

# Adapt to Thrive: Evolving Customer Experience in the Face of a Pandemic

How Customer Identity Supports Rapid Digital Transformations



okta

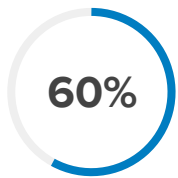
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# Current state of the customer experience

The COVID-19 pandemic introduced massive changes to customer experience (CX) across all industries. Macro trends related to physical distancing, limitations on non-essential services, and safety regulations are disrupting business operations in ways that will continue long past the current crisis. Across manufacturing and retail, supply chains are still recovering, especially those with ties to virus hotspots. In healthcare and banking, call center and telehealth traffic are at all-time highs following in-person service reductions at many physical locations. Meanwhile, education and government organizations are struggling to rapidly build online citizen information portals and deliver effective remote learning environments.

Given the persistent threat of the virus, it is unsurprising that consumers feel torn about whether to trust physical versus digital transactions. More than half of U.S. consumers say they will try to avoid crowds for the next 24 months, and 60% of metropolitan Chinese online adults are buying more things online. However, over 35% of U.S. and UK online adults say that they would rather purchase in stores now because they've been frustrated by online shopping during the pandemic (Forrester Analytics Consumer Technographics COVID-19 Surveys).



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On both sides of the business-to-customer relationship, traditional CX dynamics are giving way to the next “normal.” These evolving pressures will force many companies to accelerate digital transformation initiatives they’ve been slowly forging ahead with for years. In particular, those experiencing revenue gaps from closures or reduced foot traffic at brick and mortar locations can no longer delay enriching or reinventing their customer-facing applications and portals.

# A pandemic-driven sea change

COVID-19 has delivered the next frontier of digital which will ultimately bring more engaging, secure experiences to consumers around the globe. In the short term, forward-looking technology and business leaders will address quick wins that help meet user demands while increasing their teams' agility and resilience. And over the next two to five years, experts predict that customer expectations will continue to shift along the spectrum of safety and convenience.

*“During this period...firms will have had time to pick out the changes from the previous period that have improved CX, employee experience, business agility, and profitability—and can now accelerate them. The immediate response to the crisis expanded the universe of possibilities, and the public sector will use that spirit of possibility to experiment more broadly with big policy solutions.”*

— *The New, Unstable Normal: How COVID-19 Will Change Business And Technology Forever*,  
Forrester, July 2020

According to McKinsey, more than [90% of global executives](#) expect COVID-19 to bring fundamental changes to their companies. It's clear that what was once considered unusual or exceptional is becoming the normal course of business. For example, consumer trust and digital identities are no longer just nice to have, they're the new currency for any company looking to grow. Today's consumers expect businesses to protect their personal information—and do it in a way that doesn't disrupt how they use an application or service.

Over the long term, only organizations that do enough to help their customers feel comfortable sharing personal information will capture the ingredients they require to build [anticipatory experiences](#) that effectively predict consumers' interests and needs. If your technology and security teams can employ the latest technologies and create experiences that are as secure as they are enjoyable, you'll stay ahead of the curve.

# CX challenges during COVID-19

Safely delivering an engaging, yet secure, CX when physical contact is limited or nonexistent is no simple task. Even traditional businesses that have made great strides in optimizing digital experiences over the last several years are finding that the erosion of key offline channels leaves a gaping hole in their customer engagement landscape. This problem is exacerbated by layoffs in highly impacted industries like transportation, retail, hospitality, entertainment, and food services.

Uncertain demand, less schedule flexibility amongst frontline associates, and constantly changing guidelines make it imperative to shift as many processes and transactions to the virtual world as possible. If they don't deploy digital quickly, businesses could lose their ability to interact with customers, or miss out on new revenue opportunities that might arise as a result of COVID-19. But most companies first require more robust, seamless customer experiences with stronger authentication, bot detection, and other protections against damaging data breaches. To improve CX despite tightening budgets, development teams need technology platforms and services that provide top-notch security, scalability, and reliability, as well as rapid time-to-value.

From the consumer perspective, [recent spikes in scams and phishing attacks](#) leave people facing difficult trade-offs between their health, convenience, and online safety. [Next Caller recently reported](#) that more than 55% of Americans now believe they've been targeted by fraud or scams related to COVID-19 (up from 32% in April) and 30% are more worried about becoming a victim of fraud than they are about contracting the virus. All of these operational, technological, and customer challenges intensify the pressure-cooker of today's business environment.

## CX needs and opportunities across industries

| COVID-19 Impacts   | CX Challenges  | CX Opportunities   |
|--|--|--|
| <b>Education</b>   |  |  |
| <ul style="list-style-type: none"><li>• Need to deliver remote learning experiences ASAP</li><li>• Students and teachers require better access to both existing tools and brand new environments</li></ul> | <ul style="list-style-type: none"><li>• Quickly onboarding and scaling platforms like Zoom, Google Meet, Microsoft Teams, Blackboard, Canvas</li><li>• Securing remote users and content amid intensified phishing and cyberattacks</li><li>• Ensuring equitable, unified access across diverse networks and devices</li></ul> | <ul style="list-style-type: none"><li>• Reimagine education delivery to better accommodate future classroom disruption or different learning needs, e.g. weather events, illness, accessibility, etc.</li><li>• Adopt flexible MFA factor options and passwordless capabilities to streamline secure access into resources</li><li>• Integrate with federated identity solutions from one unified portal</li></ul> |

| COVID-19 Impacts  | CX Challenges  | CX Opportunities   |
|---|--|--|
| <b>Finance/Banking</b>  |  |  |
| <ul style="list-style-type: none"> <li>• Call centers and customer support staff are now largely remote</li> <li>• Loan applications and refinancing are surging amid record low lending rates</li> </ul>   | <ul style="list-style-type: none"> <li>• Increasing security without frustrating customers</li> <li>• Mitigating fraud while handling high call volumes</li> <li>• Scaling resources with the surge in digital traffic</li> <li>• Supporting Open Banking specifications and strong customer authentication (SCA) transaction signing</li> </ul>                             | <ul style="list-style-type: none"> <li>• Accelerate the shift to digital banking and wealth management</li> <li>• Leverage existing tools to authenticate users (MFA for phone, or Nuance and PinDrop over omni-channels)</li> <li>• Establish a secure and centralized identity layer that scales efficiently with traffic spikes and supports Know Your Customer (KYC) compliance</li> </ul> |
| <b>Government</b>   |  |  |
| <ul style="list-style-type: none"> <li>• More collaboration and information sharing across agencies and with public citizens</li> <li>• COVID-19 shines a light on lagging digital citizen experiences</li> <li>• Many local and state agencies have been mandated to expedite deployments of online services ASAP</li> </ul> | <ul style="list-style-type: none"> <li>• New security risks surrounding inter-agency and public-private collaboration</li> <li>• Difficulty sharing access to certain required tools (i.e. DHS, MITRE) and providing VPN integrations or alternatives</li> <li>• Few local and state agencies have the right infrastructure in place to digitize citizen services</li> </ul> | <ul style="list-style-type: none"> <li>• Grow citizen engagement by quickly building useful information portals</li> <li>• Create online services with a strong authentication layer, i.e. permit requests</li> <li>• Utilize customer identity platform to deploy secure, personalized access</li> </ul>  |
| <b>Healthcare</b>   |  |  |
| <ul style="list-style-type: none"> <li>• Rapid adoption of telemedicine</li> <li>• More focus on “digital front door” strategies, like knowing who the patient is, what their preferences are, etc.</li> </ul>  | <ul style="list-style-type: none"> <li>• Enabling a virtual patient experience with new patient and provider apps</li> <li>• Ensuring greater data protection around teleservices</li> <li>• Navigating scalability limitations of public services</li> </ul>  | <ul style="list-style-type: none"> <li>• Provide seamless access to healthcare portals and custom patient apps</li> <li>• Connect portals to best-of-breed service providers (e.g., benefits partners) through SAML federation</li> <li>• Create unified view of the patient with secure authorization and strong authentication</li> </ul>  |

| COVID-19 Impacts  | CX Challenges   | CX Opportunities  |
|---|---|---|
| <b>Manufacturing</b>  |   |   |
| <ul style="list-style-type: none"> <li>• Major supply chain disruption, particularly with international partners</li> <li>• Cascading economic impacts from interconnected industries (retail, pharma partners, etc.)</li> </ul>                          | <ul style="list-style-type: none"> <li>• Unpredictable demand and order fulfillment needs</li> <li>• Difficulty finding ways to connect directly with new consumers or distributor customers</li> <li>• Changing customer base might require net-new digital solutions</li> </ul> | <ul style="list-style-type: none"> <li>• Use excess production capacity to support COVID-19 response (Tesla, GM producing ventilators, breweries making sanitizer)</li> <li>• Quickly engage first-time customers with standalone/temporary customer portals</li> <li>• Secure all digital customer experiences via modern authorization</li> </ul> |
| <b>Retail</b>   |   |   |
| <ul style="list-style-type: none"> <li>• Moving to online-first format for “non-essential” retailers</li> <li>• While some brick and mortar stores are still closed; many retailers need to ramp hiring to support distribution or fulfillment</li> </ul> | <ul style="list-style-type: none"> <li>• Engaging consumer in creative, cost-effective ways amid fluctuating demand</li> <li>• Supporting online shopping, curbside pickup, etc. ASAP</li> <li>• Consolidating fragmented user stores for omni-channel CX</li> </ul>              | <ul style="list-style-type: none"> <li>• Deliver more tailored retail experiences by creating a unified view of the customer</li> <li>• Provide modern, frictionless authentication for new digital tools and services</li> </ul>   |

# Three ways modern identity enables rapidly evolving digital experiences

Whether you're building a new virtual retail app or a citizen information portal, a frictionless, secure identity layer is critical for both connecting with customers in the digital environment, and delivering trusted experiences that keep them coming back. You need to protect user identities and prevent data misuse by ensuring only the right people have access to the right resources—for the right amount of time. Customer identity and access management (CIAM) is the foundation that enables your organization to effectively meet these security, privacy, and marketing requirements, so you can keep bringing customer applications to market at a competitive pace.

In particular, proper [authentication](#) validates customers are who they say they are, preventing bad actors from accessing sensitive account data (e.g., payment details, addresses, social security numbers). Effective [authorization](#) helps you confirm that a user has the right level of access to an app or resource. And finally, comprehensive [user management](#) allows your admins to update access permissions and implement important security policies.

Across Okta's thousands of customers, we've identified three key ways modern identity can accelerate CX initiatives during the pandemic and beyond.



## 1. Expedite time-to-market for net-new applications

A modern customer identity platform empowers your IT and development teams to quickly and securely build new applications, and rapidly take them to market. In today's world, this is crucial since technology is at the forefront of any brand in the era of the COVID-19 pandemic. And with customizable identity building blocks, you can avoid dependency on scarce developers as well as error-prone custom code which is all-too-common in complex identity features. Look for a CIAM platform with software development toolkits in the languages your developers already know, so they can work efficiently.

As you build new custom apps to meet your customers' most immediate needs, ensure you have the necessary underpinnings in place to deliver the secure, modern experiences consumers expect, like identity proofing or account verification capabilities. Keep in mind that you'll want to support modern authentication standards, such as OpenID Connect, OAuth, and SAML to stay up-to-date with the latest security and identity specs. In addition, you might decide to implement carefully triggered login and registration flows that bypass disruptive security techniques and instead apply the right security at the right times for a more optimal user experience.





## 2. Increase scalability for new and existing applications

Of course, guidelines (and consumer needs) will continue to fluctuate during ongoing waves of the pandemic, and so will your online traffic. If you're still relying on legacy identity components that hinder the performance of your apps and inhibit users from logging in during peak times, now is the time to implement a centralized identity platform. Make sure it has the ability to securely handle a high volume of users and spikes in traffic as more people rely on digital interactions. Specifically, your CIAM solution should be able to scale dynamically without impacting the end user experience, even if you reach peak workloads in the range of 500,000 authentications per minute.

In addition to scaling your application, you will need to think about scaling your organization's ability to support an increased user base. With more users, comes more user management tasks. Look to automate user management processes where possible, so all of your apps can handle user growth efficiently without creating a burden for your support team. This includes features such as self-service password resets, registration, and multi-factor authentication (MFA) enrollments. It's crucial for your app to scale without compromising security—especially as your business grows and becomes a larger target for hackers.

## CarMax gains agility in an era of rapidly changing markets

In 1993, CarMax revolutionized the automotive industry with the idea of providing a transparent, high integrity customer-focused experience that was haggle-free and hassle-free. Today, CarMax is the largest used car retailer in the United States, selling more than a million cars every year. Even before the pandemic, the majority of its customers started their shopping journey online and expected a personalized experience, tailored to their device, schedule, timeline, and location.

During the COVID-19 pandemic, these online engagements naturally increased, and the CarMax team knew that maintaining customer trust would be key. "In brick-and-mortar situations, we're sitting side by side with the person we're engaging with," noted Jason Peña, a product manager at CarMax. "Now, we have the challenge of understanding and being secure in our knowledge of who's sitting on the other side of that screen, as well as building trust and confidence with that person."

Amid these changing dynamics, CarMax leadership looked at their plans and decided what needed to be accelerated. The company had already started rolling out an omni-channel initiative designed to converge their revolutionary in-store and rich digital experiences—which leverages Okta Universal Directory and Okta Adaptive MFA to keep customer information secure with minimal friction. "When the pandemic hit, we were well positioned to evolve our business quickly to support how customers and the environment were changing," said Shamim Mohammad, chief information and technology officer at CarMax. "We completed our omni-channel rollout to customers all over the country five months ahead of schedule."

With Okta's support for progressive profiling, CarMax teams can collect customer data incrementally over time, as relationships develop, rather than hitting people with long registration forms that they may be likely to abandon. And the ability to embed identity into applications gives the company flexibility as it innovates the customer experience for the future. Brian Marshall, senior technology manager at CarMax, shared, "Okta's robust API integrations, widgets, and SDKs make it seamless for our product teams to integrate identity into the apps they're working on, so they can spend their time building cohesive and personalized customer experiences."



### 3. Optimize customer experiences for the long term

Once you have an adaptive identity layer in place, you'll be well-prepared to provide the level of digital convenience your customers expect, and keep pace with their evolving needs over the long term. Build tailored access experiences that are extensible and context-driven, such as progressive profiling, and passwordless options that use email magic links or WebAuthn. Next, you can achieve a step-change in your CX by unifying identity stores across various brands, geographies, or touchpoints for a 360-degree view of the customer. This approach enables digital leaders to create seamless [omni-channel experiences](#) that truly differentiate your brand from competitors.

By improving user management, you can gather the valuable customer data you need to deliver relevant personalized experiences. For example, with the right platform to collect, store, and manage user profiles at scale, you'll be able to unify profiles across disparate user stores, help new users feel comfortable sharing their coveted personal information, and easily migrate large sets of identity data as needed. As a result, you can centrally manage all user attributes, group memberships, privileges, and security policies in one place—reducing user management administrative costs by 80% (Forrester, *Making the Business Case for Identity and Access Management*, 2019).

# Increase agility to meet constantly evolving customer expectations

Okta is the identity standard, and a partner that will grow with you. We're here to help your business through the COVID-19 crisis so you can drive sustainable transformation for the future. By optimizing your CIAM approach, you'll be able to reduce development time for digital properties, minimize security gaps in the CX, eliminate maintenance headaches, and meet stringent compliance regulations—all while delivering user experiences that cultivate customer trust, loyalty, and engagement.

Our proven CIAM platform offers several key advantages that help you stay ahead of the game, including:

## Up to 7X faster identity stack deployment through out-of-the-box applications, systems, and capabilities.

- Okta's repeatable, reusable identity components make both launching and maintaining custom apps easier.
- For many companies, it takes just 15 minutes to embed Okta's secure login and single sign-on authentication into their customer apps.
- [Adaptive MFA](#) enables intelligent access policies based on each customer's login context, as well as a delightful user experience with passwordless authentication.

## Agility when adopting additional identity features.

- [The Okta Identity Engine](#) provides customizable building blocks that help you create tailored context-based user journeys—from registration to authentication to authorization.
- Our [developer tools](#) allow you to add one of our 10+ SDKs to your app or API service for quick and robust authentication.

## A cloud architecture that automatically scales up as your business grows.

- Okta's high capacity [DynamicScale](#) solution offers advanced infrastructure automation and intelligence capabilities for seamless identity performance at incredible scale.
- We even help you modernize DevOps processes and ensure developer velocity by securely automating and unifying identity and access management across hybrid and multi-cloud environments.

Through each of these benefits, Okta saves you time, enables a frictionless customer experience, and lowers your total cost of ownership by 3X compared to legacy CIAM tools. Let Okta monitor security regulations and build integrations, so your developers can dedicate their time and resources to what they do best. To learn more, visit <https://www.okta.com/customer-identity/>.

## About Okta

Okta is the leading independent provider of identity for the enterprise. The Okta Identity Cloud enables organizations to securely connect the right people to the right technologies at the right time. With over 6,500 pre-built integrations to applications and infrastructure providers, Okta customers can easily and securely use the best technologies for their business. Over 8,400 organizations, including JetBlue, Nordstrom, Slack, Teach for America, and Twilio, trust Okta to help protect the identities of their workforces and customers.

Learn more at: [www.okta.com](http://www.okta.com).