

Trust Imperative 3.0

Know your customer

BCG



salesforce

About this paper

BCG and Salesforce collaborated to understand customer expectation of digital government services based on their experiences.

Our research explored usage and satisfaction with digital government services; interest in personalized and proactive services; willingness to consent to the re-use of data, and how government might improve its approach. We asked 28,221 people across 40 countries to share their perceptions of these services and how their experiences have influenced their trust in government.

The research was conducted as part of BCG's biennial Global Digital Citizen Survey and draws data from surveys in 2014, 2016, 2018, and 2020. Note that our 2020, 2021 and 2022 research was conducted as the COVID-19 crisis evolved. The results could reflect customers' expectations of government in responding to the crisis.

This report is the third in a series. The first report – The Trust Imperative – set out an approach for government in Australia and New Zealand to improve customer experience by becoming more human-centered and data-driven. The second report – *The Global Trust Imperative* – reviewed customer expectations on a global scale and suggested ways government can use data to deliver personalized and user-friendly services.

This report focuses on customer preferences regarding personalization of service delivery, proactive servicing and data sharing. It suggests ways government can engage with customers to deliver personalized and proactive services. Such an approach benefits customers by making their lives easier. It helps government by strengthening communities' trust and confidence in government and reduces the cost to serve. Finally, it benefits government employees by allowing them to engage with customers in more profound, impactful ways, increasing overall employee engagement.

This report is divided into two sections:

Section A

Time for change provides the customers' view of how government is performing, how government can better meet customers' increased expectations, and opportunities to increase customer satisfaction and, by extension, confidence and trust.

Section B

Data-Driven Government suggests ways that government can engage with customers to explore how the re-use of their data can create more personalized, user-friendly, and proactive services, harvesting benefits for government, its employees, and customers.

Executive Summary

BCG surveyed 28,221 people across 40 countries and interviewed global experts to understand trends in digital government service delivery. This report focuses on how personalized, proactive digital services better meet customers' increasing expectations. The findings support the need for a change in habits and rules regarding data sharing across government.

Expanding the use of digital channels.

Digital government services continue to be critical to a well-functioning government. Globally, customers continue to increase their use of digital government services, driven by growth in government investments in digital and boosted by COVID-19-specific measures. Customers' use of online channels for government services has been accelerating. For example, in 2022, 49 percent of respondents reported using government services at least weekly, up from 47 percent in 2020 and 43 percent in 2018.

The link between service quality and trust.

Our prior research showed clear links between the service experience of customers and the trust customers had in government. In our 2020 survey involving 36 countries, 87 percent of respondents said that a great digital government service experience would increase their level of trust in government. This was symmetrical, with 81 percent of respondents saying that a negative experience would decrease trust in government. Among many other factors, trust in government is an indicator of whether customers are willing to consent to the re-use of their data for other digital services, including personalized services.

Digital leaders set the benchmark.

Most customers benchmark their digital service experiences against those provided by digital leaders, whether that be the technology companies (33 percent of respondents), best-in-class private sector institutions (42 percent), or the best digital governments (18 percent). Fueled by competitive pressure, digital leaders continue to raise the bar on service delivery, proactively providing more personalized services to customers – which customers are starting to appreciate and prefer.

Personalization is imperative.

On average, customer satisfaction with digital government services is in line with the private sector; however, overall satisfaction has not improved since 2018 – sitting at about 63 percent.

Customers are ready for government to offer more personalized and proactive services. For example, 72 percent of respondents said that they were comfortable with government services being personalized to some extent and 85 percent of respondents expected services to be offered proactively.

Appetite for data re-use is high.

The ability for government to re-use customer data is critical for delivering more personalized and proactive services. Our research showed that the vast majority respondents (91 percent) would be comfortable with government re-using personal data, to different degrees, to receive personalized and proactive services.

Increase the odds of success.

The depth and pace of change that digitization has had on government in the last four years demonstrates the feasibility of moving almost all government services online. Digital is now business as usual and is an expected means for accessing essential services. Still, many digital programs often fail to meet their objectives and fall short on fulfilling their mission. This report identifies six factors to increase government success in delivering the services customers need, and how they want to receive them.

Section A

Time For Change

The adoption of digital technologies to better serve customers is rising at breakneck speed. Throughout the pandemic, digital service delivery was critical to economic and social resilience and recovery. Digital technologies enabled public and private organizations to operate through lockdowns and support communities.

Our previous [research](#) found that digitally mature governments could respond better to the rapidly changing environment or exceed customer expectations.¹

Our latest research shows that customers are ready for the next step in digital government services: personalized services delivered proactively, according to their circumstances and preferences.

The value of these services is clear. First, a more personalized, digital delivery model will improve customer satisfaction and service quality, contributing to greater community trust and confidence in the government. Second, digitally enabled customer service models allow government to provide services at lower cost and free-up precious human resources for more valuable activities. Third, by improving the employee value proposition, government can better attract and retain talent in the public service.

To provide more personalized services, government needs a new data sharing compact with customers. Most customers are prepared to provide consent to government re-using their data to deliver better services. This consent is based on assumptions that their data will be safe and not misused, and that there are clear benefits for them.

Customers are using digital government services more

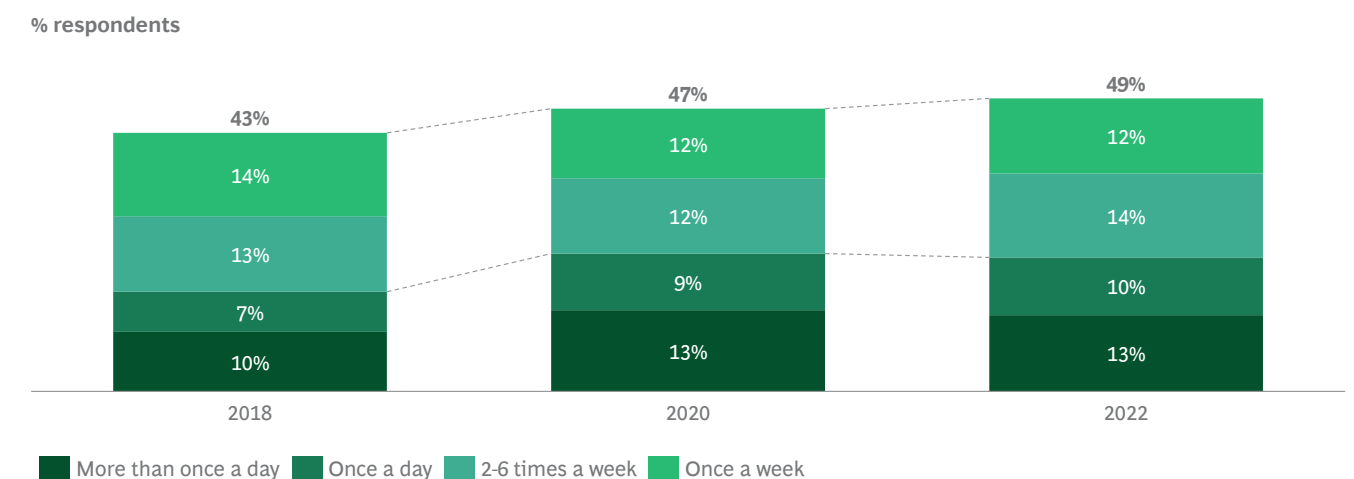
Customers are changing the way they access and engage with government services. BCG's 2022 Global Digital Citizen Survey revealed that more customers are using digital government services and they are using them more frequently (Exhibit 1).

- Nearly half of respondents (49 percent) use digital government services more than once per week, up from 43 percent in 2018.
- Nearly a quarter of respondents (23 percent) are using digital government services daily, up from 17 percent in 2018.

¹ BCG & Salesforce. [The Global Trust Imperative](#). 2021.



Exhibit 1 | ~50% of respondents access online government services at least once per week and 23% once per day

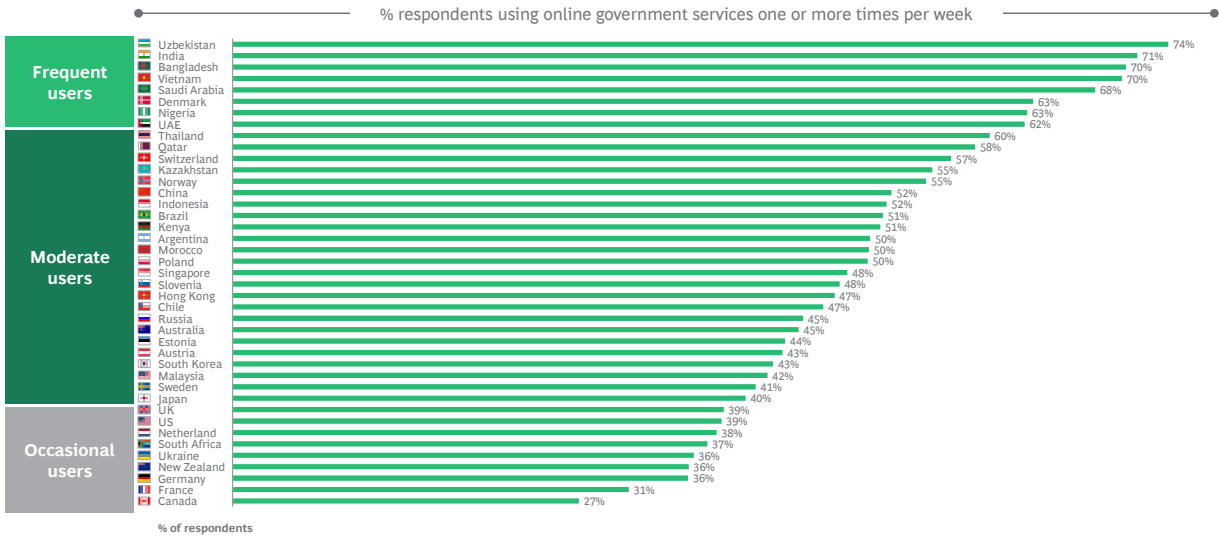


Question: Overall, how often do you access government services online – whatever the service?
Note: Headline figures – doesn't take into account addition of new countries into each survey sample
Source: BCG Digital Government Citizen Survey 2018, 2020, 2022

Demand for digital services is expected to continue rising as customers who used digital services during the pandemic [have come to prefer them](#). In Salesforce’s *State of the Connected Customer* report (where 13,020 consumers and 3,916 business buyers were asked about their perceptions, expectations and preferences in company-customer relationships), 57 percent of respondents said they prefer to engage through digital channels. ²

Customers in some countries use government services more frequently than others. Customers in countries such as Uzbekistan, India, Bangladesh and Vietnam rely heavily on digital government services, whereas customers in Canada, France, Germany use these services less often (Exhibit 2).

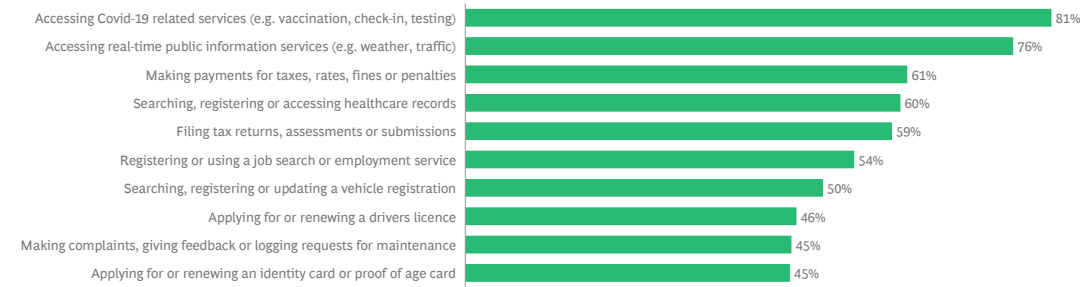
Exhibit 2 | Weekly usage varies across jurisdiction



Question: Overall, how often do you access government services online—whatever the service?
Note: Slovenia, Brazil, Thailand, Vietnam and Uzbekistan were not included in the 2018 and 2020 survey
Source: BCG Digital Government Citizen Survey 2022

Exhibit 3 | COVID-19 and information services were most commonly used government services in 2022

% respondents who used government services online



Question: Which government services have you used online, self-service kiosks, or mobile apps etc for?
Source: BCG Digital Government Citizen Survey 2022

The influence of the COVID-19 pandemic is reflected in the customer usage data (Exhibit 3). ‘COVID-related services’ was the most commonly used digital government service (81 percent of respondents) and over half (54 percent) of respondents used ‘job search and employment-related services’.

However, eight of the top ten commonly most used services relate to basic information services and simple transactions such as motor vehicle registrations and license transactions, taxes or fines, and identity cards.

Customer expectations are increasing, and complex services are the next step

Our research reveals an opportunity for government to deepen their online relationship with customers. There has already been significant progress in digitizing simple, transactional government services; now, government can better support customers with more complex services delivered through digital channels.

Digital leaders – including technology giants, leading private sector institutions and leading digital governments – are providing services to their customers in [highly personalized ways](#) – ranging from simple to complex, including:

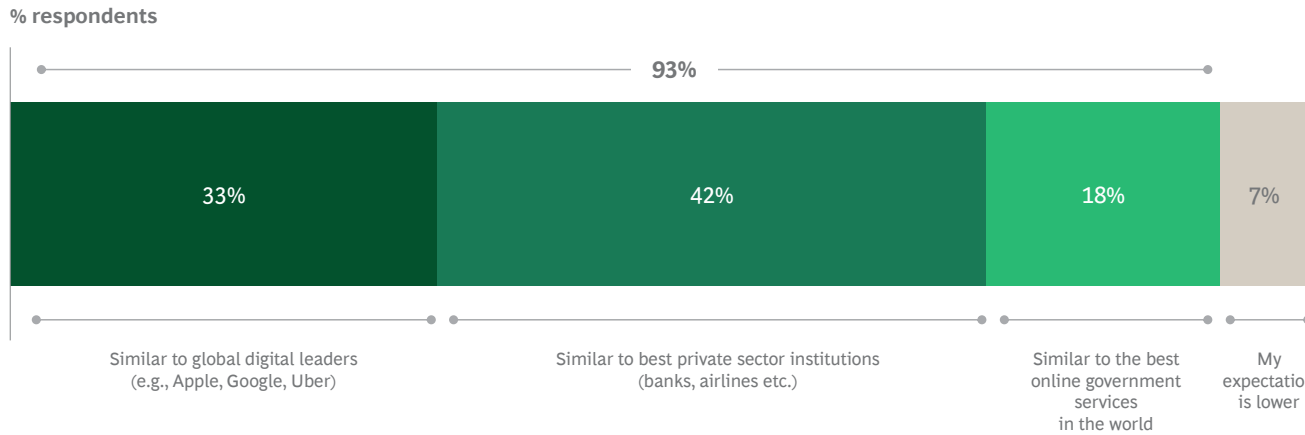
- Auto-filling forms with available customer data
- Recommending and tailoring products and services.

- Creating seamless process automations using customer data like online order-to-dispatch retail processes
- Automating complex tasks like the credit check to loan approval process, travel bookings and managing outpatient treatments.

Digital leaders are constantly innovating their services, including personalization, to create a great customer experience, lower their cost to serve and better compete in their respective markets. The challenge for government is that 93 percent of respondents benchmark government services against these global digital leaders including technology companies (33 percent of respondents), best-in-class private sector institutions (42 percent) or the best digital governments (18 percent) (Exhibit 4). With customers voting with their clicks and wallets, leading digital private sector organizations (representing 75 percent of the benchmark) are driven by the unrelenting pressure for wallet share and are continuously raising the bar for customer experience.

Exhibit 4 | 93% of respondents expect government's service quality to be on par with leading tech companies, private sector and digital governments

Q. In terms of speed, convenience, ease of access, personalization, I expect government services to be ...



Question: 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 Digital Government Citizen Survey 2022

² Salesforce. *State of the Connected Customer*. Fifth Edition. 2022.





More than 80 percent of respondents reported that their most recent digital government service was on par with or better than a typical private sector experience (Exhibit 5). However, customer satisfaction across all digital government services has not improved in the last four years and remains at 63 percent, highlighting that there is still room for improvement.

Personalization Imperative

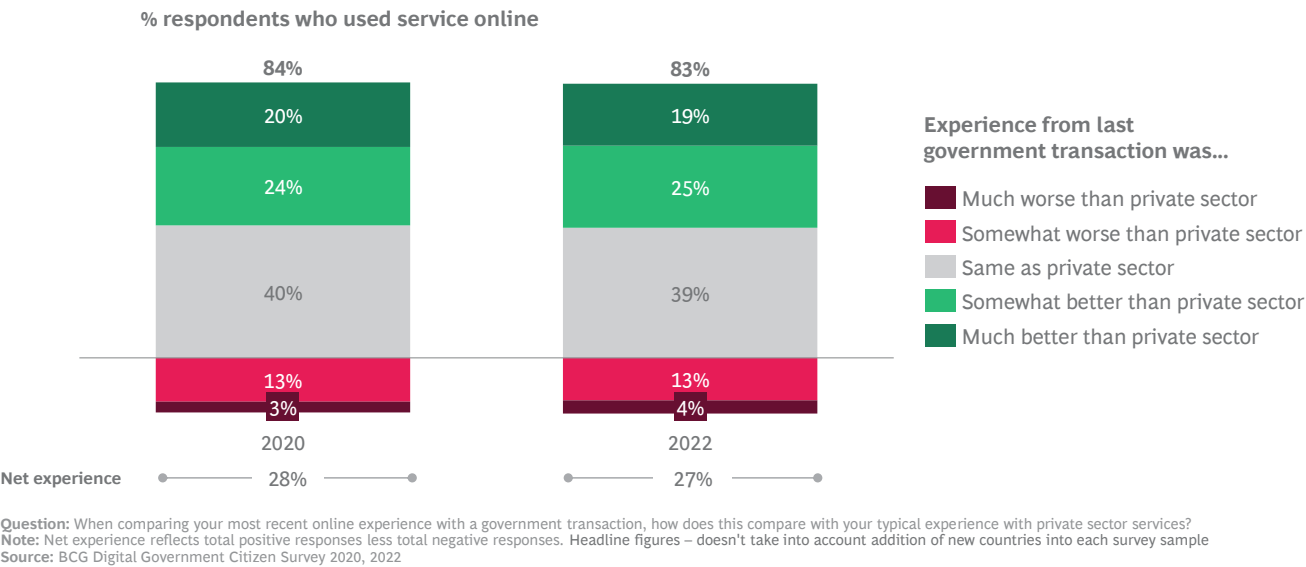
Customers prefer digital services to be personalized. In a recent Salesforce survey, 73 percent of respondents said they expect companies to understand their unique needs and expectations.³ From digital natives to leading private sector banks and airlines, customers are constantly engaging with extreme personalization.

When done well, personalization shows tremendous upside, including improved product and service

quality, reduced overall service cost, and increased customer engagement and satisfaction. For example, Netflix piloted personalization engines more than 20 years ago and have set the industry benchmark in online content-streaming service ever since.⁴ Personalized and proactive services have spread across almost all facets of the private sector, spanning online shopping, banking, apparel, automobiles – the list goes on. Our research shows that these private sector interactions are influencing what customers expect from their government.

Customers are ready to receive digital government services that are personalized and delivered in a proactive way. Nearly three-quarters of respondents (72 percent) reported that they were comfortable with government digital services that are personalized to some extent (Exhibit 6).

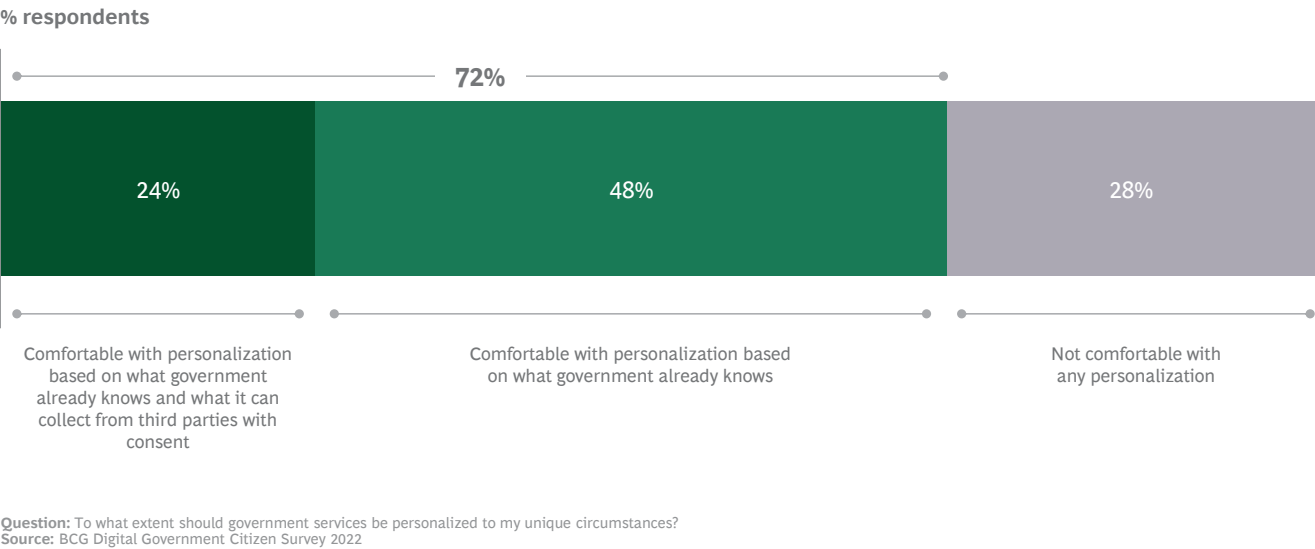
Exhibit 5 | Individual customer experience for digital government services is keeping pace with the private sector



³ Salesforce. *State of the Connected Customer*. Fifth Edition. 2022.

⁴ Harvard Business Review. *'The Next Great Digital Advantage'*. June 2022

Exhibit 6 | 72% of respondents are comfortable with some level of personalization

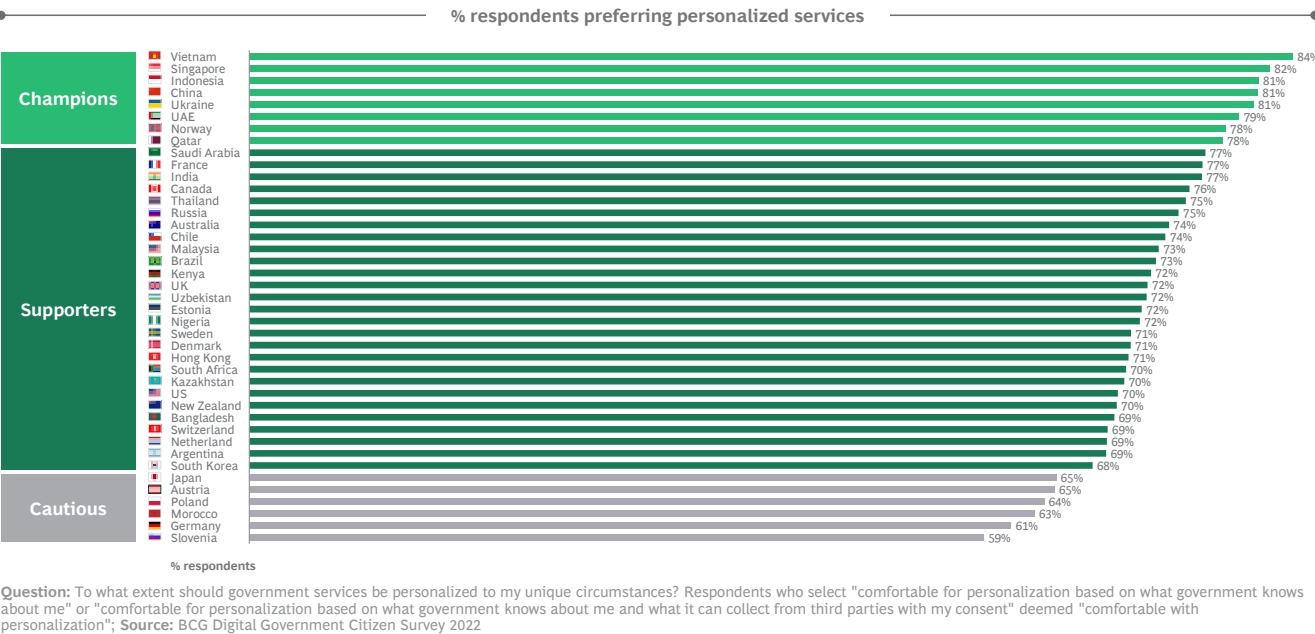


Around half of the respondents were comfortable with government providing digital services that are personalized based on data already held by government. Nearly a quarter of respondents were comfortable with government using those data together with third-party data (e.g. from banks and telecommunications carriers) as long as they had customer consent.

The Singapore Government provides a good example of personalized digital government service delivery; customers can consent to match their income and residential records with banks to facilitate faster home loan approval.

While this is an encouraging starting point for creating next-level government digital services, customer preferences vary between countries (Exhibit 7). Customers from Germany, Austria, Poland and Japan were least comfortable with services being personalized to their circumstances, with approximately 60 percent of respondents agreeing to some form of re-use of customer data by government. Customers from China, many southeast Asian nations and Norway showed the greatest support for personalization, with more than 80 percent of respondents comfortable with data re-use by government.

Exhibit 7 | Preference for personalization varies by country



Support for personalized digital services is consistent across most demographics. Responses varied slightly among age groups and depending on what kind of area customers live in (metro, suburb, town or rural area). Respondents under 50 years old (75 percent) were more likely than those over 60 years old (68 percent) to prefer personalization. Respondents living in metro areas (74 percent) were more likely to prefer personalization than those living in rural areas (67 percent) (Exhibit 8).

Proactive services

One of the most profound outcomes of personalization is the ability to *offer services proactively*, to offer a customer the *next-best action*, or *to take action on their behalf*. Next-best actions might include a recommendation (e.g. “customers that enjoyed this movie also watched these movies”) or a special offer (e.g. a discount on a hire car or hotel booking with your airfare). Taking action on a customer’s behalf might include an airline re-booking a canceled flight or an insurance company arranging a hire

car following a car accident. While these *proactive services* might appear trivial at face value, being proactive can significantly impact customer experience and trust.

Customers expect government services to be offered proactively (Exhibit 9). According to our survey, 85 percent of respondents expect government digital services to be offered proactively:

- About one in five respondents (19 percent) expect government to *proactively enrol* them in a service they are eligible for without them needing to initiate it.
- Over one-third (35 percent) expect government to *proactively engage* them about services *based on their cohort* (e.g. profile or circumstances).
- Just under one-third (30 percent) expect government to *proactively engage* them about services *based on their historical actions*.
- The remaining 15 percent *prefer no proactive* engagement, and that they initiate contact with government.

Exhibit 8 | Greater preference for personalization in young people and metro areas

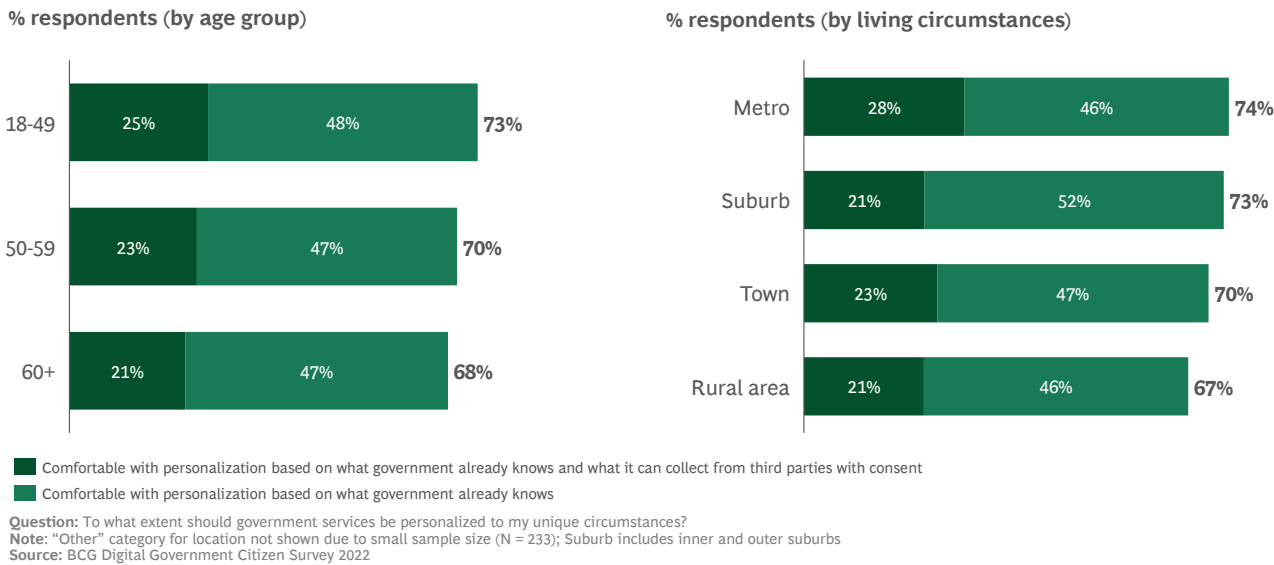
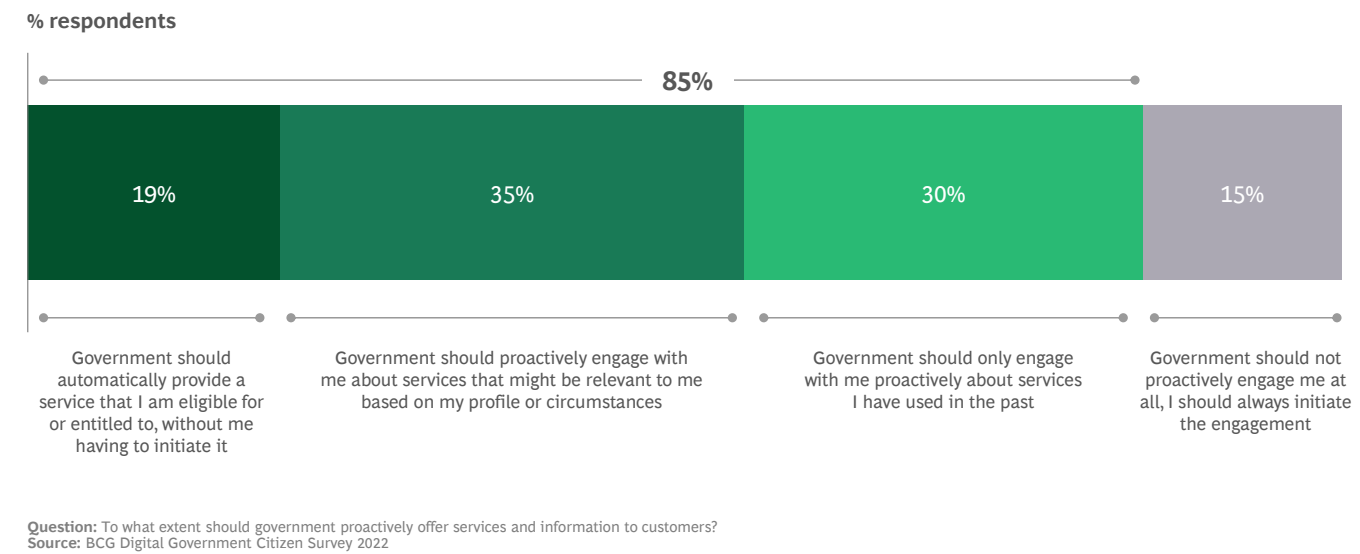


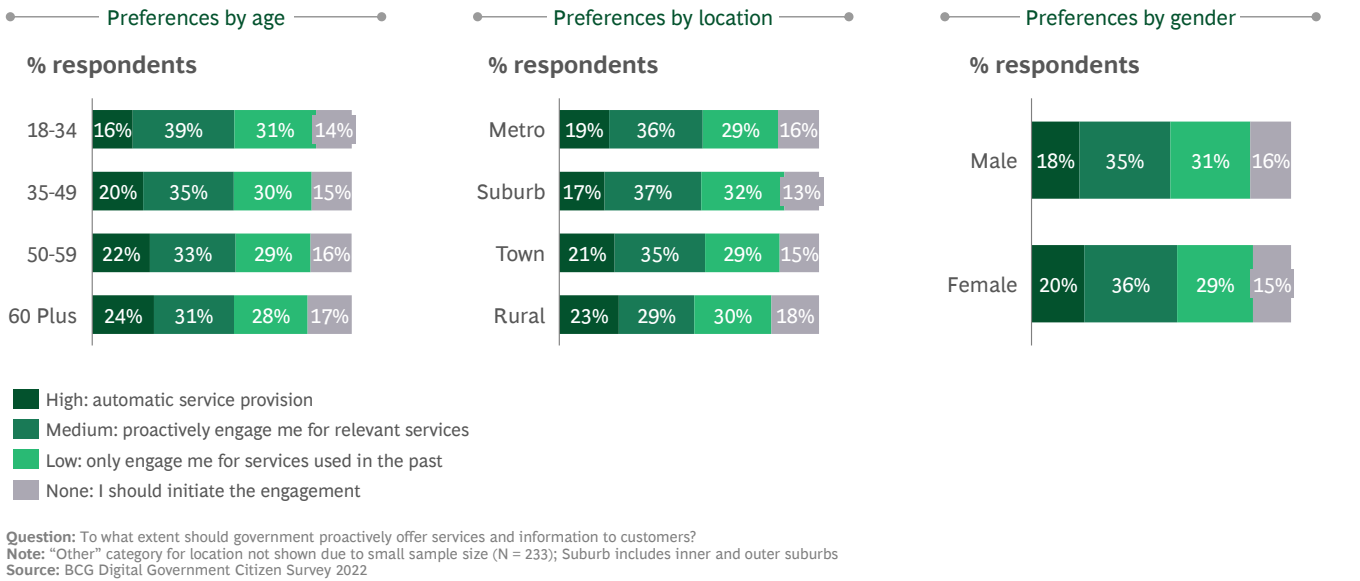
Exhibit 9 | 85% of respondents are open to the government proactively offering services and information



Like the responses for personalization, there was a small variation among customers’ expectations for proactivity depending on their age and areas they lived (Exhibit 10). Those over age 60 had higher expectations of proactive service delivery (24 percent expected automatic services) compared to those under 35 years

(16 percent). The rural cohort had higher expectations of proactive service delivery (23 percent expected automatic services) compared to the suburban cohort (17 percent).

Exhibit 10 | Preference for the highest level of proactivity is seen in older age groups and rural dwellers



All countries surveyed expressed a preference for proactive services (Exhibit 11). Some countries exhibited a very high preference, including Singapore, Indonesia and Vietnam (over 93 percent of respondents). Other countries, including Germany, Japan, and Austria had a lower preference, although proactive services were still supported by three-quarters of respondents.

Despite some small variations, customers have a clear preference or expectation that government provides services in a personalized and proactive fashion. A ‘one-size-fits-all’ approach is not enough anymore. Customers expect more nuanced service delivery. As posed in the *Global Trust Imperative* report, government needs to think deeply about where to use personalization and wait for customers to introduce themselves (e.g. log in to a government digital service) before providing tailored services, asking for informed consent, and offering personalization in context.⁵

Exhibit 11 | All countries surveyed support some form of proactive services



Question: To what extent should government proactively offer services and information to customers? Respondents who select "government should automatically provide a service I am eligible for", "government should proactively engage me about services that might be relevant" or "government should only engage me proactively about services I have used in the past" deemed "comfortable with proactivity"; Source: BCG Digital Government Citizen Survey 2022

The green shoots of personalized and proactive services

More than ever, there is a compelling imperative for government to create services that are more personalized and delivered in a more proactive way, better aligned to customer expectations. Government can deepen their trust relationship with customers by improving digital service delivery.

The green shoots of personalized government digital services are emerging. Leading digital governments are

rolling out new services and raising the benchmark for other governments to follow. Like most transformation journeys, there are maturity levels where the potential to unlock value elevates. The three broad maturity levels we have observed include:

Level 1: Personalization and proactivity in their most basic form. For example, addressing the customer by name in email communications, sending reminder notifications to the customer to complete an application or to pay outstanding fees, or sending customers regular newsletters on their topics of interest.



- **DubaiNow** is a digital platform that brings together 120+ government services onto a single platform. It consolidates various services and enables customization and notifications of important events, including the expiry of entitlements and permits.
- **Denver’s PocketGov** consolidates 30+ city services into a single platform, such as allowing customers to check wait times of their nearest service center and receive updates on events reported in their neighborhood using geo-location data.

Level 2: The next level of personalization and proactivity anchors in the human experience, focusing on the customer’s experiences at pivotal life moments. Services cater uniquely to each life moment in the context of the individual customer. Because life moments can be joyous, like the birth of a child, or profoundly awful, like the death of a loved one, the service must be tailored.

- The **Singapore Government** understands the excitement and challenges of having a child, including financial stress. It developed a service to help parents with a newborn manage necessary government documentation (e.g. birth certificate, health care registration, etc.) and an engine that checks the benefits, grants, and support the parent is eligible for.
- The **Finnish Government** has bolstered its personalized life event service with artificial intelligence to provide job seekers with recommendations for upskilling and re-training programs and job opportunities best matched to the individual. It recognizes that changing jobs and unemployment can be a highly stressful time,

especially in a fast-changing world where many roles are becoming redundant due to automation or are disappearing due to macro trends (e.g. energy transition).

Level 3: Where government digital services rival those of the private sector, services are personalized, anticipate the customer’s basic needs, and are delivered in the customer’s preferred way.

- The **Estonian Government** is piloting personalized healthcare, enabling patients to consent to their genomics data and electronic health records being combined. Physicians will eventually be able to use this combination of data to see a patient’s disease risk profile and offer treatments and preventative recommendations.

For government to move the dial on personalization and proactivity, they must consider data sharing, process reforms, and customer consent. The more you know about a customer (i.e. through access to personal data), the greater your ability to tailor services to their circumstances and needs.

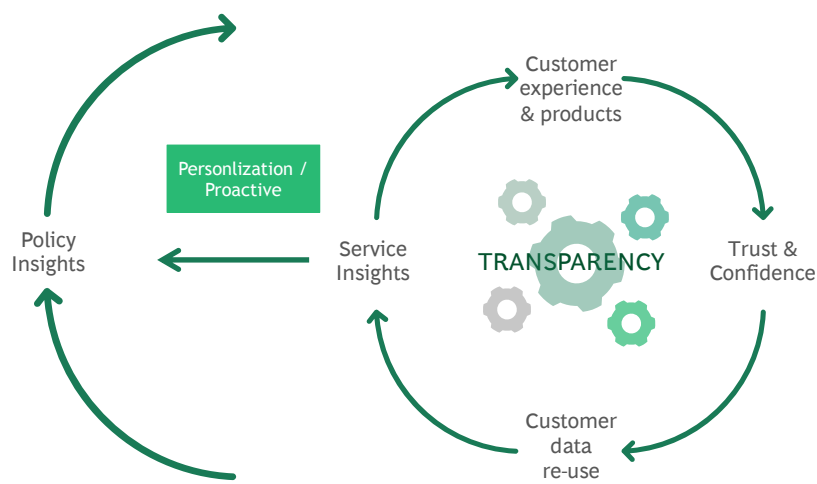
- Level 1 requires little to no data sharing outside of the single agency, however, only basic levels of personalization can be achieved.
- Level 2 necessitates data sharing across multiple government agencies, which opens the door to customer-journey service design around life events.
- Level 3 requires linking various government agency data and data from the private sector, but the transformative potential and use cases are vast.

⁵ BCG & Salesforce. *The Global Trust Imperative*. 2021.

Each maturity stage raises the complexity of the technology and data landscape, but when done well, government can tap into the virtuous cycle known as the trust flywheel (Exhibit 12). Personalized and proactive services elevate

customer satisfaction and trust, which in turn makes customers more willing to share their data, giving government more insights to tailor services to customers' unique contexts and needs.

Exhibit 12 | The trust flywheel



Source: Salesforce and BCG paper ["The Trust Imperative"](#) (2020)



Section B

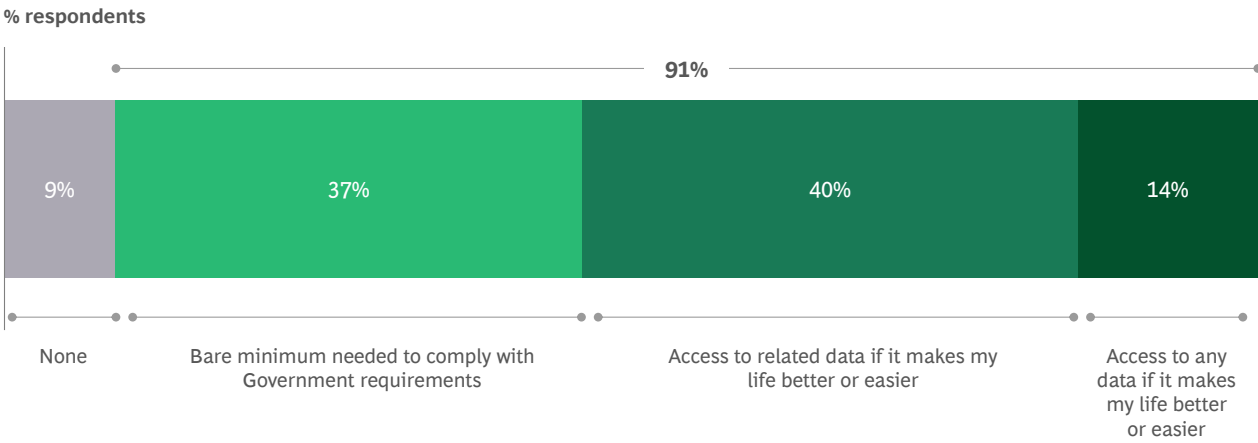
Data-driven Government

The value of personalization

Delivering personalized and proactive services requires a detailed understanding of *the customer*. For government, this process requires collecting, aggregating, and analyzing data, and gaining the customer's informed consent to re-use data to create more personalized and proactive services. This year, we asked customers about their willingness to share data with government to enable some degree of tailored services. Our survey showed that 91 percent of respondents

are willing to allow government to re-use and share personal data to receive more personalized and proactive servicing. This comprises 54 percent who would be willing to share any data or related data if it makes their lives easier or better. Only a small minority (9 percent) would prefer that their data was not used to personalize services at all (Exhibit 13).

Exhibit 13 | 91% of respondents are willing to share data to enable tailored, proactive services



Question: What level of personal data are you willing to share with the Government so it can deliver services that are tailored to your needs and circumstances, provided that you believe it is safe and secure?
Source: BCG Digital Government Citizen Survey 2022

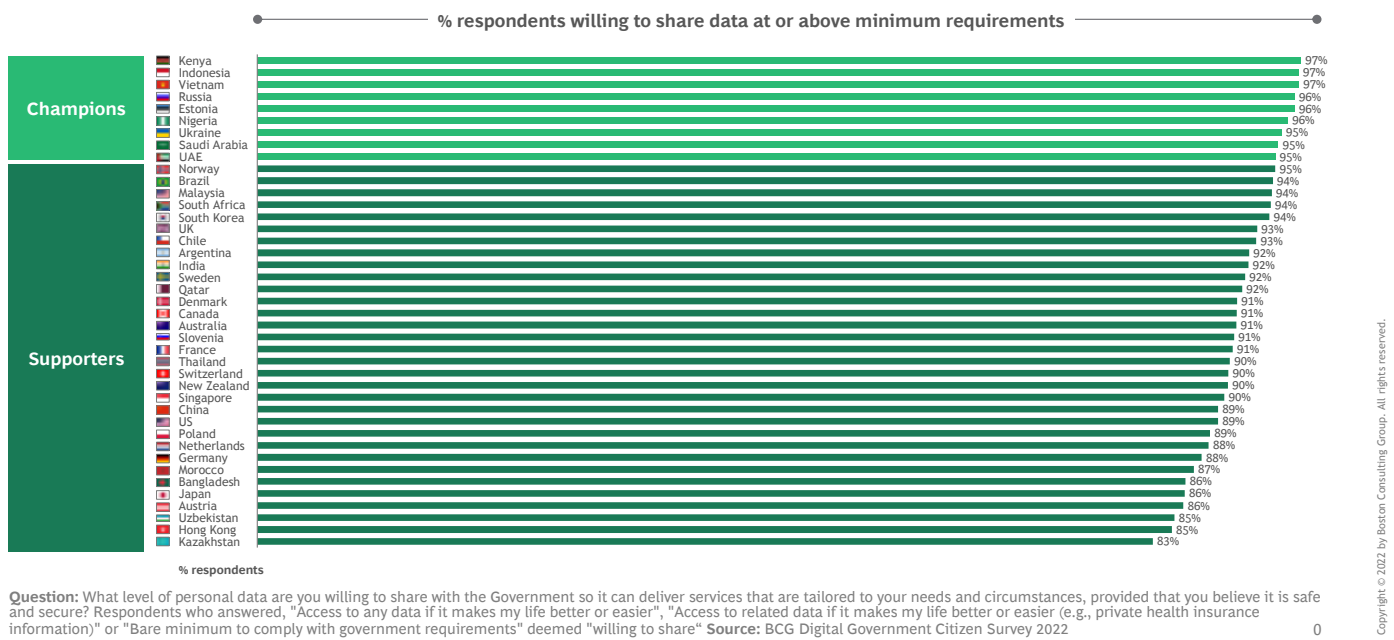
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Our survey found high levels of customer support for data sharing across all jurisdictions surveyed. Across all jurisdictions 83 and 97 percent of respondents would consent to some level of data re-use by

government. Respondents in Indonesia, Vietnam and Norway are particularly willing to allow government to re-use their data to personalize services (Exhibit14).

Exhibit 14 | Willingness to share personal data varies by jurisdiction



Re-using customer data to deliver more personalized, proactive services unlocks many benefits. For customers, these services save time, are more convenient, provide a better experience, and make it easier to access the support they need. For government, improving customer service increases productivity and employee engagement, which frees staff to focus on higher-value activities and improve service outcomes for customers. As services become more personalized and proactive:

- Employees can be re-assigned from routine, repetitive, transactional activities to personalized support that delivers better outcomes for customers
- Employees can do critical work that might otherwise be delayed due to transactional workloads
- Government can reduce the need for outsourcing, external labor hire, temporary workforce and contractor costs
- Overall productivity will increase through human-machine teaming
- The community will benefit from improved customer service.

As explored in the Trust Imperative 2.0⁶, the quality of customer experience also directly influences a customer’s level of trust in government – as such, government can create greater customer trust by using personalization to improve the experiences they provide.

Private sector companies have demonstrated that successful personalization can generate significant returns, including a 100-200 percent increase in customer engagement, 5-15 percent lift in sales, and 5-10 percentage points reduction in customer churn.⁷ While the potential is significant, government must be realistic about the costs of doing personalization well. Government may have to significantly change how it manages customer data, develop and automate business processes, and engage with customers more deeply around consent and the conditions of re-using data.

The value of personalization for companies is typically measured by increased sales per customer, higher net promoter scores and increased customer retention. For government the value is in being able to better meet individual customer needs and improving alignment between the demand and supply for public services.

Benefits may also come from increased compliance, cost avoidance (e.g., using personalized, proactive vaccination reminders to improve vaccination uptake and reduce demand on hospital systems), or cost recovery (e.g. prefilling customer tax returns to improve tax compliance).

Personalization and proactivity can deliver value quickly when applied to the right services, especially high-volume services. Starting with low-investment, high-volume use cases can build momentum, competence and customer confidence.

Gaining genuine customer consent

We have established that personalization and proactive service delivery rely on appropriate customer data being available for re-use. Data privacy laws typically require a customer to consent to their data being re-used, including for the personalization of services. BCG research shows that gaining informed customer consent requires four factors: trust and transparency; value exchange; no secondary uses of the data; and the right to opt-out.^{8,9}

1. **Trust and transparency.** Government must establish trust with customers, which means:

- Being a competent service provider. BCG research shows that customers’ experience with digital government services is a key driver for trust in government.¹⁰ When asked for consent, customers value frictionless opt-in and opt-out experiences
- Being secure with customer data, and demonstrating that government will not mis-use this data (e.g. using cyber secure, modern technology stacks)
- Being transparent about how data will be collected, stored, accessed and used, and how breaches will be reported. Government must engage with customers in clear and concise language that **90 percent of customers** will be able to understand. There must not be any surprises for customers in how their data are used.

2. **Value exchange.** Customers have demonstrated that they will provide consent for data re-use in exchange for goods or services they value. Customers typically

consider several factors in the value exchange:

- The purpose their data will serve – and whether they believe in it. A clear statement of purpose (e.g. ‘we will automatically pay your emergency grant’) is more likely to gain consent than vague statements (e.g. ‘provide innovative new services’). The purpose should be stated in value terms (e.g. as a service or as an efficiency gain for the customer)
- The ease of opting in and out of services, and making sure there is an alternative non-digital option available
- The entities that will have access to their data. Customers are increasingly concerned about where their data goes.

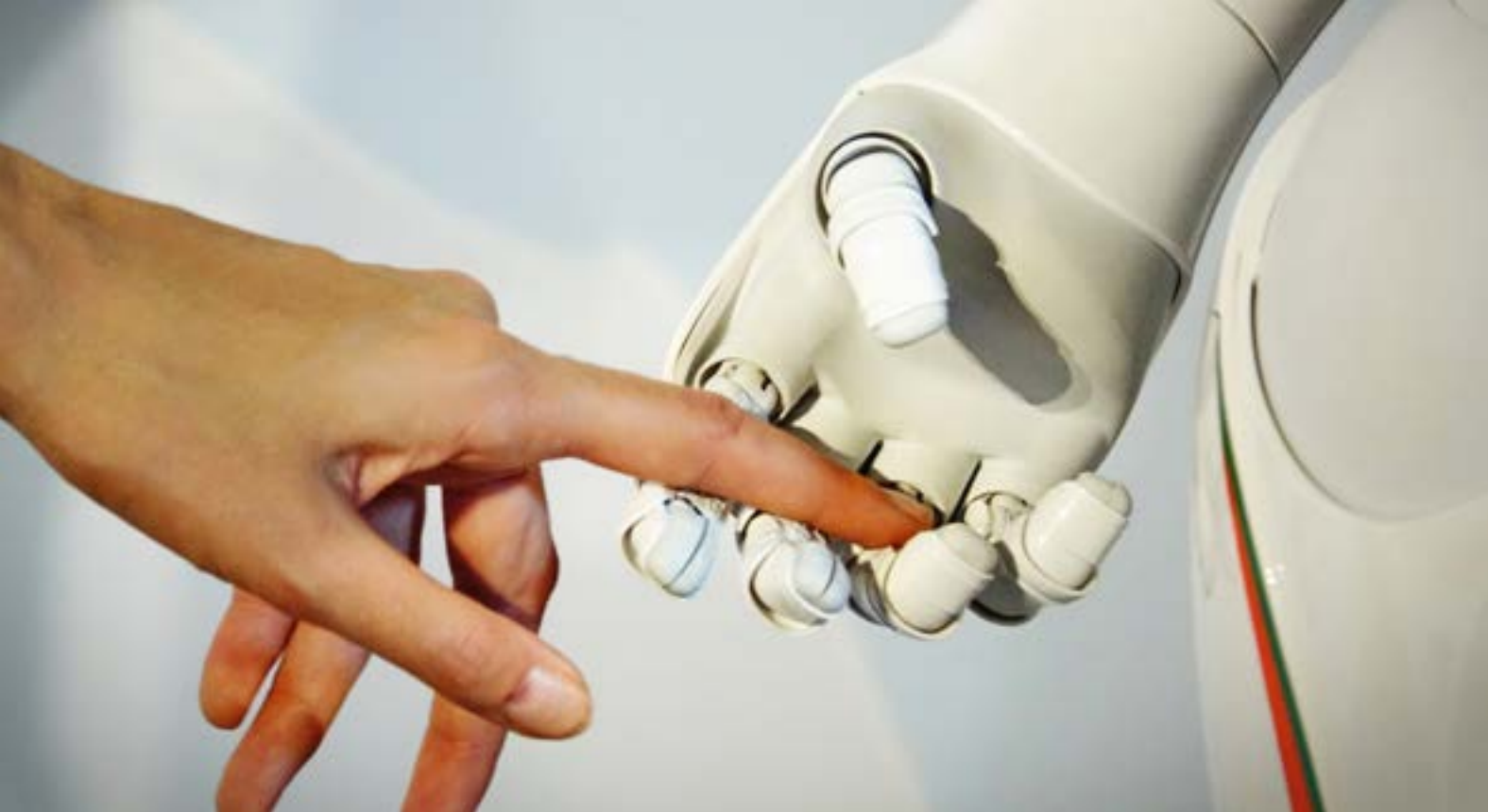
3. **No secondary uses of the data.** There should be a single purpose for each consent. Customers and most data privacy regulators see any secondary use or combining of their data as the creation of new data. Government must be transparent about secondary uses of data and obtain express consent.

4. **Right to opt-out.** Customers value the right to withdraw consent or to opt-out of services. The opt-out process should be simple and complete, with the ability to be forgotten from the government service unless there is a lawful reason to maintain the data.

Some legacy technology may make it challenging for government to achieve this opt-out process. In older platforms, it is not always possible to ‘forget’ customers once they are recorded. Personalized and proactive services are easier to design, build, deliver, maintain and scale using modern technology stacks. In the Global Trust Imperative¹¹ we outlined two shifts for government to make with digital platforms. First, they must transition to a modern and resilient technology backbone that treats data as an asset to drive policy and service excellence. Second, they must move from executing basic processes using monolithic technology systems to fully modular technology platforms.

⁶ BCG & Salesforce. [The Global Trust Imperative](#). 2021. /
⁷ BCG experience

⁸ BCG. [Bridging the Trust Gap in Personal Data](#). March 2018.
⁹ BCG. [Sharing Data to Address Our Biggest Societal Challenges](#). January 2021.
¹⁰ BCG & Salesforce. [The Global Trust Imperative](#). 2021.
¹¹ BCG & Salesforce. [The Global Trust Imperative](#). 2021.



Customer service transformation (the how-to for personalization)

While companies are motivated to personalize and proactively offer digital services to increase profit, the motivation for government is very different. In addition to realizing cost benefits by personalizing digital services, government can embed empathy in all customer interactions – human and digital – and ultimately increase customer trust.

Government faces increased pressure to transform their services to serve their customers better. The inefficiency of traditional service models and the indifference perceived by the community when receiving generic services can undermine the customer experience completely.

Government must show that it respects customers' time and provide differentiated services that demonstrate care and empathy.

BCG customer insights research¹² shows that satisfaction declines significantly with every minute a customer has to wait. When asked to consider past interactions, 39 percent of respondents who were served immediately rated their experience as excellent, compared with 23

percent of those who waited for two to five minutes, and just 17 percent of those who waited for five minutes or longer. When calling a customer service agent, being placed on hold can be even more grating. Seventy-five percent of respondents connected to an agent right away rated their experience as good, while only 48 percent of those who waited for up to ten minutes gave the same rating.

The essence of contemporary government digital service delivery is 'Know who I am and treat me with dignity'. With digital processes and technologies, government can take a much more nuanced approach to customer service; one that better caters to customers' diverse needs and preferences.

Customer service transformation takes time to embed. It requires changes to people, culture, process, and behaviors. It is also a task that is never finished; a government undergoing customer service transformation will need to take constant steps towards better customer-centered outcomes and efficiency.

It can be challenging to generate momentum around customer service transformation within government, and too complex, technocratic, and vague to gain popular support. A financial crisis or a crisis in confidence in the government often presents opportunities for change, as can a change of administration with a new mandate.

Regardless of the circumstances, government needs to follow several design considerations to achieve customer service excellence. As an example, some UK Government Digital Service design principles are listed below.

- Design for the customer's context. If the customer service and context dictate, the service should be offered proactively to the customer according to their consent.
- Build digital customer services, not websites. A digital service is more than a website, it should make a customer's life easier, whether the service is a benefit payment or paying taxes.
- Build for everyone. Personalizing services helps those who have consented to re-use their data, but services should also be effective for those who do not choose to opt-in. Services should be contextual, relevant, and connected to the customer.
- Keep it simple. Make services simple to use – it will be cheaper to build and maintain, more widely used, and increase the trust and confidence of customers.
- Start small and scale, iterate.
- Build customer services on modern, scalable, flexible, and cyber secure technology stacks.

Designing personalized, proactive services requires balancing convenience and privacy. It is possible for personalization to become too intimate and 'creepy'. While the majority of customers are willing to share and re-use personal data in exchange for improved services, there are limits and government should ensure that it adopts appropriate privacy safeguards and frameworks.

The human touch is still critical

To deliver customer service transformations successfully, government needs to understand when, where and how to digitalize services versus when to maintain the human touch. Organizations have long operated under the assumption that customers always want a human-led experience, but recent BCG research¹³ of 6,200 consumers worldwide has flipped that convention on its head. The research covered more than 10,000 customer journeys and found that tech-savvy millennials and Gen-Z consumers prefer to engage with merchants autonomously. These consumers are more comfortable

navigating their customer journeys independently, and when they need basic support they prefer digital assistants to humans in most instances. However, the research also showed that humans are critical to service delivery. Respondents across all demographics favor direct human interaction over digital interaction when a service or issue is complex or urgent.

As part of digitizing services, government will increasingly redesign frontline interactions with customers to allow digital tools to manage routine services and for government employees to provide tailored counsel in high-touch scenarios. Digital tools that are easy to use and can adjust quickly to employees' needs will be seen as an enabler rather than a hindrance. This shift in mindset and capabilities will create more attractive employee value propositions and greater customer value. Forbes found that companies known for having an exceptional customer experience have 60 percent more employees engaged in their work.¹⁴ Government customer-service employees can do more than simply process transactions. With the right tools, analytics, and training, they can be instrumental in providing customers with personalized services based on their life stage, needs, and goals.

Government has an opportunity to boost employee engagement significantly. As government scales automation of manual tasks and adopt personalization, they have an opportunity to reassign and train the employees who perform these tasks to provide innovative and higher-value forms of customer service. Government can identify and reserve human interactions for the stages of the customer experience that present complexity and high-stakes considerations and use employees in settings where they can further improve the customer experience. Government service delivery has tended to adopt a one-size-fits-all approach, with employees reading from scripts and delivering a generic service to a wide audience. Top-performing governments will support and enable their employees to be more empathetic experts, with analytics and tools that put customer needs and insights at their fingertips.

Adopting a data and human-centered design methodology, outlined in the Global Trust Imperative,¹⁵ will be more important than ever to deliver a proactive, seamless and personalized customer experience.

¹² BCG. [The Declining Relevance of Humans in Delivering What Customers Want](#). June 2022.

¹³ BCG. [The Declining Relevance of Humans in Delivery What Customers Want](#). June 2022.

¹⁴ Forbes. [Why High Employee Engagement Results in Accelerated Revenue Growth](#). July 2021.

¹⁵ BCG & Salesforce. [The Global Trust Imperative](#). 2021.

Flipping the odds of success

Customer service transformation is critical as government harnesses the potential of digital technologies to drive greater customer engagement, build trust and reduce the cost of government operations. This transformation has been accelerated by the budgetary, economic and social fallout of the COVID-19 pandemic. The greatest challenge is not knowing what to do, but knowing how to do it.

There is a lot at stake in building the digital capabilities, processes and systems that drive customer-centricity, productivity, employee engagement and lower cost. Yet, with the stakes so high, many transformations fail to meet their objectives. Even top performing companies and digital leaders fail. New BCG research¹⁶ from nearly 900 transformation case studies – one of the few empirical studies of transformation success – shows that only 30 percent of transformations achieve all their objectives (Exhibit 15).

Delivering such fundamental change at scale in large and complex organizations such as government is challenging. One typical cause of failure is focusing too much on the technology components of a transformation. While technology is essential, the people dimension (organization, operating model, processes, and culture) is usually the determining factor.

Of all the decisions that need to be made during a transformation, our research shows that six critical success factors stand out. Organizations that get all six factors right can flip the odds of executing a successful transformation from 30 to 80 percent.

The six success factors are:

- 1. **An integrated strategy with clear transformation goals.** The strategy describes the why, the what, and the how, which are tied to specific, quantified business outcomes.
- 2. **Commitment from top leaders to middle management.** Government has high leadership engagement and alignment, including often-overlooked middle-management ownership and accountability.
- 3. **High-caliber talent.** Management identifies and frees up the most talented resources to drive the transformation program.
- 4. **An agile governance mindset that drives broad adoption.** Leaders address roadblocks quickly, adapt to changing contexts, and drive cross-functional, mission-oriented, ‘fail-fast-learn’ behavioral change across the organization. They deal with individual challenges without losing sight of the overall goals.
- 5. **Effective monitoring of progress toward defined outcomes.** Government establishes clear metrics and targets around processes and outcomes, with sufficient data availability and quality.

- 6. **Business-led modular technology and data platform.** Government implements a fit-for-purpose, modern technology platform driven by business needs to enable secure, scalable performance, rapid change deployment, and seamless cross-government and third-party ecosystem integration.

preparation, and execution phases. Second, it is crucial to address *all six* factors (Exhibit 16). Organizations that adequately addressed only three or four failed.

By putting these success factors in place, and using an incremental approach that builds customer trust, government can deliver the personalized, proactive services that customers demand.

When tackling these six factors, organizations must also satisfy two conditions. First, management needs to adequately address each factor in the planning,

Exhibit 16 | Organizations need to perform well on all six factors to be successful

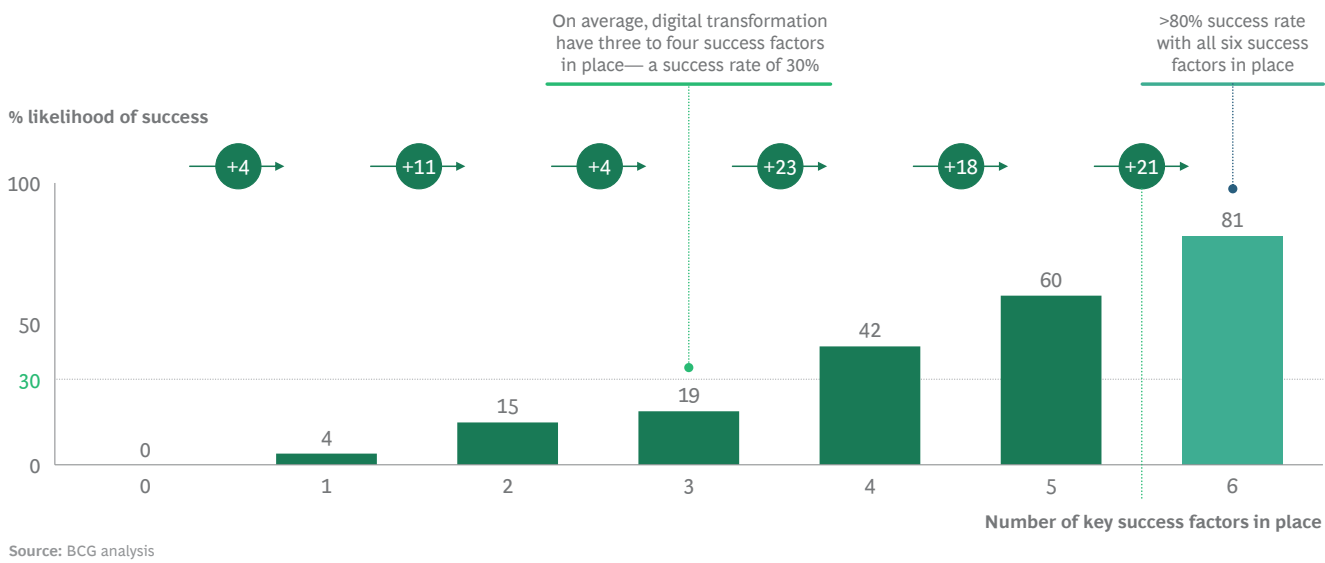
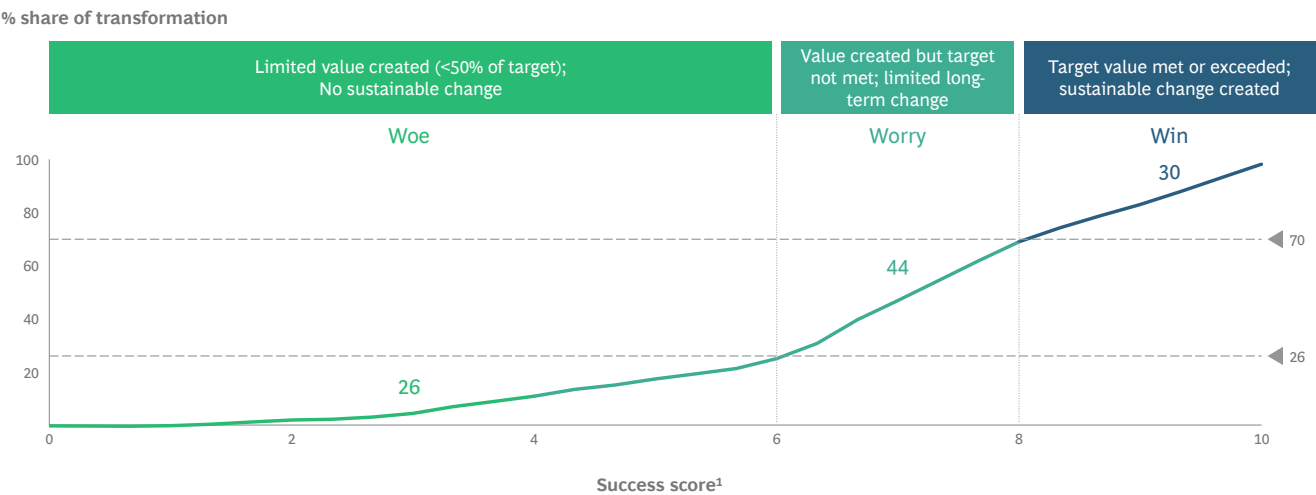


Exhibit 15 | Only 30% of digital transformations are successful



¹⁵ BCG. *Flipping the Odds of Digital Transformation Success*. October 2020.



Singapore Case Study

Singapore: How gaining customer consent to use data for personalized services can improve satisfaction and trust.

Singapore is a digital government forerunner. It established the first version of its online service platform back in 1999 and rolled out its national digital identity in 2003. Fast-forward to now, and the government is delivering the next frontier of personalized services proactively to customers by focusing on the human experience in service design (e.g. – acknowledging personal, emotional and life events).

In 2018, Singapore launched the first personalized and proactive service called Moments of Life, which has since been rebranded to LifeSG. LifeSG transformed the way customers interact with the government. Customer journeys across many life events are managed seamlessly by one platform and in a more personalized and proactive way. Government services are provided to customers in their specific context of the customer, based on customer consent to re-used data.

The first pilot focused on the life event of having a child and was a huge success, and 7 out of 10 newborns are registered using the LifeSG service app. An eligibility engine checks for more than 30 types of grants, assistance, and other benefits that may be specific to the user, and assesses the individual or couple's income and insurance status to make a personalized recommendation. Since then, additional life events have been added, including joining the workforce and an active aging program for people over 60.

Singaporeans exhibit a high level of trust in the government. Our survey data shows Singapore ranks second in comfort with personalized (82 percent) and proactive (94 percent) government services. This translates to a strong 'net satisfaction score' – 74 percent of customers are happy with the digital services that the government provides.



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Appendix

Sample size by country

Country	No. of respondents	Country	No. of respondents
 Argentina	500	 New Zealand	501
 Australia	2,001	 Nigeria	502
 Austria	552	 Norway	500
 Bangladesh	502	 Poland	542
 Brazil	500	 Qatar	508
 Canada	502	 Russia	532
 Chile	503	 Saudi Arabia	508
 China	505	 Singapore	504
 Denmark	503	 Slovenia	500
 Estonia	501	 South Africa	500
 France	503	 South Korea	505
 Germany	2,001	 Sweden	500
 Hong Kong	500	 Switzerland	502
 India	2,004	 Thailand	500
 Indonesia	501	 UAE	502
 Japan	500	 UK	2,006
 Kazakhstan	501	 Ukraine	501
 Kenya	500	 US	2,010
 Malaysia	508	 Uzbekistan	501
 Morocco	509	 Vietnam	500
 Netherlands	501	Total sample size = 28,221	

Source: BCG Digital Government Citizen Survey 2022

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