

Wired for ...what?

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By David K. Foot

Governments across the country are putting many public services on Web sites. There appear to be two main reasons: cutting costs and improving service. "Doing more with less" became one of the management mantras of deficit-ridden governments and it has continued into the new millennium. The e-government initiatives fit in perfectly, but will they work?

The cost-saving potential of an online strategy, such as that being pursued by the federal government, seems uncertain. Media reports have highlighted substantial cost overruns in the implementation of government online services. Criminal justice information in Ontario and information systems at the City of Toronto are two recent examples. Whether in business or government, budget overruns in information technology implementation are a concern.

But even if this were not the case, will an e-government strategy improve service? Remember the prognostications of the 1990s on how e-commerce was going to reshape Canada and, ultimately, the world? Yet the closing down of e-commerce sites, such as Holt Renfrew and Sam-the-Record-Man, have become all too common over the past couple of years.

Just last month, another Canadian company, Forzani, announced it was terminating its Web site for lack of business, despite the fact that it sold sporting goods and apparel which tend to appeal to young, technology-savvy customers (golf notwithstanding). When the projection for rapid growth in e-commerce failed to materialize, this spelled bankruptcy for many new economy companies.

Clearly the economic slowdown in the post-Sept. 11 and stock-market scandal era has had a role in the disappointing performance of many of these e-commerce initiatives. However, the Nasdaq technology index plummeted well before these unfortunate shocks, so many of these

companies were already in trouble before the current slowdown.

In many cases, the failure of e-commerce to live up to expectations reflects a widespread apathy among consumers to embrace this new form of business. Perhaps this reluctance is a tendency by the average person to retain familiar habits and resist change. Perhaps it reflects the fact that many households in Canada still do not have Internet access and so do not have the opportunity to participate in this new economy. Perhaps it is attributable to the difficulties that time-challenged customers have in maintaining familiarity with the ever-changing systems necessary to navigate the e-commerce landscape.

Another explanation is the customer-unfriendly design of many e-commerce sites. Sites that are slow to load, especially on older computers; prices that are only revealed at the end of the transaction; exorbitant shipping charges that remove any price advantage of the online transaction; and concern over the security of customer information are just some of the complaints revealed by site visitors in recent surveys. Other reasons included a lack of sufficient information to make a decision and an inability to contact a service representative.

There are important lessons here for e-government. Customer-friendly Web sites that are simple to use, present complete information and provide support for users are essential for a successful online service.

However, there is an even more fundamental challenge for all online transactions. While Statistics Canada's data on Internet use show increasing penetration of new technology in Canada's workplaces and households, they also contain more ominous information: Internet use plummets in households headed by people over age 50. This suggests that, since a growing proportion of the population is 50-plus, the greying of the population has not been kind

to North America's new technology revolution.

More detailed age data show that Internet use for all users generally declines with age, with those under 40 having above-average use and those over 40 displaying below-average use. However, households with parents in their 40s are an important market for new technology suppliers and providers. Not only are there more of them - - this is the baby boom generation -- but their household technology use is dominated by their teenaged and early twentysomething children living at home.

This is not new behaviour. The young have always been the champions of new technologies. This was true for the boomers who spawned the widespread use of the computer in the 1970s (remember computer cards?) and the introduction of the home computer in the 1980s (remember the Commodore 64?). But while the technology skills of their era may still be intact, if a little eroded, they are irrelevant in their children's era (what's KaZaA?).

Still, the boomer generation, born between 1947 and 1966, are today's typical customers. Because these are also the citizens that government must serve, it is important to understand them. For example, they are more likely to access the Web for information on stock markets, travel and health care than for products; they are much less likely to carry out transactions online; and they are well aware of the increase in fraud.

Since many e-government activities are information-seeking and not transaction-based, this is potentially good news for government online initiatives. However, the numerous failures of e-commerce sites and the recent survey findings provide a strong cautionary signal that it is not possible to use technology as the main route to serve the average Canadian. Online initiatives must be combined with the traditional bricks-and-mortar service channels if they are to be part of a successful strategy. The e-government management mantra needs to be both click and brick.

Finally, not only do the boomers rule the marketplace, they also rule the workplace. In many organizations today, the majority of workers are in their 40s. They have mortgages to pay and children to raise. Work is important to achieve these goals, as well as to facilitate their own personal development. Their technology skills, while improving, are usually not up-to-date. At home, they get their training from their children; at the office, they need training in the latest business software or rely on younger employees to manage so that the office can function with the latest technology initiative.

Unfortunately, government employees have been starved of both. Government downsizing and the deficit-reduction policies of the 1990s gutted retraining budgets and resulted in freezes in new, younger hires. The public service has not been given the resources to implement effective e-government. Outsourcing is often the only option.

This is the reality in many organizations today, though it is particularly acute in the federal government. As the government pursues its online initiative, it should learn from the previous failures in e-commerce and heed the findings of recent surveys. The prime directive must be to understand the user. Failure to do so will result in e-government going where no one wishes to go.

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