Benefits sought by citizens and channel attitudes for multichannel payment services: Evidence from Italy

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ABSTRACT

Together with the digitalization of government services, a considerable amount of countries, and Italy in particular among them, are considering the introduction of several online and offline access point to its services in order to increase the penetration of provision systems not requiring an interaction at the PA office. This study, through a two-step empirical exercise run in Italy, intends to understand the benefits sought by citizens and the channel attitudes in order to understand whether and how this orientation by policy makers, with respect to payment services, may be effective. Thanks to a suited sampling, the study sets the basis for a segmentation of the citizens in terms of benefits sought and discusses the channel attitudes within each segment identified. By analyzing the characteristics of the segments, the study presents implications for policy makers and public servants and provides a conceptual background for grounding further research on multichannel service provision.

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"Developments with modern technology over the last two decades, especially as they relate to the Internet, have provided revenue bodies with an array of potentially more efficient methods—hereafter referred to as channels' in line with industry practice—to deliver services and provide information to taxpayers. With a greater array of channels available for use and a diverse range of clients to deal with, it is obviously important for revenue bodies to have a systematic and structured process to plan for making best use of available service delivery channels, taking account of all relevant considerations"

[OECD, 2012 p. 5]

1. Introduction

Low levels of user acceptance of e-Government services are recognized as a huge, incumbent problem for policy makers, Public Administration (PA) managers, and the community as a whole: in fact, despite the huge investments by governments in the introduction of online services to link government networks to citizens, the penetration of these services are unsatisfactory and do not provide adequate returns on investment (e.g., Hung, Chang, & Yu, 2006).

In Italy, in particular, two concurrent factors, among the others, are suggesting Italian government to investigate how to push the penetration of electronic services among citizens: (i) Italy has been a significant investor in e-Government services: since 2000, over 3 billion euro have been invested – out of which some 740 million euro have been invested in by local bodies – in the development of e-government solutions (Assinform, 2012) and other 3 billions have been allocated to a series of digitalization initiatives including the Public Sector (the so-called "Agenda Digitale" — cf. Barone, 2012); nonetheless, e-government penetration is largely underdeveloped compared to European best-in-class countries: the penetration of e-government among the population requiring public services amounted to slightly less than the 60%, compared, while Spain registered roughly the 70% and Denmark and UK exceeded the 90% (European Commission, 2013); (ii) the economic dowturn, which has particularly affected the Italian economy in the last decade, is forcing government to cut budgets and improve efficiency in Public Administration (PA) in order to save resources; in this respect, a significant and growing attention has been paying to the ways through which making public investments more cost-effective and efficient (European Commission, 2013).

With respect to the latter point, in particular, Italian government, moving from the assumption that the more a e-government service is used, the higher the benefits for the PA, is exploring a peculiar approach to favor e-government: multichannel service provision (cf. Italian Ministry for PA & Innovation, 2012). Multichannel service provision consists of making PA services available outside the PA offices, making it possible for citizens to achieve an ideally ubiquitous access to services, enabled by ICTs. This means, of course, service provision through the

Internet, but also from other access points where third parties may support citizens in the access to online services through ad hoc interfaces or platforms. These third parties may be supermarkets, post offices, tobacconists, pharmacies, or ideally whatever physical or virtual party authorized by the government to provide public services. The rationale behind this attention to multichannel provision is that digitalizing the Public Sector is an advantage for the PA in itself, independently from the specific access point by citizens to services, and observing how Italian citizens are prone (also because it is quite historically rooted in Italian tradition) to interact with PAs through third parties (e.g., tobacconists — that are official retailers of stamps), growing attention to the possible deployment of service provision in places (physical or virtual in nature) different from public offices is emerging. Indeed, seminal initiatives for providing payment services, certifications and other public services through different channels (post offices, banks, pharmacies, etc.) have been implemented by some local bodies. For instance, the possibility to pay the car taxes or fines at tobacconist was enabled some years ago in an experimental way, and is becoming an important, when not pre-eminent, payment channel for citizens all over the country. Other initiatives such as the payment of some healthcare taxes in pharmacies or at supermarkets, as well as the payment of the house or waste taxes at tobacconists' have been introduced, with positive results in terms of penetration (Politecnico di Milano, 2011). The success of these initiatives is increasing the attention paid by the Public bodies in the development of the initiatives, so that several calls for an enlargement of the alternative channels for payments and other services are in play. Yet, organizational and financial costs for developing interfaces and modifying procedures in order to broaden the set of access point are not irrelevant for PAs. Resource shortage is hence forcing Public bodies to select the channels to enable according to the possibility to actually have returns on the investment in terms of efficiency (Agostino, Arena, Azzone, Dal Molin, & Masella, 2012). And this, in turn, strengthens the emphasis on detecting the channels that are the most attractive for citizens in order to favor the penetration of services.

Nonetheless, while literature on citizen acceptance of "direct" (i.e., purely PA2C) e-Government services is bourgeoning (e.g., Aladwani, 2013; Nasi, Frosini, & Cristofolini, 2011; Susanto & Goodwin, 2013) much less is known about the citizens' attitude towards different channels of service provision. In this paper we explore this very topic, trying to understand two paramount issues: (i) the key-benefits pursued by citizens when approaching public services (with a special focus on payment services), and (ii) the potential channels of interaction perceived as suited to provide such benefits. In this way we will identify the attitudes of citizens towards different channels of e-Government services provision and will provide both theoretical and practical implications for policy makers. Our empirical exercise is articulated in two studies: first, we conducted exploratory focus groups with profiled samples of Italian citizens aimed at reframing the set of e-Government benefits advanced in previous studies as e-Government acceptance antecedents in a comprehensive, but parsimonious way; second we conducted an extensive survey on a sample (n = 1000) that is representative of Italian population aimed at understanding expected benefits with reference to payment services and attitudes towards the different channels. Through statistical elaboration, we identified segments of users with homogeneous needs and benefits sought and the attitudes of these segments towards the different channels of interaction.

Such an analysis, besides the immediate impacts on the Italian situation, tackles a top priority issue at an international level: OECD (2012) highlights how providing information and services to citizens through multiple channels is a troublesome issue for PAs all over the world, raising a call for managerial tools suited to pursue cost effectiveness in multichannel government. Providing a possible segmentation scheme for multichannel payment services, hence, may represent a valuable tool for better identifying the potential "markets" of each channel,

supporting PA planning and decision making when approaching the decision about whether to open a new channel or not.

The remainder of this article is organized as follows. Section 2 presents a review of previous e-Government studies aimed at identifying the framework of key benefits that determine propensity to accept an e-government service. Sections 3 and 4 present the method and the results of the first study aimed at testing the benefits framework obtained through literature review with suited samples of Italian citizens, leading to the definition of the punctual research questions. Section 5 introduces the outcomes of the study on citizen segmentation and attitudes towards e-Government channels. Section 6 discusses the results and the implications of the study, and, finally, Section 7 presents the conclusion and implications of findings.

2. Literature review and research framework

In this section we will introduce the state-of-the-art literature on user adoption of e-government services in order to introduce a taxonomy of potential benefits that represent the cornerstone of our empirical exercise.

Literature has widely debated the potential benefits and risk perceived by citizen in interacting with a PA. Several of these contributions aimed at studying acceptance, rather than attitudes, contextualizing the problem in the framework of established behavioral theories such as the Theory of Reasoned Action (TRA) (e.g., Warkentin, Gefen, Pavlou, & Rose, 2002), the Technology Acceptance Model (TAM) (e.g., Gao, 2013) and the Theory of Planned Behavior (TPB) (e.g., Horst, Kuttschreuter, & Gutteling, 2007). Nonetheless, these studies aim at understanding the factors leading to the adoption of a e-government services once it is available, while the objective of this paper is to explore the beliefs and the attitudes of citizens towards *potential* channels of service delivery. In this respect, hence, rather than discussing how beliefs interact with subjective norms and service-level variables such as easiness to use, we will focus on the contributions aimed at providing an answer to the question: what are the possible benefits of the adoption of e-Government services?

In this respect, literature is generally fragmentary, but quite rich, and provides a number of possible areas of benefit potentially impacting on the acceptance by citizens. Previous research has focused mostly on two main areas: on the one hand, the ability by the e-government services to provide citizens with relative benefits compared to offline service provision; on the other hand, the perceived "security" perceived by citizens when switching to online channels. In the first stream, several contributions, within broader theoretical models of technology acceptance, have highlighted issues such as increased perceived efficiency (e.g., Carter & Belanger, 2004), perceived usefulness (Horst et al., 2007) or quality of the information provided (e.g., Colesca & Dobrica, 2009). In the second stream, a strong emphasis has been put on the concept of "trust" in e-government services by citizens (e.g., Colesca, 2009; Warkentin et al., 2002; Welch, Hinnant, & Moon, 2005), underlining how citizen are prone to adopt e-government whereas they have evidence of a proper level of security. These two macro-streams of research, despite the specific declinations, when combined highlight a very reasonable view of e-government acceptance: first, e-government is adoptable whereas it is able to demonstrate citizens that it can provide the same level of service, and also of security, offered by offline services or traditional channels. Second, it is actually adopted when citizens perceive that using e-government induces a relative advantage, related to usefulness, convenience or other diminished costs/increased benefits.

Partly moving from these assumptions, Benedetti, Ghezzi, Lamberti, and Russo (2009) provide a comprehensive model of benefits potentially sought by citizens when approaching e-government that is grounded in extant literature. Given its comprehensiveness, we will endorse this framework in the first part of our research. Its underlying