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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

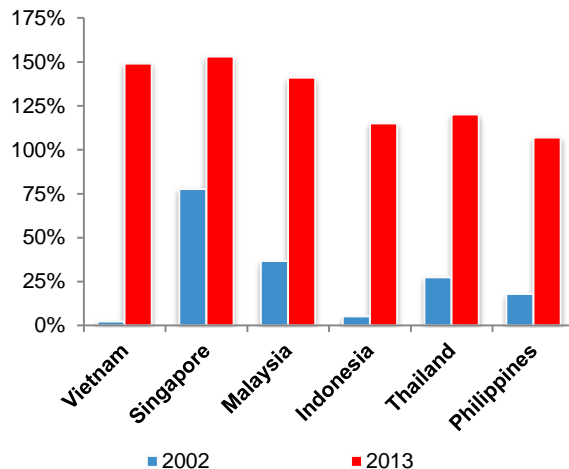# The rise of digital technologies has changed the way citizens interact with organizations and each other

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

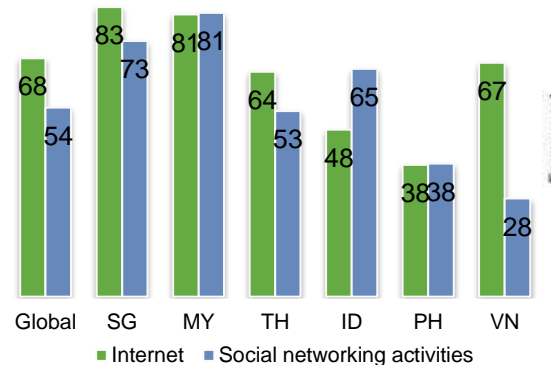**Everywhere, everyone** has access to digital media and…

…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.
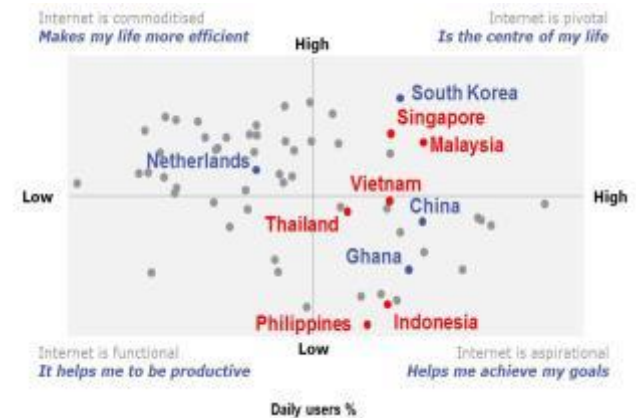
ASEAN-6: Mobile Penetration, 2002 - 2013

(Bar chart showing mobile penetration by country: Vietnam, Singapore, Malaysia, Indonesia, Thailand, Philippines; legend: ■ 2002, ■ 2013)

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

Global: 68 / 54; SG: 83 / 73; MY: 81 / 81; TH: 64 / 53; ID: 48 / 65; PH: 38 / 38; VN: 67 / 28

Legend: ■ Internet ■ Social networking activities

ASEAN-6: Importance of internet

(Scatter plot: Internet is commoditised / Makes my life more efficient — High — Internet is pivotal / Is the centre of my life; Low — High; Internet is functional / It helps me to be productive — Low — Internet is aspirational / Helps me achieve my goals; Daily users %; labels: South Korea, Singapore, Malaysia, Netherlands, Vietnam, China, Thailand, Ghana, Philippines, Indonesia; Engagement)

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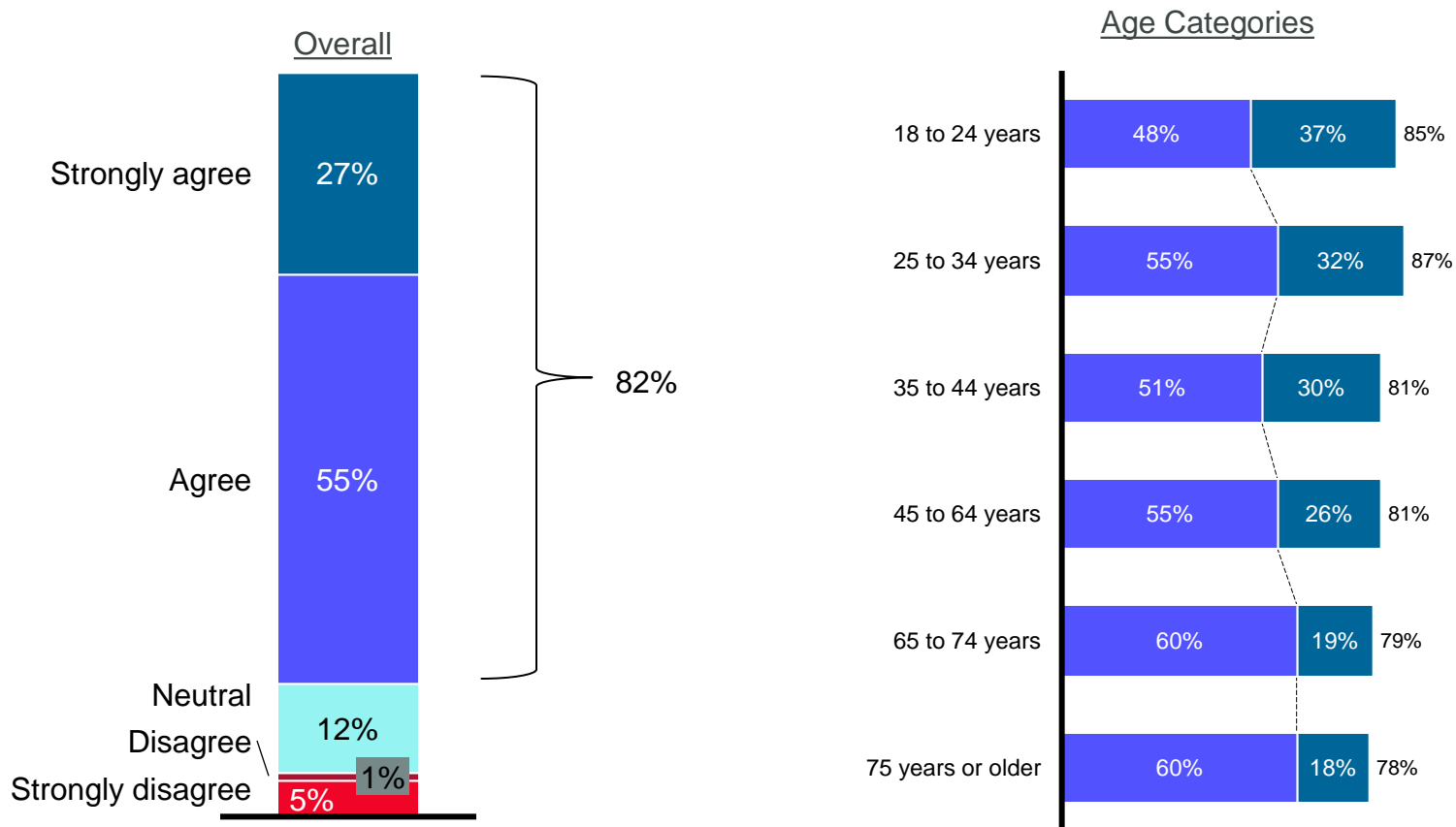- People communicate in new and open ways through digital tools
- Communication is continuous and information exchanged in real-time

Source: ITU Database 2013, Accenture Analysis of data from the EIU, 2012; TNS Digital Life, 2011

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.

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
  lder segments do not prefer self-service.

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

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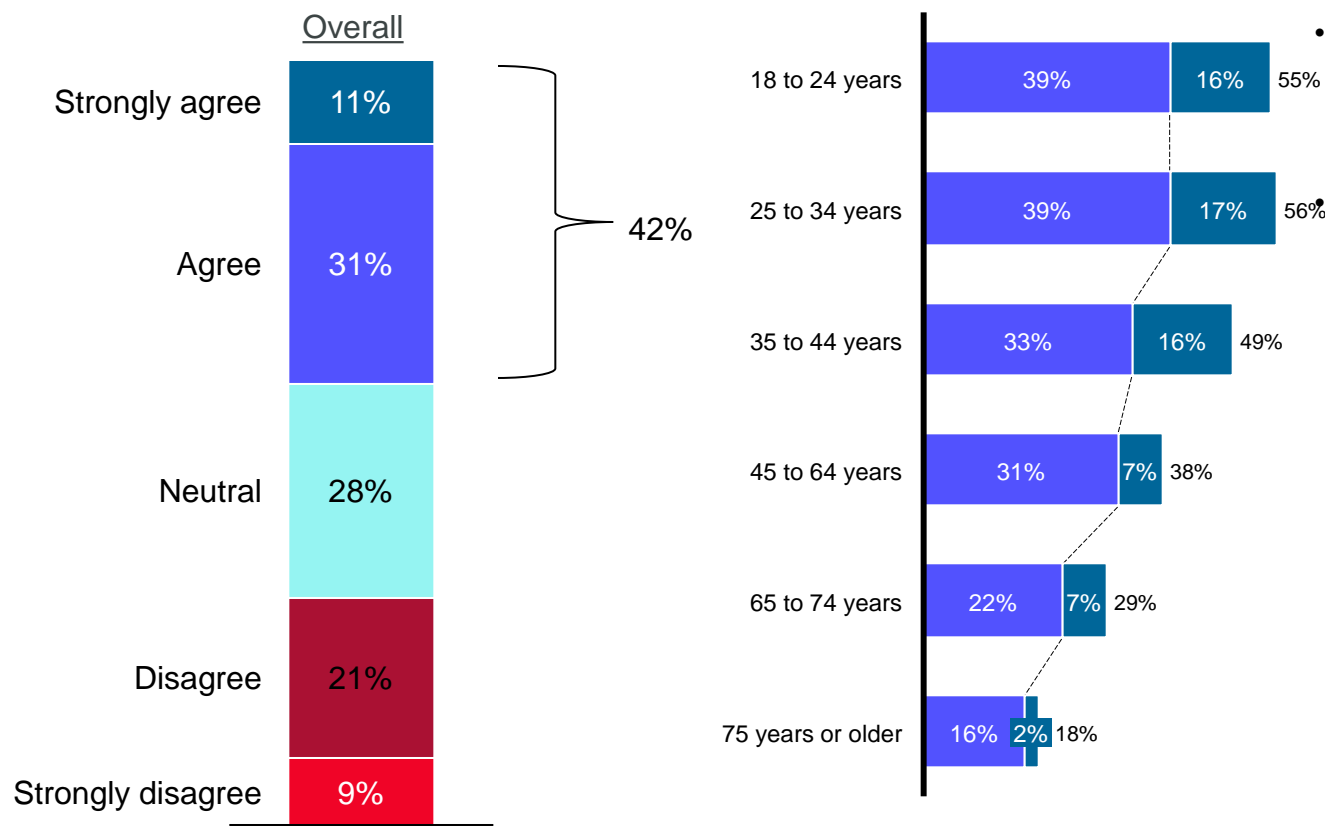
Q3. I appreciate a company that allows me to customize the products and services I receive based on my personal preferences and situation:

Overall

Strongly agree	27%
Agree	55%
Neutral	12%
Disagree	1%
Strongly disagree	5%

82% (Strongly agree + Agree)

Age Categories

Age	Agree	Strongly agree	Total
18 to 24 years	48%	37%	85%
25 to 34 years	55%	32%	87%
35 to 44 years	51%	30%	81%
45 to 64 years	55%	26%	81%
65 to 74 years	60%	19%	79%
75 years or older	60%	18%	78%

Sample Base: Total sample

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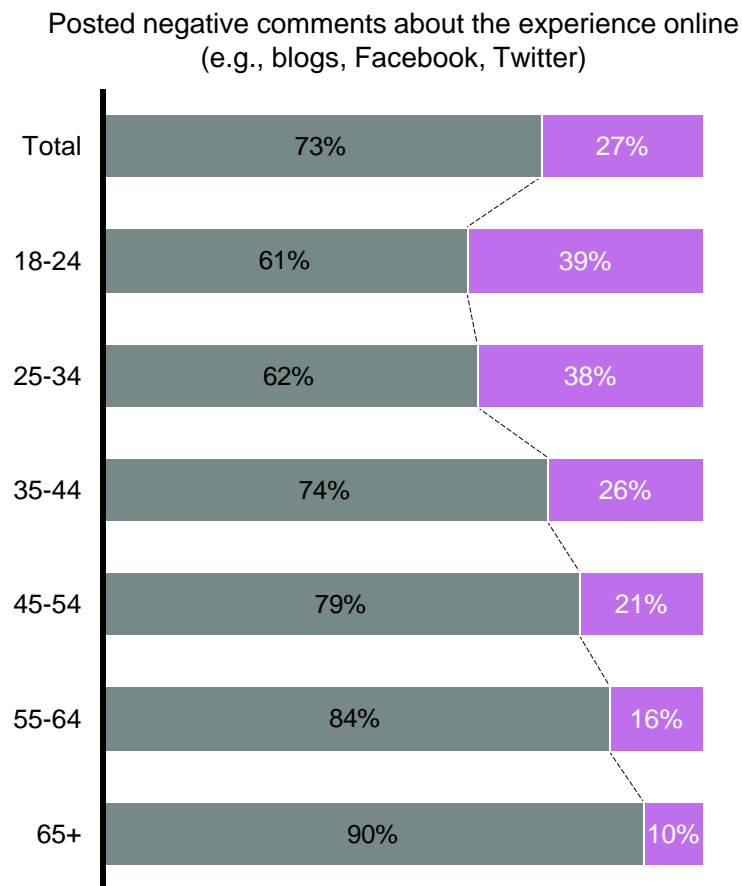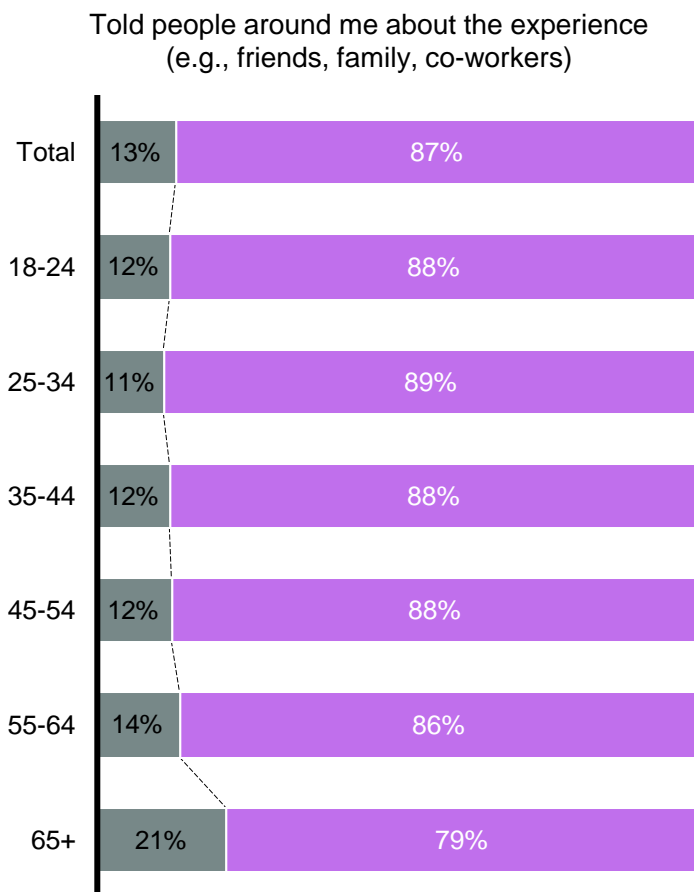(Web, Chat, Forums, Interactive Voice Response, SMS, etc.)

Overall

Response	%
Strongly agree	11%
Agree	31%
Neutral	28%
Disagree	21%
Strongly disagree	9%

42%

Age group		Total
18 to 24 years	39% / 16%	55%
25 to 34 years	39% / 17%	56%
35 to 44 years	33% / 16%	49%
45 to 64 years	31% / 7%	38%
65 to 74 years	22% / 7%	29%
75 years or older	16% / 2%	18%

- 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.

Sample Base: Total sample

6

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)

	No	Yes
Total	13%	87%
18-24	12%	88%
25-34	11%	89%
35-44	12%	88%
45-54	12%	88%
55-64	14%	86%
65+	21%	79%

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

	No	Yes
Total	73%	27%
18-24	61%	39%
25-34	62%	38%
35-44	74%	26%
45-54	79%	21%
55-64	84%	16%
65+	90%	10%

No   Yes

Agenda

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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

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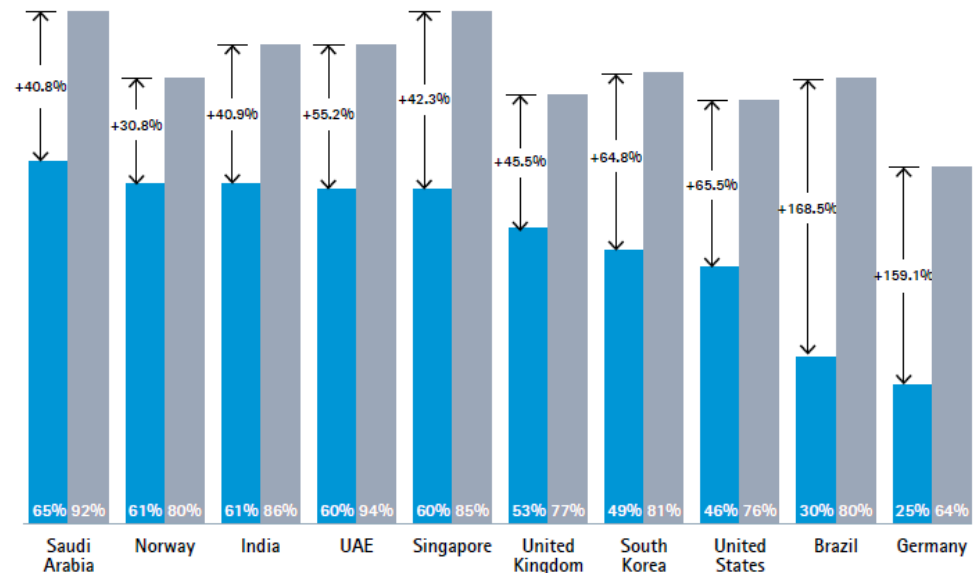81% citizens want governments to provide more digital public services.

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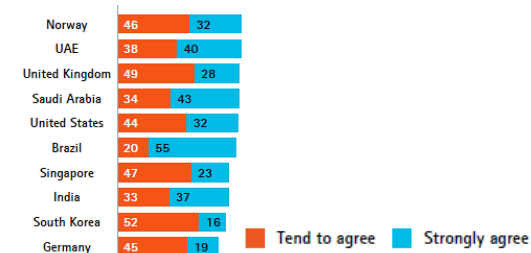■ % considering very or fairly important to provide more digital channels

	Saudi Arabia	Norway	India	UAE	Singapore	United Kingdom	South Korea	United States	Brazil	Germany
gap	+40.8%	+30.8%	+40.9%	+55.2%	+42.3%	+45.5%	+64.8%	+65.5%	+168.5%	+159.1%
using	65%	61%	61%	60%	60%	53%	49%	46%	30%	25%
important	92%	80%	86%	94%	85%	77%	81%	76%	80%	64%

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

Country	Tend to agree	Strongly agree
Norway	46	32
UAE	38	40
United Kingdom	49	28
Saudi Arabia	34	43
United States	44	32
Brazil	20	55
Singapore	47	23
India	33	37
South Korea	52	16
Germany	45	19

10

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

	Very dissatisfied	Fairly dissatisfied		Fairly satisfied	Very satisfied
UAE	7	14		33	34
Saudi Arabia	10	21		36	19
Singapore	5	16		44	6
Norway	4	14		40	7
United Kingdom	6	28		34	3
India	12	25		24	7
Germany	7	22		28	3
United States	19	25		22	6
South Korea	7	28		18	1
Brazil	45	22		10	5
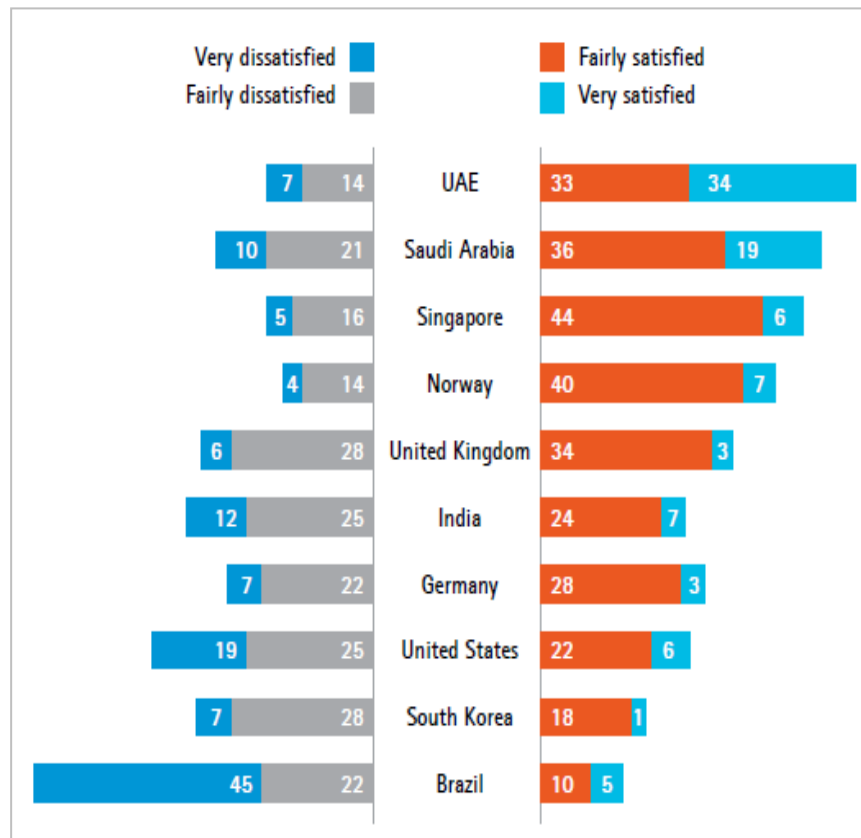
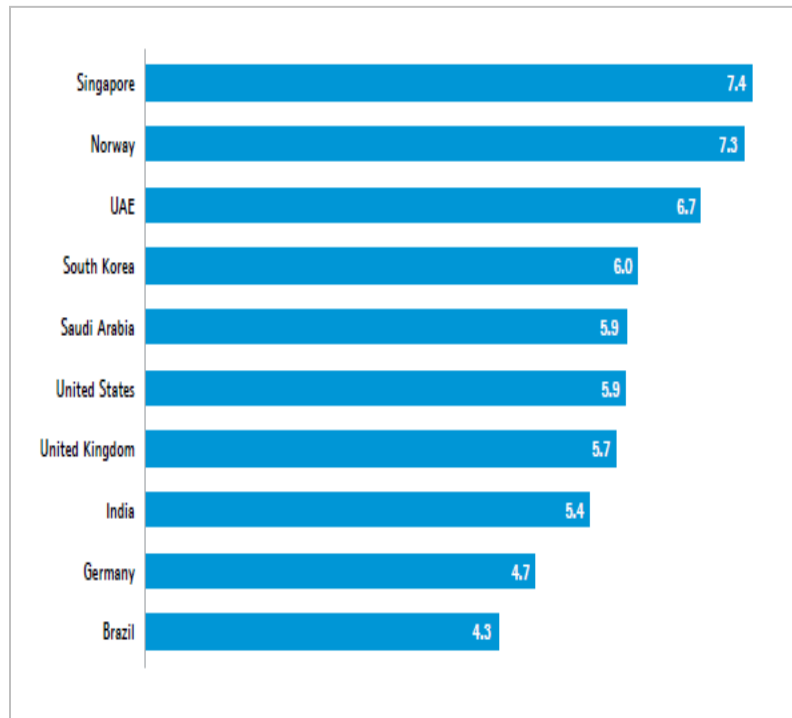- An Accenture survey in January of 10 countries showed, on average, **less than 45% of citizens are satisfied with the public service quality** in their country

- **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	Are not the countries which get the better customer satisfaction level

Digital Performance Ranking

Country	Score
Singapore	7.4
Norway	7.3
UAE	6.7
South Korea	6.0
Saudi Arabia	5.9
United States	5.9
United Kingdom	5.7
India	5.4
Germany	4.7
Brazil	4.3

Citizen satisfaction level in countries

Legend: Very dissatisfied, Fairly dissatisfied, Fairly satisfied, Very satisfied

Country	Very dissatisfied	Fairly dissatisfied	Fairly satisfied	Very satisfied
UAE	7	14	33	34
Saudi Arabia	10	21	36	19
Singapore	5	16	44	6
Norway	4	14	40	7
United Kingdom	6	28	34	3
India	12	25	24	7
Germany	7	22	28	3
United States	19	25	22	6
South Korea	7	28	18	1
Brazil	45	22	10	5

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?

■ Not interested ■ Currently using and interested in using

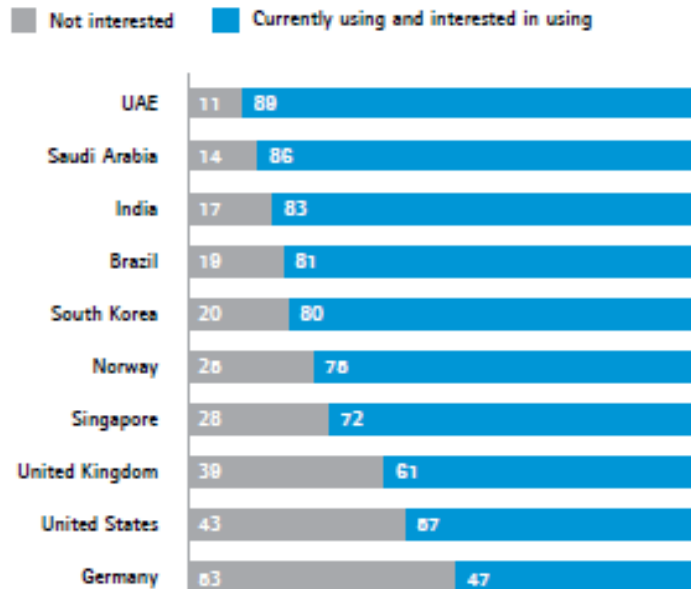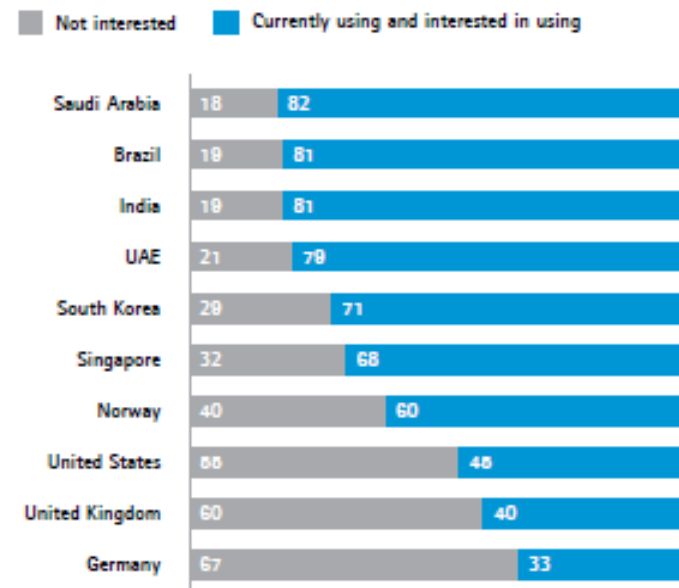| Country	Not interested	Currently using and interested in using
UAE	11	89
Saudi Arabia	14	86
India	17	83
Brazil	19	81
South Korea	20	80
Norway	26	78
Singapore	28	72
United Kingdom	39	61
United States	43	57
Germany	53	47

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?

■ Not interested ■ Currently using and interested in using

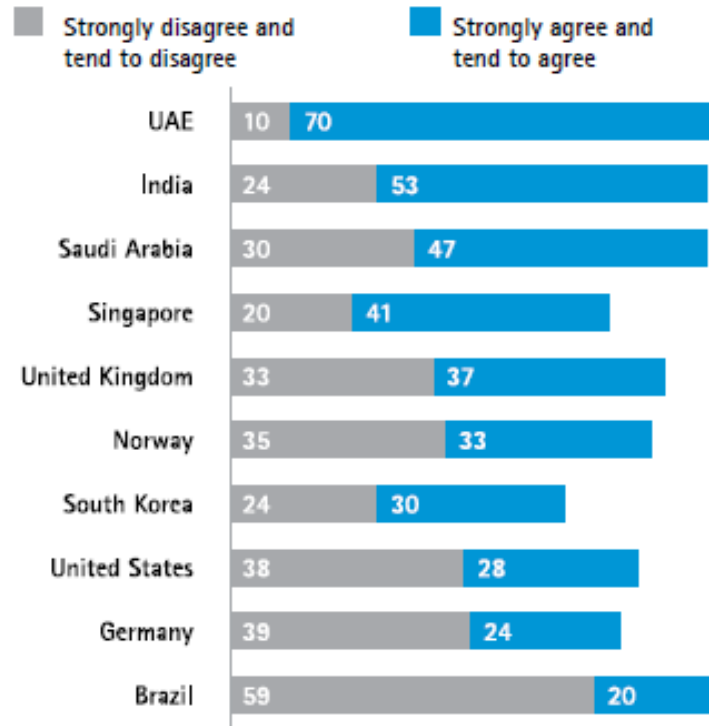| Country	Not interested	Currently using and interested in using
Saudi Arabia	18	82
Brazil	19	81
India	19	81
UAE	21	79
South Korea	29	71
Singapore	32	68
Norway	40	60
United States	55	45
United Kingdom	60	40
Germany	67	33

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?

Strongly disagree and tend to disagree
Strongly agree and tend to agree

Country	Strongly disagree and tend to disagree	Strongly agree and tend to agree
UAE	10	70
India	24	53
Saudi Arabia	30	47
Singapore	20	41
United Kingdom	33	37
Norway	35	33
South Korea	24	30
United States	38	28
Germany	39	24
Brazil	59	20

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

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 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

Mass customiz-ation

Collaborative commerce

3rd industrial revolution

Digital identity with anonymity

Phy-gital economy

Mega cities and smart villages

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
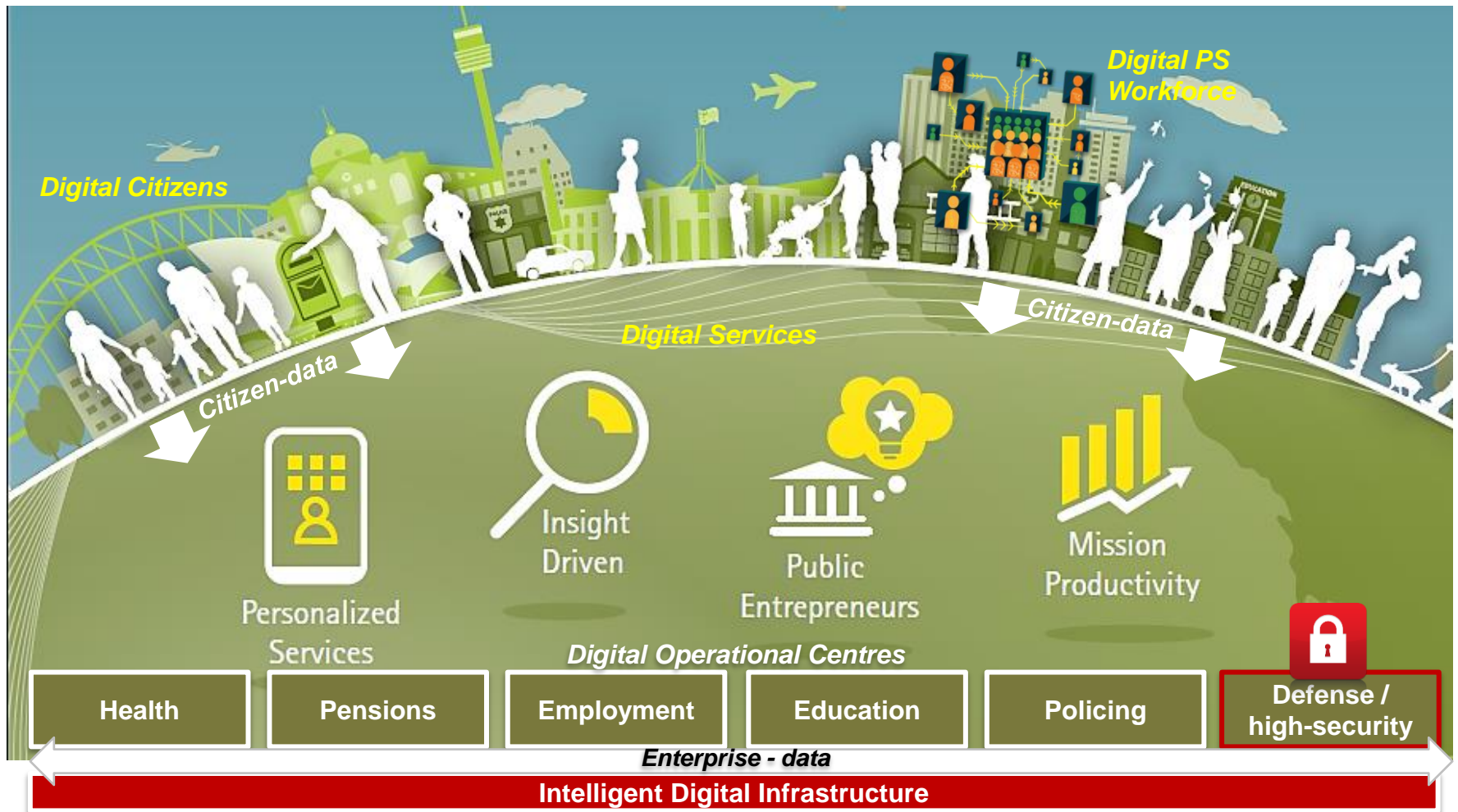
Digital Public Workforce

Digital Services

Intelligent Infrastructure

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

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'**

Digital Public Workforce

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

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 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

HIGH PERFORMANCE AREAS	DESCRIPTION
1 Customer Relationship Management	• Deep understanding of **customer needs and preferences** • Full **digital options** and **consistency** for all types of **interaction** • **Single view** of the Govt. / single view of the customer (one-stop shop) • **Insight-driven** service improvement • **Single point of accountability** for customer service (24X7)
2 Digital Experience Design	• **Intent-based** user experience with prominent semantic search • **Multi-channel,** strong focus on mobility with tailored user experience • **Presence in key citizen channels** – social media, Apps, online
3 On-line engagement	• Vast majority of **information** requests satisfied on-line • **Google experience** with digital assistant • **Knowledge base** supports content management and presentation • Significant **reduction in high-touch, high-cost interactions** • **Participation in forums** - listen, speak, follow through
4 Identity Management and Trust	• Flexible and convenient citizen **identity management services** • Strategies and tools for managing **digital 'avatars'** • Secure **digital communication** with **privacy and trust** • **Cross-organization security agreements** (to support information sharing)

Digital Citizen

Digital Government 2030:
Digital Public Service Workforce

Digital Public Service Workforce – Description

HIGH PERFORMANCE AREAS	DESCRIPTION
5 Connected and Collaborative	• Government workers **collaborate across organizational boundaries** • Field workforce has **full technology capability in their hand** • **Networked communities** including citizens, academia, developers and industry practitioners to collaborate on services and create social value
6 Insight-Driven	• **Insight is a key asset** to improve customer service, operational efficiency and mission effectiveness • Strong capabilities to **analyze trends, anticipate, generate insights** • Workers are rewarded for **proactively addressing issues** • Core capability in **analytics** is developed (centrally or agency portfolios)
7 Performance focus	• Enterprise **performance management** (with customer service performance at its foundation) • **Transparency / accountability** helps fuel transformation agenda
8 Constituent Engagement	• Apps and strategies to encourage **crowd-sourcing from an active citizen "workforce"** • **Continuous dialogue** with constituents and **culture of engagement** • **Streamlining delivery** between **government and other actors** to improve service quality and productivity • **Single point of accountability** for citizen engagement

Digital PS Workforce

Digital Government 2030:
Digital Service

Digital Service – Description

HIGH PERFORMANCE AREAS	DESCRIPTION

Digital Service

9 — Service integration / automation

- Wrapping the digital service around a **holistic view of the customer**
- **Real time event awareness** across organization boundaries
- **Cross-organization data sharing governance** and open standards for **information exchange** (e.g. NEIM)
- **High-degree of automation** with human support only on exception
- **Continuous improvement process** is inbuilt in the strategic planning
- **Management of enterprise data** across the different operational centers for analyzing trends and decision support

10 — Operations management

- Creation of **sector based operational centers** (employment, education, health, …) to perform the specific activities required by the different customers (jobseekers, students, patients, …)
- **Non-core operations** sharing across agencies and departments
- Integrated **case management**, **centralized processes and implementation of workflow management** – ensuring uniformity and consistency across organizations
- **Continuous improvement** through insights availability and integration into the business operation

11 — Analytics / Intelligence

- **Advanced analytics solutions for each function** (citizen and interaction, operations, fraud, risk & compliance, human capital)
- **Big data intelligence tools** (data discovery, social network analytics)
- **Information management** (business intelligence, data management, data integration) and **forecasting capability**

Digital Government 2030:
Digital Infrastructure

Digital Infrastructure – Description

HIGH PERFORMANCE AREAS	DESCRIPTION
12 Smart Data Center	• **Cloud-based** data centers for rapid deployment, scalability, agility • **Resilient systems designed for failure – and quick recovery**, to meet the need for "**always on**" IT infrastructure • **Open APIs** exposed for all government services and other relevant actors • **Hyperscale systems** to reduce cost of ownership and improve processing capability
13 'Always –on' Network	• **Intelligent network management** to be **always on and optimized** • Provide **seamless collaboration** like 'dial tone' i.e.: for user driven collaboration provisioning and system orchestration
14 Ubiquitous Workplace	• Dynamically assess the location (office, mobile or home) and **provision the PS workers experience to suit** • **Virtual workplaces** with very **limited physical infrastructure**
15 Cyber Security	• Strong **identity management infrastructure** to provide seamless user experience • **Proactively analyzes security threats** and patterns to pre-empt risk
16 Intelligent Operations	• **Predictive maintenance** of digital assets and artefacts • **Sensing technologies** embedded within core applications to drive operational insight • **Adaptive** computerized **workflow and processes** • **Workload management automation**, problems detection and solution identification

Digital Infrastructure

Agenda

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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

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

NYC 311 Government Services and Information for NYC

" 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

300 city, state & federal agencies

NOW! 70% of buildings inspected previously 13%

450 customer service representatives

Using analytics to better target the inspection of unsafe buildings and issue vacate orders

95% success rate catching illegal grease dumpers through cross agency data analysis

Non-emergency calls routed to specific precincts, allowing the police more effective responses times

Directing resources to areas of need

NYC 311 has helped to enroll more than 200,000 New Yorkers in the Department of Health and Mental Hygiene's free Nicotine Patch and Gum Programme

Business Intelligence reporting helps improve pothole problem

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

NYC 311 Government Services and Information for NYC

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

Text 311-692
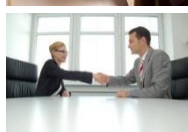
Telephone (24/7) – unique number

Interaction

Single Online Portal

Transaction

facebook

Inquiries

Skype   NYC 311

Feedback

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.

*source: nyc.gov/apps/311/ - 29/11/2012

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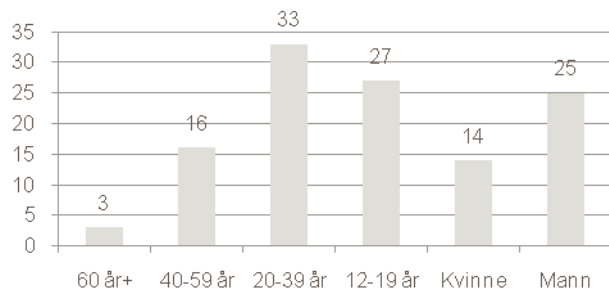
Customer Segmentation
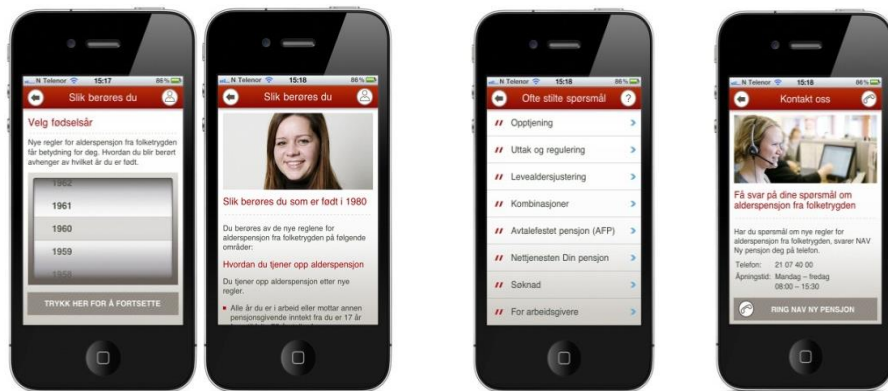
Personalised Information

FAQ Service

Call Centre

Over 18,000 individuals downloaded the NAV app

- 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

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 games[1]: 2009: 82% ⬆9%
2010: 91%

National Average of who play computer games[2]: 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