



Improving the citizen experience:

Insights for public sector professionals from
the KPMG US Customer Experience
Excellence Report 2022

March 2023

Putting citizens first

For more than a decade, KPMG LLP (KPMG) has surveyed consumers about their personal experiences with well-known brands, and we've published the results in our annual Customer Experience Excellence Report. More recently, we've included government agencies in our survey.

In the years since our first report, we've seen leading organizations invest heavily in improving the customer experience across the entire customer journey. They've learned that these investments can pay off handsomely, with greater customer satisfaction, accelerated growth, greater efficiency and lower costs. Understandably, people have now come to expect and even demand these more personalized and seamless experiences — not just from commercial enterprises but also from their government.

While our study focuses largely on the commercial side, the lessons for the public sector are no less germane. Exceptional customer experiences can empower citizens to make more informed decisions and to engage using more convenient self-service options. Such experiences can make the handoff from digital to direct human touchpoints seamless. They can create significant efficiencies in the face of tightening budgets. Put simply: life is easier for everyone with happy citizens, employees and government leaders.

Saddled with aging infrastructures, government agencies are looking at digital transformation projects that require considerable time and money — and of course, they'd like to get it right the first time. Beyond technology, these efforts require a shift in thinking, making empathy the coin of the realm through a solid understanding of the needs and expectations of citizens and other stakeholders. Meeting and even exceeding these expectations is the ultimate destination. But as with any journey, it's difficult and costly to start if you don't have a clear vision of where you're headed. The brands and experiences featured in the report can provide a beacon lighting the way forward.

In many respects, the stakes are higher for government agencies than for commercial entities. With a consumer brand, people can easily write off a bad experience or switch companies, but there are no such options when seeking a driver's license or assistance with essential life services such as food, housing or healthcare. There is more pressure on the public sector to get it right.

Agencies understand the importance of their missions. Long ago they made the shift from seeing their purpose as serving the government to serving the public. Many now use the term "customer" instead of "citizen." There have been many such advancements in recent years, yet they appear to have a long way to go before they translate into results reflected in our survey.

This year, the nine public sector organizations tracked by our Customer Experience Excellence Survey all ranked at or very close to the bottom of the list, far behind the leaders. All 9 finished in the bottom 20, including 7 of the last 10 spots. The "time tax" imposed by poor customer experiences erodes trust in government, and our survey shows that citizens are feeling its pinch. Only 38 percent of US citizens said they feel like a valued customer when they interact with the government.¹

Of course, a huge gap also means a huge opportunity. Leaders at all levels of government have recognized the importance of improving the customer experience. In 2022, for example, the federal government's Office of Management and Budget (OMB) made customer experience a priority² following an executive order from the President at the end of 2021³. We'll see if these mandates bear fruit. By examining the companies we highlight here that already have found success, you have the opportunity to get a head start on the effort.

1. Source: KPMG survey among US citizens, Summer 2020

2. Source: Performance.gov, November 2022

3. Source: The White House, Executive Order on Transforming Federal Customer Experience and Service Delivery to Rebuild Trust in Government, December 13, 2021



Why modern government is important

Government agencies in the US must modernize in order to keep up with changing user needs, regulations, and health and public safety requirements. Leaders of modern governments rethink business processes and service delivery models to more effectively achieve their mission. This article is one of a series that features how modernizing affects the government workforce and the user experience, improves security and public trust, and accelerates the digital journey. KPMG team members offer insights intended to help guide governments in their modernization efforts to encompass all processes, technologies, policies, and the workforce so each works together to create connected, powered, and trusted organizations.

US public sector performance

Our survey ranks individual organizations using a **Customer Experience Excellence (CEE)** score — a value from 0 to 10, 10 being excellent — with the total score for each organization as a weighted average across all survey questions. Two hundred thirty-seven US organizations were included in this year’s survey, with both commercial companies and public sector agencies among them. More than 7,700 US consumers were interviewed, with scores recorded for their perception of each organization’s reputation in three main areas:

- **Advocacy** — How likely they were to recommend each to a friend or colleague
- **Loyalty** — How likely they were to continue using each in the future
- **Six pillars** — Ratings for each pillar of customer experience: empathy, personalization, time and effort, expectations, resolution and integrity.

Let’s start by looking at how the public sector performed in our survey relative to other sectors.

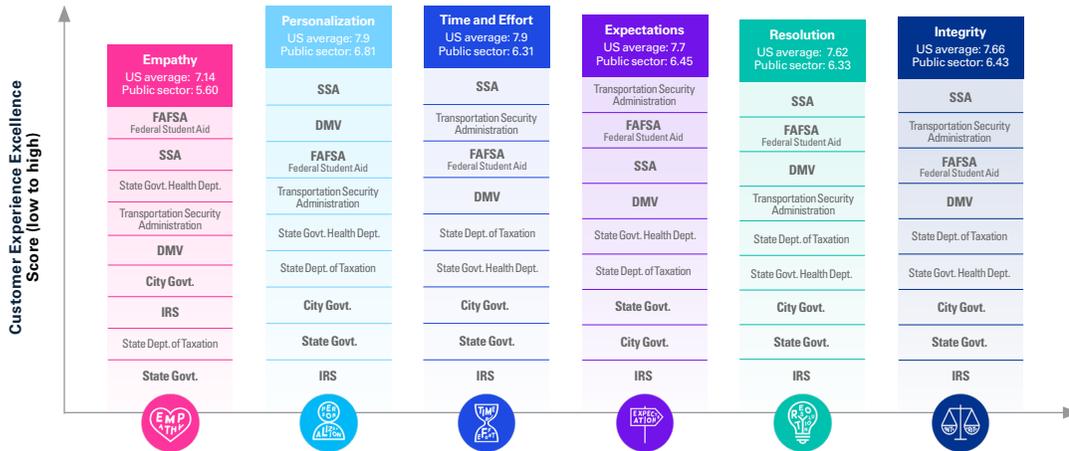
U.S. Sector Performance



As you can see, the public sector falls well behind all others in our survey. The average score for the top 10 companies in our survey was 8.35 out of 10; the average score across all sectors was 7.68; the average score for the public sector was 6.36.

For the public sector, scores for each of the six pillars were also well below average:

Pillar Performance in Public Sector



For the nine public sector organizations tracked by the survey, their individual scores placed them at or near the bottom of the list:

Public Sector Organization	Customer Experience Excellence Score	Ranking (out of 237)
Social Security Administration (SSA)	6.93	221
Federal Student Aid	6.82	225
Transportation Security Administration	6.57	228
Department of Motor Vehicles	6.48	230
State Government Health Department	6.30	232
State Department of Taxation	6.21	233
City Government	6.06	235
State Government	5.96	236
Internal Revenue Service (IRS)	5.88	237

It's worth noting that the local and state public sector organizations included in the survey did not reference any specific city or state, and in the case of "city government" and "state government" did not reference a specific agency. For example, the survey asked people about their experiences with the Department of Motor Vehicles (DMV) without reporting results on a state-by-state basis. Therefore, while one state's DMV customer experience may be better than others, the survey includes only aggregated results that would not reflect such an individual experience.

Why the low scores?

Government agencies have their metaphorical hands tied behind their backs when it comes to improving the customer experience. They face challenges that few private sector organizations will ever see:

- Many agencies are struggling with aging infrastructures that don't have the capabilities or the flexibility required to deliver modern customer experiences. Indeed, 79% of government officials say the age of their IT systems negatively impacts their mission.⁴
- Uncertain long-term funding and frequent leadership changes can make embarking on multiyear transformation efforts challenging or even impossible.
- Salary restrictions may make it extremely difficult to continuously attract and retain talent with modern skills.

4. Source: KPMG survey among government executives, Summer 2020

- Much of the funding given to agencies is earmarked for specific purposes or includes restrictions that can limit an agency's flexibility to use it to improve the customer experience.
- In modern, agile software development, "fail fast" is a key principle that can make innovation possible, but given the essential nature of many agencies' services, taking risks is off the table. Can you ever fail when people depend on you for food?
- Agencies (and the structure of government) aren't always well-aligned with constantly-changing market needs, and there's little flexibility ability for an agency to pivot to a new mission. In such a dynamic environment, even directing people to the right agency or set of agencies to address their need can be a significant challenge; while "no wrong door" is always a goal, it's not always easy to realize.
- In government, you can't choose your customers or the segments you'd like to target. Either you have to serve all citizens or, if the agency's mission is to serve a narrow segment of the population, they choose you or they're chosen for you. Further, the people agencies serve are often the most challenged in society, facing extremely difficult circumstances.

Anyone running an agency could likely add many more reasons to the list. For example, in some cases, low scores may be endemic — given its mission, the Internal Revenue Service (IRS) may simply never earn high scores no matter how great a customer experience it delivers (as it takes your money or audits your tax return). Arguably, the real customer in this case isn't the person being audited, but the rest of society who benefits from having everyone pay their fair share of taxes. Yet this isn't likely to be reflected in any customer survey.



“Abandon hope, all ye who enter here”?

Is Dante right? Is there no hope for public sector organizations to improve the customer experience? Not quite. Even with all the constraints, there's always opportunity for improvement.

For all its damage, the COVID-19 pandemic provided evidence that when given the support from leaders, the proper resources and the flexibility to explore and adapt, government agencies can make great strides. Many created new online customer experiences in remarkably little time, empowering users to serve themselves without an in-person visit. It's not only the customers who benefit — agencies can reduce costs when their customers are more self-sufficient.

Even before the pandemic, many agencies at both state and federal levels were already making great strides. The Department of Veteran Affairs (VA), for example, began an agency-wide review of the customer experience in 2015 under its new

Veterans Experience Office, employing journey maps for the first time. Chief Veterans Experience Officer Barbara Morton noted in a recent interview, “It was a game changer for us because it really was able to showcase what it means to think in a customer-centric way, forcing us as an organization not to think of ourselves in terms of our own organizational chart, but thinking of ourselves in terms of how we might serve veterans based on different moments that matter in their lives along their life journey.” And the results? According to Morton, the share of veterans who say they trust the VA to fulfill its commitment to them rose from 55 percent in 2016 to 78 percent in 2022.⁵

With help from KPMG Customer Experience professionals, Medicare — the largest health insurer in the US — revamped its aging website to better meet the changing needs of its users. KPMG helped conduct a stakeholder analysis, improve the use of its content management system and implement thousands of design enhancements. KPMG helped

5. Source: GovernmentCIO Magazine LLC, June 22, 2022

other agencies replace paper-based systems that both customers and employees had struggled with in the past — a win for all. Each of these may be a small step, but together they can add up to a significant experience improvement.

At the state level, Maryland has embarked on a multiyear initiative covering 19 of its agencies designed to provide a “one-stop” online portal for residents to find vital information, forms and other resources. Its Department of Transportation Motor Vehicle Administration has revamped its digital services to allow residents to perform many common tasks without having to visit a branch office — all with an eye to serving people who are not necessarily tech savvy.⁶ There are many similar examples across the country of agencies taking a customer-first approach.

What do these agencies that are making great strides in customer experience have in common? First, they simply got in the game. Second, they built their initiatives around three core best practices: designate a customer experience office that is citizen focused, allocate adequate funding and resources, and integrate efforts across the organization.

A lower bar

From a technology perspective, improvements like those these agencies have made are now easier to make than they were even just a few years ago. There’s been an explosion of easy-to-deploy-and-integrate technology tools, from AI-powered chatbots and real-time feedback/satisfaction questionnaires to mobile apps and text messaging solutions.

Projects you may already have underway that may seem unrelated to the customer experience can, nonetheless, also make it easier to improve it — for example, cyber security and data protection efforts. Trust is an essential part of the customer experience. So while much of the effort agencies are now putting into cyber projects may be “behind the scenes,” they shouldn’t be kept entirely invisible from your constituents. You can find ways to describe or even demonstrate the benefits of these efforts for them as part of their user experience. Similarly, as many agencies are now being directed to focus on accessibility and digital equity, the door opens wider for improvements that can transform the experience for all.



What can you learn from customer experience leaders?

If you work in the public sector, you might be asking: is there anything I can learn from the success of private sector companies? The answer is a resounding “yes.”

All of the companies covered in the report can offer valuable insights for any organization regardless of sector. However, two of these stand out, certainly for their exceptional performance but also for their ties to the public sector: USAA (the top-ranked company in our survey) and Navy Federal Credit Union (also in the top 10).

USAA focused on one goal: creating a “touchless” customer experience, completely self-service, where customers need never visit an office or bank branch, make a call or engage with an employee. It recognized that mobile devices are so prevalent today — and generally so preferred by customers — that the customer experience should start and end on a mobile device, aided by artificial intelligence (AI). Customers have reaped the benefits, but so has USAA, with lower costs, improved data collection and better auditability of transactions.

Navy Federal Credit Union (NFCU) also focused on digital channels. It uses the data gleaned from every transaction to map the customer journey in order to improve it. It also actively seeks customer feedback. Together, these inputs have enabled NFCU to craft a user experience that empowers its members. Consider that those members live around the world in multiple time zones. Being able to engage with NFCU at any time is by itself a major advantage.

6.Source: Government Technology Magazine, September 15, 2022

But the lessons aren't limited to those organizations with tangential ties to government. Even Chick-fil-A, a top-three company in our survey and about as far away from a government agency as it gets, can offer valuable lessons. Its focus on empowering its employees likely has equal relevance to you.

Lessons from breakout companies

Our report also looks at six “breakout” companies — organizations that made a dramatic improvement in their CEE score year over year. Most were ranked in the hundreds last year, but this year all have leapt into the top 25. How did they do it? What can you learn from their efforts?

The report examines the eight capabilities or factors these companies all share that propelled them from mediocrity to excellence:

- Insight-driven strategies and actions
- Innovative products and services
- Experience centricity by design
- Seamless interactions and commerce
- Aligned and empowered workforce
- Digitally enabled technology architecture
- Responsive operations and supply chain
- Integrated partner and alliance ecosystem

When you read about these capabilities, think about what they might mean for you. The terms and paradigms may need to be translated into those you're more familiar with, but the lessons are no less germane.



Consider, for example, the first of these eight factors: “insight-driven strategies and actions.” How often do you and your managers talk to your customers? How often do you go through the same processes they do? Do you fully understand the customer journey? To make it manageable, it must be measurable. What are you measuring and what are you changing based on those measurements?

Another factor — “innovative products and services” — isn't only about building or implementing cutting-edge technologies. It's also about exploring new ways to deliver services. One takeaway for you might be to talk regularly with other agencies to learn what is working for them.

With “aligned and empowered workforce,” you'll see that a learning culture is essential, where your employees continue to grow no matter the length of their tenure. A great customer experience starts with a great employee experience. What can you do to make their jobs more enjoyable? You may be hamstrung with their salaries, but you can create an environment where your employees are listened to, where their ideas are seriously considered and tried, for example.

“Responsive operations and supply chain,” and “integrated partner and alliance ecosystem” are focused largely on external elements. Both can be highly relevant for government agencies.

In many cases, delivering a complete service involves multiple government agencies. A single integrated service delivery, for example, might involve housing services, child welfare, public safety and more. To the customer, this should appear to be a single service. How do you streamline such integrations and work across funding streams and agency bureaucracies? It's through cooperative planning and better sharing of information, anticipating the more common cross-

agency services. Forging these alliances requires effort and lots of communication, and in some cases technology integrations, but the result can be a seamless experience for customers.

All too often, agencies see public-private partnerships as “giving up” — turning to these private sector organizations to deliver what they should have been able to deliver. It’s rare that alliances are seen that way in the private sector, where alliances are actively sought out to gain leverage and greater efficiencies.

Given all the constraints that agencies face, it may be unrealistic to expect you to embrace all eight of these capabilities; instead you must prioritize your efforts. Transformation can often be accomplished through many smaller, “bite-sized” steps instead of one grand project. Focusing on even one can often make a meaningful difference. In some cases, no additional funding or resources are required — a change in thinking is all that’s needed. Look for the low-hanging fruit and grab it whenever you can.

Enjoy the report. We hope you will find it illuminating and valuable.

Download the KPMG US
Customer Experience Excellence Report 2022:
[visit.kpmg.us/2022_US_CEE](https://www.kpmg.us/2022_US_CEE)

How KPMG can help

KPMG has worked with federal, state and local governments for more than a century, so we know agencies work. Our team understands the unique issues, pressures and challenges you encounter in the journey to modernize. We draw on our government operations knowledge to offer methodologies tailored to help you overcome these challenges and work with you from beginning to end to deliver the results that matter.

The KPMG team starts with the business issue before we determine the solution because we understand the ultimate mission. When the way people work changes, our team brings the leading training practices to make sure your employees have the right knowledge and skills. We help your people get value out of technology while also assisting with cloud, advanced analytics, intelligent automation and cybersecurity. Our passion is to create value, inspire trust and help government clients deliver better experiences to workers, citizens and communities.

Learn more: read.kpmg.us/modgov



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