

# Examining the Potential for Channel Shift in the UK Through Multiple Lenses

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**Abstract:** As we globally enter a period of shifting economic fortunes and austerity measures, public service bodies continue to look to make provision more effective and efficient. In this context, such organisations look at service provision, making judgements on the value, type, and location of such provision. Inevitably questions arise as to whether particular aspects of provision can operate differently or be served through different channels at lower cost (saved either through cost of service or efficiency savings from doing things better). Questions arise about whether savings are possible, and what opportunities are offered through revision of service. Citizens are also becoming more demanding over service provision, recognising government wastage and demanding service reform that best makes use of the public purse. The aim of this paper is to detail research findings from a project designed to discover the scope for channel shift (principally migrating users from mediated to self-help solutions) within local government services. The research was carried out on behalf of a group consisting of regional and local governmental public bodies including nine councils and the local area police force. The research consisted of four defined stages: identification from within the public sector bodies of scope for shifting provision; collection of case studies related to successful switches of provision; sampling of customer groups in relation to perspectives on changes to provision; and the creation of a framework to support a business case for strategic decision making regarding channel shift. In terms of project findings, within the initial stage of the project there was no shortage of ideas related to the potential for change to provision linked to a channel shift. The issue was explored through Customer Service Managers with all identifying services with clear scope for change from the automation of different elements of environmental services, through a more comprehensive linking together of benefits services, to simple customer data collection. However, one of the underlying issues is the lack of accessible management data that can easily be aggregated together to support a business case for provision reform. This initial data provided a starting point for the discovery of case studies linked to channel shift and service migration. Thirteen case studies were highlighted from the research linked to the areas identified by Customer Service Managers where reform may make a difference. This case study material provided a range of information about key benefits and issues with service reform in the identified areas. Following case study identification, customer perceptions on service reform were canvassed (n=197 customers at six locations) through the use of a detailed questionnaire. The results suggest that: there are concerns regarding access to e-service provision (brought about through either lack of technology or knowledge); that there is a demand for system reform (focused on doing things the right way for the right cost); finally, that at present the most valuable local government service offered on the web is access to local information with this sometimes being difficult to find. In the final stage of the project a business case template was designed. The business case was to better enable strategic decision making regarding channel shift. The business case is designed to enable the evaluation of requests for service channel growth with critical examination of potential success factors for the shift of government services. Research around successful case study data also identified cases wherein success had not been achieved. Development and implementation of a business case template should enable teams to develop a better understanding of the potential for success or failure and indicate clearly measures needed to best support channel shift occurring.

**Keywords:** eGovernment, channel shift, transformational government, citizen requirements, e-services

## 1. Introduction

The changing global market and rising international debt has led to a tide of public service austerity measures designed to limit national public expenditure. The UK government has announced cuts amounting to a loss of 27% of public funding to regional and local government. This translates to 7.1% of cuts on an annual basis (Her Majesty's Government, 2010). Facing substantial funding cuts forces organisations to re-evaluate service provision and look at service value, effectiveness and efficiency. One area which the UK public service believe still offers opportunities for reform is taking more advantage of the web in the delivery of services. This is primarily because "*the cost ... (is) approximately one-tenth the cost of a contact by telephone*" (Socitm Consulting, 2010). However, different channels are more appropriate for different services and the web is just one channel which may or may not prove to be an efficient method for service delivery. Therefore there are still questions

in governmental organisations about the appropriateness of channel for service delivery, and whether reduced costs from web based provision can effectively be realised.

Channel shift itself is not limited to a simple move from physical to virtual services rather it has been defined as *"the design and marketing of effective and efficient channels because they are the most appropriate channel for the type of contact, customer and organisation"* (Simon Pollock, Head of Customer Services at Surrey County Council, as quoted in Public Networks, 2010). Effectively this means thinking holistically about the service provision not just cutting physical costs but working out the most efficient and effective form of delivery. In some cases this may mean increasing physical costs at one point in a process such that they decrease in other areas, for example, improving the quality of applications coming into a system (through the employment of an individual responsible for quality checking) may mean that lower amounts of applications are processed, then rejected or sent back for modification thus saving time and money at later points in the cycle. This evaluation of the most appropriate channel obviously is quite complex but essentially will come down to a balance in decision making between available resource (space, time, finance), quality of service requirements, access and demand.

The contents of this paper report on findings from a short research consultancy project delivered for a partnership of nine UK councils and other public service bodies. The project focused on providing support for this partnership in exploring the potential for shifting service provision across aspects of their operation from physically based interactions (one-to-one and call centre operations) to self-help based channels. This project was designed to capture scope for channel shift within this collection of public bodies, build on this scope with the identification of related case study material from the sector and beyond, establish customer perceptions regarding shifting channels for service provision and designing a mechanism to support public sector decision making in this area. This paper contributes to a growing body of research focused on public and private sector e-services most particularly in providing a support mechanism for strategic planning in relation to switches of public modes of access to council services.

## **2. The project problem and literature review**

In the summer of 2010, a partnership of nine UK councils funded a short investigation into the potential for the transition of a variety of eGovernment services to self-help web based channels. The project was motivated by the impending changes to council funding, the drive from within council services to improve service efficiency and the general aim to improve service offerings for the citizen. This motivation led to a wish to better understand case studies of success linked to this shift of provision and a requirement to understand the benefits/pitfalls linked to service transformation. A four stage process was designed to provide the information requested.

The first stage of the investigation would focus on ascertaining the scope for channel shift from within council services. This would provide a mechanism for employees responsible for service management and employees on the front line of council services to provide input in identifying such scope. Following this the second stage would provide a detailed review of the literature relating to successful and unsuccessful case studies of channel shift from private and public sector environments. This case study material would provide the partner organisations with an understanding as to what has been successfully translated in the past and give some examples of best practice. The third stage of the project provided a focus on the customer, understanding customer perspectives in relation to the transformation of council services, taking into account the nuances of customer reaction to service change. The final stage would take the results of each of the previous stages to establish a mechanism for evaluating the scope for changes to channel provision. The form of this evaluation mechanism was established as a business case template for service transition.

However, the work completed for this project does not sit in an area with an empty expanse of literature. Questions asked around service transformation linked to technological integration have a long history of research investigation. The World Wide Web is just one of many technologies that have been expected to make a significant impact on the ways in which citizens engage with their government. This lead some individuals to suggest that the WWW had the power to enable governments to re-invent the ways in which they engage with their local citizens (Silcock, 2001). However, there is a growing realisation that in order to truly transform there is a clear need for governmental organisations to focus not just on the provision of appropriate channels for delivery but also re-evaluation of processes to put the customer at the heart of online services (Cabinet Office,

2005). A push to make multiple government services electronically accessible in early e-strategies for government is now replaced by more considered thinking regarding the most appropriate ways in which to engage citizens with services. This is further outlined in David Varney's 2006 book "Service Transformation – A better service for citizens and businesses, a better deal for the taxpayer" (Varney, 2006) which presents a clear case for the transformation of government services to take account of other channels of delivery.

Whilst e-Government benchmarking documentation over the past ten years demonstrates shifts in perception over ease-of-use and perceived use of channels (Accenture, 2005; Accenture, 2007; Accenture, 2008). There continues to be a reliance on the telephone as the preferred method of contacting government services. There is also clear indication in research linked to channel migration and multi-channel strategies that the web as a medium is not a golden bullet, but is another mechanism for citizen engagement, to be used as part of an established channel strategy for government-citizen engagement (van Deursen & Peterson, 2006; Ebbers et al., 2008; Ebbers et al., 2008). A substantial determinant in channel selection is the type of service that the customer is seeking interaction with (Reddick, 2005; Thomas and Streib, 2003). If the service is informational then the web may be a first choice, whilst if the issue is a service related problem then direct contact over the phone may be preferred.

There are clear examples at an International level of where web based channel provision can make a substantial difference in the delivery of service. At national levels we find web based provision making a clear impact on the filing of taxes, with examples such as the Irish (Corbett and Carroll, 2008), UK (Cabinet Office, 2010) and Dutch (Pieterse, 2009) taxation systems demonstrating substantial growth in use of online services. The identification of further best practice case examples of shifts of service provision formed part of the research conducted for this project. This is detailed within Section 3 of this paper.

One of the issues however with a multi-channel process particularly one involving web based services is thinking in relation to a whole solution, which encompasses both back end and front end elements. In relation to this Kenaghan, 2005 suggests that there are "*four major categories of barriers to integrated service delivery (these) are political/legal, structural, operational/managerial and cultural ones*". He suggests that successful services are generally seamless in operation between front and back end systems, helping government leverage efficiencies and helping customers also gain advantages. However, there are clearly significant challenges in transforming service provision including changing office processes, increasing customer understanding, dealing with changes in job roles, purchasing or building systems which better enable channel integration. Without tackling service integration organisations are often left with multiple channels with multiple processes which are clearly inefficient and may lead to reduced customer satisfaction. For example, the addition of a web form for booking may, if care is not taken, lead to delayed service provision through this channel as opposed to telephone or physical interaction.

Researchers such as Pumphrey (Pumphrey, 2006) have concentrated on developing guidance for successful channel migration. For example, Pumphrey suggests in his paper "*golden rules for formulating future channel strategies in consumer-facing organizations in both commercial and public sectors*". These rules are developed from Pumphrey's experience in implementing online services for public private sector organisations and from identified best practice. Organisations such as Socitm (see <http://www.socitm.gov.uk/>) produce a wide range of consultancy papers focused on developing strategies for channel shift, for example Socitm Consulting (2010). In addition governmental guidance in relation to shifting of governmental services including planning for channel shift (Cabinet Office, 2010) is also available. These papers, associated events and workshops provide targeted support for government service managers to understand how channel shift can best work for them.

Consideration does not just need to be limited to the technical transformation of service but needs to consider the mechanisms through which to engage the citizen with new opportunities for interaction. Apicella and Streatfeild (2010) provide a good summary of the issues related to marketing practice of online public services. Small changes like the emphasis of a 'web first' focus for council service marketing can make substantial differences in the way citizens engage with the service.

### **3. Scope for channel shift in local government**

In the first stage of the project time was taken to gain an understanding of the potential scope for channel shift within government organisations through an activity designed for customer service managers and conversations with members of staff within the service. The workshop was designed to enable the collection of qualitative perspectives on which services seemed to offer the most scope for a shift of service provision. At the outset of the workshop a short explanation of the channel shift project, and some brief case study material related to channel shift was provided. Following this, the workshop outlined some of the issues needing discussion and identified the scope for specific services to shift channels. Finally, customer service managers took time to identify those council services that they believed were appropriate for exploration, in relation to, shifting some of the present interaction between customers and the services to self-help web based channels. Concentration was placed on shifts to service provision that would result in efficiency savings for council services and shifts that had the potential to bring about real customer benefits. Services identified were:

- Benefits Services
- Dogs including Dog Fouling, Lost Dogs, Street Scene
- Leaflet Provision and online information regarding access to services
- Leisure and Tourism
- Licensing and Planning Applications
- Parking (including Parking Permits and the Blue Badge process)
- Payments
- Pro-active Council Services
- Reporting
- Resident information services e.g. Notifications of Change of Address, Electoral register etc...
- Training services
- Waste Management

Customer Service Managers took time to outline what they believed to be the expected issues and benefits from a transformation of process and the adoption of new service channels for delivery. Consideration was given to which channels were most appropriate for particular services and approaches to improving service. Attention was given to the perceived complexity of transactions, the lifecycle of customer interaction with services, and the potential impact of transformation of services.

In addition a number of visits were made to points of customer access where conversation took place with front end customer service staff around the potential for shifts in customer access. These staff were also positive about the potential for improved access to service but also were clear about issues that may arise related to service nuances.

This initial stage of the project gave a clear indication that there are many potential service areas which are worth exploration in relation to shifts in provision. The Customer Service Managers and front end service staff identified multiple areas for exploration from basic reporting linked to customers in the local area, through automation of benefits services, to online services to support waste and recycling management. Whilst individual areas where benefit could occur were identified it was also clear that data may not be easily accessible to support a case for the provision of new channels. It was also clear that there would need to be a clear understanding of service nuances and customer groups.

### **4. Case study examples of channel shift success**

The above section provided information about the initial stage of the project which focused on analysing the scope for the potential shift of governmental services to self-help channels. Following this initial investigation the research focus shifted to the identification of case studies linked to the previously identified services. The case studies were identified through desk research identifying through available literature best practice examples (and some poor examples) of successful channel migration. Thirteen case studies were identified through the project; in the paragraphs below we outline some of the identified services and findings from related case studies.

## Reporting Services

Councils provide reporting services to enable citizens to provide information about different elements of their operation which are either not working (e.g. street lighting), have been damaged (e.g. potholes in roads) or are in need of improvement (e.g. a requirement for dropped paving). Reporting services can also be used to highlight problems in neighbourhoods like anti-social behaviour and can be used to enable citizens to suggest service changes. One of the main service areas that requires reporting mechanisms is that of Waste and Environmental management. Waste and environmental services are one of the most important council services and getting more significant with the increasing trend of recycling. To better enable these services a number of councils have shifted their mechanisms for citizen reporting linked to Waste and Environmental services. For example, South Tyneside Council in 2008 (Astun Technology, 2009 and see <http://my.southtyneside.info/>). re-engineered their waste and recycling web pages to improve their usability and increase their prominence within the council website. Extra services were provided to better enable individuals in the local community to quickly and easily access the information they required and organise waste collection. With the introduction of the re-vamped waste and recycling pages, service improvements and marketing through a targeted email campaign, cost was reduced from £2.97 to £1.25 and the number of transactions made via the service leapt from 203 to 2873. The council gained 2000 new subscribers to this service in 2009. Subscriptions keep subscribers updated about the services and anything new going on around them.

Tameside Council are another example of a council who have experimented with electronic reporting mechanisms for waste and recycling. Towards the end of 2008, Tameside Council instigated an email campaign to drive citizens to use the online channels that were available to them through targeted emails related to waste and recycling services (Experian, 2009). It was estimated that 1 in 7 calls to Tameside Council relate directly to these services with each call costing an average of £1.28 for Tameside Customer Services team to administer. Tameside had noticed that the ratio of web access for these services stood at 1 in 50 visits to the Tameside website with each visit costing around 6p to administer through this channel. The email campaign was designed around the concept of producing a behavioural shift by the local citizen in moving to e-services rather than the use of a phone call. In addition by publicising services related to waste and recycling the council hoped to increase the demand for other online services. The email campaign consisted of a number of targeted broadcasts to local residents using the database of email addresses gathered. 66% of the emails delivered to local residents were opened and there was a massive increase in the number of web visits throughout the duration of the campaign. Tameside Council also provides a form based system for the customer registration of council services such as bulky waste collection allowing residents to report anything such as abandoned cars and fly tipping. Finally, Bracknell Forest Borough Council decided to purchase a system with a single point of sale facility for reporting services, which could help customers in interaction with individual services at each council service point. This system has not only improved the front of house services, it has also helped the staff by generating more efficient management reports and allowing them to entertain customers with more time within the facilities.

## Geo-spatial services

Geo-spatial services are being used to aid waste management services with Daventry District Council using geospatial information to improve their refuse collection routes to provide savings by the reduction of distance travelled by the vehicle. This route optimisation service has reduced costs by up to £153,000 per year. In addition, South Tyneside Council created a geo-spatial project called 'My South Tyneside' to bring citizens more localised information about services. They provided a simple web based personalised interface to citizens based on a Unique Property Reference Number. The information provided is mainly about the planning permission in the local areas as well as for waste and recycling services but it has also included email alerts and subscription for local vicinity news. In 2009, over 2000 subscribers were using the system and they calculated estimated savings of £146,669 for 2008-2009.

## Online Information Provision

Case studies were also identified relating to the availability of online information instead of print leaflets (Department for Work and Pensions, 2006; Kirklees Metropolitan Council, n.d.). For example, Kirklees Council have adopted a web based multi directional communications system to aid with citizen interaction. The system uses a low cost SMS service to enable council-citizen and citizen-

council messaging. People register with the service and text key words about the information that they want. Responses to their information requests are sent to their phones. This service has been used to provide a mechanism for engaging young people with council services providing information about events happening in the region, and information regarding entitlements to benefits etc. In addition, the system has been used to help communication between the council and those in debt arrears from rental accommodation (with the levels of response from tenants in arrears increasing by 85%) and to provide a communication system for the deaf community. Additionally, Reebok Sports Club London have also used SMS messages for communication between customers and in the provision of booking facilities. This has reduced errors and misunderstandings in the booking process. It gave surprised changes in terms of declines in missed appointments, and an increase in customer satisfaction. Also linked to online information provision, Surrey County Council has identified the most requested leaflets and prioritised them on the basis of their level of importance to provide the leaflet service online. Similarly, the Department of Work and Pensions (DWP) have also tried to reduce the number of leaflets by combining information between services. The DWP and others e.g. Surrey County Council note the importance of knowing the most frequently requested leaflets, their age and level of importance. The DWP have actively sought to reduce the number of leaflets they provide by taking steps such as combining information between services which are of a similar nature and in Surrey County Council's case (and other councils) sharing production costs between neighbouring counties. A number of councils are also making available where possible the most frequently requested leaflets online cutting down on the cost of production but potentially causing problems in relation to consistency between web and print versions.

### **Benefits Provision**

Benefits services in the UK include items such as housing benefits, job seekers allowance, free school meals and clothing grants, etc. Different councils are taking advantage of channel shift in giving benefit services to citizens in various ways. For example, Tameside Council has introduced a system of online application for child related benefits (PublicTechnology.net, 2009). The online system focused initially on providing applicants with an online form for applying for school meals benefits. However, Tameside quickly realised the linkage between benefits schemes and introduced a mechanism for using single forms to apply for multiple benefits i.e. many of the individuals who claim for certain benefits are also entitled to other benefits e.g. in this case school clothing grants. Instant decisions are provided to the customer on their entitlement, with the web system carrying out the validation of data entered and checking benefit entitlements. It is estimated the system has reduced the number of transactions for the service by 40,000 and reduced the majority of transaction costs to 6p. Dundee City Council has also used a single application form for access to benefit services. The system pre-fills in form information for benefits claimers on an annual basis, without the need to re-visit the council, or re-submit proof of eligibility. Calculations are performed and payments are directly made to the customers' account.

Another example where councils are reviewing their benefits systems is that of the city of Edinburgh Council who have realised that the application forms used to apply for benefits are far too complex, with the majority of applicants for benefit services needing help and advice to complete the process. In addition, many forms are received which are incomplete or poorly completed resulting in significant time cost to applicant and council. The council collaborated with BT and EzGov to develop an online benefit system with pre-completed forms from simple questions asked to the applicant at the start of process. The online service is streamlined and also calculates the level of benefits to which each applicant is eligible, thus giving the applicant simple and efficient feedback about their access to benefits services. The benefit to the city of Edinburgh council have been improvements in efficiency of service and reductions in the number of transactions because of falls in the number of errors on forms.

### **Online Transactional Services**

Similarly, Her Majesty's Revenue and Customs (HMRC) introduced their online self-assessment service over ten years ago in 1999. Initially, the service only attracted 39,000 individuals to submit their returns in this fashion. In 2005/06 this had grown to around 25% of returns but this was still low when benchmarked against other countries where levels of e-Government were mature. However, since this point the numbers of users using the service have grown substantially. Changes to the process and targeted marketing strategies have brought about significant shifts to online services with

5.75 million completing self-assessment forms in 2009, this represents a 52% increase in online completion since 2007/08. Presently 11,000 forms are completed on a daily basis and at its peak the system has dealt with up to 40,000 returns an hour and almost 400,000 in a day. HMRC have done this through strategic planning of channel migration for their customer groups. For example, HMRC have provided self-help material for understanding how to complete the application, moved deadlines for paper returns giving more time to complete online submissions and have focused on transforming the online process into a much leaner, simpler process to complete for individuals than just an online version of the paper form. Individuals can also tailor the system to meet their own requirements and the system provides tax calculation facilities to better enable this aspect of completing self assessment.

Finally, as an example of online transactional systems, Dudley Metropolitan Council process over 2,500 planning permission applications per year. Prior to 2009, they had in place online planning permission services but these were not designed in such a way as to encourage individuals to use them. In 2009, in conjunction with ThePlanningPortal they introduced a re-vamped service which enabled people in the local community to pay online, manage their applications online, and to stop the need for the submission of multiple physical copies of documentation. With the introduction of the new system, planning permission applications made online rose to more than 60 percent from 30 percent previously.

In the majority of identified successful case studies clear thought has been placed into providing targeted systems which linked back office to front end services. It was also evident that UK councils are not quick to communicate on the fundamental benefits of transformation of their services, even where there has been quite evident success. Taking into account documents such as the Channel Strategy Guidance (Cabinet Office, 2010) and Citizen Service Transformation (CSTransform, 2010), it is clear that at the heart of a successful transformation is an understanding of information such as present channel strategy, cost per transaction, customer satisfaction and potential scope for savings. Key lessons learnt from the case studies include:

- The need to clearly target the service or part of service for channel shift.
- To think clearly about the marketing strategy including segmentation of customer groups.
- Take time establishing key performance indicators which can be used to support a case for channel shift and to evaluate success.
- That channel shift can reduce costs and a proportion of customers are willing to move but it will not replace frontline services.
- That channel shift does not need to come at an expense to customer satisfaction but can improve the service through customised and personalised provision.

## **5. Investigation of customer perspectives on channel shift**

Following the identification of case studies of best practice for channel shift in the UK attention switched to gaining knowledge of customer perspectives on the migration of council services to self-help web based channels. A multi-part questionnaire was designed in order to capture customer views to channel shift in relation to Council services. The multi-part questionnaire essentially covered a range of generic information related to access to council services, web access and future access; captured information from leisure users about potential for channel shift; captured information from tourists about potential for channel shift; and captured information from residents about potential for channel shift across a range of services. Many of the questions asked can simply be quantified however some of the questions encouraged participants to air their views more fully.

The survey was completed by 197 individuals consisting of 53% male and 47% female participants. The questionnaire was conducted across six town centre locations (all of which were close to council service points) on three separate days from nine in the morning until five in the evening. Individuals over 55 formed 50% of the sample set and 46% of the respondents were employed. There were limitations which impacted on the make-up of the participant group. These limitations were: locations selected (attracting sub-sets of council customers); timing (limits sample respondent group reducing the number of employed individuals surveyed and nature of participant employment); and the methods of collection (some individuals will not respond to the survey method chosen). However, the survey provides a selection of customer responses to service transition. The main findings from the

survey are outlined below. Access to the full report and findings can be requested from the authors (Mundy and Foster, 2010).

Observation 1: Whilst there may be an economic imperative to switch service provision to web based self-help services there are some major problems. The results of the survey suggest that there is a sub-set of the local customer group who access council services that are not equipped in knowledge, equipment or in terms of motivation for access to channels other than face-to-face and telephone. 46% of survey participants reported never having accessed council web pages. A wide range of barriers to access were stated, however, 69 % of those sampled who had infrequent or no access to council pages cited either a lack of a computer, lack of an Internet connection, lack of knowledge, lack of interest or preference of the personal approach as their main barrier to council web page access.

Observation 2: Whilst the findings do not establish a substantial demand for channel shift in relation to council services, many of those questioned recognised that provision of council services through more cost effective channels was a good thing (for other people), or in the case of web access was inevitable. In terms of the services residents would like to see online, parking attracted the largest interest (17%) followed by reporting and general information (each attracting 10%). Some citizen:council interactions (e.g. loss of job, death, disabilities, licensing, parking permits etc) can involve a lot of clarifications, clearances and paperwork. Although, the channel shifting of these services may be beneficial for some customers groups there are associated risks, for example, privacy and security (as illustrated by customer comments, *"I don't like filling in forms online, I feel uncomfortable"* and the description of online services as a *"total invasion of privacy"*) and fraudulent claims. Government organisations are sometimes reluctant to deal with these issues in the ways they can be dealt with by private enterprise (e.g. through customer log-in) because of the associated potential for 'big brother' related issues. In addition, there are financial issues regarding the need to properly link front end and back end operations.

Observation 3: It is clear that at present the most valuable service offered on the web by local government is access to local information. Of the 58% of citizens surveyed who accessed council web pages 35% suggested their main reason of use was to find out local information (interestingly for some this was the telephone number of particular services). Local government procedures and policies relating to delivered services can sometimes be difficult to gather and understand. Individuals requiring this information generally have to visit council offices or book appointments with advisors to guide them to more detailed information about these processes. For example, bus timetables, council tax rates, recycling information, and helpline and security numbers, etc. Availability of this information online can reduce these visits substantially.

Observation 4: Some current eGovernment services have not necessarily delivered a standard of service commensurate with the standard delivered previously. Taking an example, negative views were expressed regarding the provision of service in place for online planning applications. At present there are concerns over the reporting of planning permission status using the online system. Customers enquire about the status of planning applications through the site and sometimes the online system can present an inaccurate understanding of planning permission status e.g. at the top level of the site it can state rejection, but only when examined in detail at lower levels might you find that the application had been accepted on appeal. Of critical importance is, services when delivered through different channels should take advantage of the channel in order to improve the service. Comments about the provision of forms to complete and physically take into council facilities don't promote a reason to 'Do It Online'.

## **6. Developing a framework for service assessment**

The last stage of the research project involved taking the research findings from each of the previous stages and using these to construct a business case template which could be used to assess the potential for successful channel shift. It is clear from the research above that present approaches to channel shift within governmental organisations do not generally go through a substantial planning process. Therefore there is a need to suggest a comprehensive strategy for assessing the potential for successful channel shift. The final output of this project is in the outlining of a business case template for channel shift evaluation.

The business case template (Mundy and Foster, 2010) was constructed from an analysis of the issues, concerns and requirements extracted from the project's research findings. The initial stage in

its construction focused on the identification of a range of key criteria to enable evaluation when judging whether a service is or is not appropriate for channel shift. These key criteria are detailed in Table 1.

Questions relating to each of these criteria were then categorised and organised into a paper template document requesting information from the proposer so an evaluation can be made of the potential impact of the new channel and a decision can be taken on the project. The business case template would form part of a two stage process. A smaller form would be abstracted for an earlier stage in the project lifecycle to gain initial support before the development of the larger template, as there is recognition of the length of time it may take to complete the larger business case template.

**Table 1:** Key criteria

Benefits to the Customer	Opening up new channels to access services will not necessarily provide benefits to the customer or provide savings to the service. Web based access has the potential to streamline processes, improve service provision and offer more substantial benefits to the customer but only when it is viewed as integral, not just as an add-on. Customers will often make the choice they perceive as the simplest, most effective and with the most benefits. When the digital services offer ease of access, joined up service provision and other added benefits to other forms of access, then this can lead to substantial shifts in usage.
Benefits to the Council	Changes made to service provision have the potential to bring clear benefits to local councils. However, these benefits need to be balanced with clear benefits to the public in the transformation of service, given that members of the public are unlikely to move to a different channel for the sole benefit of increased council efficiencies. As has been evidenced elsewhere mechanisms for public change may come in the form of simplified service offerings or by passing on the cost of channel interaction to the customer.
Complexity	All services contain varying degrees of complexity, from the simple provision of information through to transactional processes. Even what may seem to be the simplest service can often be full of system nuances and elements of complexity. Often such complexity is centred around impact of changes of customer groups and staff. Understanding such complexity can be key to successful transformation of process and can facilitate public change.
Cost and Savings	Gaining a clear and detailed understanding of cost to serve and use of service enables greater clarity when evaluating potential changes to channel provision. When this understanding is coupled with knowledge of how customer attitudes are changing over time (e.g. growth in web usage), this can lead to a better understanding of the potential savings from the shift of service.
Customer Demand	Each customer group contains a variety of attitudes towards switches in service channel. Awareness of customer attitudes towards changes to service can help in identifying the delivery of clear benefits to customer groups. In addition, awareness of those services with a high proportion of users willing to change the way they access services can help to realise efficiency savings in short time periods.
Service Integration	The creation of extra channels without clear thought about the linkage between front end and back end services can lead to new costs and customer dissatisfaction. Thinking carefully about how to best integrate front end and back end services can lead to service efficiencies. There is limited benefit to providing additional front end channels if these channels do not lead to back end savings. Additional front end channels without integration lead to continued costs as front end service staff are required to pass messages on and respond in similar ways to present face to face or telephone contact.

Once these key criteria had been identified questions relating to them were categorised and organised into a business case template document requesting information from the proposer of a channel shift project. The aim of this was to enable evaluation of the potential impact of new channels so that decisions can be made about potential success.

## 7. Conclusions and further work

Changes in public funding are resulting in a drive towards austerity measures in public service provision. These measures involve publicly funded organisations reviewing their practice, in particular, the way that they deliver their services to the citizen. The drive is to reduce cost per transaction whilst maintaining sufficient levels of quality and service effectiveness. The problem with this drive is measures can often be taken in the face of substantial shortfalls of funding which are short term and are not well modelled. Often such decisions can result in a decreased level of service or substantial

costs at a later date as channels are simply added without fully considering the financial impact and potential benefits to local customer groups. From the research conducted for this project come a number of simple steps forward towards the successful shift of delivery channel.

1. Success breeds success. Determining services which have the most potential for impact in terms of financial and added value for customers will lead to a growth in confidence in local council online services. This is particularly true when the service is reformed to add greater value to the customer than previously delivered through other channels. Once the transformation of service has taken place, these services need to be easy to use, and improve the user experience. Otherwise, as noted by a number of respondents the easiest thing to do is pick up the phone and talk to somebody.

2. Understand the 'true' cost. Public sector bodies need to gain a better appreciation of the cost of service through the multiple channels they provide to customers. In addition, Public sector bodies need to have a better understanding of the potential cost and continuing cost of service for any new channel provision.

3. Understand the 'real' system. Technology is only one part of a working system, often users have their own processes which can remain uncaptured by any technology. For example, take a local leisure centre with regular customers at specific times. An online system should not provide a completely open market such that it disrupts regular business. Capturing nuances, enabling greater personalisation and customising the interface for specific customer groups can provide an enhanced service to face-to-face or phone call engagement. Facilities such as online archiving, collection only of updated information, and tools for automation are examples of how online systems can be designed to make particular tasks much easier for the average customer to complete.

4. Who is the customer? Invariably services are used by different groups of users with each often having different requirements. In addition, each customer group may require different types of activity in order to attract them to use different forms of service. Some user groups will be quick to change service channel whilst other user groups will resist for substantial periods of time. Taking time to clearly understand the perspectives and requirements of different user groups can lead to the identification of clear marketing strategies or methods to promote engagement with new service channels. Some user groups will require very little encouragement to move.

5. Think 'bigger'. Simply using an online form to capture user data does not provide clear service savings. Technology provides mechanisms for disintermediation; however, often it is used only at the interface level. The automation of channel processes which go beyond simple data entry has the potential to bring clear efficiencies to process, especially when these are linked directly to backend systems. In cases where there is a lack of integration this often means that the provision of different channels leads to additional tasks for front end customer service staff to handle.

Future work linked to this paper will centre around the implementation of the developed business case template in practice. This will enable evaluation of its potential to highlight services which have greater potential for channel shift success. The research has found that public sector bodies are not that great at highlighting their successes to the public and other organisations in their sector. Therefore more can be learnt from a better understanding of case studies in this area and others linked to eGovernment service success and failure.

In conclusion, with the current drive to decrease costs in public service comes a growing imperative to reduce costs of transaction across government services. With this pressure comes a risk of simply adding channels without fully considering the financial impact and potential benefits to local customer groups. With clear concentration on the development of business cases to support a shift of customer engagement with services, including time taken to understand and target customer groups, successful channel shift can be achieved.

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