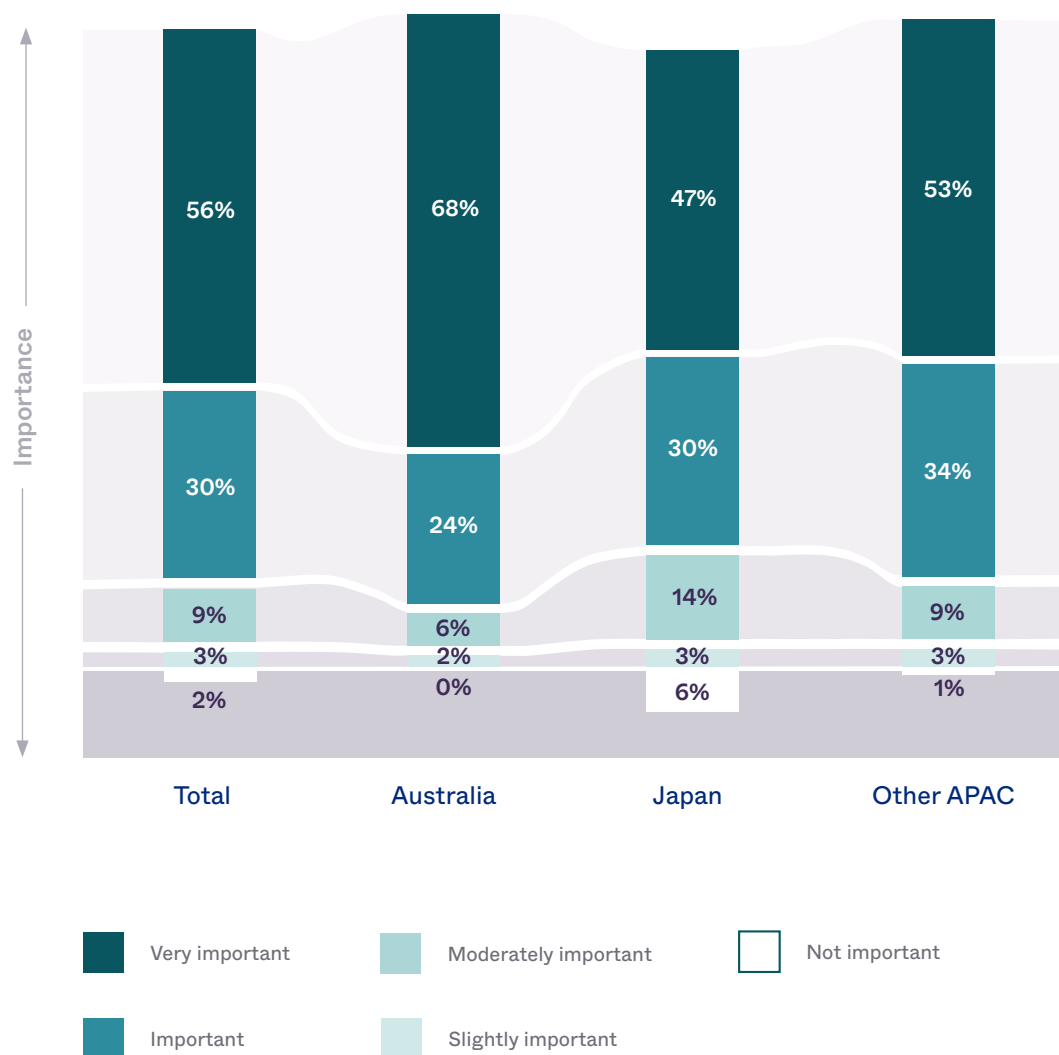
Customer identity is rising up the agenda for businesses across Asia-Pacific, as consumer demand for secure, effortless digital experiences grows. With the pandemic accelerating the shift to digital across virtually all business sectors, and cyberattacks on the identity layer at an all-time high, the need to secure these interactions is more critical than ever.

This has raised the profile of customer identity & access management (CIAM) solutions, with awareness of CIAM now widespread across the region. Nearly three-quarters of respondents (72%) state they have a good or expert understanding of CIAM and only a small minority (7%) admit to not knowing anything about it at all. Understanding is particularly high in Australia, with 44% of respondents considering themselves to be experts on CIAM.



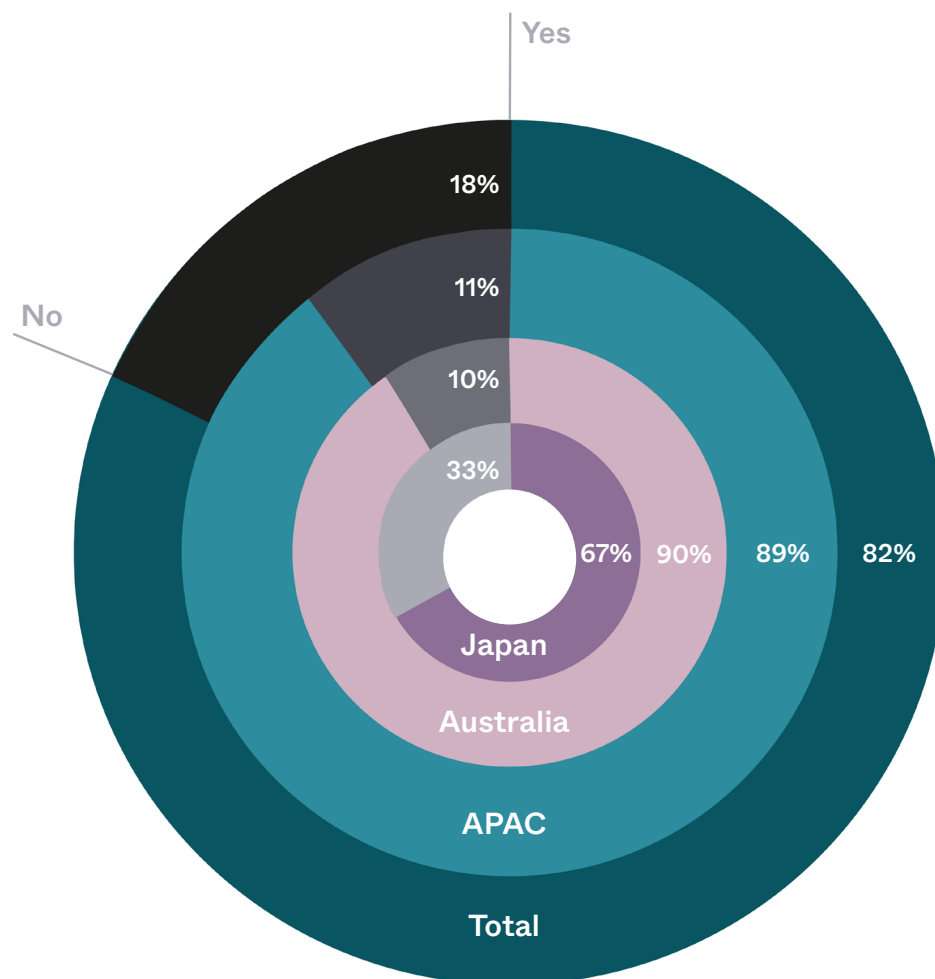
How important is a CIAM solution for your business?

Interestingly, there is a correlation between awareness of CIAM and perception of its importance: Australia, which has the highest level of understanding of CIAM (76% expert or good understanding), also values it more highly, with 68% saying it is very important compared to 56% across the region as a whole.



A large majority (82%) have implemented a CIAM solution, whether this has been built in house or outsourced. The exception is Japan, where one-third have yet to adopt CIAM. Of those that don't currently have a CIAM solution, nearly half (48%) are planning to implement one in the next 12-18 months, with this proportion rising to nearly two-thirds in Australia.

Have you
implemented
CIAM in your
business?



Trusted, secure experiences drive adoption

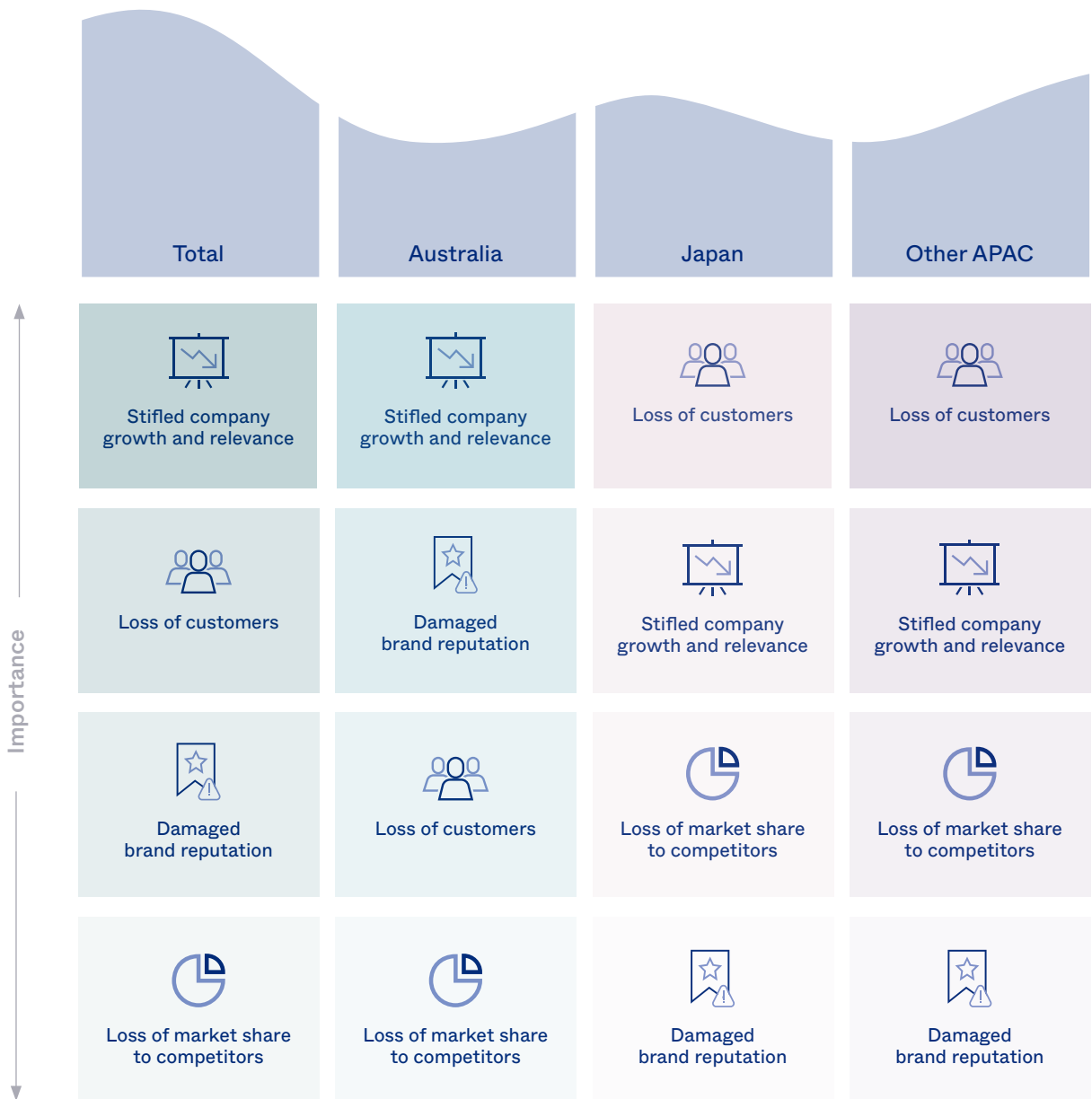
Cyberthreats are rising globally, with identities in particular coming under attack: according to the Verizon 2021 Data Breach Investigations report, 61% of breaches could be attributed to leveraged credentials. So, it's no surprise that security is the main driver of CIAM adoption, with nearly 9 in 10 respondents (89%) saying CIAM was very important or important to their overall security strategy, and just 3% saying it had no importance at all.

The risks of failing to deliver the secure, seamless digital experiences customers expect are front of mind, with 34% most concerned about stifled company growth and relevance, 30% loss of customers, 21% damaged brand reputation and 15% reduced market share.

64%

of respondents in Australia who don't have a CIAM solution plan to implement one in the next 12-18 months

What are the top risks of your business failing to deliver superior customer experiences?

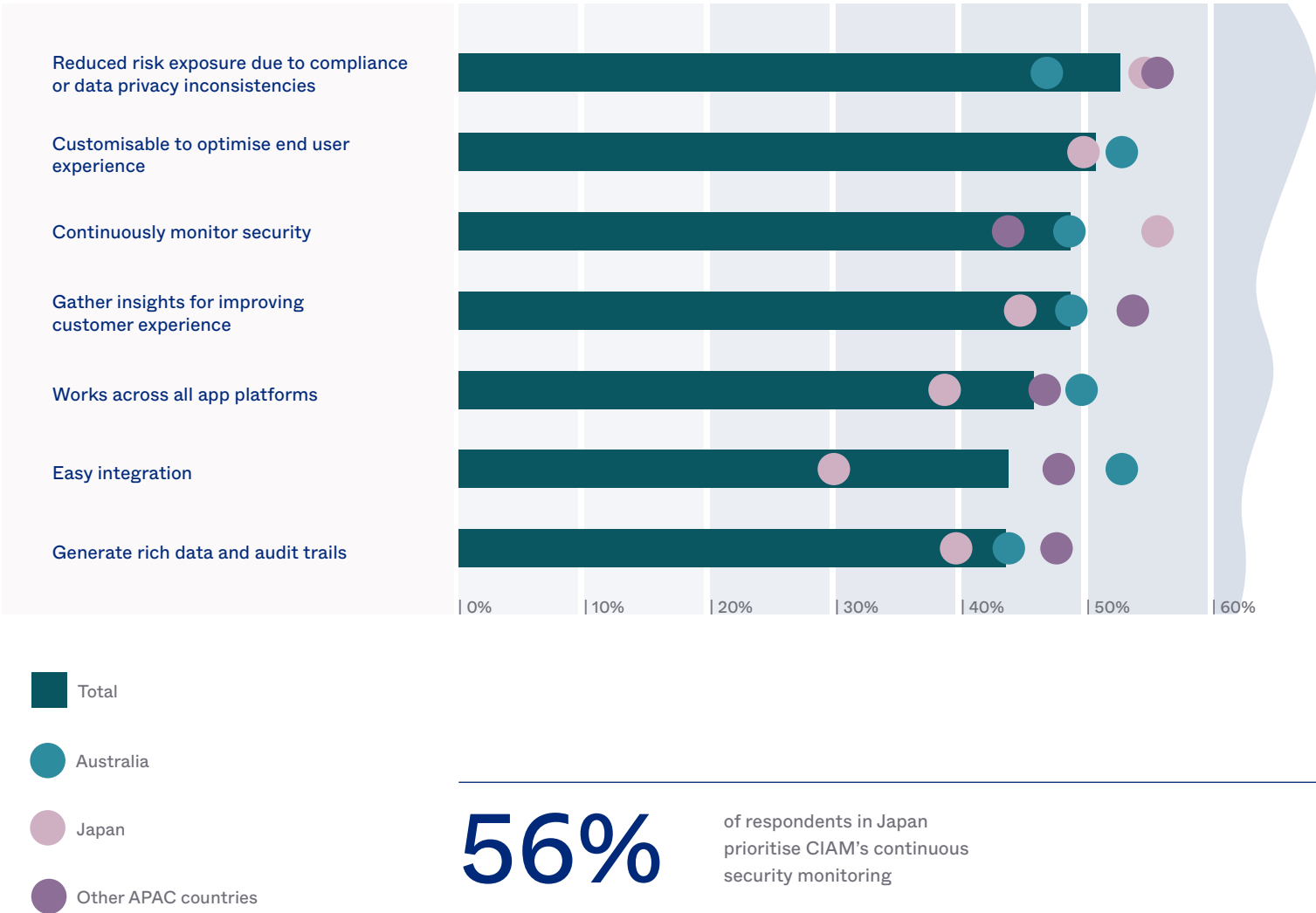


Choice of solution

The benefits of a CIAM solution are many and varied, and organisations place almost equal importance on a range of key features that help accelerate revenue, reduce security risks and maximise developer impact.

With data protection and privacy legislation placing a growing compliance requirement on businesses in the region, reducing risk from non-compliant or inconsistent consent management is a priority. Over half (53%) stated this to be the most important feature when picking the right CIAM solution. This was closely followed by the desire for customisability to optimise the end user experience (51%), continuously monitor security (49% - but reaching 56% in Japan), and ease of integration (44%). Businesses also viewed the capability for harnessing valuable customer insights to improve user experience as key, with 49% agreeing this was important.

What’s most important to you when picking the right CIAM solution for your business?



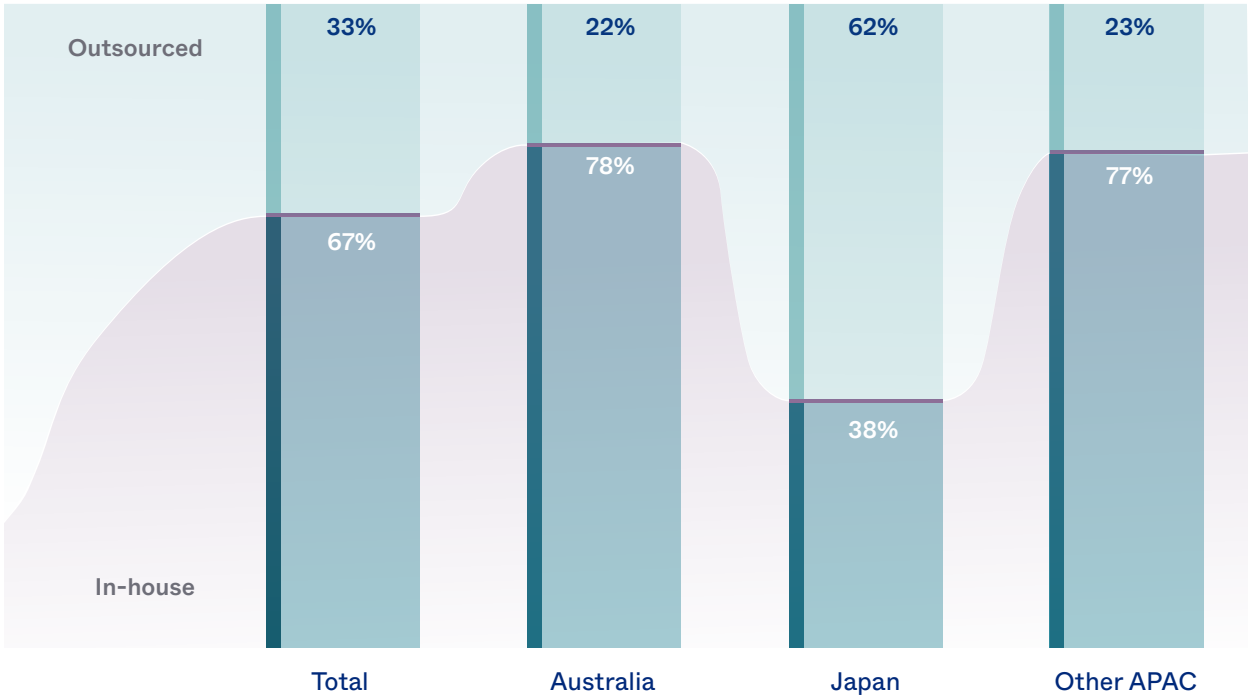
Developers prioritise security and convenience

When asked what was the most important aspect of a CIAM solution for developers, security was the top attribute (33%), followed by reliability (22%), ease of use (16%) and a good user experience (15%). Japan placed a higher value on reliability than other countries, with 33% calling this out as the most important factor, almost matching security (34%).

In-house solutions predominate, except in Japan

When it comes to implementing a CIAM solution, businesses have a choice of building their own solution or buying from a specialist vendor. So far, two-thirds of Asia-Pacific businesses have opted for a homegrown solution, although Japan is a significant exception, with 62% outsourcing to a vendor. In most businesses the decision will likely be made by the IT team, with most respondents saying this department has the most authority on digital customer experiences (54% across the region, rising to 72% in Australia).

How are you implementing CIAM? Build vs Buy.



UX concerns are a barrier to implementation

Significant concerns remain that implementing CIAM is complex and getting it wrong could be costly for the business. Most respondents said the biggest barrier to getting started in the first place was the risk of adversely impacting the user experience (61%), with many struggling to get this right internally, followed by a lack of available in-house expertise (42%), and the need to create a business case to justify implementation (30%).

Of those businesses that don't yet have a CIAM solution, there is considerable uncertainty on knowing where to start. Most (56%) have only a rough idea, with over a third saying they would need help knowing where to start, rising to 50% in countries other than Australia and Japan.

What are your main barriers to implementing CIAM?



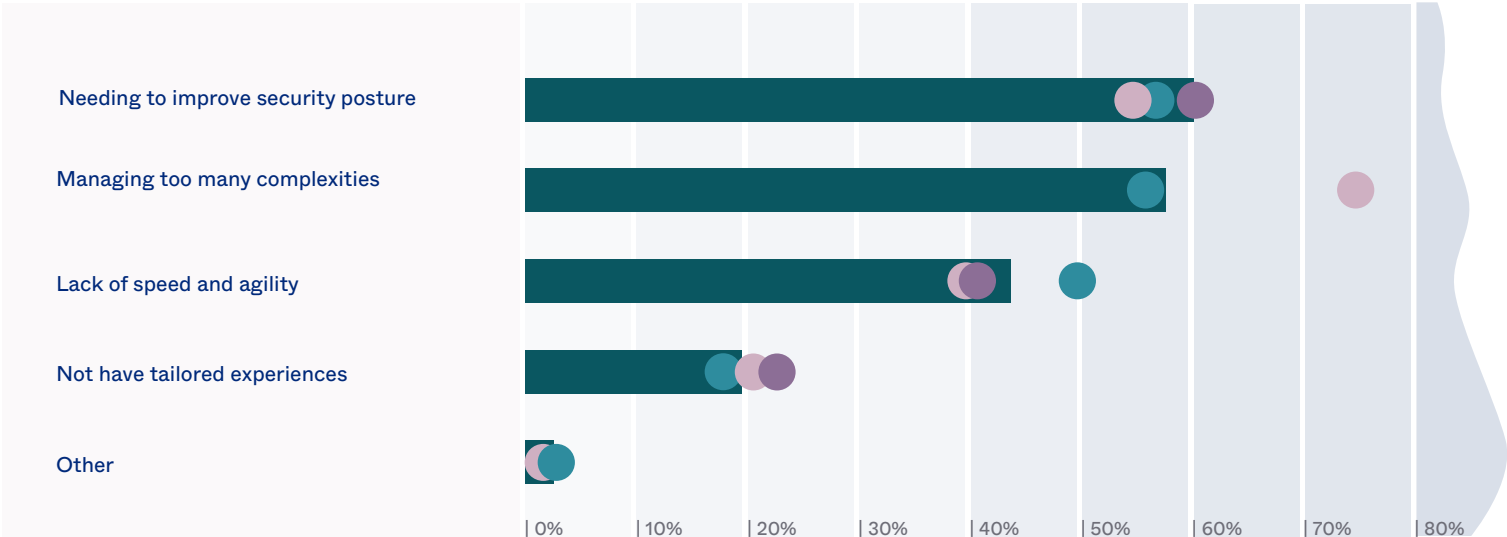
61%

of respondents are concerned with adversely impacting the user experience when it comes to implementing CIAM

Experiences of using CIAM

The challenges and complexities of CIAM continue beyond implementation, with businesses that choose to build these solutions in-house needing to maintain a robust solution able to withstand ever more sophisticated security attacks. Of those organisations that have a CIAM solution, 60% say their biggest barrier in managing it is the need to improve their security posture, while 57% are challenged by the high level of complexity.

The fast-changing threat landscape and ever-evolving audit and compliance requirements make speed and agility essential in managing customer identity. This creates another challenge for business, with over 40% citing this as a key barrier in using their existing CIAM solution.



- Total
- Australia
- Japan
- Other APAC countries

61% with an in-house solution

49% who outsource

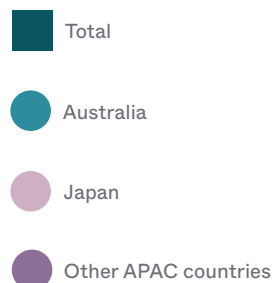
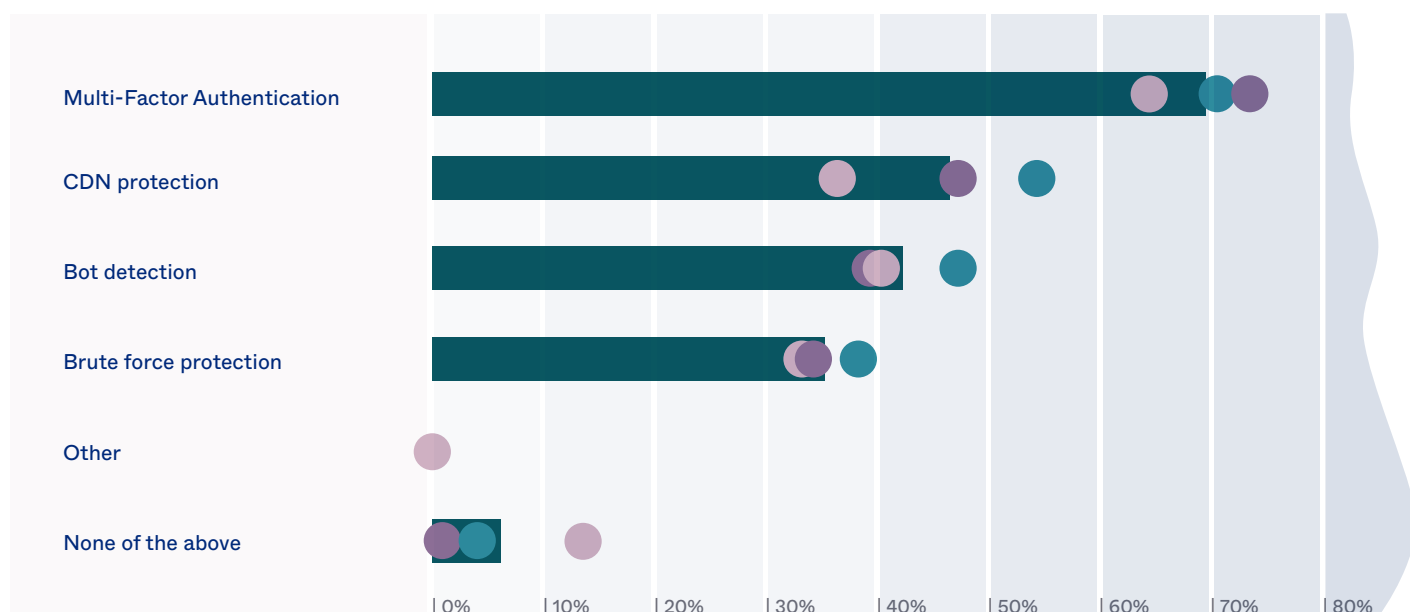
say complexity is the top barrier in managing customer identity

Multi-factor authentication is the top security measure

Most businesses use multiple security measures, with multi-factor authentication the technology most commonly deployed (69%). Content delivery network (CDN) protection, is the second most popular control (46%), followed by bot detection (42%) and brute force protection (35%).

Less than 10% of respondents said they don't deploy any of these measures, underlining the importance of security as a driver of CIAM.

What security measures have you deployed to date?



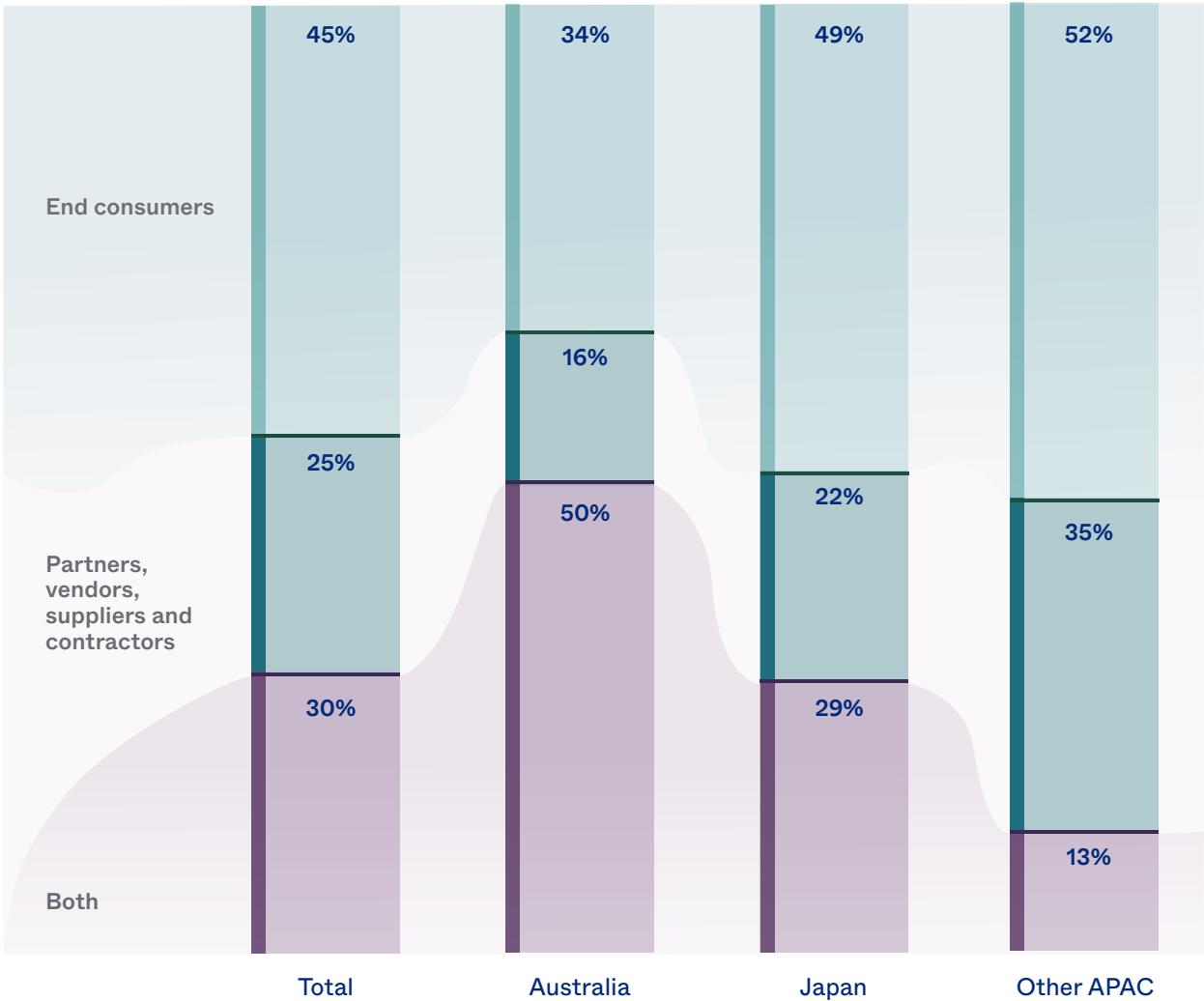
33% say security is the most important aspect of a CIAM solution

CIAM’s relevance extends beyond consumers

CIAM solutions have applications beyond consumer interactions, also helping to provide third-party businesses like partners, suppliers, and contractors with swift and secure access to corporate systems.

This is reflected in our research findings, which show that 30% of businesses are using their CIAM solution for both end consumers and external parties.

Who is the main audience for your CIAM solution?



Conclusion

In today's digital-first world, the urgency for businesses to deliver customer experiences that balance security and UX is driving the widespread awareness and adoption of CIAM across Asia-Pacific. But, CIAM is also proving its value beyond end consumer interactions, helping to securely enable swift access and collaboration with partners, suppliers, and contractors.

Those who don't have a solution are hampered by knowing where to start, with concerns about user experience and security proving to be a barrier to implementation. Those who do are often relying on homegrown solutions that are complex to maintain, less secure, and divert developer and engineer time away from business-critical activities.

In a world where talent is scarce, security is paramount and speed of innovation can be the difference between growth and diminishing returns, outsourcing customer identity can relieve organisations of complexity and free them to focus on building better solutions and customer loyalty.

Choosing a vendor-neutral CIAM solution can be critical to success, providing organisations with more choice and faster integration with existing solutions. The days of working with a single vendor across the technology stack are fast disappearing as customers look for technologies that deliver the most value for their customers, regardless of provider.

Organisations that win in the future will be those that put customer identity front and centre of their digital transformation strategy – helping to eliminate security gaps, foster innovation, reduce development time and deliver seamless experiences that build trust for the long term.



Enable intuitive, consistent, and trustworthy omnichannel experiences

At Okta we take customer identity off your hands, so your people can focus on doing what they do best. Here's how we help you drive better business outcomes:



Accelerate revenue

Okta's CIAM solution enables intuitive and trustworthy experiences across digital and physical channels with deep insights into end user preferences. Reduce user friction and leverage centralised identity data to deliver personalised engagements.



Maximise the impact of developers and engineers

Free up your resources to focus on differentiated, high value tasks that drive the business forward. Simplify day-to-day tasks with cloud-based and identity-driven administration, orchestration, and automation capabilities.



Reduce security and compliance risk

Take advantage of built-in threat protection capabilities and offload security, compliance and availability activity to Okta. Get help with meeting your organisation's certification, compliance and data residency requirements.

About Okta

Okta is the leading independent identity provider. The Okta Identity Cloud enables organisations to securely connect the right people to the right technologies at the right time. With more than 7,000 pre-built integrations to applications and infrastructure providers, Okta provides simple and secure access to people and organisations everywhere, giving them the confidence to reach their full potential. More than 15,000 organisations trust Okta to help protect the identities of their workforces and customers.

