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DAWN OF A DIGITAL CITY

Internet portal ESDlife is dramatically changing the way Hong Kong citizens connect to government services while also pioneering e-commerce in the territory.

By Tim Mecalfe



Two years ago, a group of blind people attended a demonstration of *ESDlife*, Hong Kong's unique e-government website which provides numerous options to tackle red tape over the Internet rather than in person. Services range from booking sports facilities and weddings to fixing an appointment with the Immigration Department or filing an online tax return.

The experience proved to be a revelation, not just for the blind people but for the presenters as well.

For obvious reasons, the Internet is not generally user-friendly to the visually impaired, but *ESDlife* is an exception. When the website was being conceived, a special "Virtual Vision" task force was set up to promote the rights of information for the blind and the visually impaired. With their needs in mind, *ESDlife* was designed to allow blind people to "see" and "surf" the website through translatable Braille monitors. To assist them further, text descriptions are provided for visual or graphic elements and everything is understandable when viewed without colour.

The mere novelty of going online for the first time proved predictably fascinating for those with sight problems. The reaction of one trialist in particular surprised and amused observers.

"I couldn't understand why one of them was so happy to find out about the tax return," recalls Tony Ma, *ESDlife's* Chief Operating Officer. "Until the blind

man explained with a grin: 'I no longer have to tell my wife how much I earn!'"

To Tony, the response was a revelation: "It didn't occur to me that whenever blind people fill in forms, they don't have any privacy. They need someone else to help with the paperwork and have to reveal everything about themselves. Sometimes you forget how important privacy is."

The option to fill in tax returns privately, for the first time, brings empowerment and self-respect.

"We're giving them the privacy they deserve. It makes *ESDlife* much more than a business. It's a genuine contribution to Hong Kong society," Tony says.

"Of course, we are a commercial enterprise and our primary goal is to create value for shareholders. But we also want to create value for society. We're changing lives."

Nobody expected *ESDlife* to revolutionise the lives of Hong Kong citizens overnight. However, slowly but surely, it really is making a difference.

The portal was launched in January 2001, part of the Hong Kong Government's initiative to establish a world-leading "Digital City". The objective was to place 90% of government services online by 2003.

It was long overdue. In a fast-moving city where time is perhaps the most valuable commodity, nothing infuriates the Hong Kong public so much as the despised government queue for ID cards, driving licences, sports facilities,

auspicious wedding days and so on.

Especially tiresome is that most government business is conducted only during office hours, Monday to Friday, 9am to 5pm and on Saturday mornings. As if there's nothing better to do during working hours!

For the government, the challenge was to find a way to physically make services and information more conveniently available to the public. The Internet, operating 24 hours a day, seemed the obvious solution. The main question was how to run it efficiently and effectively.

A STEP FURTHER

Every existing form of e-government was, and still is, operated by governments. But Hong Kong wanted to go a step further. Not only was the objective to promote e-government but also private e-commerce, which was in the very early stages of development. Other countries, led by the United States, had a host of well-established e-commerce dotcoms. But Hong Kong lagged so far behind that it was virtually "e-absent" when it came to home-grown e-commerce businesses.

The innovative solution was to link e-government and e-commerce together and to outsource the operation to an independent operator.

So began *ESDlife*, developed and operated by ESD Services, a joint venture between Hutchison Whampoa Limited and Hewlett-Packard.

"It's a visionary idea," says Tony. "It is the only Internet portal in the world



The public can use the ESDlife website to book government sports facilities as well as to buy sports equipment online.

seriously integrating e-government and e-commerce, and the only major 'government-to-citizen' e-government system operated by a private company."

E-CONVENIENCE

Operationally, the portal is linked not only through the Internet but also through a network of Internet kiosks scattered around railway stations, shopping malls and PARKnSHOP supermarkets.

The e-government facility today enables bilingual access to over 170 government services from 52 departments and public agencies. As well as filing tax returns, renewing vehicle licences and booking sports facilities, you can arrange your wedding day, check public exam results, apply for a building permit or register as a voter, to mention but a few.

Of particular use to the public has been the "Easy Change of Address" service, which was launched in May this year. It allows the public to notify more than 10 government departments as well as several business organisations to update their information all in one go. The service symbolises ESDlife's vision to link government and commercial services and provide one-stop services to citizens.

In another initiative that will make life more convenient, since August this year the public has been able to make an appointment for the replacement of their old ID with a Smart ID card, which every Hong Kong citizen will need to do.

EXCEPTION TO THE RULE

Compared with the US, Hong Kong's attitude towards e-activity of any sort has been lukewarm. But the public's response to ESDlife's e-services has proven the exception to the rule. Within one year of service launch, 85% of Hong Kong's

advance marriage appointments were booked online. So were 30% of the two million bookings annually for sports facilities such as tennis courts and football pitches – a chore that alternatively involves turning up personally at the venue.

Currently, more than 180,000 such transactions are conducted every month, or 6,000 a day, and half involve a cash transaction.

Transactions are made by credit or debit card while the "Octopus" card can also be used at ESDkiosks to pay for certain commercial services.

RAPID GROWTH

Just a year ago, payment-related transactions were running at slightly over 20,000 a month; today, they have surged by four times to reach 80,000. ESDlife is now among the top Hong Kong websites, processing the highest number of online cash transactions.

"These figures indicate fast-growing public confidence in the principle of e-commerce," notes Tony. "A lot of

people thought e-commerce was dead, that the bubble had burst. This was an aspect we had to overcome. Success depends on the application and the business model. We've shown that the Hong Kong public are willing to conduct business online – but the advantages must be explained. 'E-suspicion' is eroding by the day, although not across every age group. Our impact is much more powerful with weddings and sports than, for example, Senior Citizen Card application forms. It's the user group. These activities are relevant to the 25-35 years olds who are our major users. They are young enough to be computer literate and old enough to have jobs and credit cards."

The market's gender breakdown is also interesting. While on average more men purchase goods online, women are generally the first to buy a newly launched product over the Internet.

E-COMMERCE

Although the top priority from the beginning was to get government

e-services up and running, e-commerce has developed in tandem.

"First we built a high-quality customer base through the government services. It helped familiarise the public with Internet cash transactions and convince them that e-transaction is safe and convenient," Tony explains.

"People now accept the e-government service is reliable. They also recognise Hutchison as a trusted Hong Kong company. Together we have a very powerful brand."

Because people are motivated to visit the website, ESDlife's parallel e-commerce business is a big attraction.

"We don't offer free entertainment or news," says Tony. "Our 1.3 million visitors a month come for a reason. They want to get married, book tennis courts or whatever. So if tennis balls are promoted alongside tennis court bookings, we are confident of reaching a genuine potential customer. Anyone who books a tennis court is usually in the market for buying tennis balls. Just like anyone booking a wedding is bound to be interested in wedding banquet offers, or honeymoon bargains."

MAKING IT CLICK

In addition to its proven and attractive e-commerce opportunities, ESDlife has also seen an unusually good response to its online advertising business.

The "click rate" for banner advertise-

ments at ESDlife is much higher than the industry average. Furthermore, and as a direct result of the high click rate, the portal has defied a general advertising slump. The number of advertisers more than doubled last year amidst very difficult economic conditions.

"It's because we deliver value," says Tony. "Not only do we talk about our traffic, but the quality of our traffic. Visitors to our website are mainly well educated and possess greater than average spending power. The provision of

different public services also enables us to reach target customers effectively. You can advertise something on TV or in print but not everyone who sees it is your target customer. On ESDlife we know what customers need and deliver the right message to them and therefore the response rate is always impressive.

"Online advertising can also adapt very quickly to a market. We can respond to an advertiser's needs by setting up an advert and putting it online in only two days. We can judge the response and we can take it



Of the 35,000 marriages a year in Hong Kong, approximately 85% are now booked online.



down quickly and put up a new version if it doesn't work. This is very useful to advertisers who want to try out different campaigns within a limited budget."

This high-speed, quantifiable response has proved especially interesting in an unexpected sphere: opinion polls.

The Hong Kong University of Science & Technology last year placed an online survey with the ESDlife portal, parallel to a similar survey conducted in South Korea and Japan.

It was a hefty poll, with over 200 questions, so there was a "lucky-draw" incentive. The response was remarkable: ESDlife registered 16,000 qualified entries within just a few days.

Since then, two more surveys have been conducted with equally impressive responses.

ESDlife's reputation of being highly cost-effective enables it to develop happy and long-term relationships with advertisers. "We're very pleased with the



The ESDlife portal offers students a convenient way to check their examination results.

fact that many of our customers come back and give us new contracts within a short period. It means they really appreciate the value we create for them," says Tony.

NEW HORIZONS

The innovative and unique model combining both government and commercial services has in the meantime placed ESDlife at the forefront of the e-government sector world-wide. In their latest study of global e-government, Accenture, the international management and technology consultants, ranked Hong Kong seventh globally, ahead of well-developed countries such as the UK, Germany and Japan.

"We're at the global vanguard of e-services," Tony confirms.

For the future, the sky's the limit with more services rolling out all the time. These include the latest facility that enables the public to use mobile phones to connect to government services and an e-shopping mall, which is currently selling 15 categories of products ranging from medical check-up packages to badminton rackets. It is linked to Hutchison's business network, including Fortress, Watson's Wine Cellar, bigboXX, Priceline, Orange and the Harbour Plaza Hotel Group, which together offer a wide spectrum of good value products for online sale.

WORLD LEADER

While the success of ESDlife is best measured by the public response, the

portal has also been recognised internationally, winning prestigious awards such as the Stockholm Challenge, in which, out of 740 competing projects from 90 countries, ESDlife won top prize in the "Public Services & Democracy" category in 2001. ESDlife was cited for being "strongly focused on customer-orientation, reflected in the design of the user interface, integration of public and commercial services, and diversity of payment methods, including strong measures of security for personal data protection."

ESDlife is not only destined to take pressure off government staff resources and reduce red tape, but is developing into an exciting new business model. "We've reached an important milestone on Hong Kong's road to becoming a Digital City and are now building on it," says Tony Ma.

"Can you imagine the next generation filling in all the forms and joining all the queues like we do today? It simply isn't going to happen."

The e-government facility enables bilingual access to more than 170 services, ranging from filing tax returns and renewing vehicle licences to applying for a new ID card.