

The Global Trust Imperative

BCG



salesforce





About this paper

BCG and Salesforce collaborated to understand more about customers' expectations of and experiences with government digital service delivery. Our research explored the quality of digital government services, the impact on customer sentiment and how governments might change their approach. **We surveyed 24,500 people across 36 countries on their use of digital channels for government services.** We asked them to share their expectations and perceptions of these services and tell us how their experiences have affected their trust in government.

The research was conducted as part of BCG's biennial citizen satisfaction survey and builds on data from 2014, 2016 and 2018. Note that our 2020 research was conducted as the COVID-19 crisis unfolded (March-May 2020). As such, the results could reflect customers' expectations of governments in responding to the crisis. Given the rapid increase in global reliance on digital government services, the current environment has very likely influenced customer sentiment in a significant way.

This report explores the insights from our research. It then suggests ways that governments can use data to deliver more personalized, user-friendly services. Such an approach has benefits for both government and its customers. It will help improve customer experience when interacting with government, strengthen the community's overall trust and confidence in government, reduce cost to serve and improve employee engagement.

In the process of developing this report, we also **interviewed 24 government leaders** in April 2021. This report is divided into 3 sections:

Section A

The Case for Change outlines the digital service and trust imperatives facing governments

Section B

Key Insights explores the insights from our research to provide the customers' view of how governments are performing, and where the opportunities lie to increase customer satisfaction, better meet customer needs, address concerns about sharing data with government, and increase trust.

Section C

The Digital Government of the Future suggests ways that governments can use data to deliver more personalized, user-friendly services drawing on lessons learned from our research. It also explores the potential benefits for both government and its customers.

Executive Summary

BCG surveyed **24,500 people across 36 countries** on their use of digital channels for government services and **interviewed 24 global government leaders** on a variety of service and policy matters.

Digital services are critical to a functioning government. The COVID-19 pandemic (the pandemic) underpinned the importance of digital as the only way to deliver services to customers at speed and scale whilst also meeting customer experience quality. Governments that had invested in digitizing customer services outperformed less mature governments during the pandemic in terms of customer satisfaction. Governments delivering services based on flexible, cloud-based digital platforms were able to react quickly to deliver new services (e.g. digital work and essential travel permits) and make updates to existing digital services, at a lower cost and with relatively more ease.

Customer expectations are high, and continue to rise. Global digital leaders set the service expectation for customers. As the standard and pace of private sector innovation continues to rise, the benchmark for government service delivery is getting higher too, continuously driving up customer expectations. **76 per cent** of respondents said that government services should be similar to or better than those offered by the best private sector organisations such as banks and telecommunications companies including **32 per cent** who said that they should be like those offered by digital leaders and technology giants such as Amazon, Google or Facebook.

There are clear links between digital service quality and the overall trust and confidence that customers have in governments. Our research shows that the quality of customer experience directly influences the level of trust in governments by customers. Across the **36 countries** surveyed, **87 per cent** of respondents said that a great digital government customer experience would increase their degree of trust. Similarly, **81 per cent** of respondents said that a negative experience would decrease the degree of trust that they have in that government.

Reliance on digital is at an all time high.

The number of people using digital government services more than once a week rose from **34 per cent** in 2014 to **47 per cent** in 2020 (+**13 percentage points**). During the pandemic, **25 per cent** of people accessed government services using digital channels at least once a day. When lockdowns started, any service that could not be delivered digitally was suspended until a safer alternative could be found. The depth and pace of this transformation world-wide demonstrated the feasibility of moving almost all government services online. It is clear that digital services will be the new normal.

The gap between expectation and delivery is widening.

Only **12 per cent** of customers say that digital government services offered are meeting all their needs. Globally net satisfaction with government services is only **63 per cent**. While individual jurisdictions have recently seen gains, for most countries satisfaction is flat, and for others it is declining.

7 out of 10 users are still experiencing problems when using digital government services with the length of time needed to complete the process, the ability to complete an entire transaction online, and switching easily between channels the most common sources of frustration. Demographic divides also remain, with millennials and full time students the least satisfied demographics.

Citizens are hesitant to share data with government, but more willing if there are clear and tangible benefits.

Customers are still hesitant to share data with government. However, around half of our respondents said they would share data with government in exchange for a benefit such as greater convenience. Similarly, roughly half said they would be willing to share anonymized data if it were to benefit the community.

Government can build trust by communicating community and personal benefits more effectively. Our research shows a strong correlation between governments' ability to clearly communicate

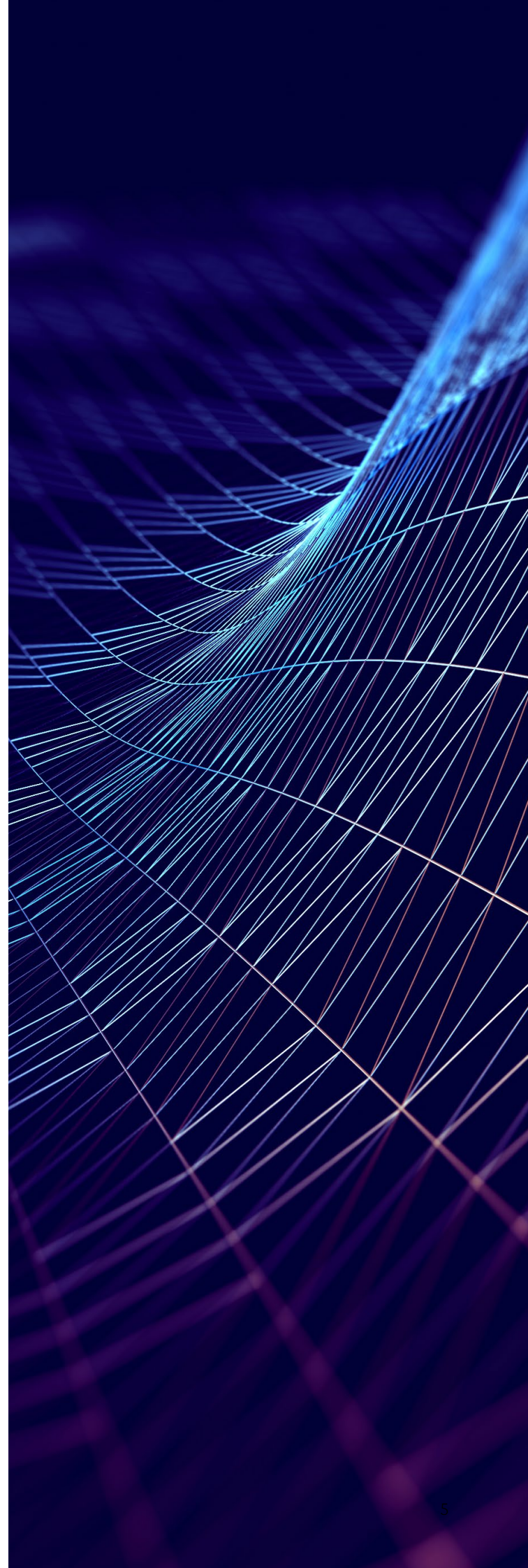
the benefits of sharing data, and overall trust in government. However, customers are divided on whether or not government is doing a good job in this respect. While on average **45 per cent** said they agreed government was doing a good job, global net perception sits at just **+20 per cent**, with **35 per cent** indicating they were indifferent or divided on the issue.

Strong leadership and new ways of working are critical to unleash the power of technology for governments. The adoption of multi-disciplinary teams focused on delivery not documentation and who are willing to test, iterate, and experiment will allow governments to maintain the momentum developed throughout the pandemic.

Governments need flexible, modular platforms that are resilient, scalable, support fast speed to delivery, and perhaps even more importantly now, reduce the cost to serve. Governments must make two related shifts with their digital technology. Firstly, they must transition to a modern and resilient technology backbone which treats data as an asset to drive policy and service delivery excellence. Secondly, they must move to fully modular technology platforms (such as those used by digital natives).

Personalization is the next frontier for governments. Personalization gives governments the opportunity to demonstrate genuine interest in customers and their wellbeing, and build trust while also generating cost and efficiency benefits. To address citizen concerns about privacy, and data sharing, governments need to strike the right balance between privacy and convenience by truly listening to customers, and being thoughtful about where and how to use personalization.

Transparency needs to be at the center of any efforts to drive personalization. It is only by creating trust that customers will be willing to share more data, in turn allowing governments to deliver better, more personalized services, as well as achieve enhanced policy outcomes with the limited budgets available to them.



Section A

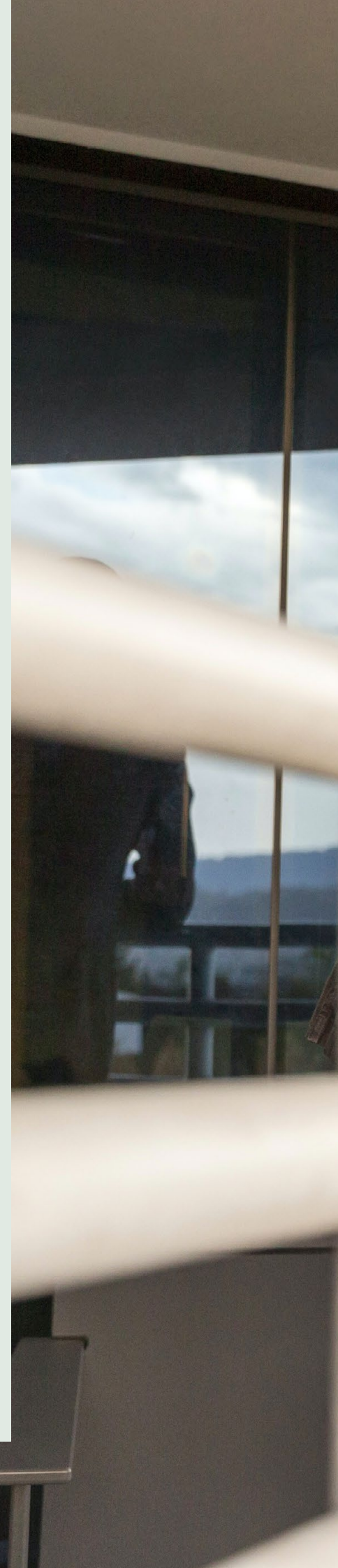
The Case for Change

The unrelenting competition for wallet share among companies drives them to continuously enhance the services they offer. This constant improvement raises the bar for customer experience across the entire economy. Companies know that poor service can lead customers to turn to other suppliers.

While governments are not competing for wallet share, eyeballs or clicks, they do have an obligation to deliver services that meet customer (citizen) needs. What's more, the quality of their digital services, and how well they are meeting customer needs, is constantly being measured by their customers who consider their satisfaction in the way government is delivering services when casting votes. They expect services to be on par with standards from digital leaders: banks, airlines, and e-commerce providers. They anticipate governments will provide the same fast, accessible, easy-to-use services, and to be able to complete transactions online end-to-end as they do when dealing with the private sector.

Governments worldwide have embarked on transformation journeys to leverage digital to deliver services with varying degrees of success for most of this century. They have pursued a variety of strategies to innovate and improve services for customers. However, the standard of government digital services is falling behind customer expectations, with global net satisfaction sitting at just **63 per cent**.

It is true that governments do not compete for clicks in digital services, but for trust of their customers. Governments are usually the only providers of their services, so losing their customers' trust in their digital channels won't result in customer churn. Instead, it may result in customers disengaging with governments altogether – or abandoning low-cost, data-rich digital services and returning to traditional, more high-cost channels like face-to-face or telephone services instead.



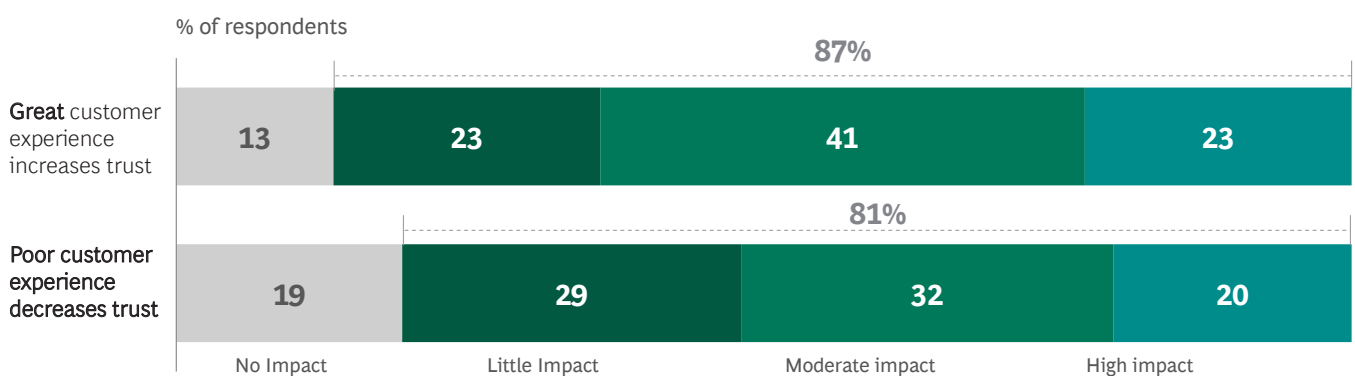


Closing the trust gap

Customer expectations of government digital service delivery are high, because they are shaped by the global technology giants such as Apple, Alibaba, Google, and WeChat and digital leaders including banks, airlines, and e-commerce sites. Furthermore, government services can have a profound impact on

vital areas of customers' lives – their health, financial welfare, education and employment. Understandably, customers believe that their experience accessing these services should be equal or superior to that of the best companies.

Exhibit 1 - The quality of customer experience can increase or decrease customer's trust and confidence in government



Note: How does great customer experience when using government services improve my broader trust and confidence in government in general?
2. How does poor customer experience when using government services decrease my broader trust and confidence in government in general?

Source: BCG 2020 Digital Government Citizen Survey

What constitutes good customer service?

When accessing a digital government service, a GREAT customer experience might include that the service was easy to use and didn't take long to complete, all the information was available and easy to find, and that it was clear how their information would be used.

A POOR customer experience might include encountering technical difficulties, not being able to complete the entire interaction online, or being unable to get help when needed.

As the standard and pace of private sector innovation continues to rise, the benchmark for government service delivery is getting higher too, continuously driving up customer expectations. As such, they must find a way to get on to their own exponential trajectory to maintain pace.

Trust in large institutions is being challenged. What we can control is the user experience. I would start with putting the customer, resident, citizen at the centre of everything we do rather than inside out

Anonymous, Digital Government Industry Expert

The quality of customer experience directly influences the level of trust in governments by customers. Across the **36 countries** surveyed, **87 per cent** of respondents said that a great digital government customer experience would increase their degree of trust. Similarly, **81 per cent** of respondents said that a negative experience would decrease the degree of trust that they have in that government.

In **32 of the countries**, the positive impact of a good customer experience on trust was greater than a negative one. However in **4 countries** (Japan, South Africa, Hong Kong and Nigeria) the inverse was true, with a negative experience having a greater impact on trust than positive.

A great customer experience would have the highest positive impact on trust in Saudi Arabia (**85 per cent**), the UAE (**82 per cent**), Qatar (**80 per cent**), China (**77 per cent**), Singapore (**77 per cent**), Kenya (**77 per cent**) and India (**74 per cent**), with a these proportions of respondents saying that a positive experience would have a moderate or high impact on trust.

Conversely, respondents in Kenya (**72 per cent**) and South Africa (**69 per cent**) were particularly aware of the impact of a negative experience on their overall trust in government, saying a poor experience would have a moderate or high negative impact on trust.

Government can build trust by ensuring consistently rock solid, efficient and accurate services

Anonymous, Digital Government Industry Expert



Governments can reduce cost to serve and respond more rapidly using digital

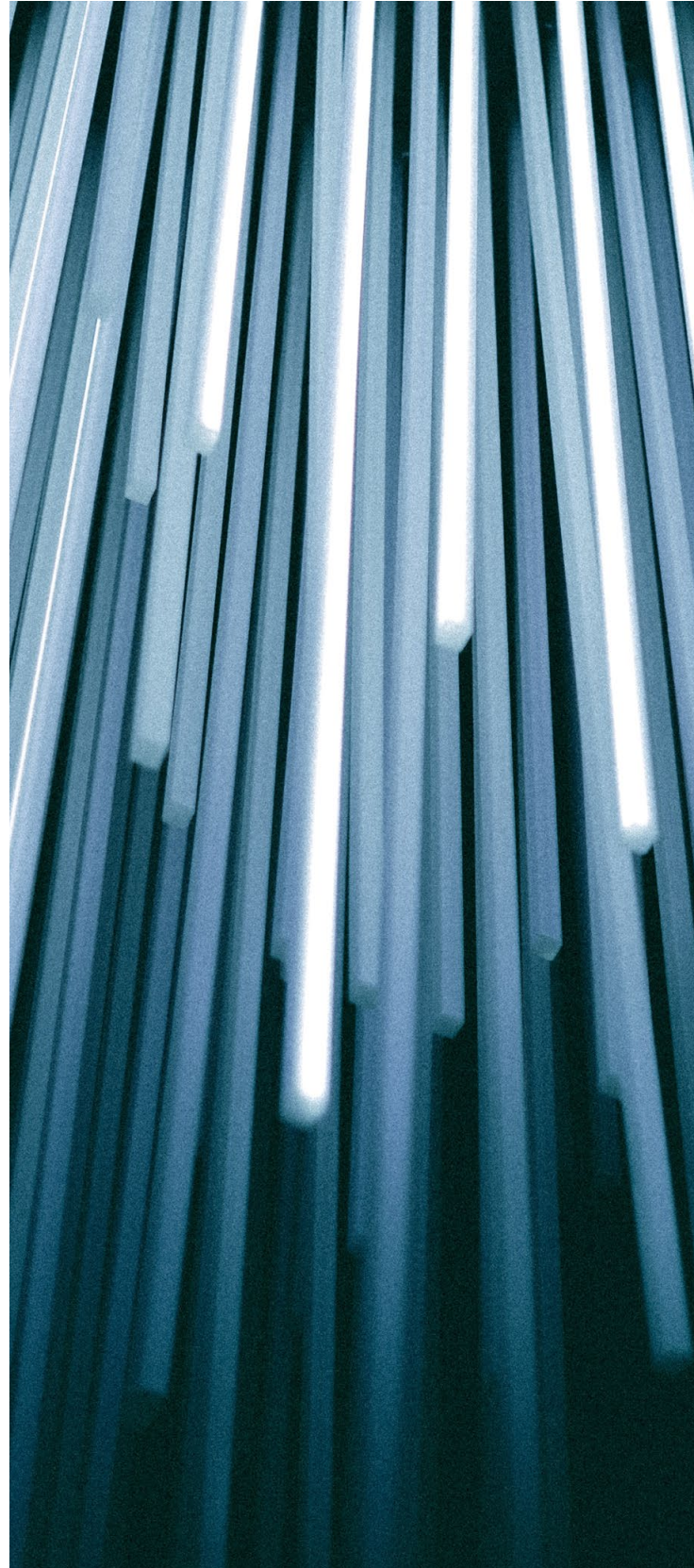
The COVID-19 pandemic demonstrated the importance of digital service delivery to governments and the private sector alike. Digital organisations rapidly adapted their products, services and systems to respond to customers' needs with little interruption. Meanwhile, digitally-savvy governments pivoted quickly and cost-effectively to respond to the various challenges of the pandemic.

US Department of Defense goes virtual

Early in the pandemic, the US Department of Defense (DoD) struggled to accommodate a massive surge in teleworkers. But within two weeks, the DoD had set up 900,000 employees with remote user accounts as part of its Commercial Virtual Remote Environment – 250,000 of whom joined in just a single day. The DoD's Chief Information Officer, Dana Deasy, commented, "This is the largest rollout ever implemented in this short amount of time".¹

The depth and pace of this transformation world-wide demonstrated the feasibility of moving large parts of government service portfolios online. And the rate at which customers embraced digital services made it clear that digital services will be an essential part of the new normal.

Both public and private sector organisations that outperformed in digital service delivery during the pandemic share these key characteristics:



¹ US Department of Defense briefing April 2020

Contemporary digital platforms that are flexible and scalable. Digital leaders typically use digital services that are cloud-based or procured on a software-as-a-service basis. They typically establish these services with a one-off capital project, often with a significant budget. Once installed, these digital platforms can be **quickly and radically scaled up and down** to meet peaks and troughs in demand.

Low incremental cost to adopt new services. Digital platforms can be quickly configured using existing templates and patterns to create new services or modify existing services. This dramatically reduces the time to value compared to traditional IT systems – giving customers and employees access to new services in the shortest possible time. This can also dramatically reduce the incremental cost to create and deploy new services.

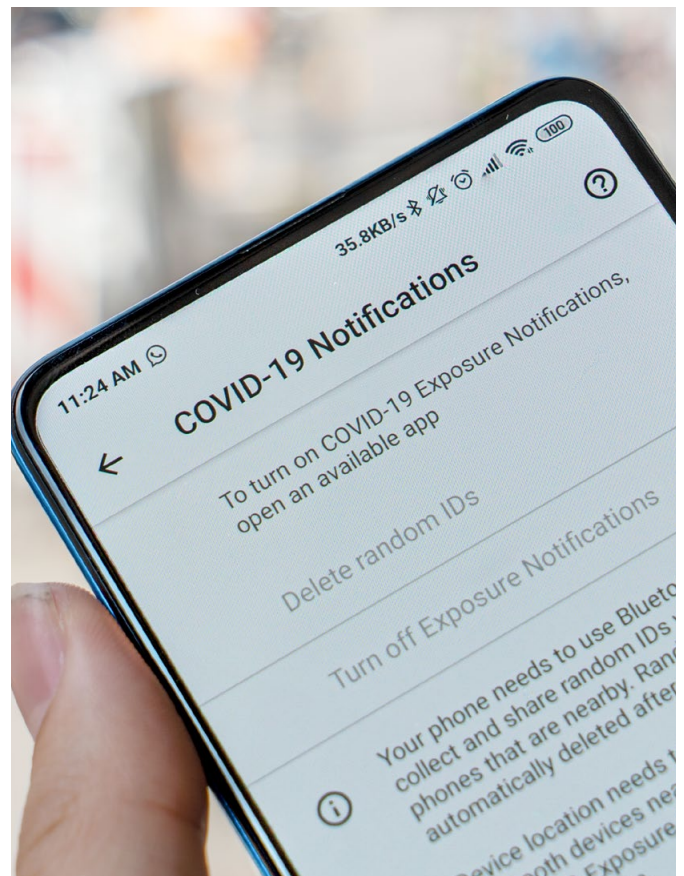
Low capital to deploy new services. Once the basic cloud-based services are established, capital costs are relatively low compared to traditional IT systems. This means governments can get the same services or better compared to conventional IT projects.

Service improvement through rapid iteration. Modern technology systems and ways of working can enable rapid iteration and deployment of new services at lower-cost and lower-risk. Low barriers to change mean governments can innovate quickly, test new functionality with real users and continuously improve to deliver services that delight customers.

Streamline governance and decision-making. When governments turned to digital services during the pandemic, they changed their ways of working. Long chains of command for decision-making were discarded in favor of empowered teams. Steering committees were abandoned and replaced with short stand-ups and product showcases. Siloed communications were swapped for cross-government, multi-disciplinary teams. And rigid procurement approaches were replaced with streamlined procurement processes. In other words, governments became agile.

Because of this new approach, consumers turned to digital services in droves. The number of people using digital government services more than once a week rose from **34 per cent** in 2014 to **47 per cent in 2020**. During the pandemic, **25 per cent** of people accessed government services using digital channels at least once a day.

Globally, digital services provided governments with faster, more effective ways to, for example, contact trace in the event of a COVID-19 outbreak. In India, the Aarogya Setu contact tracing app was downloaded by over **150 million** users, making it the most downloaded app of its kind in the world. Australia's COVIDSafe app was downloaded more than **2 million times in 24 hours**, with more than **7 million** Australians (around **40 per cent** of all smartphone users) downloading the app. Around the globe, QR code functionality enabled people to check-in instantly for contact tracing purposes at public places using their mobile phones.



Customer expectations are high - and continue to rise

Technology giants and digital leaders continue to set the bar for the quality and depth of digital services. The need to innovate their products and services and provide great customer experience is an existential issue for these companies. While governments do not have to compete for the services they provide, their customers benchmark government services against best in class digital providers. Governments cannot be complacent when delivering services online.

Our research shows that government customers expect services to meet or exceed the service quality offered by leading private sector institutions. **44 per cent** of respondents stated that governments services should be **similar to or better than those offered by the best private sector organisations** such as banks and telecommunications companies. **32 per cent** said that they should be similar to those offered by digital leaders such as Amazon, Google or Facebook. Citizens have very little tolerance for low-quality services, with only **6 per cent** expecting anything less than the best online government services in the world.

Digital is the only way to meet customer speed, scale and quality expectations

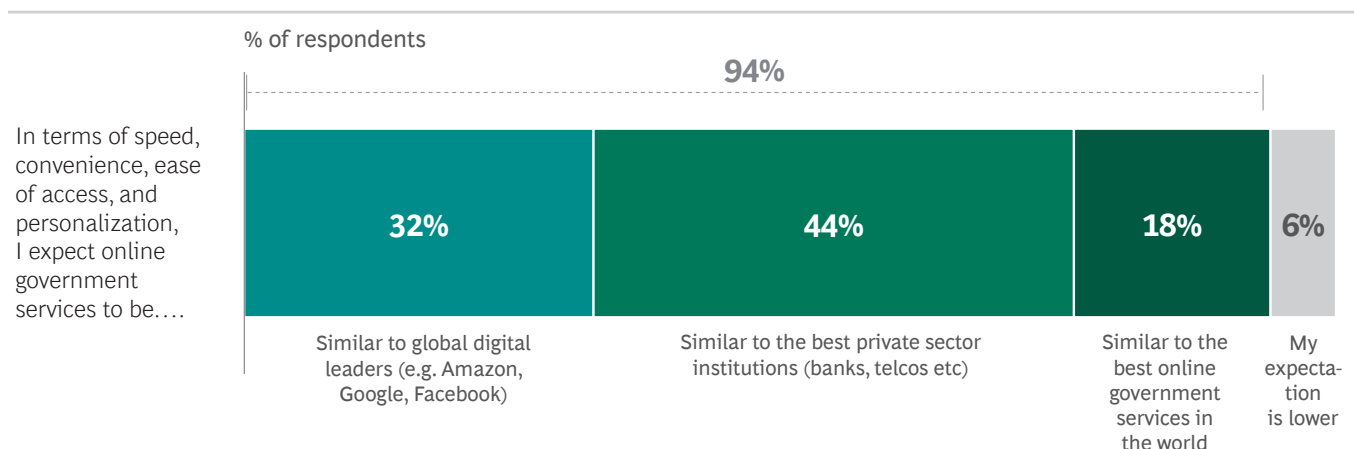
During the pandemic, the shift to digital services made it possible for governments to continue to provide critical services such as welfare payments and

many health services in a socially distanced context. Many services that could not be delivered remotely could not be delivered at all, in a way that ensured the safety of customers and government staff. Tasks that previously had been completed in person, such as meetings and interviews, were found to be reasonably effective by video.

Between March and June 2020 at the start of the pandemic, the Australian government delivered **34.5 million** health and medical services via telehealth to a population of more than **25 million** – a **2,632 per cent** increase on the previous year.² Today, **97 per cent** of doctors who participated in an RACGP study provide care via phone (**96 per cent**) or video (**30 per cent**), compared to just **15 per cent** prior to the pandemic³.

Digital services also played a critical role in many countries' management of the pandemic, cushioning against the impact of a joint health and economic crisis. As borders reopen and economies rebound, digital services will be critical for governments to deliver rapid, targeted economic support, such as stimulus packages and critical health programs, such as vaccination roll-outs and potential associated passports. More than ever before, governments need a digital toolkit to help them take action in a rapidly changing world.

Exhibit 2 - Over three quarters of customers expect digital government services to perform at the standard of leading private sector institutions or better

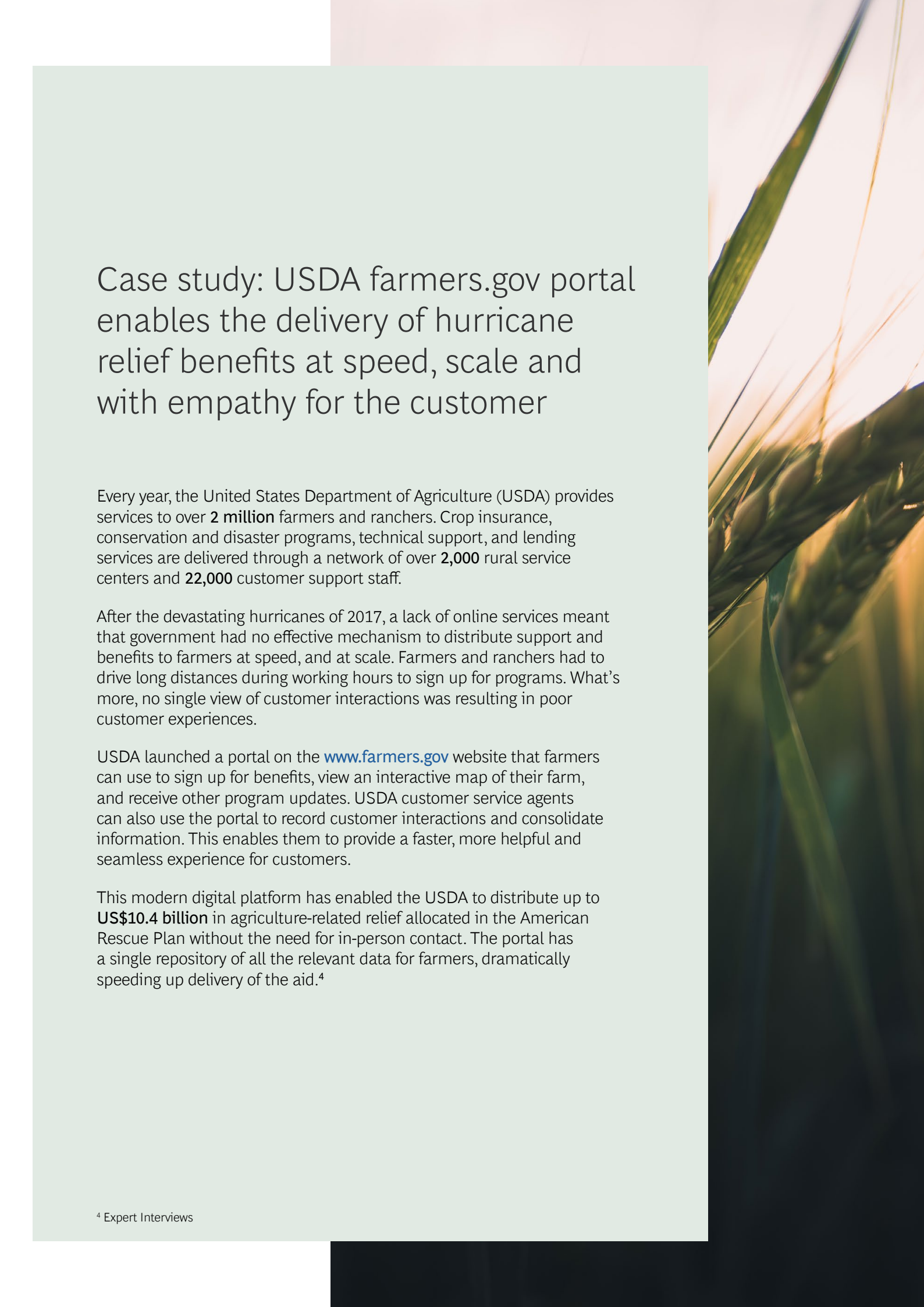


Note: In your opinion, to what quality standard do you think online government services should be delivered, in terms of speed, convenience, ease of access, Personalization, etc.?

Source: BCG 2020 Digital Government Citizen Survey

² Centers for Medicare and Medicaid Services, Preliminary Medicaid and CHIP Data Snapshot June 30, 2020

³ RACGP General Practice and Health of the Nation, 2020



Case study: USDA farmers.gov portal enables the delivery of hurricane relief benefits at speed, scale and with empathy for the customer

Every year, the United States Department of Agriculture (USDA) provides services to over **2 million** farmers and ranchers. Crop insurance, conservation and disaster programs, technical support, and lending services are delivered through a network of over **2,000** rural service centers and **22,000** customer support staff.

After the devastating hurricanes of 2017, a lack of online services meant that government had no effective mechanism to distribute support and benefits to farmers at speed, and at scale. Farmers and ranchers had to drive long distances during working hours to sign up for programs. What's more, no single view of customer interactions was resulting in poor customer experiences.

USDA launched a portal on the www.farmers.gov website that farmers can use to sign up for benefits, view an interactive map of their farm, and receive other program updates. USDA customer service agents can also use the portal to record customer interactions and consolidate information. This enables them to provide a faster, more helpful and seamless experience for customers.

This modern digital platform has enabled the USDA to distribute up to **US\$10.4 billion** in agriculture-related relief allocated in the American Rescue Plan without the need for in-person contact. The portal has a single repository of all the relevant data for farmers, dramatically speeding up delivery of the aid.⁴

⁴ Expert Interviews

Section B

Key insights

2.1

Globally, the gap between expectation and delivery of digital government services is widening

Customer expectations are shaped by technology giants and digital leaders like airlines, content streaming services, and e-commerce sites. These companies continuously set higher standards for digital design, ease of use and customer experience. They innovate products and services rapidly, significantly reducing their cost to serve customers.

While some governments have increased their customer satisfaction ratings, most have either remained steady or lost ground. Meeting customer expectations in a world where they are constantly being raised will require governments to improve exponentially.

Perception of the quality of digital services is relative to the context in which those services are being delivered. For this reason, a better indicator of a country's performance is change in satisfaction over time, rather than a point in time comparison with peers. Looking at changes in net satisfaction (that is, the proportion of positive responses less the proportion of negative) trend data between 2018 and now, this is how governments are































performing in terms of meeting their citizens' rising expectations for digital services::

Biggest gains: The largest advancements in net satisfaction were in France (+15), Saudi Arabia (+14), the UAE (+13), and Indonesia (+10). All these countries have invested significantly in digital government initiatives and emerging technologies in the past few years.

Losing ground: South Korea (-15), Switzerland (-12), and the United Kingdom (-11) experienced the biggest declines in customer satisfaction. Of particular interest were the drops in satisfaction across traditionally strong performers: South Korea (-15), UK (-11), Estonia (-8), and Norway (-7); countries which have previously invested heavily in transformation programs, but where the rate of change has arguably slowed in recent years.

Steady performance: The US (+1) and Sweden (-1) saw very little movement in overall satisfaction. Other countries in this category saw some movement up or down, but within a small range (+/-5).

Exhibit 3 - Net satisfaction trends provide insight on which jurisdictions have successfully kept pace with rising citizen expectations.

Big gains			Steady performance			Losing ground		
	France	+15		Singapore	+5		South Korea	-15
	Saudi Arabia	+14		Poland	+4		Switzerland	-12
	UAE	+13		Austria	+4		United Kingdom	-11
	Indonesia	+10		Canada	+4		Netherlands	-9
	China	+8		Denmark	+4		Japan	-9
	Morocco	+8		India	+2		Estonia	-8
	South Africa	+8		United States	+1		Germany	-7
				Sweden	-1		Norway	-7
				Russia	-2		Argentina	-7
				New Zealand	-4		Kazakhstan	-7
				Malaysia	-4			
				Australia	-4			
				Hong Kong	-5			

1. Chile, Nigeria, Kenya, Bangladesh, Qatar and Ukraine excluded as not included in 2018 survey.

Source: BCG 2020 Digital Government Citizen Survey



Only 12 per cent of customers say digital government services meet all their needs

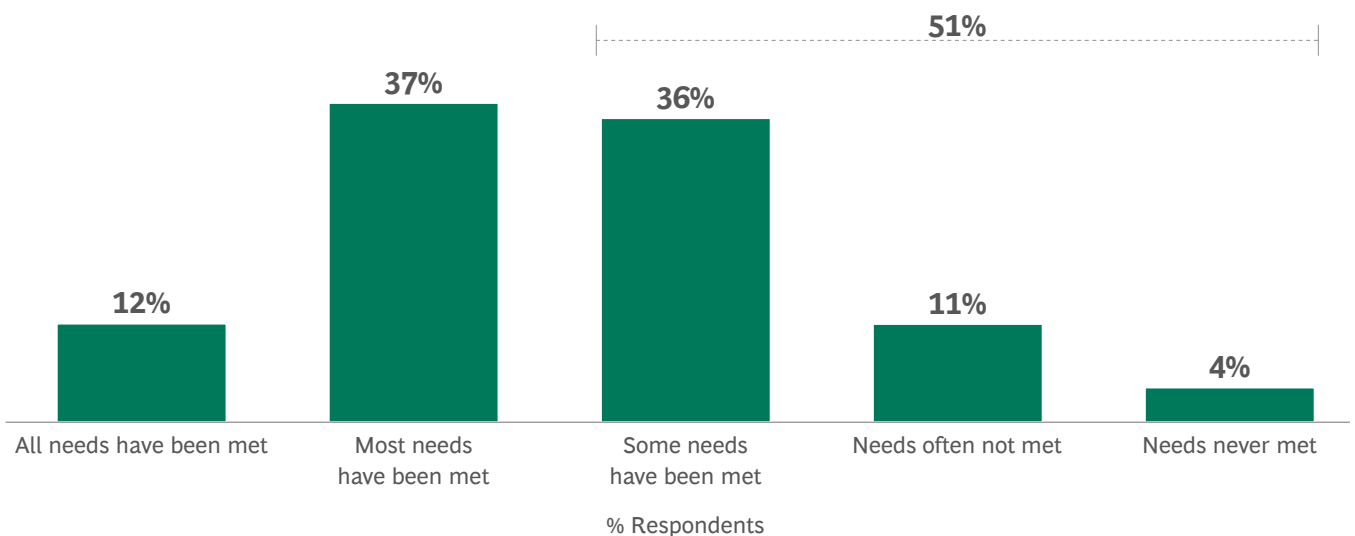
In a recent Salesforce consumer study, we found that **51 per cent** of people consider making websites and apps easier to use is among the most important improvements governments can make to their service delivery⁵. Globally, there is room for improvement with more than half of customers (51 per cent) saying that online government digital services fail to meet some or all of their needs. This may be because:

- online services are unavailable
- customers cannot access services from their device of choice, or
- they experienced other accessibility and usability issues.

Customer perceptions vary significantly across individual countries, with the net perception (those respondents selecting 'all needs had been met' or 'most needs had been met' less those selecting 'needs often not met' or 'needs never met') ranging between **+67 percentage points** and **-20 percentage points**.

- **Needs mostly met:** Countries where a large portion of customers indicated all or most of their needs had been met include traditionally strong performers such as Australia, Canada, Denmark, Estonia, the Netherlands and the UK – governments which have made digital transformation a priority for a number of years. Estonians were the most satisfied, with almost

Exhibit 4 - Over half of respondents indicated that only some or less of their needs had been met by online government services



Question: Which of the following best describes how well current online government services meet your needs? 1. Needs never met, 2. Needs often not met, 3. Some needs have been met, 4. Most needs have been met, 5. All needs have been met.

Source: BCG 2020 Digital Government Citizen Survey

⁵ [1] Industries Index, Salesforce Insights, March 2021.





































3 in 4 customers saying that all or most of their needs were being met (74 per cent agree, and +67 per cent net perception). In the UAE, Saudi Arabia, China, Qatar, India and New Zealand, where governments have recently been investing in digital services, a large proportion of customers indicated that most or all of their needs had been met.

- **Needs sometimes met:** In Germany, South Africa, Norway, South Korea and the US, responses were less enthusiastic, with a large proportion of customers indicating that their needs were only sometimes met. This may be due to patchy service quality across departments or jurisdictions (for example, perhaps filing a tax return is easy, but renewing a license is not).
- **Needs often not met:** In Japan, Morocco and Nigeria, negative net perception revealed that most customers believed their needs were often not met, or never met.

While failing to meet customer expectations is disappointing, failing to meet customer needs is far more serious. It is unsurprising then, that countries where customers reported that their needs had been met also had the highest level of trust in government, as measured by the [Edelman Trust Barometer \(2021\)](#)⁶.

We mapped countries with the biggest gaps between expectations and needs met by current service delivery, and where respondents indicated an experience would have a moderate to high impact on trust (both positive and negative). This enabled us to identify countries with the biggest opportunity to increase trust by better meeting their customers' needs – namely, Chile, Hong Kong, Japan, Morocco, Nigeria and South Africa.

Exhibit 5 - Net perception that needs are being met by digital services varies

Top Performers (>40% Net Perception)			Needs Sometimes Met (0-39 Net Perception %)			Needs often not met (Negative Net Perception %)		
	Estonia	+67%		United States	+39%		Morocco	-2%
	UAE	+61%		Russia	+39%		Switzerland	-18%
	Saudi Arabia	+59%		Norway	+34%		Japan	-20%
	Singapore	+54%		Austria	+33%			
	China	+53%		Kazakhstan	+32%			
	New Zealand	+52%		Switzerland	+26%			
	Netherlands	+51%		Poland	+25%			
	Qatar	+51%		Kenya	+25%			
	Canada	+49%		Ukraine	+21%			
	Denmark	+48%		Malaysia	+21%			
	India	+45%		Indonesia	+20%			
	France	+43%		South Korea	+19%			
	UK	+42%		Germany	+17%			
	Sweden	+41%		Argentina	+15%			
	Australia	+40%		Chile	+12%			
				Bangladesh	+11%			
				Hong Kong	+7%			
				South Africa	+5%			

Q. Which of the following best describes how well current online government services meet your need? 1. Needs Never Met, 2. Needs often not met, 3. Needs sometimes met, 4. Most needs met, 5. All Needs Met. Net Perception = total needs most or always met (4 and 5) – needs often not met or never met (1 and 2). In calculating net perception 3 was neutral.

Source : BCG 2020 Digital Government Citizen Survey

⁶ Edelman Trust Barometer (2021)

7 out of 10 users experienced problems during their most recent digital interaction with government

Overall, customers are relatively satisfied with the level of convenience that online government services offer them. Approximately three quarters said that the language was simple and easy to understand (**76 per cent**), and they could use a device or platform convenient for them (**75 per cent**). Their sticking points were the length of time to complete a transaction, the ability to complete an entire transaction online, and switching easily between channels.

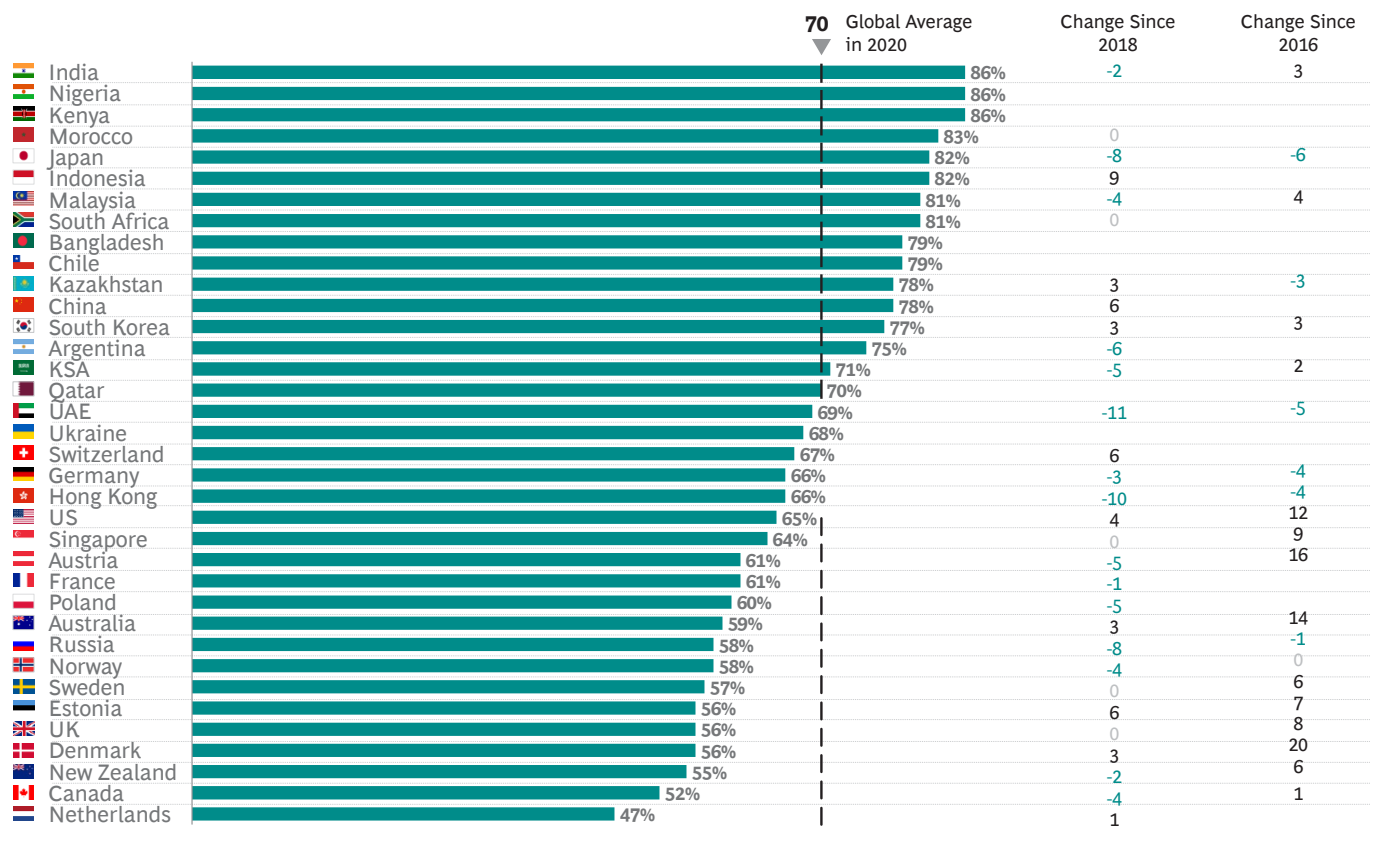
Globally, **70 per cent** of customers experienced one or more problems during their most recent digital interaction with government – an increase of **1 percentage point** from 2018, and **8 percentage points** from 2016.

Argentina, Canada, Germany and Poland reported a slight decrease in the number of people who encountered problems. However, in other countries

there was a substantial rise. For example, in Estonia people experiencing issues in 2020 compared to 2016 increased **20 percentage points** (**36 per cent** in 2016 to **56 per cent** in 2020). Significant increases in the incidence of customer issues were also observed in Australia, France and the United States.

Despite differences between regions, a high number of customers globally experienced issues (**70 per cent**) – a significant number considering that most were basic user experience issues that are easily avoidable. For customers who reported issues, the most common were the length of time to complete a transaction (**21 per cent** of users) and difficulty in completing it (**20 per cent**). Other significant issues were not being able to access help when needed (**16 per cent**), online identity verification (**16 per cent**), and providing the required paperwork (**16 per cent**).

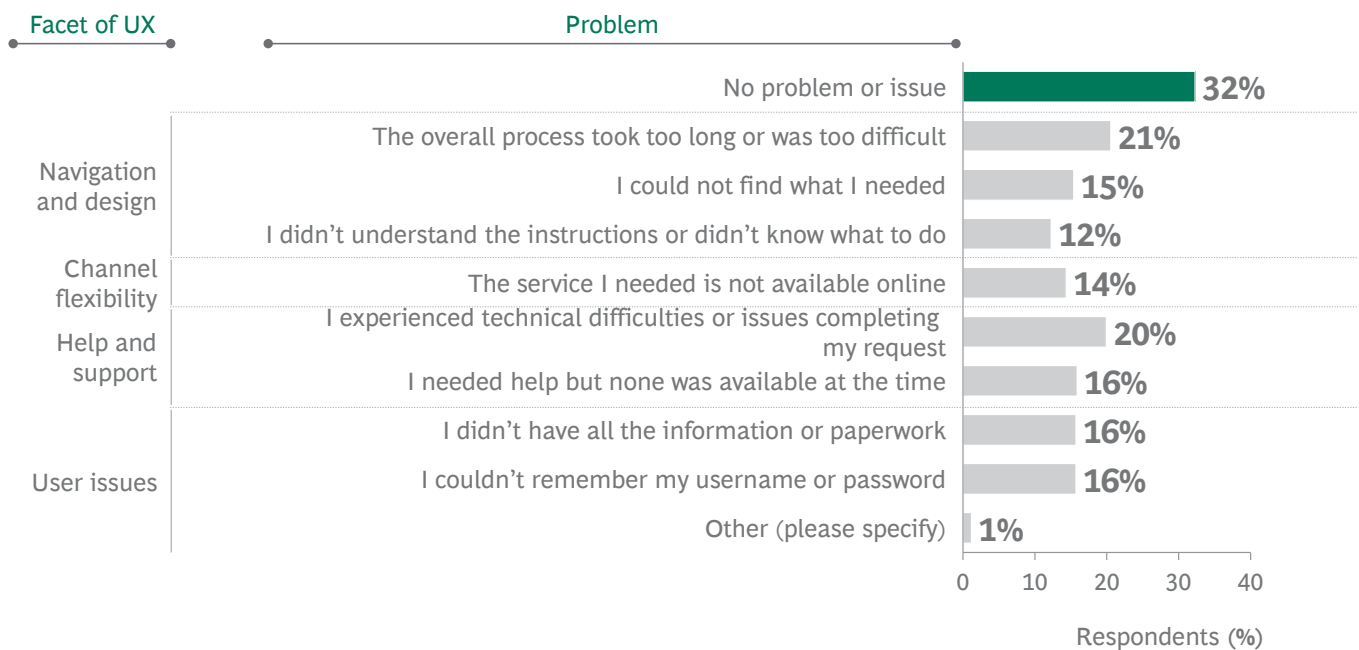
Exhibit 6 - Percentage of citizens who encountered one or more problems during their most recent digital interaction with government⁷



⁷Countries included in study has been expanded in 2018, and again in 2020. Where “change since 2018 or 2016” is not listed, this is because data is not available.



Exhibit 7 - Most common problems encountered include length of time to complete transaction, and difficulty completing online process



1: Survey Question: Which of the following problems have you encountered while using (a specific) digital government services?

Source: BCG 2020 Digital Government Citizen Survey

Being unable to complete an entire transaction online is a significant cost to customers and governments.

We asked customers if they could complete an entire transaction online when using digital government services (such as applying for a benefit, renewing a driver's license or filing a tax return). Only **3 in 5** said they could usually do so, with customers aged between 18-34 the least likely to be able to do so (approximately 1 in 2).

This issue may be because the service is simply not offered end-to-end via digital channels – for example it could require in-person identity verification, photos,

interviews or payments. Or, users may find it difficult to complete the transaction online due to the design of the interface or the complexity of the process. These issues lead to low completion rates⁸, with users turning to other channels for extra help and guidance - often at greater cost to government.

These poor customer experiences erode trust in governments' ability to deliver digital services. They also cost more money to deliver, and waste customers' time. To illustrate – the average cost of a digital transaction is just **3 per cent** of a face-to-face interaction, while a phone interaction is **33 percent**⁹. In addition, digital interactions are completed 200 per cent faster than face-to-face interactions (from **45 minutes to 15 minutes**)¹⁰.

⁸ Completion rate % = total number of completed transactions / total number of started transactions (including those which were started but not finished) x 100

⁹ UK Government Digital Efficiency Report, 2012

¹⁰ The Value of our Digital Identity, BCG

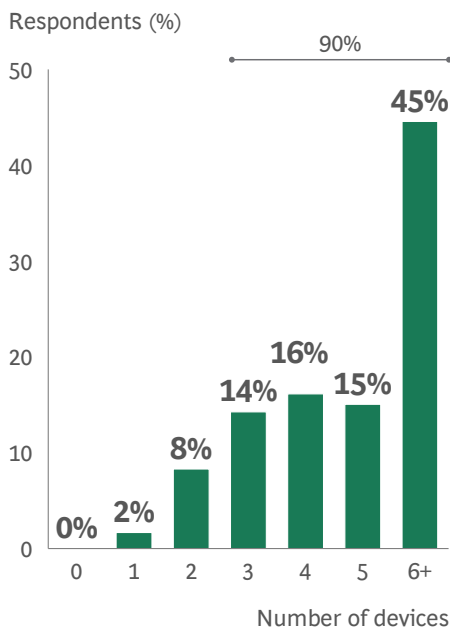
Almost two-thirds of customers find switching between channels difficult.

Customers use multiple devices more often to access services, with **90 per cent** using 3 or more.

The most frequently used devices are smartphones (**94 per cent**), laptops (**84 per cent**) and tablets (**65 per cent**). This trend is set to continue, with the highest projected growth in wearables from **38 per cent** today to **62 per cent** in the next 3 years.

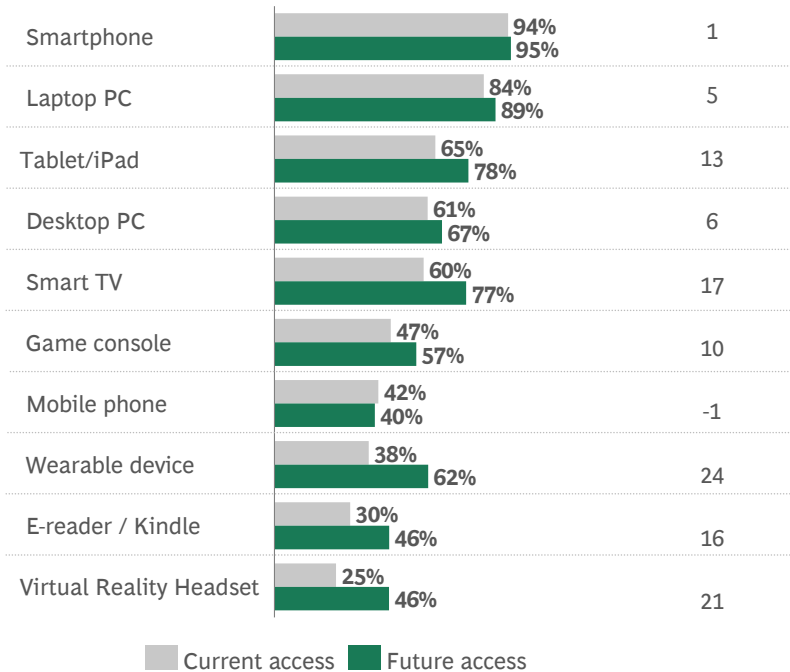
Exhibit 8 - 90% of customers access online services from 3 or more devices, with the most common being smartphones, laptops and tablets

About 90% of respondents now use three or more devices to access online services



Most common devices include smartphones, laptops and tablets with high growth forecasted for wearables

Net growth (ppt of respondents)



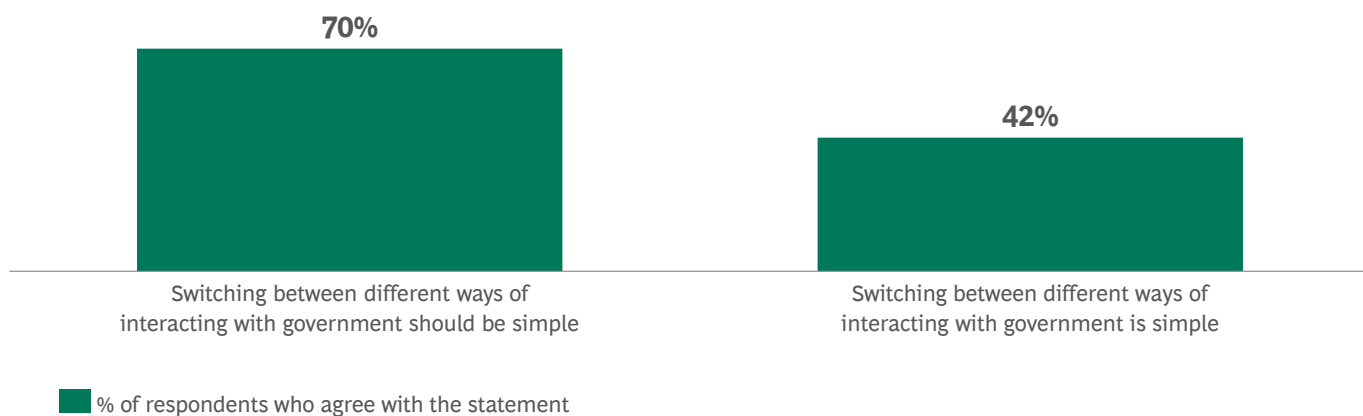
Question: How many devices do you use to access the internet? How many do you think you will have access to in three years time?
 Respondents selected which type of devices they currently use and anticipate to use

Source: BCG 2020 Digital Government Citizen Survey

70 per cent of customers believe it should be easy to switch between devices. However, **68 per cent** find it difficult to do. To achieve a positive and cost-efficient customer experience, services should be consistent in quality across different channels. Customers should

also be able to switch between different channels quickly and easily – especially where a service cannot be completed end-to-end online, or if they want to save a transaction and return to it later.

Exhibit 9 - While 70 per cent of respondents believe switching between ways of interacting with government should be simple, only 42 per cent believe it actually is

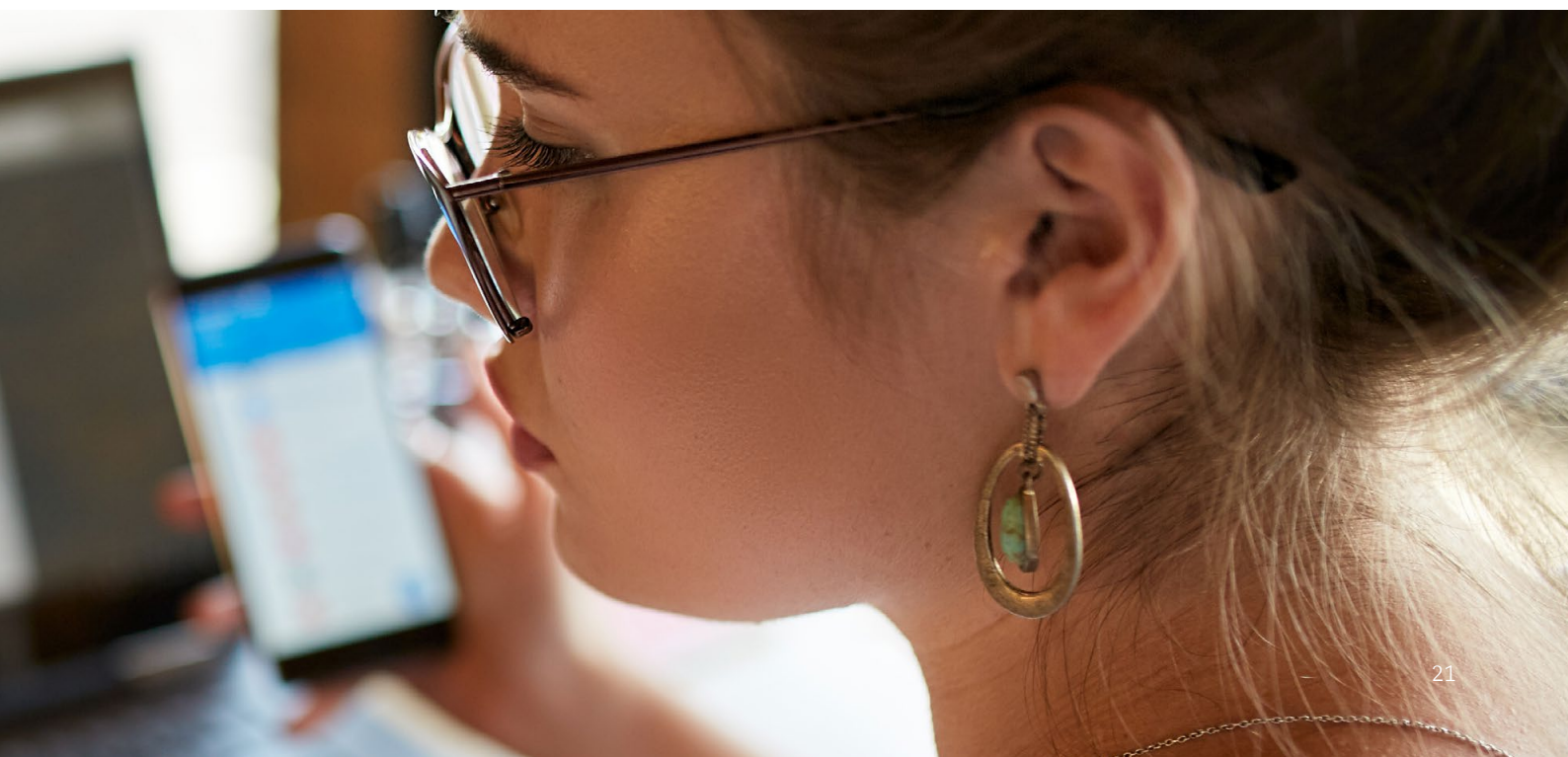


Question Please select Agree, Neutral, or Disagree for the following statements:

Switching between different ways of interacting with government (e.g., mobile app, website, tele, in person) SHOULD BE simple

Switching between different ways of interacting with government (e.g., mobile app, website, tele, in person) IS simple

Source: BCG 2020 Digital Government Citizen Survey





Demographic divides prevail.

Demographic divides in service delivery prevail, creating a risk that some customers will be left behind. While COVID-19 has challenged many existing assumptions about the willingness of different customer groups to use digital services, real divides exist in usage and satisfaction with services according to urbanity, income, employment status, and age.

- **Urban vs. regional divide:** Customers who live in cities access government services more frequently (**18 percentage** points more likely to access at least once per week) and were most satisfied with government services (**7 percentage** points higher net satisfaction compared to suburban residents).
- **Income and employment divide:** High-income earners were on average **16 percentage** points more satisfied with services provided than low-income earners. Respondents with full-time employment were the most satisfied demographic (**79 per cent**), closely followed by retired people (**78 per cent**). Only 60 per cent of full-time students said they were satisfied.

- **Generational divide:** Despite being the heaviest users of digital government services, Millennials were the least satisfied demographic (**69 per cent** of those ages 19-34 were satisfied, compared to **79 per cent** for those aged 35-49, **75 per cent** for those aged 50-59 and **78 per cent** for those in the 60+ age group). Millennials were also most likely to say their needs had not been met, with **42 per cent** saying 'all' or 'most' of their needs are being met, compared to **57 per cent** for the 60+ age group.

One way to bridge these demographic divides is by offering personalized and proactive service delivery. As part of their service design, governments need to factor in diverse customer needs and design services that demographic groups can access and use.

To be able to provide personalized services to all their customers, governments need to collect, aggregate and analyze a large amount of customer personal information. Without this data, they will not be able to truly understand an individual's needs, or the context in which they are interacting with government.

Customers are hesitant to share personal data with government

Customers are comfortable with trading data for convenience in their interactions with private sector services. For something as simple as a morning coffee, a customer will provide a huge amount of personal data through a café loyalty program. In exchange, they can access a streamlined ordering process and customized offers that suit their individual preferences.

However, our research shows that not as many customers are willing to hand over personal information to government bodies. Around half of our respondents said they would share data with government in exchange for a benefit such as greater convenience. Similarly, roughly half said they would be willing to share anonymized data if it were to benefit the community. But only **29 per cent** were willing to share non-anonymized data – even if it were to benefit the community. People in the 35-49 age group were most willing to share data, regardless of who would benefit and whether the data was anonymized or not.

Unsurprisingly, customers had a number of concerns about sharing data with governments. These included:

- **Customers feel they have little control of their data:** **41 per cent** of customers felt that they lacked control over what personal information was collected, and **49 per cent** said they felt they had little control over how long information would be stored.
- **Customers want more transparency about the use of their data:** **36 per cent** of customers weren't confident that they had understood what their information would be used for before sharing it, and **37 per cent** said they didn't trust that their data wouldn't be used for additional purposes without their consent.
- **Customers voiced concerns about privacy and security:** **36 per cent** were concerned that their information would be made public, another **36 per cent** feared their data wouldn't be stored securely, and **35 per cent** worried their data may be stolen by hackers.

Exhibit 10 - Roughly half of government customers would be willing to provide personal data to government if it were to benefit themselves, or the community if the data is anonymized

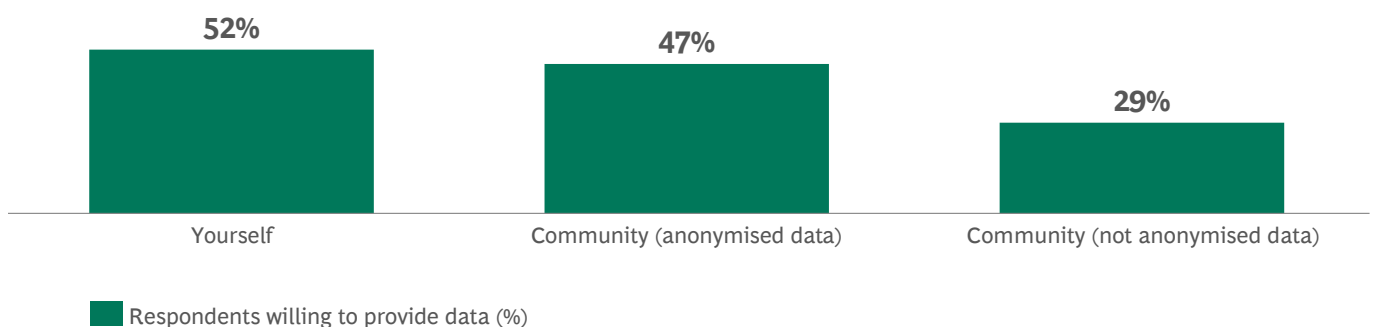
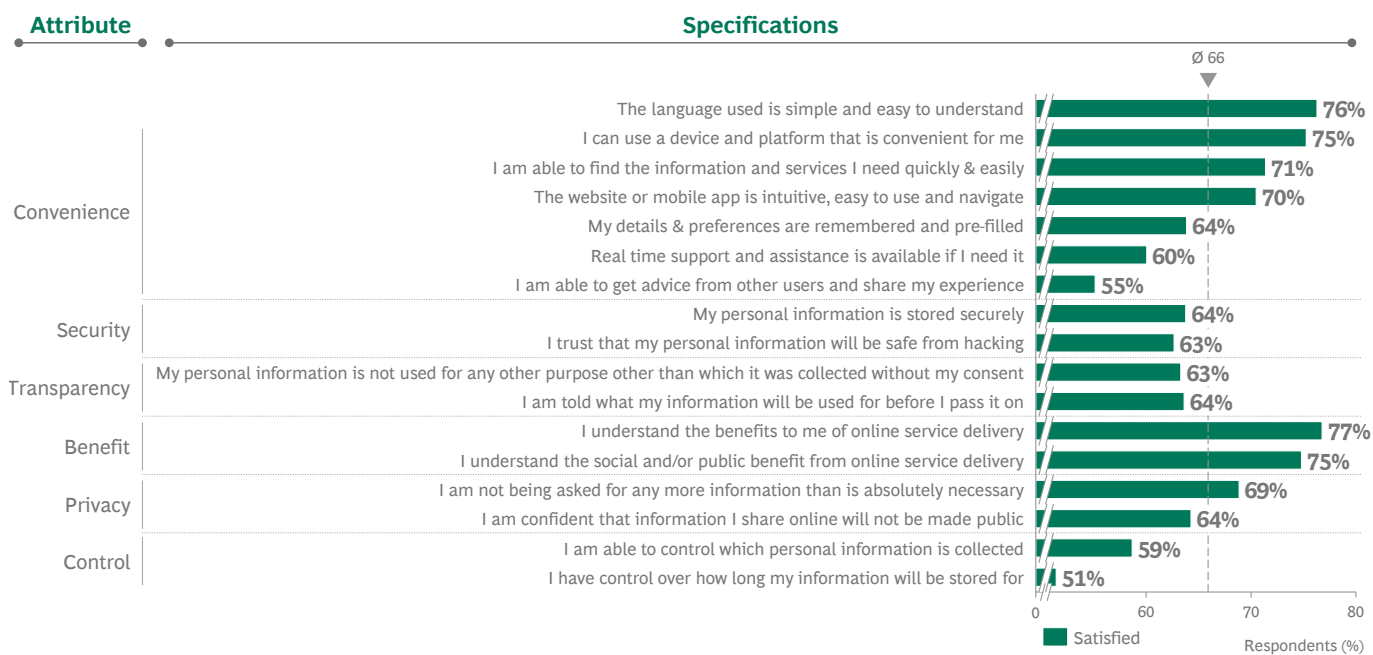


Exhibit 11 - Privacy, security, transparency and control of their personal data are front of mind for customers



Question: How satisfied or not are you with the following aspects?—of a specified digital government service

1. How satisfied or not are you with the following aspects? Response options range from 1-7, where 1 = Extremely dissatisfied, and 7 = Extremely Satisfied, Respondents who selected “5”, “6” or “7” have been included to assess “Satisfied”

Source: BCG 2020 Digital Government Citizen Survey



Government can build trust by communicating community and personal benefits more effectively

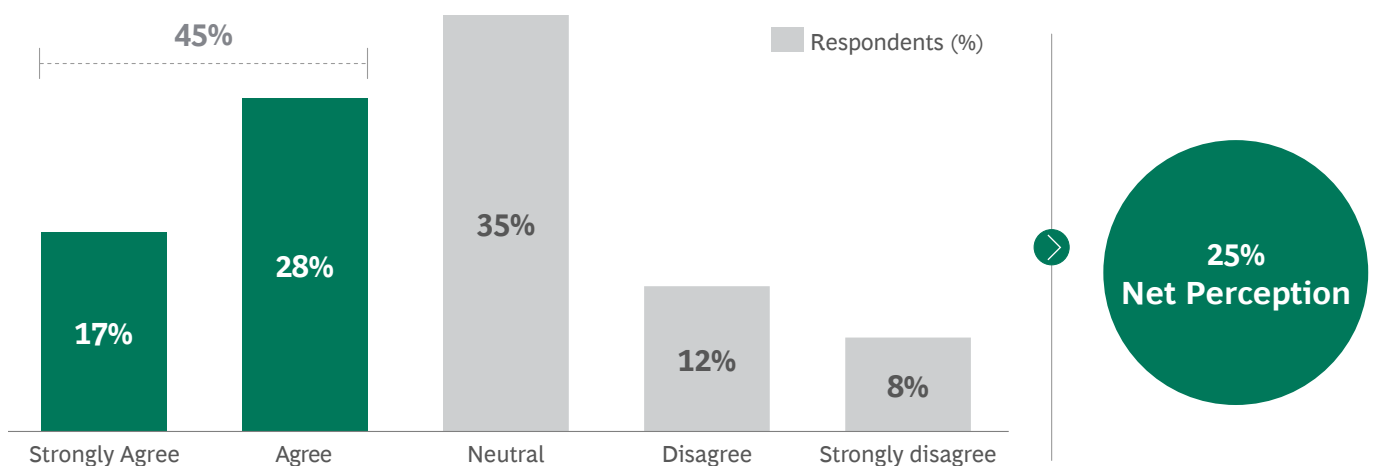
The potential policy, service delivery and operational benefits of harnessing data are significant. For example, in Estonia, the X-Road data exchange is saving an estimated **1,345 years** in effort for every year it is operational, by facilitating data sharing and re-use between government departments and private sector¹¹. In addition, in Australia the NSW Rural Assistance Authority has reduced the wait time for farmers to receive grants from 3 months to 24 hours using existing data, and triggered journeys to help guide users through the process.

To achieve these benefits, governments need a social license to collect, aggregate, analyze and store high-quality data about customers. Customers need to trust that their privacy will be respected, and that data will only be used only for its intended purpose. This reinforces the need for governments to improve how they communicate the broader benefits of data sharing to customers.

Trust is contingent on governments communicating benefits clearly. Our research shows a strong correlation between governments' ability to clearly communicate the benefits of sharing data, and overall trust in government. Specifically, the countries where more customers believed that government was doing a good job of communicating these benefits outperformed those which did not (**Edelman Trust Barometer 2021**).

Customers are divided on whether government is doing a good job of communicating the benefits of data sharing. While **45 per cent** of customers agreed that government communicates benefits well, global net perception was lukewarm (**+25 per cent** net perception), with **35 per cent** indicating they were indifferent or divided on the issue. This may be due to a lack of awareness of or engagement in the topic, or potential fatigue or skepticism arising from the broader conversation about data held by private sector companies.

Exhibit 12 - Customers are divided on whether government is doing a good job of communicating the benefits of data sharing



Question. To what extent do you agree with the statement: I believe the government is doing a good job of communicating the personal and community benefits of individuals sharing personal data 1-5 where 1= Strongly Disagree and 5 = Strongly Agree. Net Perception % = Total Agree - Total Disagree. 3 = Considered Neutral

Source: BCG 2020 Digital Government Citizen Survey

¹¹ Estonia X-TEE Factsheet

This trend was more evident in developed countries. Almost half of the customers in South Korea (51 per cent), Austria (47 per cent), France (47 per cent), and the Netherlands (46 per cent) indicated uncertainty about their government’s level of success in communicating the benefits of sharing personal data (proportion selecting ‘neutral’).

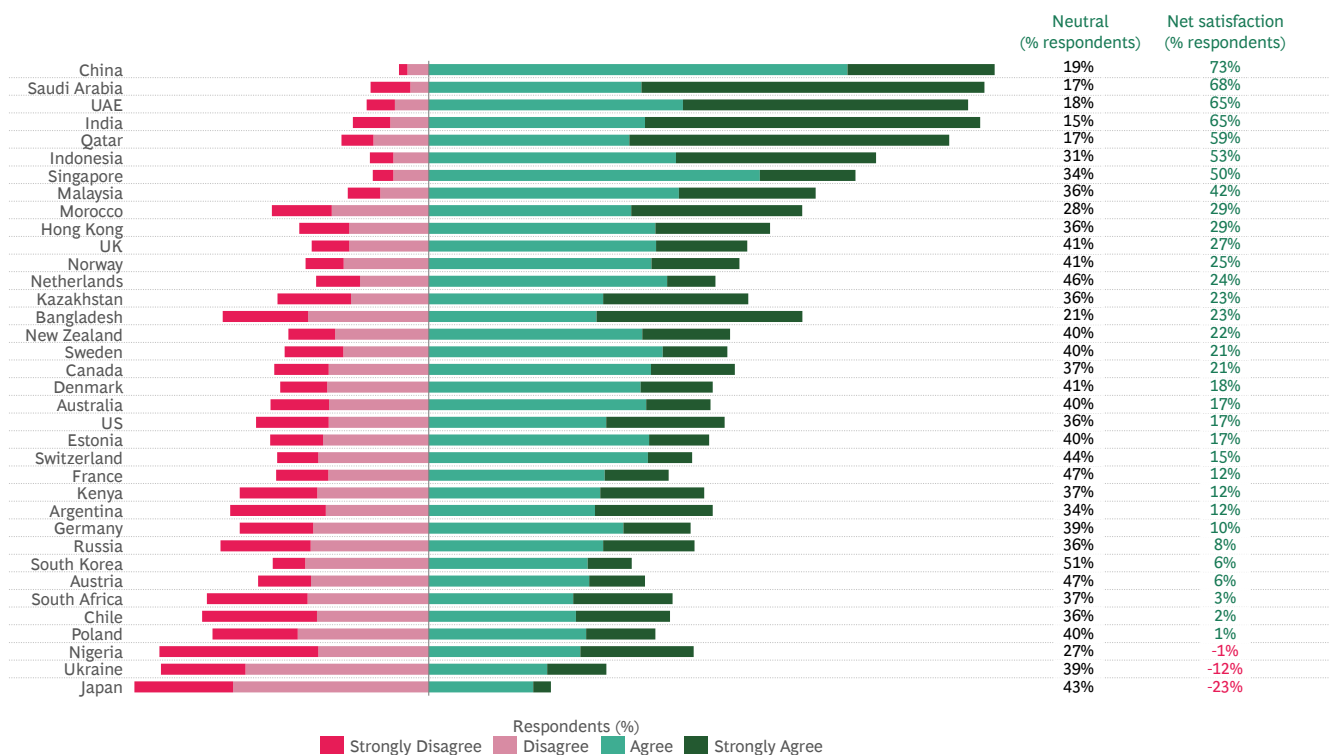
Some governments have fared better in meeting customer expectations in their communications. In India, 75 per cent of customers said they were satisfied with government efforts to communicate benefits, and 46 per cent said they strongly agreed that government was performing well in this area. Customers in Singapore, Indonesia and Hong Kong also expressed positive net perception. However, customers in Japan, Nigeria and the Ukraine expressed negative net perception.

Clear communication is crucial if governments want their customers to trust that data sharing will ultimately benefit them and their community.

This improved during the pandemic, with many governments around the world establishing effective feedback loops that showed customers the value of data sharing. For example, every day, UK citizens eagerly awaited the daily press release outlining the number of COVID-19 cases and locations, and how population mobility data was influencing policy decisions. For example, population mobility data from Google, Apple, Citymapper, purple WiFi and OpenTable were used to assess how restrictions had reduced Londoners’ movements, and whether additional restrictions would be required.

This new, transparent communication allows customers to witness the individual and collective impact of data sharing. Moving forward, this sort of clear, transparent communication about governments processes and their use of data will be critical, as digital service delivery will underpin almost every government transformation priority in the next decade.

Exhibit 13 - Some countries are doing better than others in communicating the benefits of data sharing



Question. To what extent do you agree with the statement: I believe the government is doing a good job of communicating the personal and community benefits of individuals sharing personal data 1-5 where 1= Strongly Disagree and 5 = Strongly Agree. Net Perception % = Total Agree - Total Disagree. 3 = Considered Neutral

Source: BCG 2020 Digital Government Citizen Survey

Case study: Customers will share personal information if the benefits are clear

Contact tracing identifies people who have been exposed to a disease to reduce the risk of infection spreading. At the start of the COVID-19 pandemic, it became critical in identifying and alerting people who had been potentially exposed to COVID-19. When demand for contact tracing increased rapidly, challenges emerged in the process. Historically, it had been highly manual and labor intensive, error-prone, and unable to identify unknown contacts in locations such as on public transport or in grocery stores.

In NSW, Australia, the state government added QR code scanning to its existing 'Service NSW' app, and made it mandatory for people to 'check in' at public spaces such as restaurants, cafes, and on public transport.

Scanning enabled contact tracers to identify venues that people with COVID-19 had visited to find their contact details of people who they'd been to the venue at the same time. The speed and scale at which contact tracing was conducted increased rapidly, and gave the NSW Government and its people the mechanisms and confidence to reduce restrictions and re-open the economy faster.

Service NSW's QR code scanning is a tangible example of customers willingly sharing their personal information with their government for their and the community's benefit, with the benefits being transparent. By checking in at public places using QR scanners, customers knew that their data would equip governments to contact trace, helping to end restrictions sooner, reduce cases, avoid hospitals being overwhelmed and, ultimately, saving lives.¹²

¹² Source: Expert Interviews



Section C

The Digital Government of the Future

Private sector customers are increasingly demanding better, more transparent relationships with their suppliers. At the same time, fiscal pressure to do more for less is putting pressure on governments to increase productivity by using new and emerging technologies automate service delivery. To balance these somewhat competing objectives, organisations are using customer data and technologies such as artificial intelligence, robotic process automation, mobile connectivity, and low-cost data storage like cloud to create a more personalized and proactive approach to service delivery.

Organisations that combine the capabilities of humans and digital technologies are developing superior customer experiences and relationships. They also have more productive operations, more engaged employees, and dramatically increased rates of innovation. The magic of digital means that they can do all of this at lower cost.

Governments of the future can reimagine customer service delivery by combining the best of in-person human, and technology capabilities. This will radically change relationships and business processes, placing the customer at the heart of service delivery and operations, improving outcomes and reducing the cost to serve. It will also maximize public impact, and deliver services in a way that builds trust.

To transition to this new reality, governments will need to have bold leadership and embrace new ways of working. They will need to invest in a resilient, flexible and modern technology that unlocks the power of data to create a personalized approach to service delivery. As demonstrated by the research in this document already, governments must also establish a clear, open and transparent dialogue with customers on the benefits of digital and data.



Strong leadership and new ways of working are critical to unleash the power of technology

To deliver exceptional customer experience and embrace innovation, governments need to fuse digital technologies with the intelligence and experience of the public service, and embrace a way of working where people and technology collaborate within and across departments.

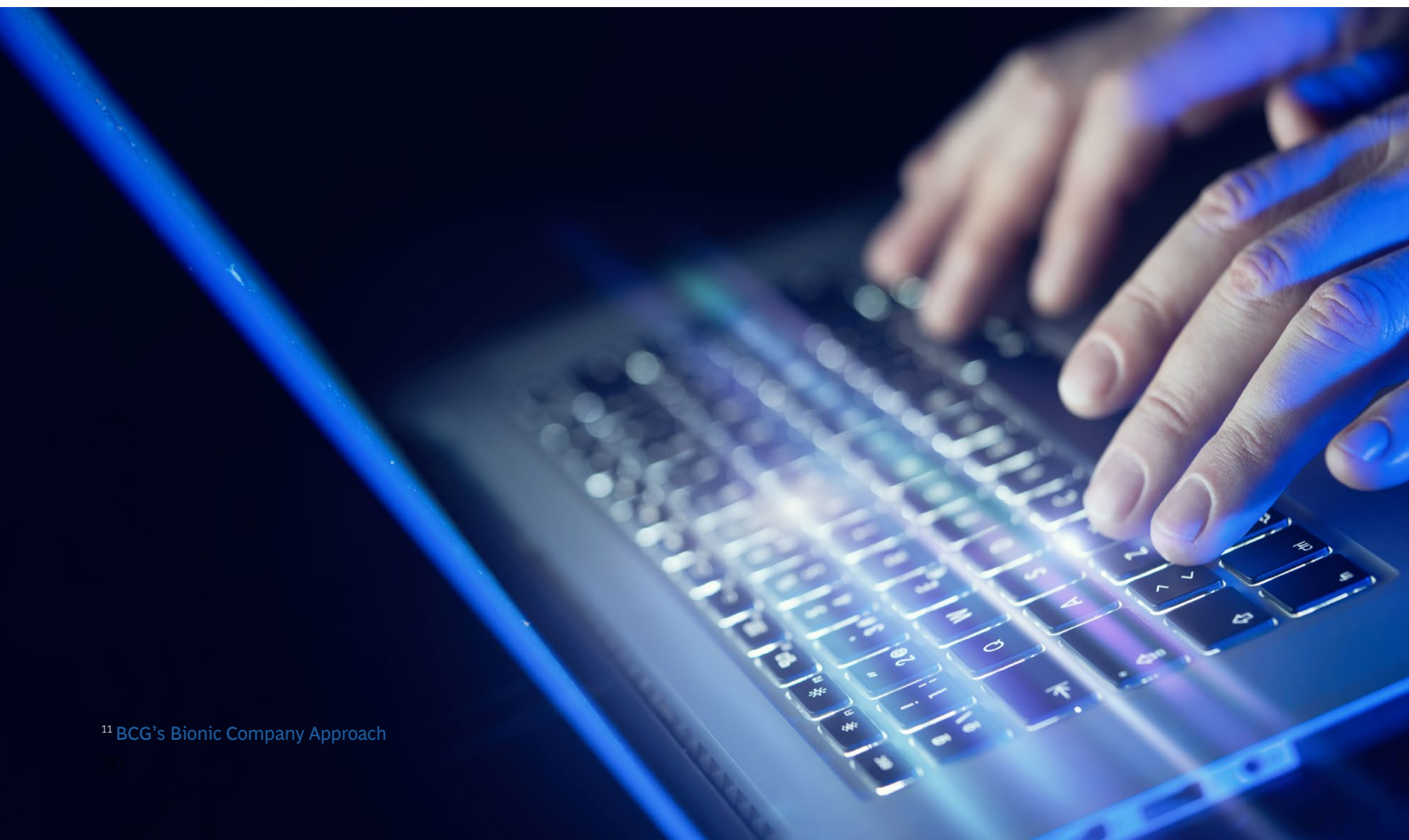
The primary barrier to progress today is no longer technology itself, but finding the right design to help an organisation unleash the power of technology. The vast majority of business processes are currently operated by human beings. But in the not-too-distant future, almost all business processes and operations will be heavily digitally augmented or automated. Governments need to embrace automation now to perform tasks faster and more efficiently. They also need to pay attention to the way they hire, reskill and motivate employees to help manage such a major disruption.

Building best-in-class digital services requires a new way of working. The fastest and most successful way to create customer-centric services is through multidisciplinary teams, tasked with a goal

or outcome, and empowered to find the best way to achieve it. Such teams work in an agile way, are highly purpose driven, and encouraged to experiment and learn through feedback.

During COVID-19 there were many successful examples of projects run this way. For example, top-talent individuals from across government were quickly brought together in multidisciplinary teams of 6–12 to deliver alpha sites like [covid-19.ontario.ca/](https://www.covid-19.ontario.ca/) and [covid19.qld.gov.au/](https://www.covid19.qld.gov.au/) in a few days – projects that would usually take governments months.

The human elements of unlocking talent and working in new ways need to be paired with innovation-ready, cloud-centric technology. Governments will need to innovate constantly to keep pace with customers' ever-growing expectations of service excellence. To do this, they will need to put flexible, scalable, and adaptable infrastructure in place. Leading digital native companies such as Google, Amazon, and Airbnb constantly combine new ways of working with innovation-ready platforms to drive constant, significant customer value.¹¹



¹¹ BCG's Bionic Company Approach

Human-centered design is the key to improving customer experience

Customers expect the same highly personalized, seamless interactions with governments that they receive from private sector digital natives. Traditionally, governments have designed services around the structures of government rather than end-to-end customer experience and needs. Embracing human-centred design means pivoting from current departmental-centric, channel-centric views to a customer-centric one.

Human-centred design ensures customers' needs remain front and centre in the creation of services, including through ethnography, co-design and constant customer testing. Serbia's Welcome to the World Baby initiative is an example of how human-centered design, informed and accelerated by technology, is being embraced by forward-thinking governments.

Welcome to the World Baby is the collaboration of five agencies to redesign government services around a life event – in this case, having a baby. Previously, parents had to visit **5 different offices** and fill out **7 hours** of paperwork on average. Now, the process is completed in less than **15 minutes** in hospital, resulting in a simple customer experience with all the information flowing through to relevant departments at the back-end. Underneath the simplicity is a blueprint for government to increase the quality and efficiency of its services.¹³

To create a seamless, omnichannel customer experience for any channel or device, data must be shared and accessible. Well-designed digital services start and end online, regardless of the device used. However, some services, such as an eye test for a driver's license can't be completed online. In such cases, customers need to transition seamlessly between digital and traditional channels. To prevent them repeatedly providing the same information, their data should be accessible across all digital platforms to front-end employees, and those in other agencies and departments – particularly when life events involve different departments and agencies.

Sharing government data will improve place-based service design and delivery. Sharing government data creates opportunities for genuinely place-based policies that depend on in-depth knowledge of local or regional needs. By making

Trust, satisfaction and perception of government is built on small actions which are predictable, thoughtful and designed around users needs. The perception we have of government is built by a collection of the hundreds of small, minute by minute interactions we have, for example renewing a drivers licence...

Paul Tatum, Senior Vice President, Solution Engineering, Salesforce

data platforms more accessible, and providing more data on social and economic trends in local communities, place-based approaches will result in more targeted and effective service delivery. Logan Together¹⁴ is one example of how granular data on outcomes for children, and key risk factors to meeting developmental milestones, can drive targeted and tailored programs to better support communities.

20 years ago you would need to transact across many different technologies to analyse a relationship with a customer to provide tailored services, but this has changed. The digital fabric is now there, and we have technologies to [understand customers unique needs and circumstances] more easily.

Sir Robert John Devereux KCB, Salesforce Global Public Sector Strategy

¹³ Media (B92)

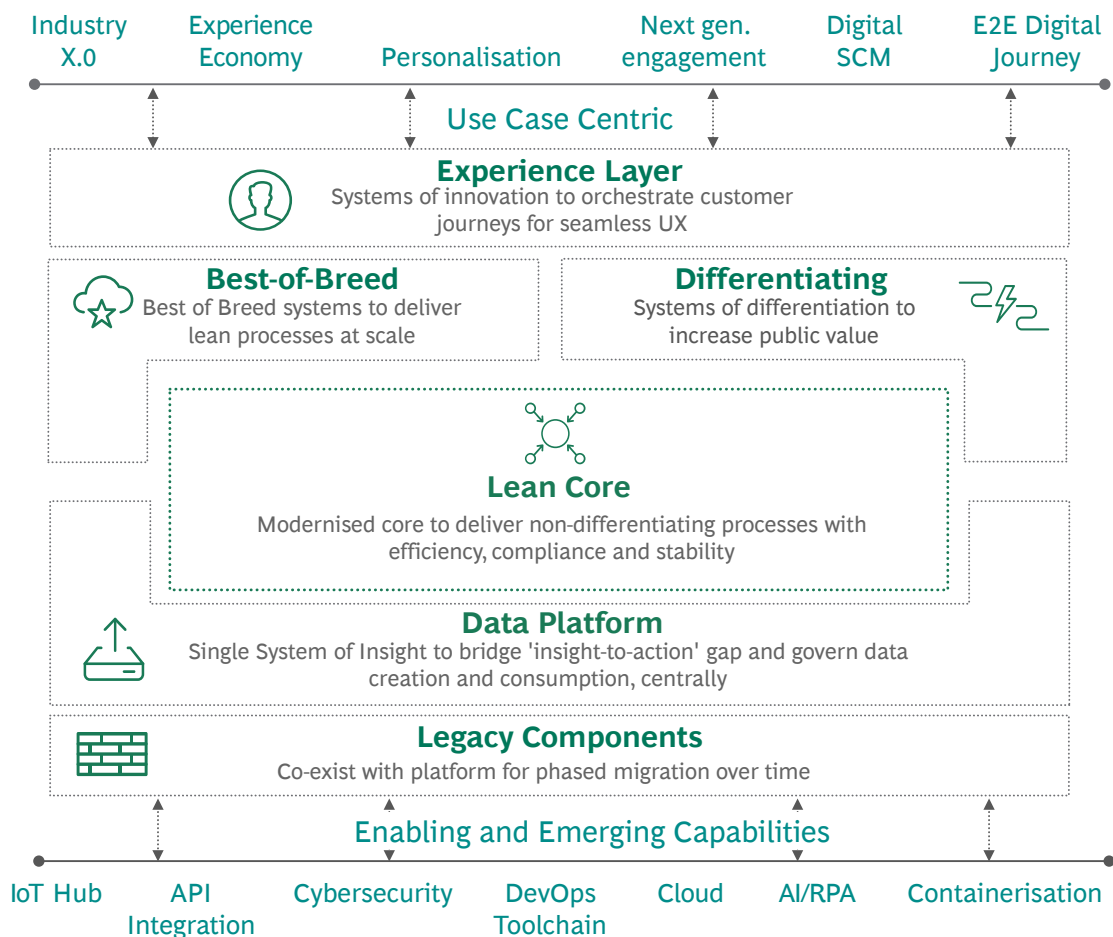
¹⁴ Logan Together

A flexible, modular and platforms-based approach will increase resilience, scalability and speed to delivery—and reduce cost to serve

Governments must make two related shifts with their digital technology. Firstly, they must transition to a modern and resilient technology backbone which treats data as an asset to drive policy and service delivery excellence. Secondly, they must move from executing basic processes using monolithic technology systems, to fully modular technology platforms (such as those used by digital natives). This way, they will be able to rapidly innovate, and customize key processes and experiences.

A flexible, scalable and modern technology backbone will increase future resilience, speed to delivery and ability to meet customer needs by treating data as an asset. During the pandemic, some governments outperformed their peers in bringing digital services to customers quickly and at low cost. This was not achieved by luck, but was due some shared characteristics. They all had flexible, scalable, cloud-based digital platforms that enabled them to swiftly amend existing services or add new ones to meet the rapidly changing environment. They also treated data as an asset, which could be readily drawn upon to build new services, and deliver a better customer experience.

Exhibit 14 - Modern digital and data platforms are modular, lean at the core, and treat data as an asset to bring insight to action





The advantage of adopting a modern, cloud-based, modular technology foundation provides huge benefits for both operational efficiency (**efficiency benefits**) and supporting innovation (**effective benefits**).

- **Efficiency benefits** are table stakes and include **30-50%** one-off cost avoidance, to **20-30%** reduction in IT-run cost.
- **Effective benefits** unleash the power of technology platforms, potentially allowing digital use cases and solutions to be developed **3 times faster** (from 2-3 years to 3-12 months for a minimum viable product), and raising productivity level by **25-50%** through cloud.

Governments will need to progressively transform their core systems by gradually moving to digital-native, modular technology that can make data accessible to support high-impact use cases. The challenge and cost of transforming the underlying technology foundation and function shouldn't be underestimated. However, governments will be able to make greater, faster progress by taking a flexible data and transaction-driven. A staged approach can create value quickly while managing the risks of transformation.

Governments' journey to the cloud can take several years, depending on the size and complexity of the existing digital landscape, funding, and unforeseen changes. In capturing that value, governments will need to take account of their specific guidelines and compliance requirements related to the consumption of cloud services by their agencies. Government-ready

cloud services should have cybersecurity and data compliance requirements incorporated into their technical and operational controls from the outset. Compliant cloud providers embed sophisticated security protections, such as automated security controls and access provisioning into their offerings to assist governments with cybersecurity, audit and other compliance requirements.

Such transformations can allow governments to deliver twice the value, in half the time and at half the cost than if they employed monolithic, multi-year technology led transformations. This data and transaction approach separates business process change from core IT renewal. It also frees data from core systems that are scattered across departments. With this approach, technology foundations can be accessed through simpler interfaces and data moves faster, becoming a new source of value for customers.

A platforms approach will enable governments to deploy new services at high speed and at low capital and incremental cost. The need to respond to the pandemic demonstrated the value of flexible digital platforms for government service delivery. The New South Wales Government's Service NSW platform enabled new services to be quickly be configured using existing templates and patterns and allowed rapid modification of existing services. With the fundamental cloud-based services already in place, there was a relatively low capital cost to deploy new pandemic-related services. Approaches such as this dramatically reduce the time to value, often accelerating speed to delivery by up to **60 per cent** at about half the cost than traditional IT systems.¹⁵

¹⁵ BCG experience

A more personalized approach to service delivery can build trust and bridge divides

Personalization gives governments the opportunity to demonstrate genuine interest in customers and their wellbeing, and build trust.

Using data, governments can tailor policies and services to better meet individual customer needs rather than designing for the majority. They can deliver services with more empathy and respect for customers by acknowledging they have an existing relationship, rather than asking them to retell their story again and again.

Personalization requires transparent communication with customers about how data is used and stored. This communication will increase trust and develop customers' willingness to share data. In turn, governments will use this data to further improve services, creating a virtuous trust and experience cycle.

By harnessing data for greater personalization, governments will also reduce their costs in providing services. This is because personalization reduces manual process steps for both users and customer support staff, reducing errors which occur when people accidentally enter incorrect information, and increasing the speed at which services can be provided to customers. Personalization also better equips governments to meet the reasonable needs of each customer based on the ruling policies of the day rather than provide services simply based on entitlements, which is potentially wasteful of public resources.

“

Personalization does matter. We as members of society do want to be known, and remembered. We don't want to tell our story again and again. Personalization and remembering builds trust and a relationship with government.

Paul Tatum, Senior Vice President, Solution Engineering, Salesforce

”

“

Know who I am, and treat me with dignity

Anonymous, Digital Government Industry Expert

”

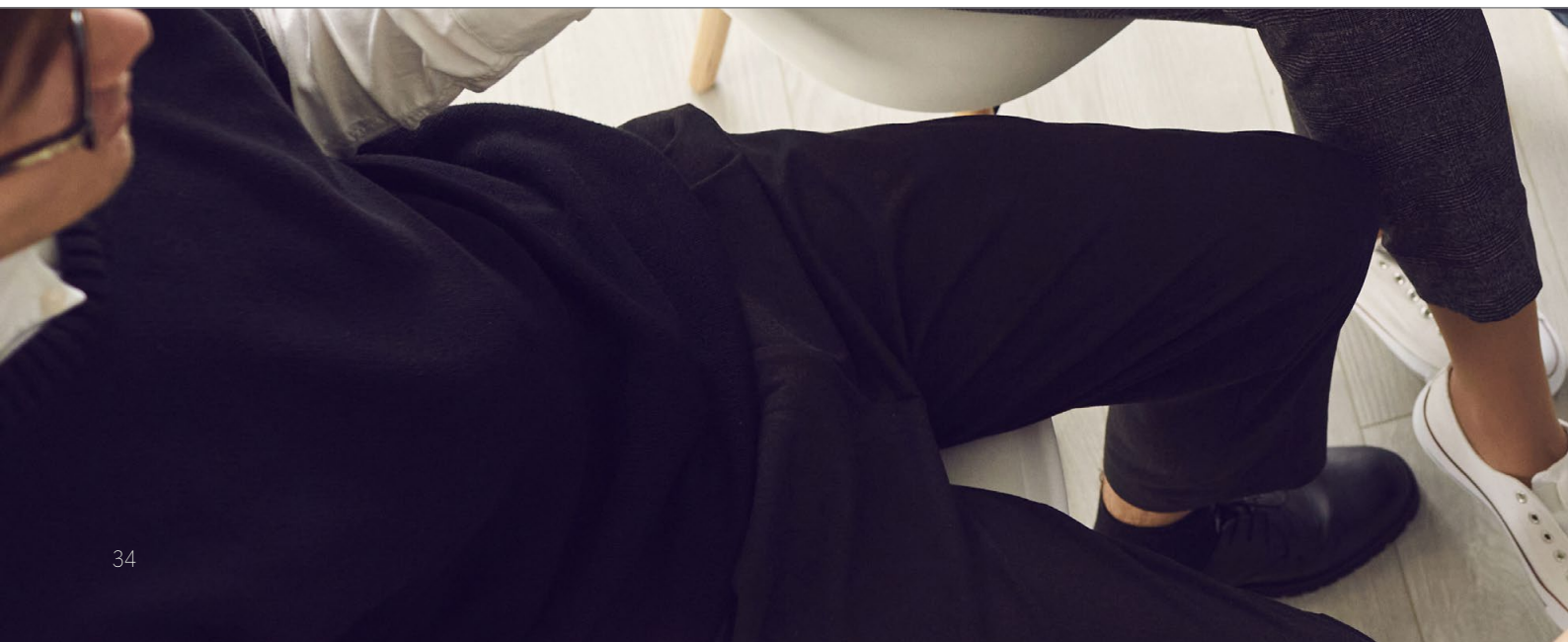
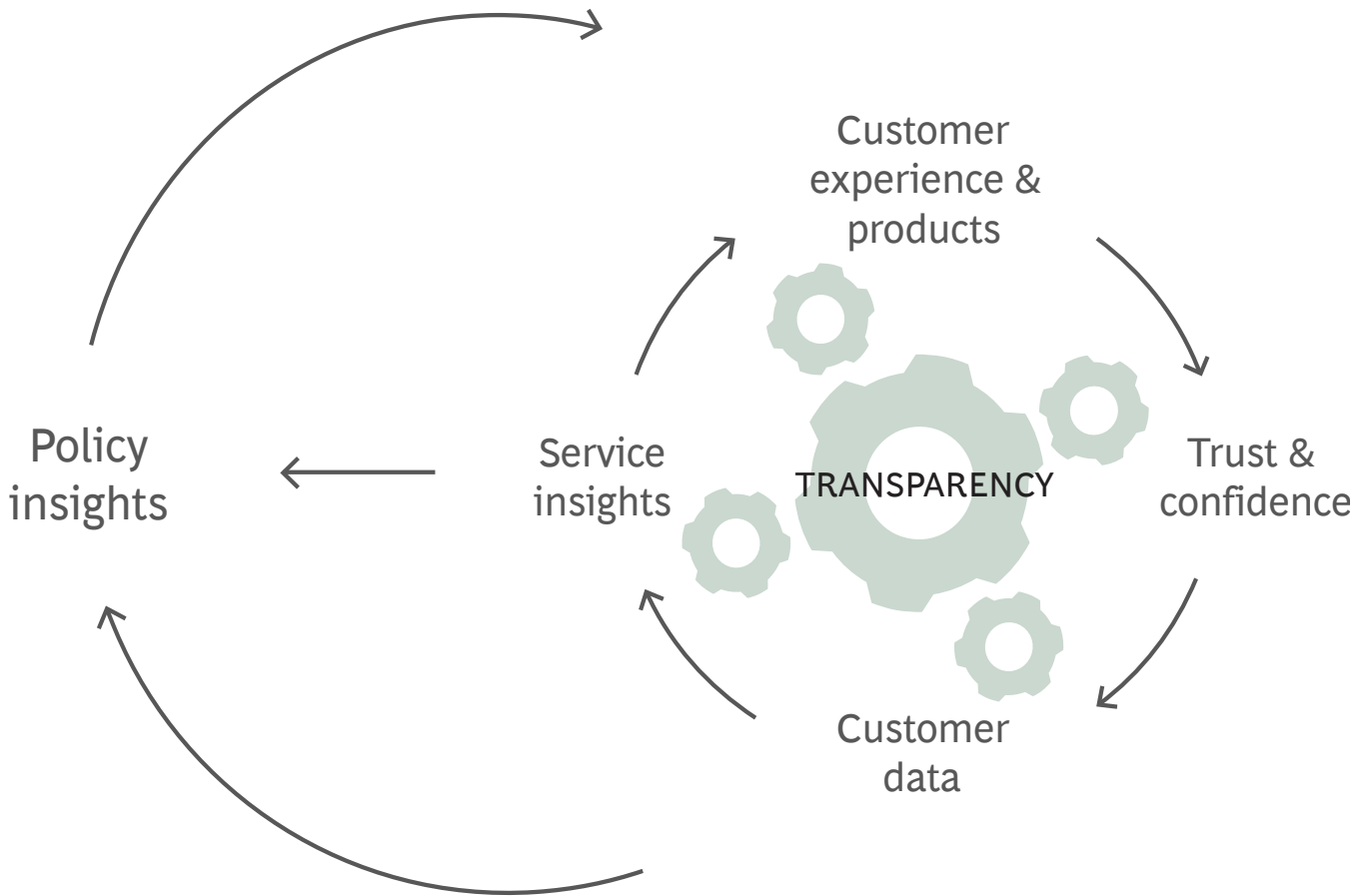


Exhibit 15 - The customer experience trust cycle is underpinned by transparency



What do we mean by personalization, and why is data important?

In order to attract and retain loyal customers and experience long-term success, companies need to provide customers with tailored and memorable experiences. Personalization is key to providing thoughtful, attentive customer service, hopefully giving the company a competitive edge. Personalization usually takes the form of an offer – a recommendation, a discount or a special product – based on detailed knowledge of the customer often informed by artificial intelligence.

In the government context, a spectrum of personalization exists. This combines differing levels of tailored services, and different extents of proactivity. At one end of the scale, it might be a high-level overview of a customer's recent or relevant history with the government – perhaps with some forms automatically filled in. At the opposite end of the spectrum, government may initiate a service interaction on behalf of a customer and complete a transaction automatically.

Between these two ends of the spectrum there are a myriad of options. Some personalization may remain customer-initiated but involve heavily tailored service content. Other personalization might see government recommending customer services that might be relevant, based on the customer's demographic, or a historical pattern of similar customers. Deciding the extent of personalization depends heavily on the use case for a particular service. Customer input is also essential to determine the appropriate threshold for where personalization turns from helpful to intrusive.

This type of personalization and proactivity requires governments to collect, aggregate and analyze a large and diverse set of personal information about customers. Without this, it is not possible to truly understand an individual's needs, or the context in which they are interacting with government.

Truly listen to customers, to strike the right balance between privacy and convenience.

To maintain citizen trust, it is important for governments to find the right balance between privacy and convenience for customers. Our recent research from Australia and New Zealand suggests customers are calling for increased personalization and proactivity, but with caveats. The data suggests citizens are overwhelmingly positive toward increased proactivity with almost **60 per cent** of customers saying they would want government to reach out to them about services which may be relevant to them (e.g. benefits they may be eligible for but may not be aware of), and a further **30 per cent** saying they would want government to proactively reach out with relevant information about services they've used in the past. The same study reveals that customers are cautious about what data is used to deliver more personalization. Namely, they are more comfortable with personalization based on segmentation and what government knows about other people like them, as opposed to what government or private sector knows about them specifically.

“

I feel the same way about proactive government as I do about Personalization. I think there's a way to do it that lands really positively and there's a way to do it that feels really creepy and Big Brother like.

Deputy Secretary, Australian Government

”

To strike the right balance between privacy and convenience, government should seek to truly understand citizen sentiment, and incorporate the “voice of the customer” when designing services. This requires governments to incorporate user feedback into every stage of design and delivery of digital services, with full transparency of how data is intended to be used, where it will be collected from, and how services will be tailored. This includes consulting customers when considering use cases, testing digital government solutions with real customers, and incorporating feedback along the way.

Think deeply about where to use

personalization. Armed with a strong understanding of customer sentiment toward individual use cases, governments should steer clear of any which do not have support, or those which feedback suggests could be perceived as invasive. Good candidates for increased personalization and proactivity are likely front-of-house applications where there are real, tangible and demonstrable benefits for customers. Some examples include:

- providing information on benefits they are eligible for, but may be unaware of
- pre-populating forms with data the transport agency already has on file when applying to renew a license, or
- reminding customers when their license expiry date is approaching.

Wait for customers to introduce themselves before providing tailored services.

There is a significant difference between customer expectations, depending on whether they are in an unauthenticated or authenticated state (i.e. whether they have logged in, or introduced themselves). Proactively contacting customers who haven't self-authenticated with tailored services may appear invasive and can erode

trust. But once customers are in an authenticated state, governments may be in a position to offer a wider range of personalized services.

Ask for informed consent. Be transparent, clear and concise in asking for informed consent from customers before using their data to enhance service delivery. This means explaining in plain English:

- what data is recorded
- how it has been collected
- when it will be shared and with whom
- how it will be used - and who will have access to it
- how long it will be kept for, and
- how it is stored.

Offer personalization in context. In the private sector, retailers are familiar with the concept of contextual commerce – seamlessly introducing purchase opportunities into everyday actions and natural environments. In the public sector personalization in context is not about promoting add-on sales, but about relevancy. Most customers are willing to share data related to a specific service or domain.

“

Government can use their enviable data set to create services that are contextual, relevant and connected to the status of the individual.

John Rose, Managing Director and Managing Partner, BCG New York

”



As an example, one government leader interviewed as part of this research cited that customers would be comfortable with the Department of Education storing information about their children in the context of the services it offers - but would be uneasy providing information about their children when renewing their driver's license. While it can be helpful to acknowledge a pre-existing conversation and history in the context of a particular service, government should be careful to not use data with customers in unexpected ways.

Only use technology to deliver more personalized and proactive services if you are confident in the quality of the underlying data.

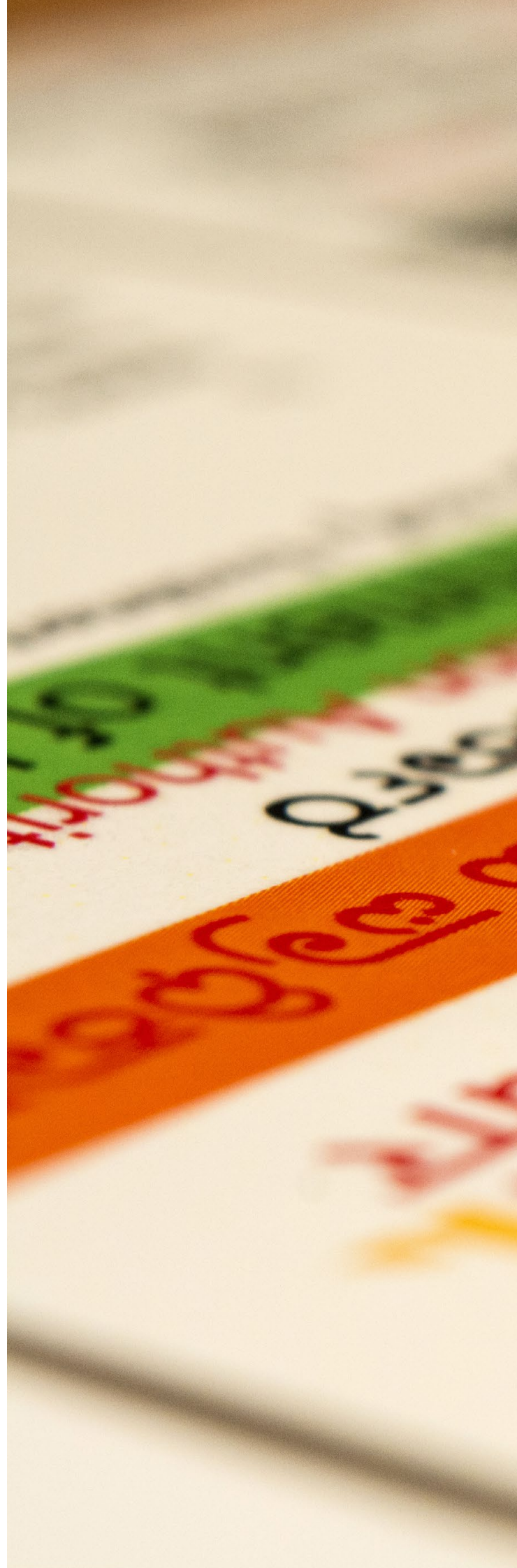
Used correctly, personalization through data can help perpetuate the virtuous customer experience and trust cycle. Used incorrectly, it can dismantle it. Every poor use of data can further erode customer confidence in the government's abilities and reduces trust in the next interaction. Furthermore, it does not demonstrate care for maintaining a real relationship with the customer. Government should only offer personalized and proactive services if they are confident in the accuracy of their data.

Customers are more willing to share data where there is tangible and immediate benefit in doing so.

Customers are generally happy to share their data if they perceive it unlocks greater utility – as evidenced in the private sector through subscription platforms like Facebook and Google. During the COVID-19 pandemic, government customers were also willing to download applications such as the COVIDSafe app and the Service NSW QR Scanner (Australia), or NZ Tracer (New Zealand), and provide personal data to assist contact tracing efforts. The other lever available to government is to require data sharing in order to access services.

Greater transparency in the use of customer data is required for governments to build a stronger trust relationship with customers.

Governments should actively seek to incorporate privacy and functionality into their service design and delivery, putting customers in control of their data. For example, Iceland's contact tracing app stores data on the users' phone, and requires their active permission to upload elsewhere. It also includes functionality to delete data, or temporarily turn off data collection. Both, Singapore and Israel made their contact tracing source code public. Providing clear and transparent messages about how data is collected, used, and secured is critical if governments want to build trust in their customer relationships.



Case study: India's digital identity solution delivers compelling value for customers

In India, each time a customer accessed a government service, they needed to go through a full cycle of identity verification. Different service providers often had different requirements for documents, forms and information.

The scale of the administrative burden is evidenced by the high number of unregistered births (and lack of identity documentation) at the time. According to UNICEF, **10 million** out of **26 million births** (around 2 in 5) are unregistered each year. Lack of identification documents poses significant hurdles for people in their daily lives, making it difficult or impossible to open a bank account, access healthcare or education, or travel domestically or internationally. Further, high levels of identity fraud were affecting government's ability to distribute social welfare, with total leakages of more than **40 per cent** of budgeted spending.

The Indian Government established the Unique Identification Authority (UIDAI) in January 2009, with the mandate to provide a unique identifying number for every resident (known as an Aadhaar number), and to collect biometric and demographic information (name, date of birth, gender, address, fingerprints, photograph and iris scans) in return for a guarantee of no duplication and online authentication services.

The Aadhaar program used these unique IDs to provide customers with identity verification services, payments and remittance capabilities, and identity document storage and sharing. Today, customers can use the Aadhaar app to show proof of identification anywhere in India when trying to access banks, airports and railways, make payments (including through SMS), and access welfare benefits.

To use the digital Identity, customers link their unique Aadhaar identification number to other services such as banking or, mobile phone. While this is optional for many services, such as getting a mobile sim), Indian citizens must provide an Aadhaar number to access core government services such as filing tax income returns.

Today Aadhaar cards have been issued to more than **90 per cent** of the Indian population – more than **1.2 billion** people. It has played a pivotal role in financial inclusion, effective distribution of welfare, population mobility and participation in the global and national economy, and unlocking access to government services. It is a compelling example of customers receiving tangible value in exchange for sharing data and linking their identity with services they use every day.¹⁶

¹⁶ Aadhaar - An Indian Megatrend: Leveraging the Potential, BCG 2012

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Appendix

Sample size by country

Country	# of respondents	Country	# of respondents
 Argentina	500	 Morocco	258
 Australia	2000	 Netherlands	503
 Austria	500	 New Zealand	503
 Bangladesh	500	 Nigeria	500
 Canada	500	 Norway	502
 Chile	250	 Poland	500
 China	520	 Qatar	253
 Denmark	500	 Russia	523
 Estonia	501	 Saudi Arabia	519
 France	506	 Singapore	500
 Germany	2000	 South Africa	504
 Hong Kong	500	 South Korea	500
 India	2044	 Sweden	500
 Indonesia	500	 Switzerland	500
 Japan	500	 Ukraine	261
 Kazakhstan	350	 United Arab Emirates	521
 Kenya	502	 United Kingdom	2000
 Malaysia	500	 United States of America	2007

Total sample size = 24,527

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