



# Think Paper 5: Is Citizen-centric the same as Customer-centric?

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## Think Paper 5: Is Citizen-centric the same as Customer-centric?

### Neil McDonald, Birmingham, England, 24th October 2006

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"Think Papers" aim to present strategic issues that will be explored with stakeholders and researchers. They are intended to be high-level summaries both of the issues and challenges, and of the ongoing work undertaken by the project team. They will be updated on the project web site <u>http://www.ccegov.eu/</u> where registered participants can contribute to interactive explorations of definitions and issues.

Treating citizens as customers has benefits to both sides of the citizen-government interaction is a commonplace theme, underpinned by a series of implicit and explicit assumptions, many linked to issues surrounding the benefits of importing practice from the private sector. This paper invites reflection on the extent to which citizens (or recipients or beneficiaries of public services) can benefit from being regarded, by service-providers, as 'customers' rather than 'citizens'. The key question under consideration is: What benefits might such an approach bring about, what evidence is there of its effectiveness, and what practical examples are available to learn from in this area? Here, we are looking in particular at the definitions and characteristics of being customer and being citizens.

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## 1 Key messages

Being a 'customer' is a sub-set of being a 'citizen'. Citizen carries a much wider set of components, not least an interest in fairness and a role in representative democracy. Citizen as customer applies to improvements in "transactional capacity'.

Approaching citizens as customers **does not necessarily imply commercialisation** of the relationship between citizen and government.

Citizens can still be customers if they have no choice and their transactions with government are not regulated by binding contractual arrangements.

There may be a '**levelling–up' of citizen expectations** as a result of experiences in the realm of private/commercial digital transactions. Such improvements focus on efficiency and flexibility of delivery and on Customer Relationship Management (CRM).

If, as some evidence suggests, **people want choice between services rather than just choice between channels**, then this has significant implications for current eGovernment approaches (i.e. those focusing on customer service only).

A **better understanding of citizen preferences** is fundamental to inform re-design of services and organizational change aimed at increased citizen-centricity.

## 2 Citizen as customer

There is a significant body of literature (reports, best practice cases, policy papers) which discusses this theme and which lays claim to benefits of being sensitive to customer needs, for example:

- Higher levels of customer service and satisfaction, which can be further broken down into considerations of flexibility, multi-channel delivery, personalization or targetisation, response times, complaint resolution and information management.
- Developing increased trust and confidence in government (linked by some authors to enhanced democracy).
- Increased participation in the democratic process and in developing more customercentric, innovative public services.

In this section the customer/citizen trends are described, as defined by the body of policy and research surrounding the paradigm. In particular, we are interested in where citizen and customer might converge, and equally diverge, whether there might be any obvious limits to the concept.

#### 2.1 Context - EU strategy

In EU policy terms the positioning of eGovernment within the i2010 strategy<sup>1</sup>. Commissioner Reding articulated the elements of citizen-centricity at the Manchester Ministerial Conference in November 2005. The link between citizen-centricity and the experiences of citizens as 'citizen-consumers' was articulated the following month, where the Commissioner stated "citizens will expect online public services to be as good as private sector websites. Indeed, the focus has to be 'citizens first'. This may require profound changes across departments within the administrations"<sup>2</sup>.

In April 2006 this was followed by the publication of the EU's new eGovernment Action Plan<sup>3</sup>. The role of eGovernment in modernisation and reform (of government) is emphasised in the context of ageing populations, climate change, terrorism; and of citizens demanding better services, security and democracy. The Action Plan has five major objectives for 2010, three of which are directly relevant to the citizen-as-customer issue: No citizen left behind; raising efficiency in public service delivery; and, strengthening participation and democratic decision-making.

Linking these policy statements together we can consider a vision where the public sector draws upon best practice from the private sector, essentially covering transaction efficiency, dependability, cost and meeting demand, but including that element which the private sector

<sup>&</sup>lt;sup>1</sup> http://ec.europa.eu/information\_society/eeurope/i2010/docs/annual\_report/com\_2006\_215\_en.pdf

http://europa.eu.int/information\_society/activities/egovernment\_research/doc/highlights/egov\_action\_plan\_en.pdf

<sup>&</sup>lt;sup>2</sup> http://ec.europa.eu/comm/commission\_barroso/reding/docs/speeches/paris\_20051213.pdf

<sup>&</sup>lt;sup>3</sup> COM(2006) 173 final: i2010 eGovernment Action Plan: Accelerating eGovernment in Europe for the Benefit of All.

cannot provide, which we might call 'enhancing the democratic relationship'. The privatesector/consumerist approach therefore offers something to providers of public services, but it seems mainly confined to certain elements of the overall nexus of citizen-government transactions and interactions.

The citizen as customer element may be narrowed down to '*cost-effective, personalised and relevant services*'. In other words, the role of practice borrowed from business could be considered as: those technologies, processes and approaches that make the delivery of a service better (convenient, more channels, cheaper, easier to use etc.) but which do not, in themselves, promote stronger engagement with government, healthier democratic dialogue or tackle exclusion. On the other hand it could be argued that by making the transaction more efficient and accessible, trust is built and that citizens have a stronger impression that the government is interested in them and responsive to their needs. This could then form the basis for progress in the field of democratic participation.

The EU Ministerial Declaration 2005 makes several references to the need for policies to achieve more user-oriented public services through use of technology. One of the four major themes of the Declaration is "Delivering high impact services designed around customers' needs". This includes references to pan-European citizen mobility, improved job search services across Europe, access to personal information such as patient records, education, pensions, culture and leisure and enterprise mobility. Under the heading "Widely available, trusted access to public services across the EU, through mutually recognised electronic identifications", reference is made to the need for secure electronic means of identification to maintain citizens' trust.

The term citizen-centric with respect to ICT-enabled public services has in fact become common parlance in the European Commission. For example, on the 5 April 2006 EU Commissioner Reding said: "Electronic government is moving beyond online information to fully transactional, citizen-centric and personalised services that deliver the high value added that citizens expect". In terms of research to support the policy goals outlined above, the EU funds a number of research projects designed to explore user-centric online public services, including the eUSER Project<sup>4</sup>, the focus of which is on "how the perspective of **putting the** user at the centre in the designing and delivery of online services and content can be met". The EC IST Programme component of the Sixth Framework Programme also supports a range of projects developing technical solutions designed to develop improved online public services. The European Commission's Good Practice Framework<sup>5</sup> contains a significant number of projects, although it is not possible currently to determine which of these may be relevant to the citizen-as-customer issue under discussion here. What this EU-supported activity does demonstrate is the strong desire on the part of EU policy-makers to promote and facilitate deployment of better online public services per se, albeit that the specific aspect concerning customer and citizen-centricity remains less visible than aspects such as benchmarking, measurement and technological innovation.

<sup>&</sup>lt;sup>4</sup> http://www.euser-eu.org

<sup>&</sup>lt;sup>5</sup> http://www.egov-goodpractice.org/index.php?

#### 2.2 Language matters

The trend towards using the language of business and consumer/customer in the public service arena is driven at least in part by the perception of public administrators and policy makers that as private individuals, firms, and to some extent communities, reap the benefits of the increasingly digital world and on-line commerce in particular, their expectations rise such that they demand the same level of service in the private and public realms.

The terms most often associated with this trend towards 'customerization' in public service provision include: user-centric, customer-centric, citizen-centric and personalised. A review of literature suggests that these terms have different meanings for different people. For example Janssen and Zeef<sup>6</sup> examine the development of a citizen-centric portal in the Netherlands, and make an explicit link between practice in the private/business sphere and its translation into the public sphere, defining it in terms of 'customer relationship maturity'. Other authors refer to citizen-centric as requiring re-organisation of processes to allow a re-focusing on real citizen's needs, contrasted with simply providing electronic versions of existing services7. In another example Saxena<sup>8</sup> makes the distinction between inputs and impacts, arguing "the governance-centric view of e-governance focuses more on its effectiveness rather than its efficiency alone". The introduction to a World Bank hosted discussion (May 2006) on citizen-centric eGovernment<sup>9</sup> re-emphasises the need for "transforming and integrating government processes around the needs of the citizens", another example of identifying citizens as customers.

From this, however, there also seems to be some sense in which the term customer or citizencentricity is identified closely with 'joined-up government', focusing on effective delivery much more than on citizens' needs and preferences per se. So the primary concern of public administrations may be to deliver services more efficiently, effectively and economically because that is what citizens expect as customers.

#### 2.3 Split personalities?

Here we need to confront the terms user, client and customer. Business seeks both to retain existing customers, and to recruit new ones. A government department has the inverse aim financially of offloading existing customers and minimising the recruitment of new ones. This can be by the use of means-testing, detailed form-filling requirements, or waiting lists.

<sup>&</sup>lt;sup>6</sup> Janssen, Will, and Paul Zeef. (2006). Vision and Valuation of a Citizen-Centric Shared Information Portal (June 5 - 7) 19th Bled eConference, eValues, Bled, Slovenia,, [cited July 30 2006]. http://www.bledconference.org/proceedings.nsf/Proceedings/CE8BFB1C95810987C1257180003042EF/\$File/06\_Jansse

n.pdf for example: Bassara, Andrzej, Marek Wiœniewski, and Pawel Zebrowski. (2005). USE-ME.GOV – A Requirements-driven

Approach for M-Gov Services Provisioning USE-ME.GOV project, [cited July 20 2006]. http://www.usemegov.org/publicdeliverables/PUE\_BIS2005\_0405.pdf

<sup>&</sup>lt;sup>8</sup> Saxena, K B C. (2005). Towards Excellence in E-Governance. Gurgaon, India: Centre for Excellence in Information Management. April 4, Report Working Paper No. 2005-1, 16 p.

http://topics.developmentgateway.org/egovernment/rc/filedownload.do?itemId=1038935

<sup>&</sup>lt;sup>9</sup>http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTINFORMATIONANDCOMMUNICATIONANDTECHNOLOGIE S/EXTEDEVELOPMENT/0..contentMDK:20910821~menuPK:559467~pagePK:64020865~piPK:51164185~theSitePK:55 9460.00.html

Government therefore uses allocative power to disburse resources, without a clear connection between rising demand and increasing finance. It might be useful therefore to set out the characteristics of customers and citizens to allow an exploration of where the two converge, overlap or diverge. Firstly, dictionary definitions<sup>10</sup> include: **Consumer**, a person who buys a product or service for personal use; **Customer**, a person who buys goods or services from a shop or business, or a person or thing of a specified kind that one has to deal with; **Citizen**, a legally recognized subject or national of a state or commonwealth, or an inhabitant of a town or city.

These definitions apply to individuals, whereas for example businesses and arguably 'communities' are also recipients of public services. Also, it is notable that the definition of consumer carries no intrinsic requirement that the person has a choice, whereas customer does, in that there has to be more than one shop or business available. The definition of citizen is broad and unhelpful in this context since it carries no implications of rights, responsibilities etc. these being specific to the different countries concerned. Of course firms are not citizens either, but nevertheless must be considered in terms of thinking about how public services can better serve their 'customers'.

If these existing definitions are unhelpful then perhaps attempting to describe the characteristics of each may be more fruitful. We could explore what characterises the benefits citizens receive from the supplier/customer relationship in the commercial/private sector realm? This may include:

- **Choice/competition**, in terms of the having the option to switch provider, but also in terms of different delivery channels or interfaces.
- Responsiveness including minimisation of 'down-time'.
- **Product and service offering** based on demand backed up by market research, the promotion of special offers, or loyalty schemes. Some sort of feedback loop in terms of complaints and money-back guarantees for example.
- Innovation and flexibility to 'stay ahead of the game' continual reinvention or refreshment.
- Time-limited, defined legal contracts and recourse to civil and criminal justice

Of these features, some are more relevant to the delivery of public services than others. In particular it is easy to see how switching to another provider is usually not an option<sup>11</sup>, but multi-channel approaches are now common. Lack of choice in public service provision translates to a poor feedback mechanism in a monopolistic situation, but having some sort of influence on how public services are designed and delivered is possible.

If we turn to the characteristics of the citizen-government relationship as distinct from the customer-business relationship, we can suggest:

<sup>&</sup>lt;sup>10</sup> OUP Compact Dictionary

<sup>&</sup>lt;sup>11</sup> Although in the UK situation the privatisation of electricity and gas has separated infrastructure (the production of electricity and gas) from distribution, allowing customers to move between distribution providers. Therefore the landscape of what is, or is not a government-supplied public service is very uneven and complex in the EU.

- Strong influence of locality and the political dimension
- Underpinning statutory legal framework, but absence of binding 'contracts'
- Limited choice, open-ended 'contract', non-binding charters etc.
- Resource constraints and frequent lack of direct link between price and usage
- Poorly developed feed-back loop in many cases with limited penalties for nonperformance
- General lack of **market survey** data upon which to base design of services, and the absence of any self-interest on the providers part to increase uptake ('sales')

There is an obvious duality in that the public at large see themselves as both customers and citizens. Most significantly, the citizen perspective implies a connection with a wider community of interest to which individual (customer or self) interests may from time to time be subservient. This may be linked to issues of universality, fairness and protecting the vulnerable<sup>1213</sup>.

There is another duality in play here that we must also consider; that of rights and responsibilities. The citizen has certain fixed responsibilities, the most obvious of which is to pay taxes. But it could also be argued that, by increasing the opportunities and systems available to citizens to provide feedback to the providers of public services (giving them a more powerful influence), a corresponding set of new responsibilities may be created to accompany this new voice. For example, these responsibilities might include setting reasonable limits on the demands made, a responsibility to act upon or respond to abuses, and a stronger obligation to contribute to societal development and the democratic process. This would appear a reasonable proposal, but is fraught with difficulties and touches on fundamental debates surrounding definitions of 'citizen'. Diversity of traditions across Member States is also relevant here, adding to the challenge of having a serious discussion in this area.

#### 2.4 Managing expectations

This area concerns some fundamental underpinnings to the issues surrounding citizen-ascustomer. In 2000 Don Tapscott<sup>14</sup> wrote that "Citizens accustomed to one-click shopping are fed up with jumping through multiple governmental hoops such as standing in line, filling out duplicate forms, and being bounced from department to department to obtain a building permit or pay taxes". This situation has in part propagated the myth that government is inherently less capable of dealing with citizens than is business with its customers. However, customer concerns are a problem for business, especially e-business<sup>15</sup>. Second, government service delivery is inherently more complex that business service, with a need to cover all customers, not just segments of geodemographically suitable customers.

<sup>&</sup>lt;sup>12</sup> Work Foundation (September 2006): *Public Services and ICT – where next for transformational government?* <u>http://www.theworkfoundation.com/Assets/PDFs/adobe5b.pdf</u>

<sup>&</sup>lt;sup>13</sup> Public Management Foundation (1996) The Glue that Binds – Public Value of Public Services.

<sup>&</sup>lt;sup>14</sup> http://www.aoema.org/E-Government/Agency\_citizen\_models.htm

<sup>&</sup>lt;sup>15</sup> Anon. (2006a). Dumb' Retail Sites Fail to Deliver Customer Service (July 5) CRM2DAY.com, [cited July 11 2006]. http://www.crm2day.com/news/crm/119238.php, BBC. (2006c). 'Poor deal' for internet shoppers (June 19) BBC, [cited June 19 2006]. http://news.bbc.co.uk/2/hi/business/5094730.stm, Economist. (2004c). Unlimited opportunities? (May 13) Economist, [cited May 13 2004]. http://www.economist.co.uk/surveys/displayStory.cfm?Story\_id=2646195

If we look at the findings of the Work Foundation Study<sup>16</sup>, distilled from survey and focusgroup work, we can start to see the complexity inherent in understanding and responding to citizen's expectations. So for example, the research noted important gaps between citizen and consumer expectations: both individual and universal expectations need to be addressed to improve satisfaction. This goes to the very heart of the question once again – addressing customer (individual) needs is only part of the picture. Interviewees in the Work Foundation research voiced significant concern about the digital divide and the potential for an increase in eGovernment to dis-empower and disconnect some members of the community from public services. Another key finding is that people tend to regard the pubic sector as "important and different from the private sector". This sentiment refers in particular to important life events – birth, health, education and death.

Recently Professor lan Angell of the London School of Economics argued that eGovernment is undemocratic<sup>17</sup> saying "...this drive towards economy [through eGovernment] would disenfranchise a section of the population that required interaction with front office staff to access services". This argument finds some resonance in the Work Foundation findings discussed above. However, an opposing view would consider that there are some commercial dimensions to the interaction. For example, citizens may opt out of public services (the obvious cases being health and education) on the basis that there are alternatives that offer better values for money. In another example, it is possible to use market-type incentives to manage demand, for example using congestion charging, where charges for using a public service are linked to usage rather than having a 'flat-rate'. Note also that 'services of public interest' have the potential to be fully or partly delivered by private providers.

Once again the issue of whether or not it is fruitful to consider citizens as customers cannot be answered straightforwardly; it seems more likely that it is only partly valid and loses its impact in particular where services are more 'emotionally-charged'. There is currently a debate in the UK about the future of post offices in rural areas<sup>18</sup>, where, as some of the services they have traditionally delivered (and from which they have derived income to supplement the retail element) have been migrated to an online environment (benefit payments, road tax and television licensing<sup>19</sup>), the future of these key features of village life are under treat of closure, with the wider socio-economic impacts that such a development implies. Whereas, as individuals (customers) most probably welcome the greater convenience that online transactions deliver, many may also be concerned (as citizens) about the potential impact on the vitality of certain communities.

The concept of 'public value', around which there is an emerging literature<sup>20</sup>, offers potential to help us explore the citizen-as-consumer issue. An important component of the public value concept is that which considers public preferences, since in a democracy only the public can

<sup>17</sup> ZDNet UK (19 Sep) http://news.zdnet.co.uk/internet/security/0,39020375,39262587,00.htm

<sup>&</sup>lt;sup>16</sup> What ICT? Providing customer-focused services. The Work Foundation (2005).

<sup>&</sup>lt;sup>18</sup> <u>http://www.timesonline.co.uk/article/0,,2-2376963,00.html</u> "Elderly will lose vital lifeline if rural post offices forced to close", 13 October 2006.

<sup>&</sup>lt;sup>19</sup> Just over 2 per cent of Post Office income is currently derived from over-the-counter sales of TV licences for example, and over 300,000 rural people are thought to purchase their licence from the Post Office.

<sup>&</sup>lt;sup>20</sup> Starting with: Moore, Mark H. (1995). Creating Public Value Strategic Management in Government. Cambridge, MA: Harvard University Press.

determine what is of value to them. The UK Cabinet Office Strategy Unit also explored changes in the reform agenda in the UK, where the rather narrow focus of New Public Management on cost savings during the 1980s and 1990s (accompanied by the making of indicators that are most easily measured into objectives) has given way to models, such as the public value model, that take account of public preferences. This is partly as a result of the difficulty in reconciling technical gains in efficiency with service quality, for example where efficiency is measured solely in terms of average costs of processing inputs, with no regard for public preferences or perceptions. ICT is one of the main ways in which the cost of service inputs can be reduced. What may be less clear in some instances is the extent to which outputs and outcomes are 'better' (more citizen-centric?) from the recipients' perspective.

The need to move away from focussing on efficiency gains alone is increasingly recognised by policy-makers and stakeholders alike. This increased awareness was exemplified by the recent EU-sponsored "Impact of eGovernment in Europe" conference held in Helsinki on 13 September 2006<sup>21</sup>. While perhaps not yet the dominant perspective of this and other such meetings, here there were clear signals of a strong desire to tackle the citizen-centricity issue in a more sophisticated and realistic way.

Finally, it has been argued that efficiency savings made in those areas of public service which lend themselves to technological intervention can be applied to areas less amenable to such interventions. In this way limited resources are better allocates to points of greatest need. Additional funds are therefore made available for front-line services<sup>22</sup>. Sceptics would no doubt highlight the difficulty of evidencing such outcomes.

#### 2.5 The meaning of choice

In March 2005 the UK Work Foundation reported on a survey of citizen-government interaction. Importantly, the report identified a contradiction of objectives, since those constructing eGovernment services assume that citizens want 'personalised' services through e-channels, yet the research noted that the public want choice, not only in terms of access channels, but also in terms of 'choice between services'. The latter is rather problematical in the context of monopoly government services. The report concludes that "more work needs to be done to understand the public's needs to improve customer satisfaction, personalisation and address confusion over choice"<sup>23</sup>.

The idea of increasing choice is in fact a fundamental element of much of eGovernment policy. But given the Work Foundation findings, what does it mean? Or more importantly, what is citizens' understanding of what it means? It can mean giving citizens the opportunity to choose between different channels to receive the same service for reasons of convenience. It might also mean choosing to use a range of new technology-enabled services. These developments

<sup>&</sup>lt;sup>21</sup> <u>http://www.egov-goodpractice.eu/event\_details.php?&eventid=125</u>

<sup>&</sup>lt;sup>22</sup> See for example HM Government Cabinet Office (2005) Transformational Government: Enabled by Technology p.4 "Managers are able to free resources from back-office to front-line".

<sup>&</sup>lt;sup>23</sup> Work. (2005). Mismatch, mismanagement and miscommunication. The three key challenges to using ICT to improve public services (March 29) The Work Foundation, [cited March 29 2005].

http://www.theworkfoundation.com/newsroom/pressreleases.jsp?ref=163

will improve the customer experience and streamline processes. They will also presumably provide management information and monitoring data which can in turn be used to inform service reform and innovation. The extent to which technology can increase choice between services is less clear, particularly if it implies choice between providers of services.

In a typical public service delivery situation, there is clearly a drive to optimise the service provided, albeit that in some, although not all, areas there is limited possibility of losing your customers as a consequence of poor performance. Assuming there is a political and legal need to provide the best possible service given the resources allocated, leaves the question of how much scope is there for innovation and for improvements to the users' experiences?

For example the 2006 Accenture annual report on eGovernment<sup>24</sup> ("Building the Trust") cites the case of local authorities which allow drivers to pay for parking using their mobile phones – essentially the provision of an additional option for carrying out the interaction – increasing choice of channel. It uses this as an illustration of how better 'transactional capability' is increasingly manifest, adding that such developments will in turn lead to stronger trust between citizens and government and a virtuous circle of improvement. Here we see the connection made between better services and their impact on wider goals concerning citizenship and democracy. It is not clear how exactly such a desirable outcome could occur, nor indeed how it could be measured. If people like paying for parking using their mobile are they more likely to vote? Will they allocate the time they have saved to community-building activity? Will the requirement for parking attendants be reduced and will any resultant savings be re-directed to front-line services? If so, which ones and who will decide? Are such technological developments a sign of municipalities competing with private parking providers to 'keep up' and protect their revenues?

The issue of choice of channel versus choice of service per se is an interesting one. In a recent article on Irish website Frontend Infocentre<sup>25</sup> Malachy Spollen observed, "eGovernment offers attractive benefits to customers... But that doesn't mean they will use services just because they are made available on new channels. They may try them out, but they won't buy into using eGovernment services in the long term if they are difficult or confusing to use".

Exploring the extension of choice beyond channels, there are examples of enhanced or targeted public service provision. If a citizen (or community for that matter) desires (and therefore attaches value to) particular enhancements to the universal service provided, they may be given the opportunity to pay extra for it – residents contributing to the deployment of additional police or community support officers, or individuals paying an extra charge to have their refuse collected more frequently. In the private sector, businesses (for example football clubs or licensed bars) are asked to contribute to policing costs since there is considered to be an unusually high demand on a particular public service at particular times. The underlying principle would presumably be that the universal service should not fall below a certain level, agreed with the consent of citizens.

<sup>&</sup>lt;sup>24</sup> http://www.accenture.com/xdoc/en/industries/government/acn\_2006\_govt\_report\_FINAL2.pdf

<sup>&</sup>lt;sup>25</sup> Frontend.com (2005) Challenges for eGovernment

http://infocentre.frontend.com/infocentre/articles/challengesforegovernment.html

In other words, it would not be possible to opt out so completely, such that the whole idea of public services becomes unsustainable. An interesting extension of this debate concerns the scope for meeting demand for elite or exclusive public services, i.e. services that are not considered within the statutory realm and for which people might be prepared to pay a premium. This is distinct from examples where alternative or new transaction methods are provided at the same or lower cost than before. The consequences of such developments could be profound indeed (for example a degree of customer segmentation characteristic of the private sector).

#### 2.6 Handling the customers

Another point we can consider is the dominance of customer-handling in many discussions about making public services more citizen-centric. It can be argued that this is the key aspect that makes a customer a customer rather than a citizen. Government Technology<sup>26</sup> carried an article noting that "...moving forward, it's clear that a key challenge for central and local Government will be to efficiently handle 'everyday' customer contacts - while at the same time investing in the technology resources needed to expand customer contact options in the future to include Internet, email, SMS and even interactive TV". This raises the distinction between the nature, scope and quality of services themselves and the systems in place to make the flow of information and communication better and therefore deal more effectively with beneficiaries.

The CARMEN project<sup>27</sup> (Citizens Advanced Relationship ManageMENt) project, an eTEN EUfunded initiative aims to "adapt the private sector's use of Customer Relationship Management (CRM) technology to create an innovative, knowledge-based multi-media service for the public sector". CARMEN's aim is to offer a wider choice of communication channels between citizens and government, combining traditional delivery routes with new ones (web, SMS, mobile etc.). This is about improving responsiveness and efficiency rather than fundamentally modifying a public service itself, but it also raises the question of parallel channels in the sense that, to avoid digital exclusion, traditional channels need to be maintained as new channels are introduced. The next question then becomes – how and at what point is an element of compulsion necessary or desirable to move people to the new channels of communication? This resonates with the public value concept that to receive something of value to them, citizens must be prepared to give something up in return.

The handling of customers/citizens is a key aspect of public service delivery. Since this area represents the front-end of public service delivery, it is of prime importance in terms of customer satisfaction and perceptions of government competence. The extent to which improvements in this area may have wider impacts, (on democratic participation or involvement in design of new services for example), is less clear.

Skills of employees within public administrations and their agencies have a role to play in enhancing customer and citizen-centricity. The set of customer-service skills required to

<sup>&</sup>lt;sup>26</sup> <u>http://www.governmenttechnologyuk.com/default.asp?id=239</u>

<sup>&</sup>lt;sup>27</sup> http://ec.europa.eu/idabc/en/document/5097/194

accompany technology solutions such as CRM systems are comparatively easily addressed. However, if we consider a wider set of skills necessary to deliver citizen-centricity, it is less clear what skills European civil servants require. A key contribution to this debate is the European Institute of Public Administration (EIPA) report<sup>28</sup> on organisational changes, skills and the role of leadership required by eGovernment, which argues that the success of eGovernment initiatives will be determined by the recruitment, training and retention of leadership and talent in the public sector rather than by technology. Currently however there is a need for more work on identifying relevant non-ICT skills gaps.

### 3 Challenges for service delivery

In conclusion, the following themes seem to emerge:

- Citizen and customer-type perspectives and characteristics are different, but not mutually exclusive.
- Citizen-type perspectives tend to diverge from purely customer-type perspectives where people are concerned about issues of fairness, universality and inclusion.
- The balance of citizen versus customer expectation and preferences is determined by a complex range of factors, but relates mainly to the nature of the public service in question and its impact on the individual through lifetime events, and society at large, for example the impact on the elderly. Interdependent preferences are common.
- The emphasis to date has been on technological solutions and improving the efficiency and effectiveness of transactions, through *technical* rather than *allocative* efficiency.
- The valuing of public preferences -those most often associated with citizen rather than consumer is difficult to determine.

In reviewing a number of aspects of the citizens-as-customers paradigm, we can identify the following key challenges:

- Governments need to clearly state what they, and citizens, mean when they use the term 'increase choice' with public services.
- To what extent does the trend towards consumer-as-citizen help or hinder elnclusion?
- Given that resources to deliver public services are limited, how might we determine citizen and customer preferences and is it possible to disentangle the two?
- Is it time to move on from an emphasis on transactional efficiency and service production performance targets, towards meaningful metrics of the consumption of public services?

<sup>&</sup>lt;sup>28</sup> EIPA (June 2005) Organisational changes, skills and the role of leadership required by eGovernment. http://ec.europa.eu/idabc/en/document/4527/254