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Programme

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The Customer Journey as one Success Factor

for Citizen-Centric PB

Group of activities 4.2: Output 3

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List of abbreviations

NGO Non-Government Organization
NPM New Public Management
PB Participatory Budgeting

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1 Introduction

Participatory budgeting (PB) places part of the municipal budget under the direct responsibility of citizens. Depending on the form of PB, citizens can submit proposals that are then put to a public vote. This type of participation strengthens the understanding of democracy and allows public funds to be allocated efficiently. This requires a change in thinking on several levels: On the one hand, decision-makers must be willing to hand over power to citizens. On the other hand, citizens must be motivated to participate.

With regard to voluntary participation, we can draw parallels between citizen participation and corporate customer management. The latter has already been operating active communication channels for some time in order to obtain direct feedback from customers for product development (e.g., via design thinking or open innovation), to react quickly to any problems, and ultimately to bind customers to the product or brand in the long term. customer journeys are also used in this context.

In the public sector, citizen-centeredness and participative elements are increasingly coming into focus. If, analogous to customer-centeredness in the private sector, "citizens are viewed as customers," their experiences with politics and administration, e.g., in their home municipality, can be systematically scrutinized with recourse to the methodological framework of a customer journey. Within the framework of such a Citizen Journey, all processes and contact points of the inhabitants with politics and administration at the municipal level are then to be identified and visualized, whereby attention is also to be paid to emotional reactions.

In this article, we present a fictitious customer journey in the context of an exemplary PB process. For our fictitious persona "Gabi Schmitz", resident in Bützow (Germany), we address all contact points (online & offline) with the newly designed participatory budget - starting from the initial information of the administration to the implementation of the selected ideas. In doing so, we shed light on objective actions as well as emotional reactions. The process to be gone through is a citizens budget, a direct democratic form of PB and one of the many individual manifestations of a participatory budget. The analysis of participatory budgeting via a customer journey shown in the article is transferable to other municipalities and can help to

increase the citizen-centeredness of the administration and ultimately the satisfaction of the citizens with their municipality. This project output is already published in a German Journal[1].

2   The Customer is King

The competitive landscape has changed fundamentally and, in some cases, disruptively for many companies due to increasing digitization. Competition on offline and online channels requires differentiation of one's own offering in conjunction with consistent customer orientation. Customer relationship management, i.e., the active influencing of the customer and customer relationships by a company, is now being replaced by a customer-managed relationship, as the customer is increasingly taking these relationships into his own hands today. This reversal makes it indispensable to look at the target group from a different perspective and to analyze how the sales act is perceived from the customer's point of view. In doing so, it is essential to consider the direct points of contact between the customer and the company and those with any dealers, suppliers, etc. - whether they are online or offline[2].

Customer journeys as part of Touchpoint Management are an established means of systematically recording these contact points in order to scrutinize their impact on customers. They allow the identification of the various contact partners, the recording of the interactions of different customers with each other, and counteract the danger that companies overvalue individual sub-steps that are not essential from the overall perspective of the customer experience[3].

The definition of personas is of central importance in Touchpoint Management. These represent a typical customer and, in contrast to traditional customer group segmentation, are described precisely as fictitious persons concerning their needs, motives, preferences, and behavior. Personas allow the target group to be made tangible so that activities such as marketing, development, and strategy can be aligned with it[3].

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[1] Reiz, A. et al. (2021).
[2] Goldhausen, K. (2018).
[3] Keller, B./Ott, C. (2018).

3 The Customer is Citizen

While companies have to prevail in a competitive market, this applies to the creation and provision of public services by municipalities to a limited extent at best. For the services offered, such as issuing a new ID card, there is no alternative provider due to the state monopoly. Nevertheless, a need for greater citizen and customer friendliness as well as higher effectiveness and efficiency was recognized in the 1990s, which led to the introduction of the New Public Management (NPM) Model. The core idea is an output-oriented, customer-centric administration with company-like management and organizational structures[4].

Even though the implications of NPM for organizational structure and the focus on business success criteria are sometimes viewed quite critically[4], the benefits for citizens are generally acknowledged[5]. The idea of viewing citizens not only as (powerless) demanders, but as customers, or even co-producers, of a (public) service, allows for a holistic view and directs attention to the quality of the process of offering and creating government services, as well as their experience of use and participation. The quality experienced can contribute to citizens' satisfaction with their municipality, politics, and administration and identify the potential for improvement from a municipal perspective. This also applies to participatory democracy programs such as PB.

Core thesis 1: The methods of customer experience management can be transferred to public sector services.

Political will and the support of the administration are not enough to realize PB. Instead, it is essential that citizens participate actively and that the active citizens form a representative average of all citizen groups. Therefore, it is crucial not only to rely on the willingness of a very active minority, who practically participate in such projects of their own accord but also to encourage as many citizens as possible to participate. A proactive instrument for achieving this goal can be the customer (in this case, citizen) journey, which has been adapted to the area of application. Here, the process of participation in a participatory budget is run from the perspective of (fictitious) personas with the goal of anticipatory touchpoint management.

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[4] Jann, W. (2019).
[5] Jann, W. (2019); Neunecker, M. (2016); Möltgen, K./Lorig, W. (2009).

4   Participatory Budgeting

PB is widely used internationally. It has spread worldwide, starting in Brazil (Porto Alegre, late 1980s) and New Zealand (Christchurch, early 1990s). In the scope of PB, the traditional model of "administration plans, politics decides" is broken by allowing citizens or residents to participate in planning revenues and expenditures actively. Characteristics are an information phase (who may participate, when, how, in which areas of the budget), a participation phase (citizens make proposals, discuss them and vote on them), and an accountability phase (concerning submitted ideas, voting results, proposals to be implemented or implemented, etc.). Regardless, citizens should be mobilized to use their expertise, arouse their interest in budgetary matters, initiate a dialogue between citizens, politics, and administration, and counteract disenchantment with politics[6].

Core thesis 2: Municipalities increasingly want to actively involve citizens in decision-making processes.

Around the world, PB procedures can differ significantly in terms of specific objectives (grassroots democracy, improvement of living conditions as well as public services, modernization of administration, etc.) and procedural alternatives (citizens decide (as in Porto Alegre), consult (as in Christchurch), etc.).

5   Applying the Customer Journey to PB

5.1   Persona

Gabi Schmitz is 27 years old and lives in Bützow, with her 10-month-old son Sebastian and her husband, Dominik. For six years, she has lived in her own home in the "Wolken" district and is an enthusiastic canoeist. In this context, she is a trainer in the canoe club Bützow in the youth department. She works part-time in a local supermarket. She regularly votes; beyond that, she is not politically active. Her interactions with the city administration have so far been limited to organizational issues and permits when building a house, as well as dealing with authorities when her son was born.

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[6] Bundesamt für politische Bildung, URL: buergerhaushalt.org.

Figure 1: Our Fictive Persona "Gabi Schmitz"

5.2 Gabi Schmitzs PB experience

In the following, we present Gabi's journey through PB. We are particularly interested in how we can inspire citizens to participate in PB, which marketing activities lead to success, and what influence the interplay between online and offline activities has on the emotional mood of our persona toward participation in PB.

5.2.1 The First Contact with PB

At the municipal level, it was decided to introduce PB. A total of 5% of the city's bi-annual budget is available. The total budget of 100 000 EUR is to be distributed among individual projects, whose realization may cost a maximum of 10 000 EUR[7]. Gabi receives a first, colorful letter from the administration about the newly introduced participatory budget. This contains information about the participation possibilities and political goals. Since her interactions with the administration have so far been limited to organizational matters and the letter does not appear to be a bill, she initially considers it to be classic advertising and pays no further attention to it. *Days go by during which the participatory budget starts up on the administration side without Gabi Schmitz knowing about it.*

Two weeks later, an annual folk festival takes place in Bützow. Gabi strolls through the crowded streets and alleys with her family. She notices the booth of "Pferdemarkquartier e.V.", a local arts & culture association whose events she has attended in the past. The NGO promotes PB on site. Gabi gets to talk with the volunteers. She learns

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[7] Fictive Numbers and Process.

how PB works, how she can participate, and also what initial proposals have already been submitted. At the end of the conversation, she receives a flyer with further information and the internet presence of the participatory budget.

The conversation has piqued her interest. Once at home, she visits the specified website with her smartphone. She scrolls through the list of suggestions already submitted. She is surprised that many of the improvements relate to places she knows herself and feels connected with these suggestions. She finds some of them really good.

> **Recommendation for action:** Even a well-designed website needs attention first, and a single letter does not guarantee a high conversion rate. Important is the presence of the administration on different channels, both on- and offline.

5.2.2   Gabi Schmitz Participates

The first and perhaps most important step has been taken: there is now an awareness of the participatory budgeting initiative in our persona.

Inspired by the proposals already submitted, Gabi decides to submit an idea herself. There is ample public green space in front of her door. She proposes a playground for her son Sebastian. Registering for the portal and using the form for submissions does not cause her any difficulties. Immediately after submitting the form, she receives an e-mail from the administration about the next steps. She is pleased that the activation of her proposal is completed the very next day and uses the "share" function of the website. She asks her friends and relatives on social media to participate and vote for her proposal. Subsequently, she repeatedly visits the link to her submission every day, combined with a bit of pride.

Two weeks later, the submission period ends. In another letter, Gabi receives the voting documents. These explain the rest of the process and contain a brochure with the proposals up for election and an alphanumeric code, which enables a secret and secure election. Once again, she advertises her proposal among her acquaintances and also tells her less tech-savvy parents about her submission and asks them to vote offline at City Hall *"for her and her grandson."*

> **Recommendation for action:** As micro-influencers, engaged citizens can significantly influence the success of PB. However, it is vital to set the

hurdle for viral dissemination at a low level - e.g., through a consistent mobile-first approach and integration of social networks.

5.2.3 The Voting Process

The submission phase is closed. Citizens are now invited to vote for the best proposals with a total of three votes per person. Gabi flips through the brochure with the proposals up for election and proudly finds her own proposal there. She decides not only to support her own proposal but also to vote for two other projects. Gabi then visits the already familiar website and logs in using her cell phone and the access data in the letter. After voting, she is surprised at how easy it was.

> ***Core thesis 3:*** *The participation of citizens in political processes cannot be taken for granted. Offers must be geared to the needs of the citizen at a low threshold.*

Two weeks later, Gabi receives the result by e-mail. Unfortunately, her proposal did not make it onto the winners' list. Nevertheless, one of the proposals she voted for was accepted. Gabi feels that she has been heard by the administration through the participatory process. Although she finds it a pity that her suggestion is not realized, she is ultimately happy to have been part of the improvement process. Through a newsletter, the city administration informs about the status of the implementation of the selected proposals.

> **Action Recommendation:** The voting process should be designed as simple as possible and take into account the different abilities and preferences of the citizens (e.g., through on- & offline voting & information). Further, the progress of the implementation should be clearly communicated. This forms an excellent opportunity to establish and maintain a direct communication channel with the citizen.

6   Closing Remarks

PB is not citizen-centric per se; instead, it must be planned with the citizen in mind. Customer journeys take on the perspective of the citizen and thus make the citizen-centeredness of participatory budgeting a tangible experience for the administration. The persona presented

here as an example can be modified into a variety of other personas. The design of these personas should be as representative as possible of the population of the municipality. This enables the administration to visualize the various contacts to PB and to adapt them to citizen needs. The example presented here shows that

➔ a well-designed website can be promoted online, but also offline,
➔ citizens have an essential function as micro-influencers,
➔ low-threshold contact points and easy integration into social media are essential,
➔ voting should be multimedia-based and straightforward, and
➔ accountability is an essential factor in the process.

This output fits into a broader perspective of helping municipalities to develop or integrate PB IT tools. This research output is aligned with the outputs of GoA 4.1. These documents present possible features of existing PB initiatives and a feature and usability catalog, as well as the other outputs of GoA 4.2, which present an analysis of existing software and a reference architecture for PB. These additional resources on IT support for PB and PB overall can be found on the project webpage empaci.eu.

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