



EPF INTERNATIONAL SEMINAR 2014

"Demographic Changes: Recognising the Challenges and Opportunities"

8th September 2014, Aloft Kuala Lumpur Sentral

Impact of Demographic Changes and Generational Differences on Public Services

8th September 2014

High performance. **Delivered.**

Agenda

Citizen expectations are changing, impacted by demographic shifts, digital trends

Governments are affected and struggle to meet the expectations of the new normal

Digital governments of the future need to develop new capabilities and radically reshape the way they deliver public services

Examples of differentiated initiatives by governments

The rise of digital technologies has changed the way citizens interact with organizations and each other

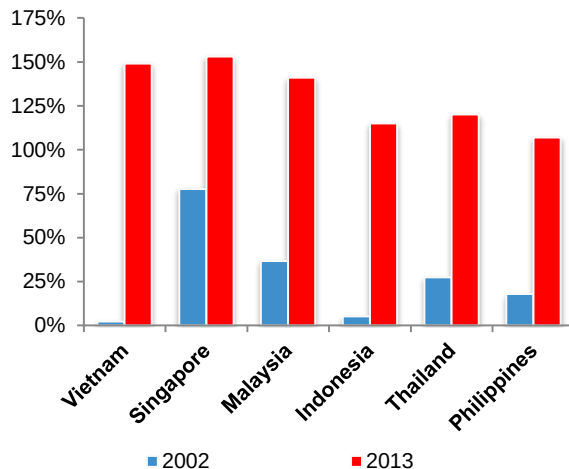
The breadth speed and depth of change due to digital is unprecedented

Everywhere, everyone
has access to digital media and...

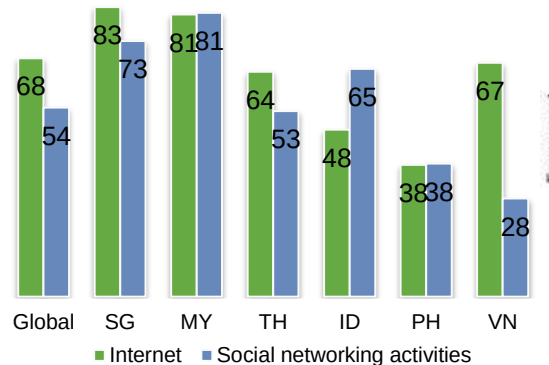
...has *rapidly adopted* new digital devices and services...

...to the point that devices and services have become a **necessity**, impacting the **very core human interaction** with the society and each other.

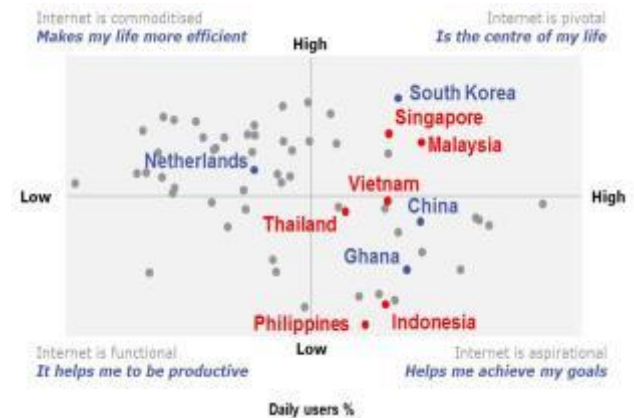
ASEAN-6: Mobile Penetration, 2002 - 2013



ASEAN-6: Proportion of internet users who do the following activities daily



ASEAN-6: Importance of internet



Mobile-led Internet Adoption:

- Mobile technology has become the preferred source of internet connectivity, regardless of age or income group

Digital adoption:

- Consumers are using the internet primarily for social networking
- The spread of ideas and information is exponentially speeded up through social networking

Evolved personal and social interaction :

- People communicate in new and open ways through digital tools
- Communication is continuous and information exchanged in real-time

Looking at the private sector, an Accenture study shows that customer service delivery preferences vary from a generation to another

All consumers look for customized services and want a say in their experience

- Consumers want the ability to customize products and services based on their needs and they appreciate support costs aligned to product.

Focus 1

Self-service is preferred by younger segments, and service delivery needs and preferences vary considerably

- As it relates to service delivery, younger segments are ok with offshore agents, prefer self-service and would opt into offers where it was rewarded
Older segments do not prefer self-service.

Focus 2

Differentiated Customer Service Research

Good experience is critical lever for service success, and again the younger are the more to comment their experience online

- All generations talk to their families & friends about bad experiences
- The younger ones are increasingly sharing their bad experiences online / on social media

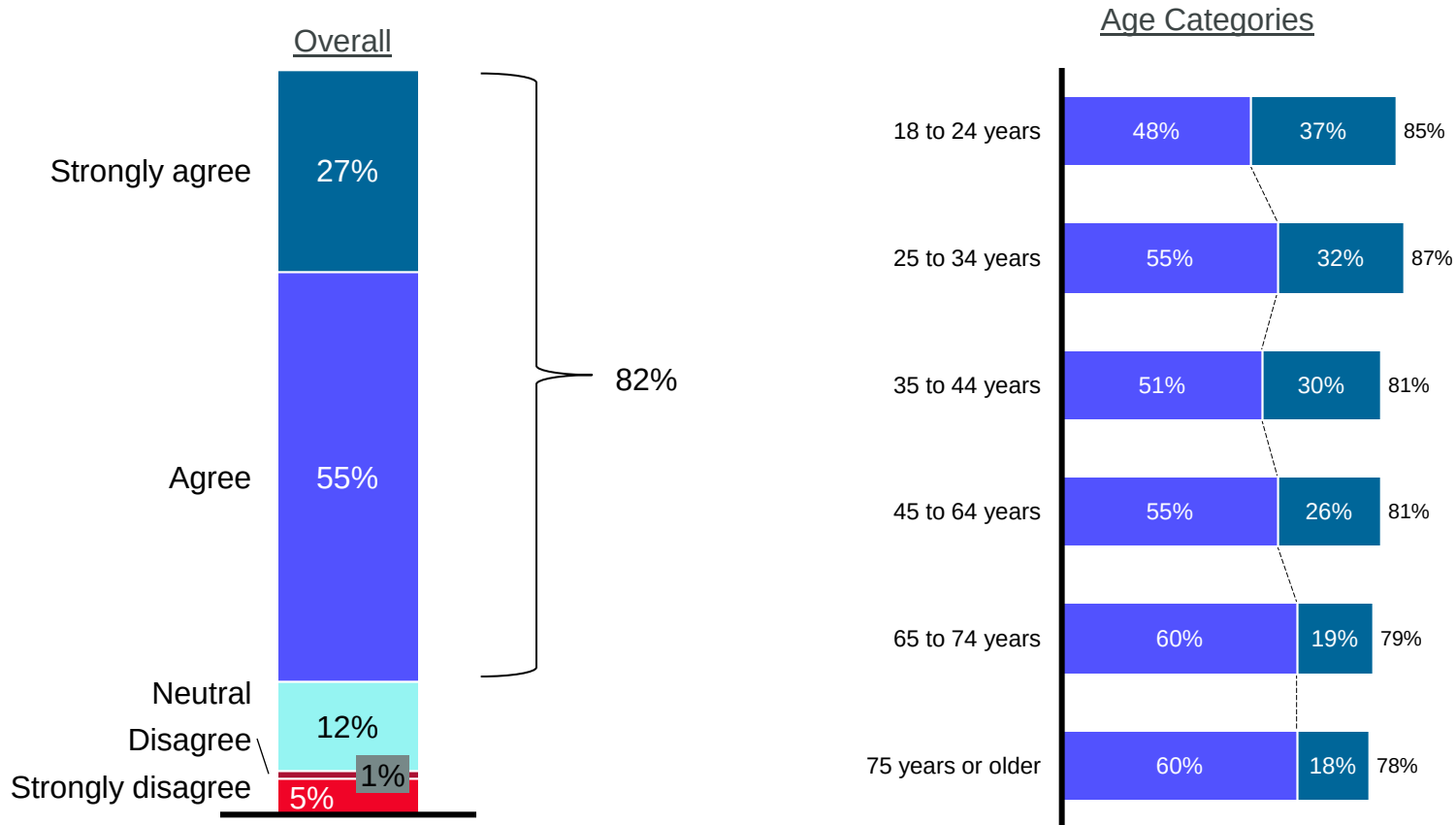
Focus 3

Consumer perception around discounts and incentives varies by segment

- Younger segments respond more favorably to discount programs and require fewest incentives

People overwhelmingly want the choice to customize products based on their preferences, with no large differences between youngest and oldest segments

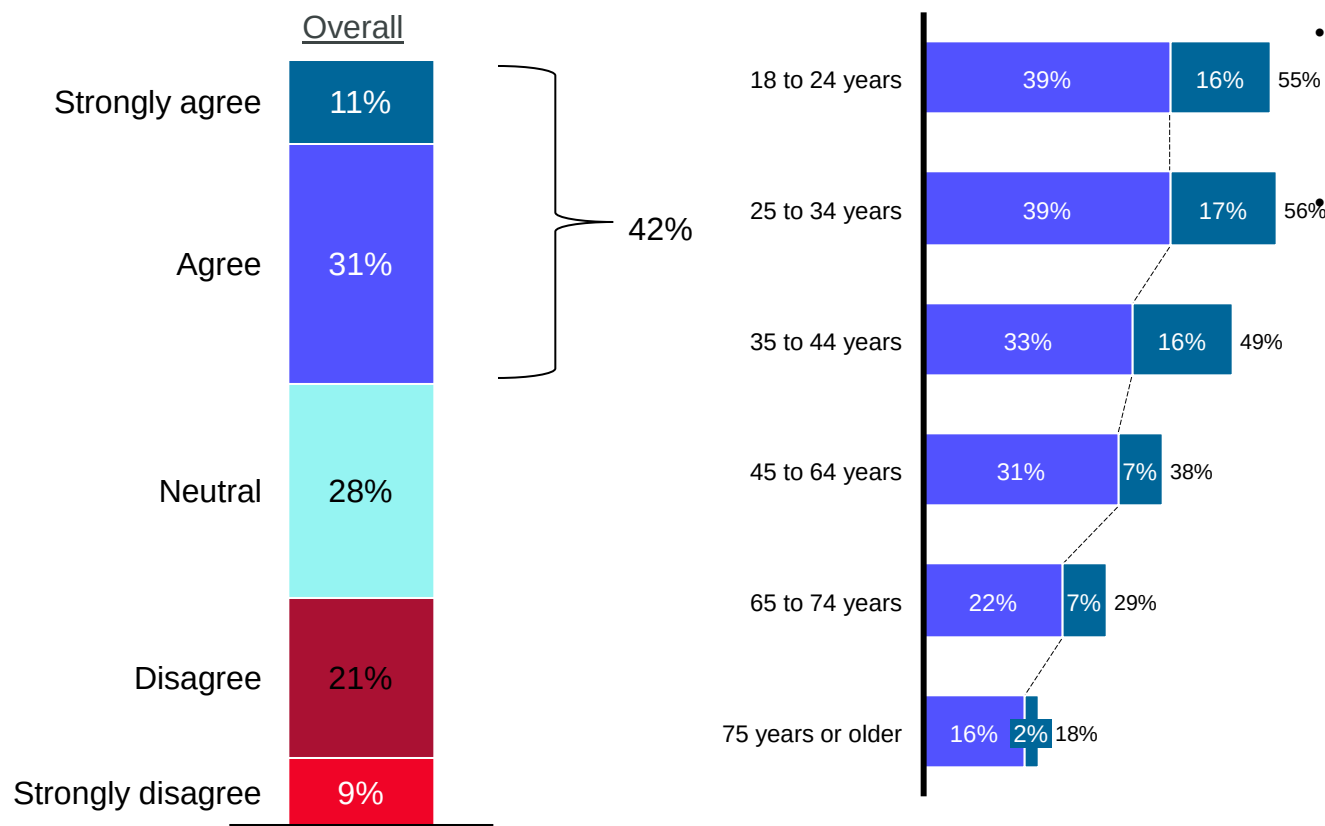
Q3. I appreciate a company that allows me to customize the products and services I receive based on my personal preferences and situation:



In general, respondents prefer to use self-service for customer support, with a decrease in oldest segments

Q4. If possible, I generally prefer to use self-service applications to satisfy my customer support needs

(Web, Chat, Forums, Interactive Voice Response, SMS, etc.)



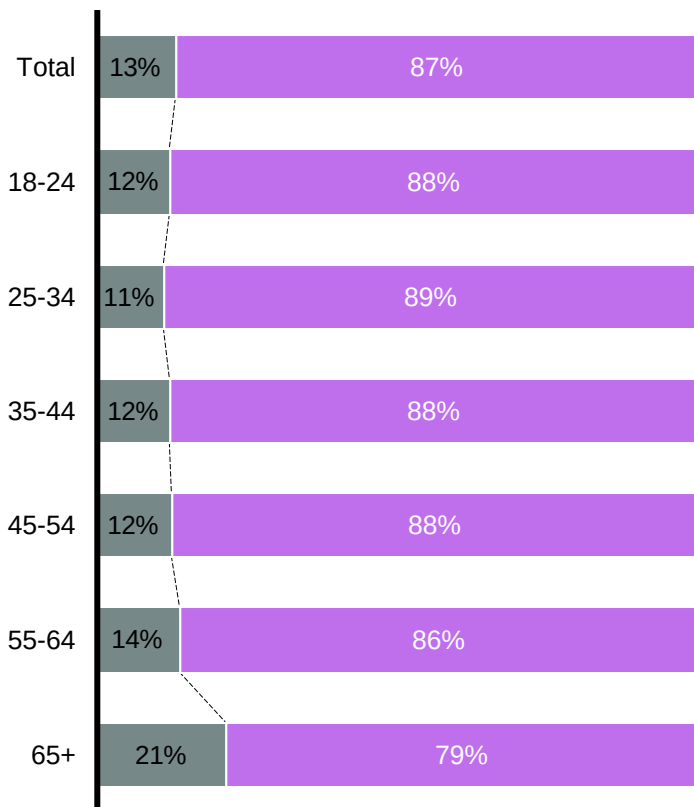
- Preference towards self-service applications drops off substantially as age increases.

The overall preference towards self-service aligns to the 2010 GCR where 66% of respondents agree that self-service technology has improved the customer experience.

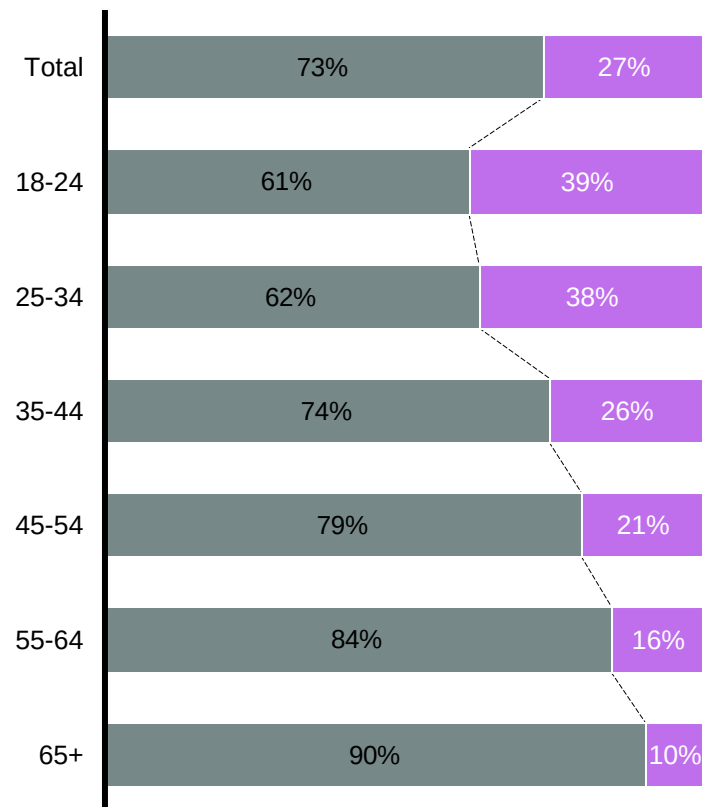
All customers share their bad customer experiences, with the younger segments sharing more on social media

Q20. In the past year, have you done one of the following after having a bad customer service experience?

Told people around me about the experience
(e.g., friends, family, co-workers)



Posted negative comments about the experience online
(e.g., blogs, Facebook, Twitter)



■ No ■ Yes

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Examples of differentiated initiatives by governments

As for the Private sector, Citizens increasingly look after digital customer services in their interactions with Governments

This digital customer...



94%

of under-30s are active users of online banking⁽¹⁾



70%

of utility interactions are preferred via self-service channels⁽²⁾



65%

of shoppers in U.S. are purchasing retail products online⁽³⁾



66%

have used online channels to purchase insurance products⁽⁴⁾

Is your digital citizen...



70%

think it is important to provide more services via digital channels in the future⁽¹⁾



71%

want to be involved in the design of government service⁽²⁾



55%

prefer to access government from their smart phone⁽³⁾



90%

believe government should match or exceed commercial service levels⁽⁴⁾

We asked 5000 'digital citizens' across 10 countries how digitally-savvy their governments are and what they would like to see in the future



Pulse of the
5,000 citizens
surveyed across
10 countries



Low citizen satisfaction

Less than 40% citizens are satisfied with the quality of public services.



Digital in demand

81% citizens want governments to provide more digital public services.

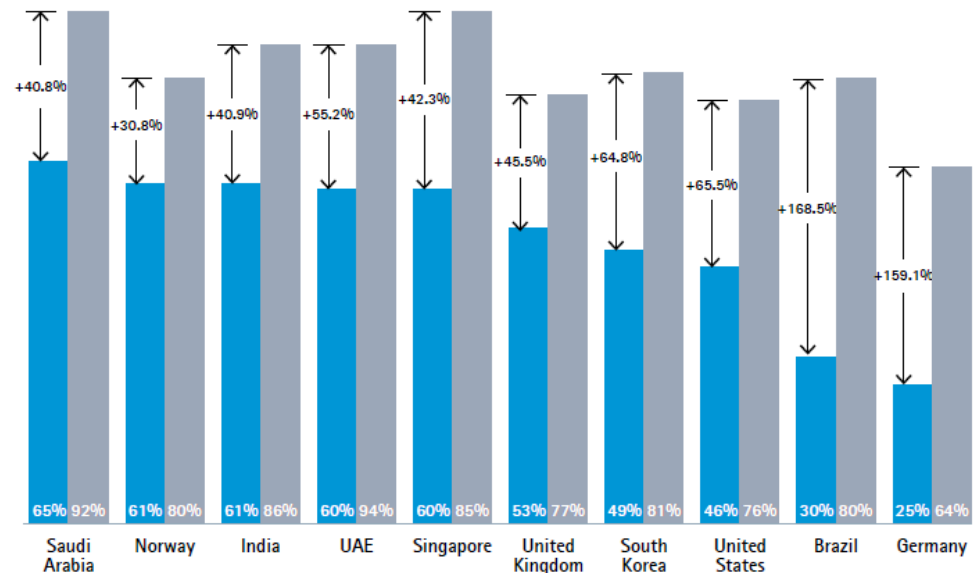


Governments to be more mobile and social

64% citizens would like to use social media to interact with their government. 80%+ express this desire in the Builder countries.

Importance of digital channels in the future

■ % using very or fairly often digital channels to interact
■ % considering very or fairly important to provide more digital channels

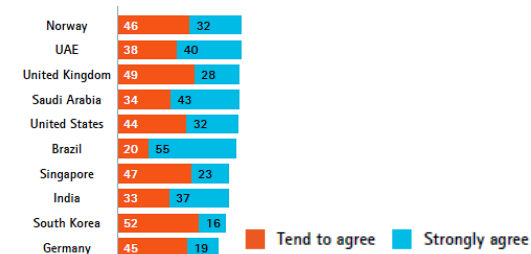


We see a big demand gap between where governments are today and levels being demanded by citizens in the future



Digital Government **engaged** with its digital citizens

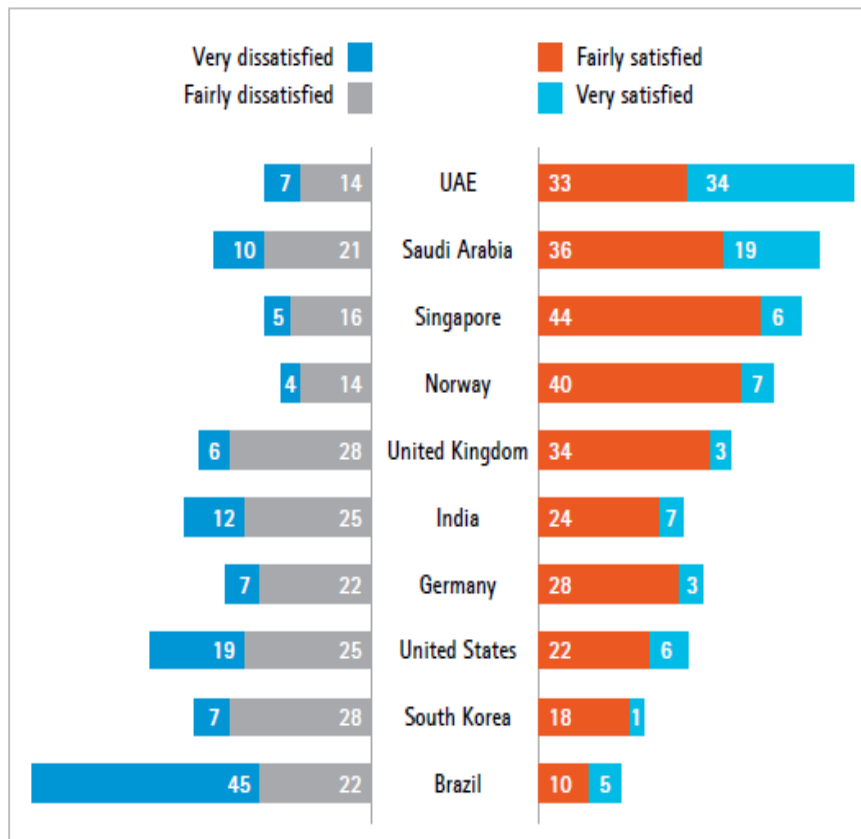
Over 70% of citizens in our surveyed countries believe that citizens should be more involved in designing and delivering public services in the future



Citizen expect more from their governments

Governments run the risk of becoming irrelevant if they don't revisit the way they deliver public services

Citizen satisfaction level in countries

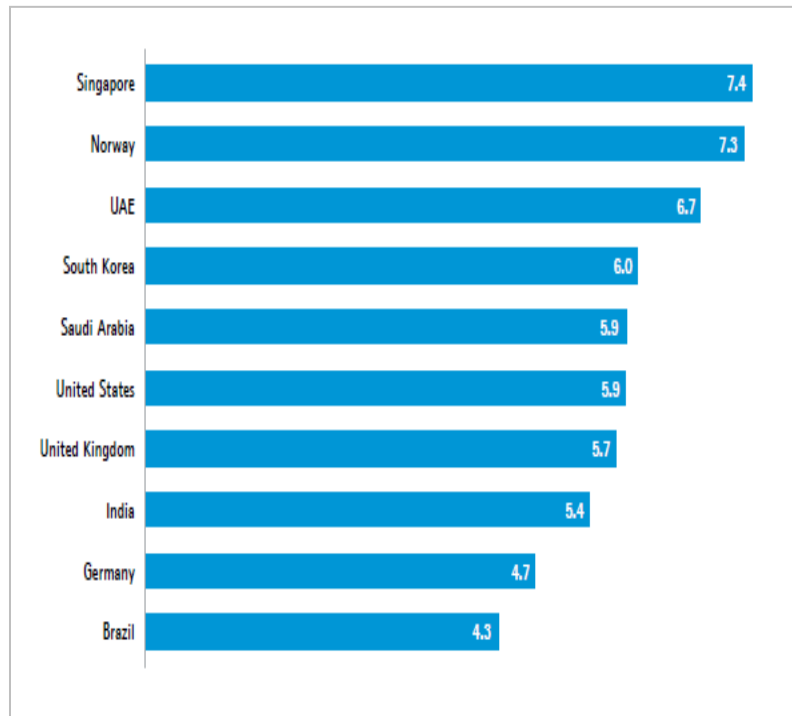


- An Accenture survey in January of 10 countries showed, on average, **less than 45% of citizens are satisfied with the public service quality** in their country
- **Top priorities for improvement** included:
 - Understand the **priorities of citizens**
 - Improve the **skills of public servants**
 - Improve **understanding of what works and what doesn't**
 - **Involve citizens** in deciding how public services should work

There appears to be no direct correlation between the highest performers in digital services and the customer satisfaction level

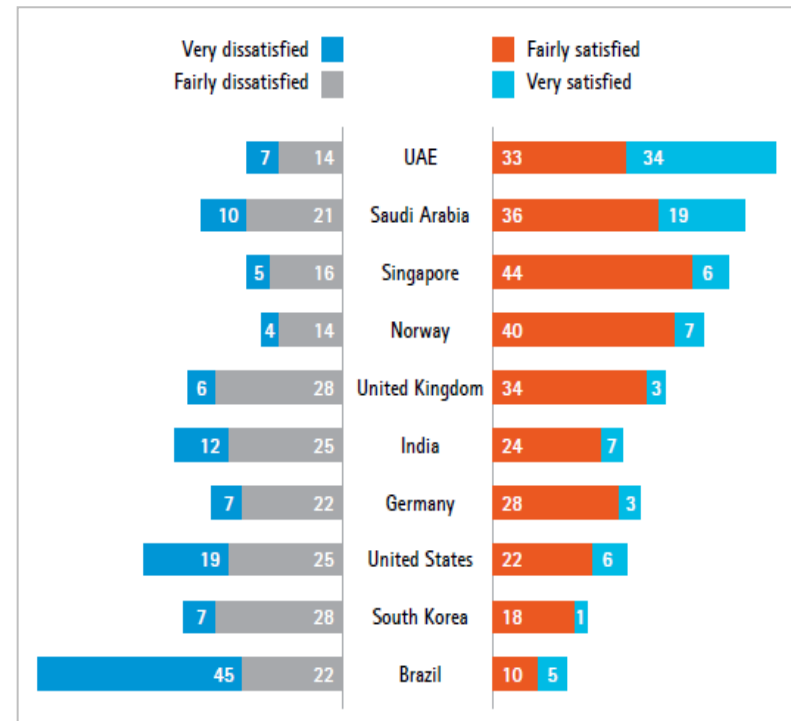
The highest performers in digital services maturity & performance

Digital Performance Ranking



Are not the countries which get the better customer satisfaction level

Citizen satisfaction level in countries



In countries with a large proportion of younger people, citizens are more keen to use mobile devices and social media to interact with their government

Figure 17: Use of mobility in interactions with government departments

We asked: Would you personally like to use mobile devices in the future when interacting with government departments offering public services?

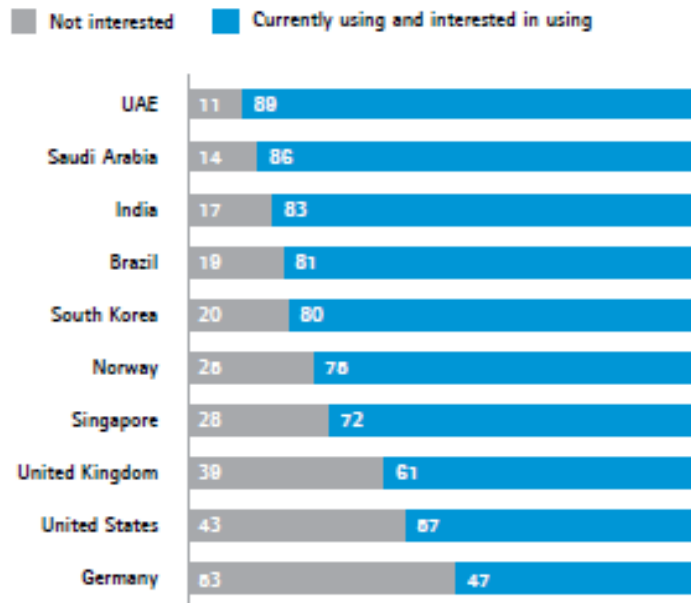
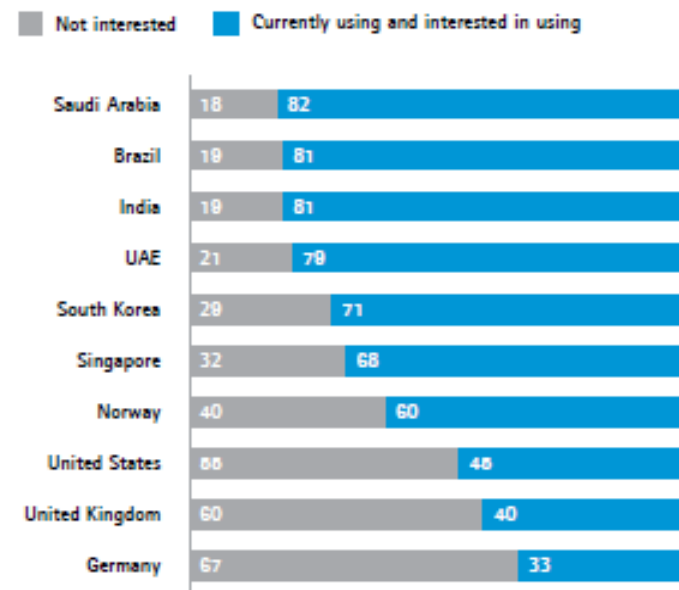


Figure 16: Use of social media in interactions with government departments

We asked: Would you personally like to use social media in the future when interacting with government departments offering public services?

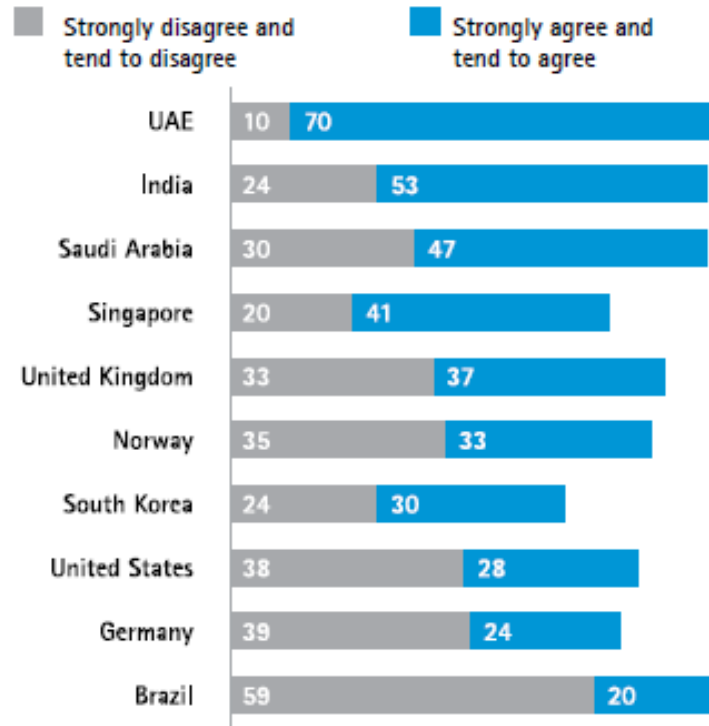


It is interesting to note that all the countries in the **builders** ('Large young population') category appear **among the top four in the usage of technologies** (such as social media, mobility and cloud computing) while interacting with their governments. And, **all the countries in the cutter category (ageing countries) rank among the last three.**

In these countries, citizens are confident about the abilities of civil servants to deliver digital services for the future

Figure 19: Perception of public employees' skills

We asked: Do you believe people who work in public services have the skills and abilities needed to meet the challenges facing public services in the future?



The 'new' citizen expects more from their interactions with the Government and the way public services are delivered

In their interactions with the citizens, the Government Should...



Know me:

Provide me with consistent service based on my preferences and needs



Offer me channels:

Easy access to real time information in the way I like



Empower me:

Allow me to take an active role in participating in decision-making



Be consistent with me:

Give me consistent messages and information across all engagements and touchpoints



Support me :

Be empathetic about my lack of knowledge and help me achieve life aims

The Government Should provide Services which are:



Simplified: Tell us your intentions once, we connect the dots



Responsive: Relentlessly keeping you informed, service delivery and situation awareness



Connected: Seamlessly interacting within and outside government to coordinate your service



Engaging: Seeking help and input always on your terms, making it worth your while



Trusted: Safeguarding privacy, asking permission to share your information in order to improve service



Local: Making large government feel smaller, tailoring services to your local needs

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Digital governments of the future need to develop new capabilities and radically reshape the way they deliver public services

Examples of differentiated initiatives by governments

The new 'pro-sumers' are demanding more, budget pressures are driving higher productivity and technologies are changing the way we live, work and interact - By 2030, the world will experience a complete paradigm shift



Thus, Government in 2030 will need to...

be interwoven into the fabric of *digital citizens'* life offering mass-personalisation to enhance life and health

work as an entrepreneur where a *digital public workforce* works alongside societal digital networks to deliver services

orchestrate borderless *digital services*, that are insight-driven whilst safeguarding citizen and enterprise data to create trust-based relationships

empower digital natives ensuring an equitable spread of urbanization, benefits of digital economy supported by *intelligent infrastructure*



Digital Citizen



Digital Public Workforce



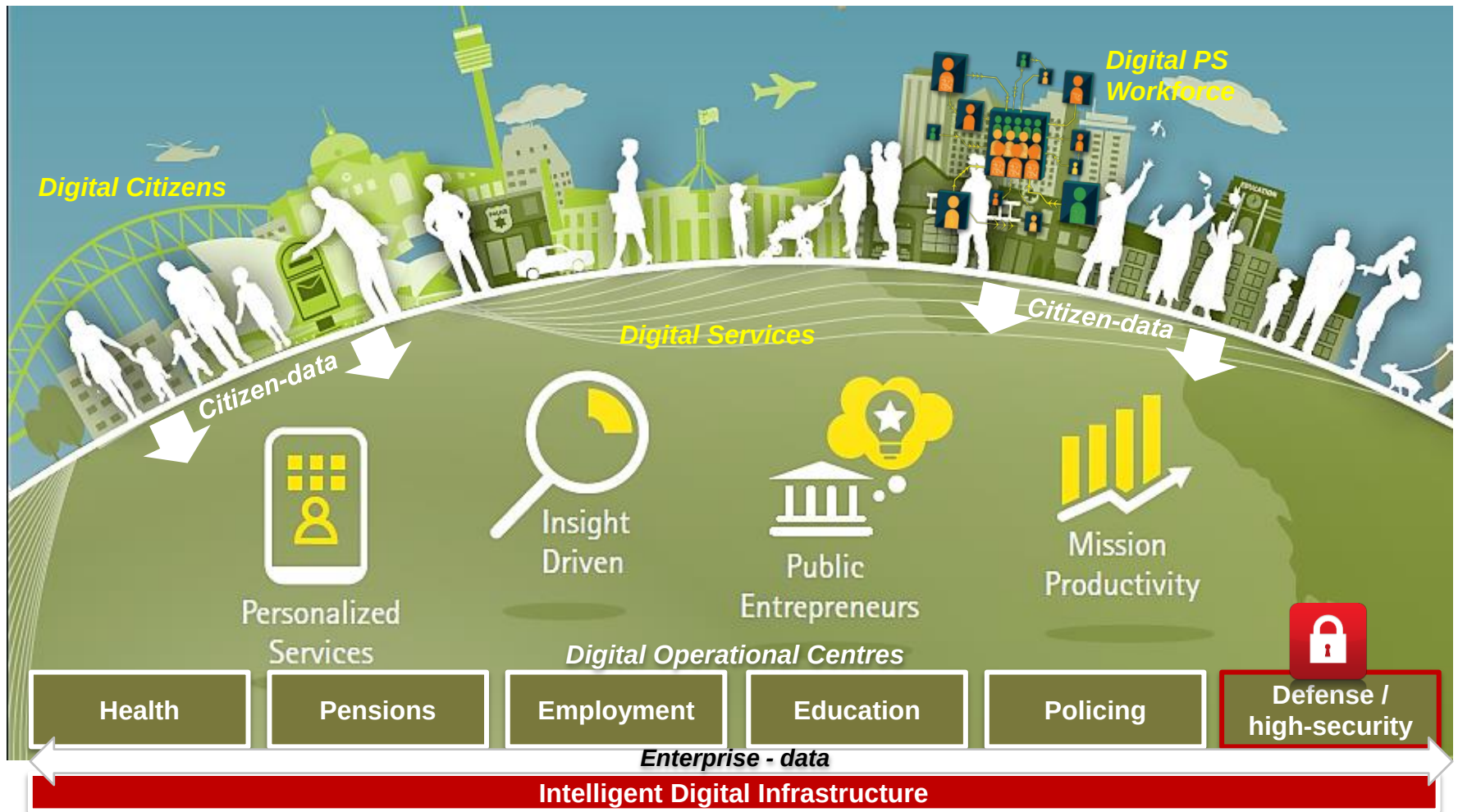
Digital Services



Intelligent Infrastructure

These structural shifts will drive governments to embrace a radically new approach to deliver public service in the future

GOVERNMENT TOMORROW...WILL CREATE A *DIGITAL* LEGACY



What will digital citizens, digital public workforce, digital services and intelligent digital infrastructure in 2030 look like?

Digital Citizen

- Offered **mass-personalisation**, creating digital **societal networks**
- Connected through **ubiquitous devices**
- Interacting anytime, anywhere with a single **digital 'avatar'**

Citizen-data

Universal citizen data from people and devices **segmented in different data groups** and transferred across the public service enterprise

Enterprise-data

Enterprise data from the operational centres with **open data standards**, supported by **advanced analytics** for tailored services and decision support

Digital Public Workforce

- **Entrepreneurial**, **collaborate** across an **eco-system of partners**
- Proactively **engaging** with constituents
- **Digitally-savvy** and leverage **insights** from citizen data

Digital Services

- **Automated & integrated** services
- **Insight-driven** – harvest citizen & enterprise data
- Operate seamlessly **cross-government**
- Continuously **evolve and improve**

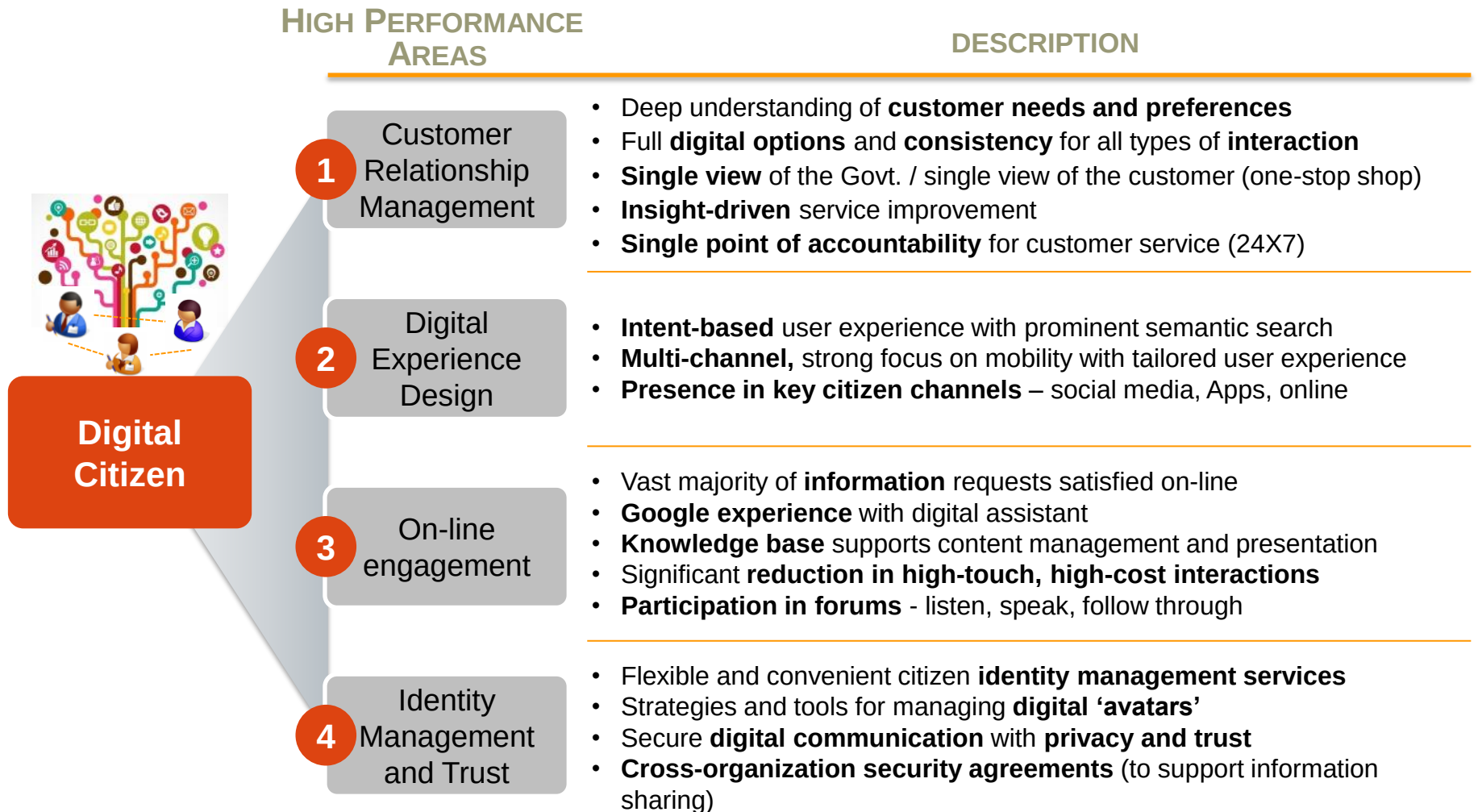
Intelligent Digital Infrastructure

- **Adaptive**, powered by **machine learning** and **sensors**
- **Optimised**, **always-on** **cloud-based** network
- Ensure **security and trust**
- **Intelligent support systems** (data centres, networks)

**Please see Appendix slides for more details on these digital dimensions*

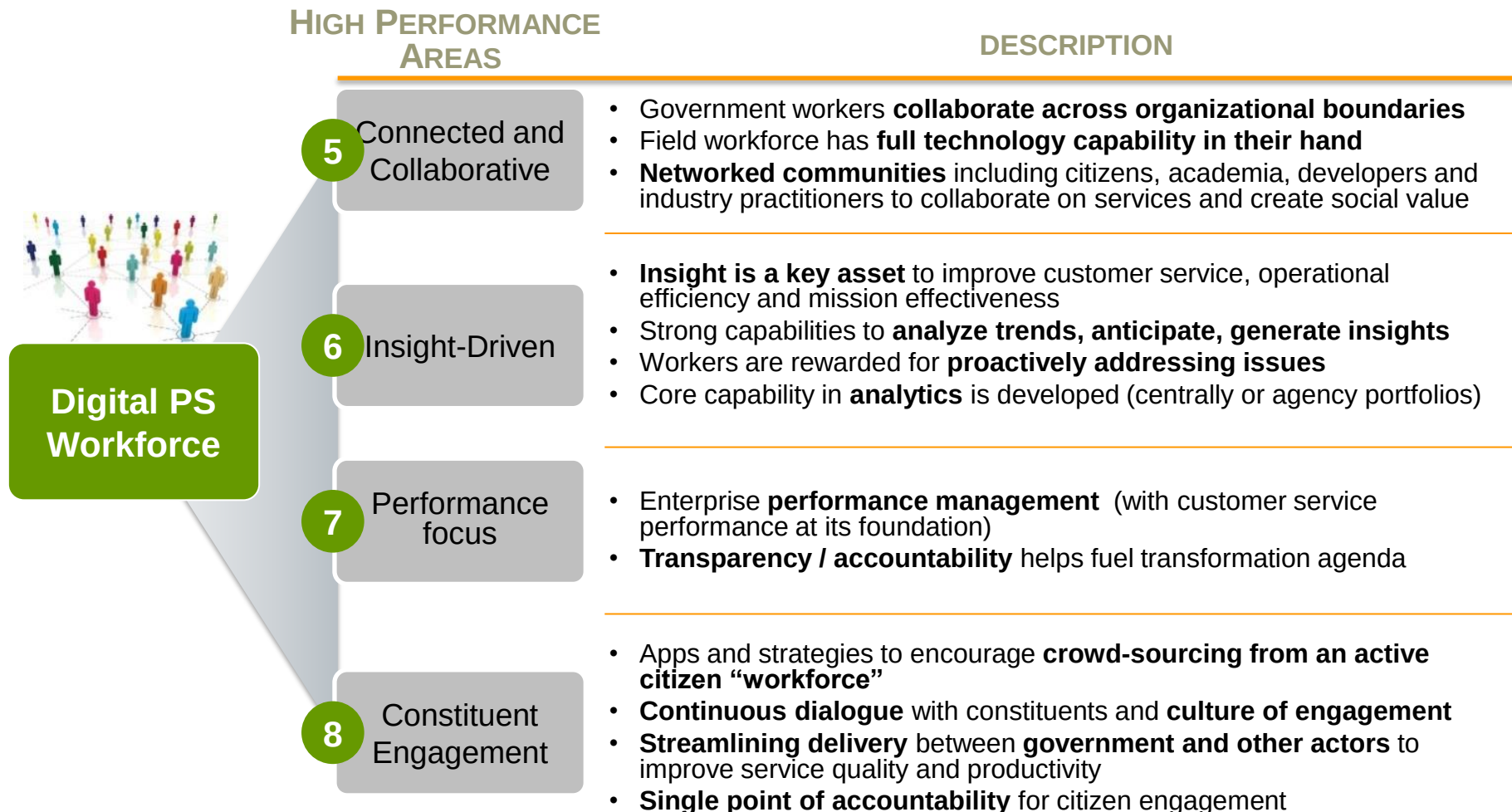
Digital Government 2030: Digital Citizen

Digital Citizen – Description



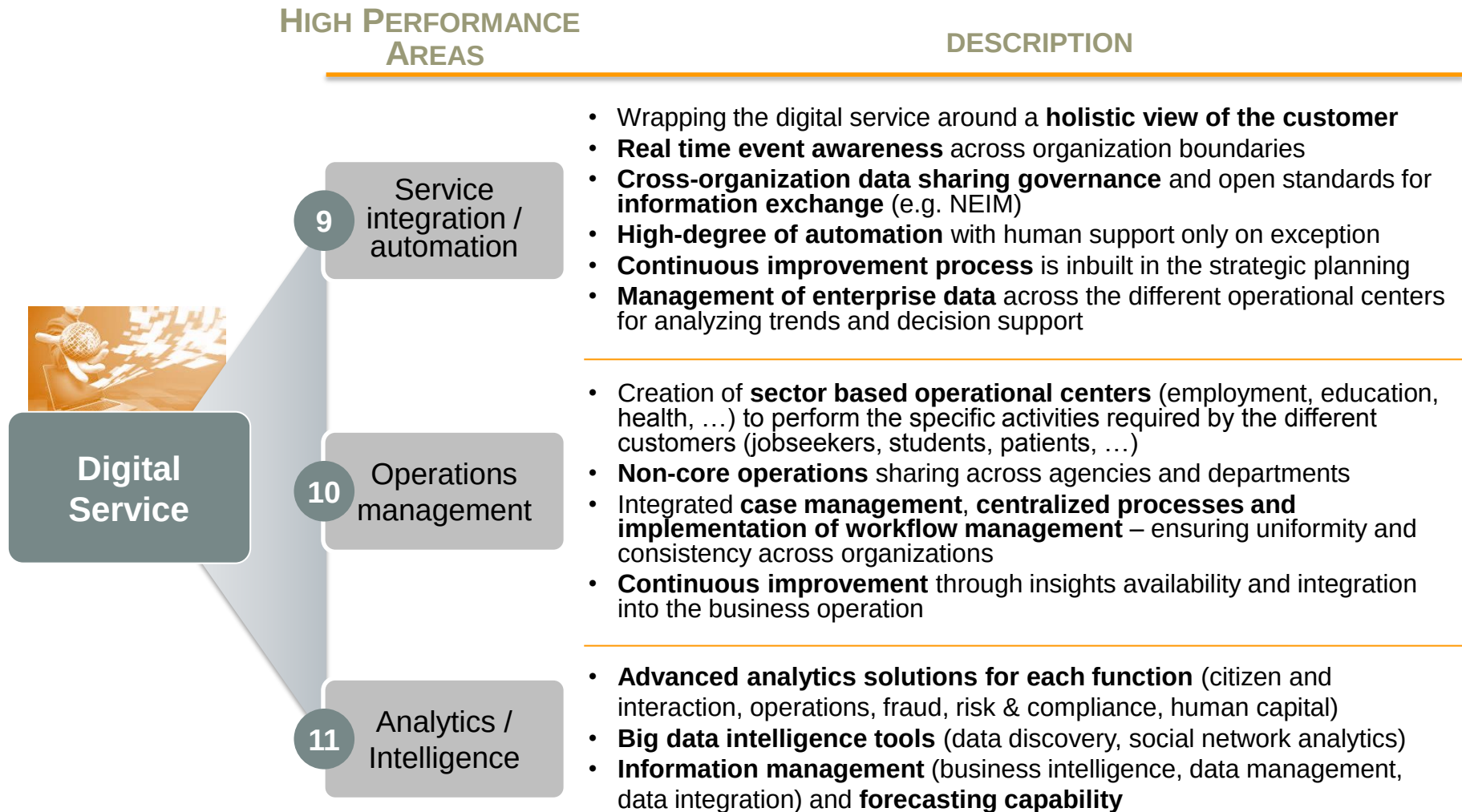
Digital Government 2030: Digital Public Service Workforce

Digital Public Service Workforce – Description



Digital Government 2030: Digital Service

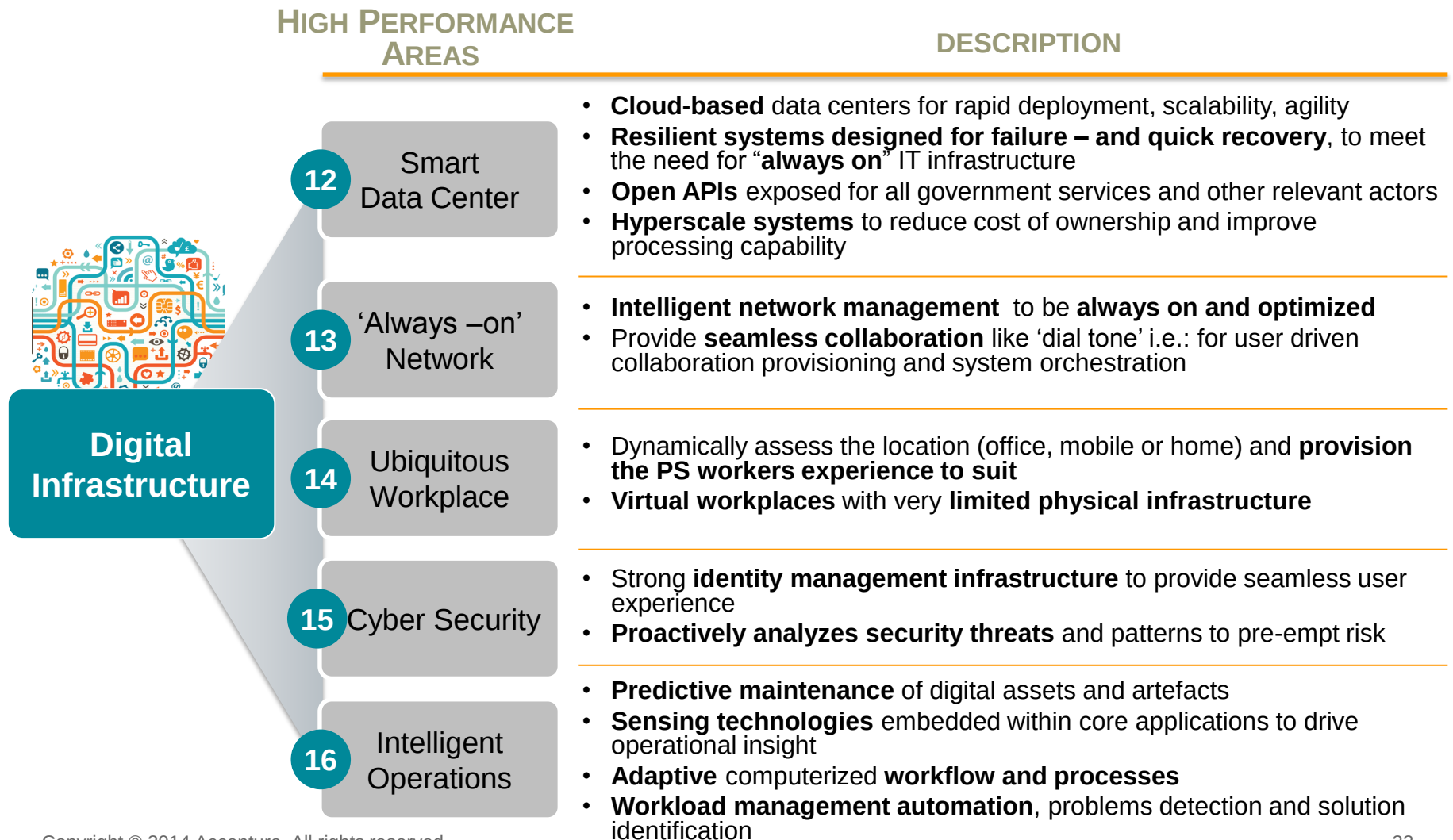
Digital Service – Description



Digital Government 2030:

Digital Infrastructure

Digital Infrastructure – Description



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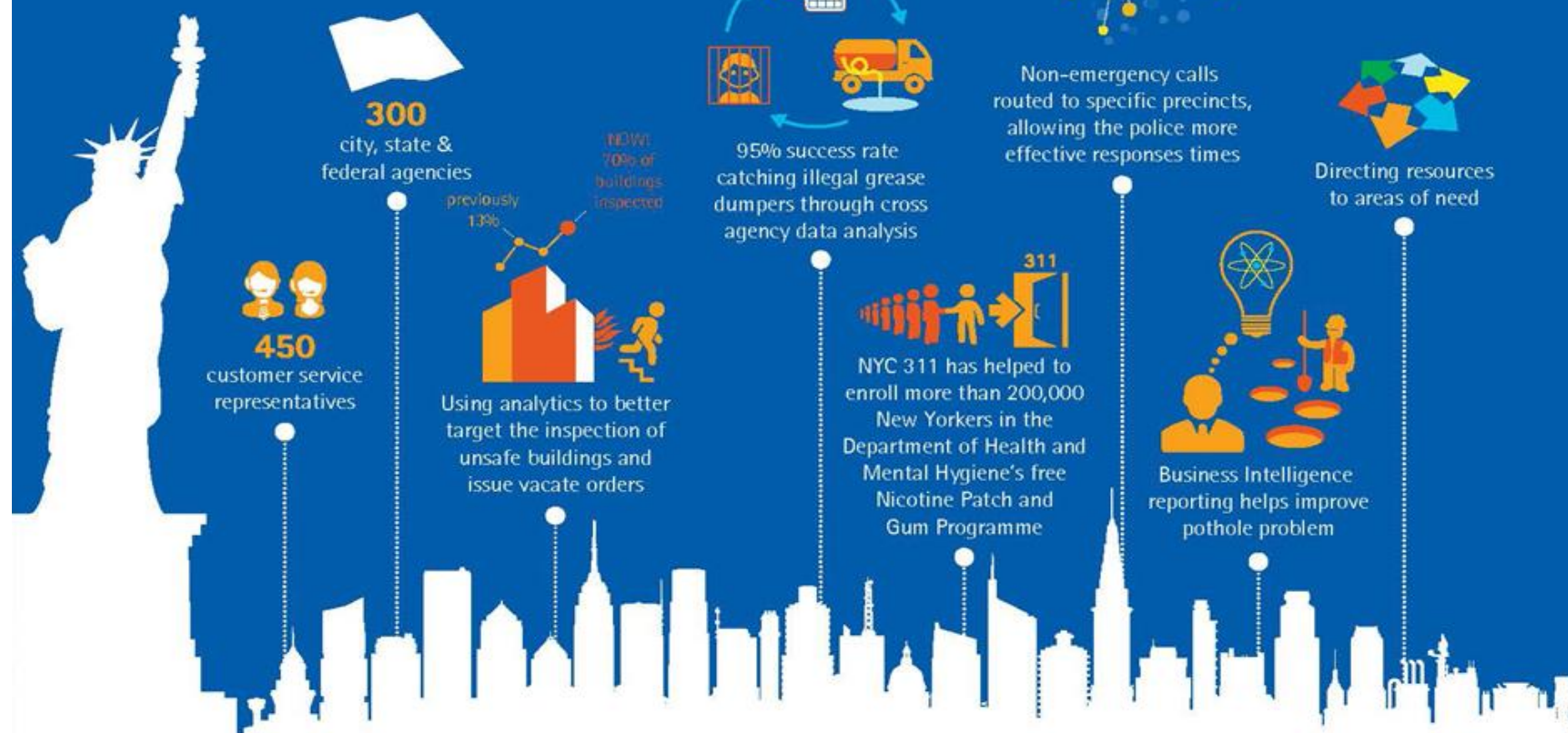
Digital governments of the future need to develop new capabilities and radically reshape the way they deliver public services

Examples of differentiated initiatives by governments

New York has successfully implemented the 311 one stop Government for 8 million residents

“It's not just a citizen service hotline, it is the most powerful management tool ever developed for New York City government. I can't imagine running the city without it.”

Michael Bloomberg – Mayor, New York City





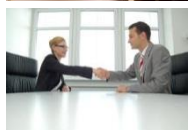
The New York Government is using digital to transform the way it delivers services by leveraging one integrated back office

Citizens,
Businesses..
for all their life
events

Can access
and
“act”

Through the
channel
of their choice, at
any time

To all public
services of the
City



Information

Interaction

Transaction

Inquiries

Feedback



Telephone (24/7) – unique number



Single Online Portal



Tele conference

Phone app.

Integrated Back Office
120+ agencies connected



900+ services
provided*

50 languages

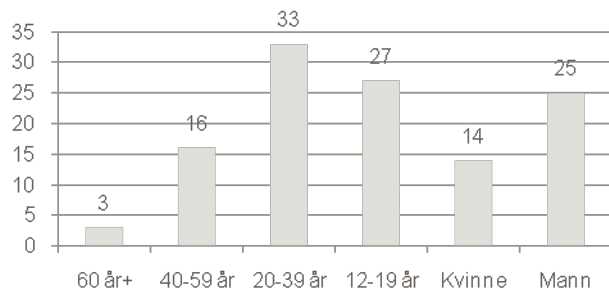
Action on requests:
repairing potholes,
broken street lights,
acquiring birth
certificates

85% inquiry resolved
during initial call

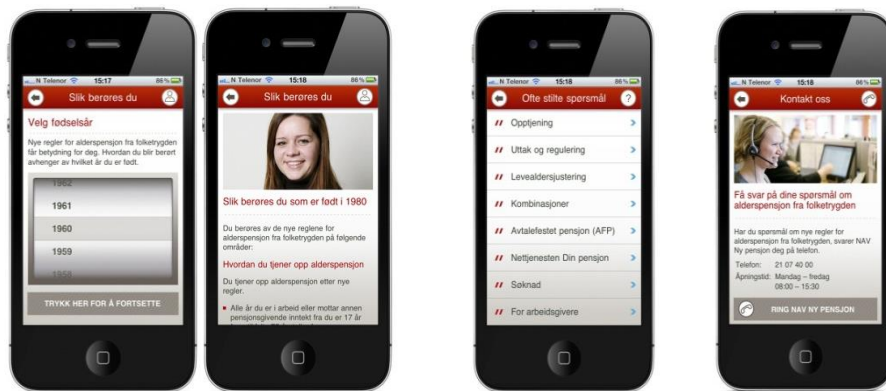
First line of
communication to
citizens during large-
scale emergencies

- Get the latest information on Hurricane Sandy.
- Find a hurricane evacuation zone by address.
- Download a map of the NYC hurricane evacuation zones.

In Norway, NAV utilises data analytics and customer segmentation in order to effectively produce targeted messaging and information campaigns



Customer Segmentation



Personalised Information

FAQ Service

Call Centre

- Through NAV's new smartphone application the population was segmented into different user groups, and targeted information campaigns were developed for each segment
 - Provided increased knowledge about pensions rules/regulations especially amongst the younger target groups
 - The app gave the user personalised information about how they are affected by the new pension regulations based on their birth date

Through the NAV application, users are able to:

- Conduct self service solutions
- Access FAQ regarding new rules and pension benefits
- Directly contact NAV call center
- Post questions to NAV through their Facebook account



**Over 18,000
individuals
downloaded the
NAV app**

Why Gamification works

There are 2 key trends catalyzing the adoption of Gamification. The first is the workforce shifting from Gen X to Gen Y - an entire game-infused generation. To Gen Y, games norms are everyday norms. Gamify to relate to Gen Y.

Profiling Gen Y



- Born 1980 – 2000
- Internet is the norm
- Video game norms
- Idealistic
- Privacy less important
- Seek instant gratification
- Social purchasers
- Prefer non face-to-face communication

	Youths	Young Adults	Growing Families	Prime Adults	Retirees
In 1990	Gen X	Baby Boomers			
In 2005	Gen Y	Gen X		Baby Boomers	
In 2015	Gen Y		Gen X		Baby Boomers
		Bulk of workforce & key spenders			

Gen Y – Increasingly, Everyone Plays Games

American kids 2 - 17 who played computer games¹: 2009: 82%  9%
2010: 91%

National Average of who play computer games²: 2010: 67%

Source: 1. http://news.cnet.com/8301-13506_3-20118481-17/91-percent-of-kids-are-gamers-research-says/

2. <http://www.esrb.org/about/images/vidGames04.png>

Gamification in Pension: Sun Life gamifies retirement with an online gamification platform

Sunlife Financial use an online gamification platform that aims to educate consumers on retirement and investment planning

OBJECTIVE

Educate consumers on retirement and investment planning, especially the younger generations which have recently demonstrated less interest in saving and planning for retirement



““We’ve had the biggest take-up from Generation Y. The younger gravitate toward gamification even more than other generations,”

says the SVP of Sun Life Financial.

In addition to text content, Money UP provides access to videos, interactive flash-based experiences, financial calculators, a retirement planner, and other online learning devices. Players can also share scores on Twitter and Facebook.

Since the recent launch of Money UP, Sun Life has seen a surge of activity across all age groups

Thank you