

Marketing utility and implementation with public services organizations a qualitative study on Romanian market

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The major role of public services in each country is indisputable, as they meet various needs of the civil society and contribute to an increased national development. In this context, according to international studies, if efficiently and continuously implemented, marketing can be considered a path towards achieving these socio-economic functions of the public services domain.

Therefore, this paper gives an overview of how marketing usefulness is perceived by Romanian public providers and the extent to which marketing activities are conducted within public services organizations. The study reveals the results of a qualitative research conducted among thirty-two public services providers, the group being formed of state and socio-cultural services organizations, on one hand, and industrial and commercial public services organizations, on the other hand.

Although marketing is considered important by most of the respondents, it is not implemented on a large scale within public services field, as it faces financial and organizational obstacles, along with some managers' lack of vision.

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1. Introduction

One of the pillars at the basis of a national socio-economic development is represented by an efficient system of public services, whose major role is to bring benefits to the whole community. Thus, the public services satisfy a large range of needs, from the elementary needs to more complex ones. For example, in order to satisfy physiological needs there can be provided services for households, as water, gas, or electricity supply, while the need for security can be met by public order, national defence and national security services. Other types of needs are more diversified, according to the customers' psycho-graphic characteristics, set of value and expectations, or professional training. Thereby, in some cases, the esteem or self-actualization needs can be satisfied by educational or cultural services. Besides the essential public services of the highest importance and whose absence can cause serious damage to the human community, or the normal ones, which currently exist and function within a society, in a state there are providing incidental public services if exceptional circumstances such as natural disasters or armed conflicts occur. (Corbeanu, 2000)

This is why the public service is considered an activity or a process of general interest that should be provided by a public organization or, at least, delegated to a private company, when the state does not have the necessary resources to perform it. (Plumb et al, 2004)

Therefore, in some domains, as education, health, culture, there are multiple providers targeting the same categories of potential customers. Moreover, the current economic crisis leads to diminishing budgetary resources and competition between public service units, even if they belong to the state or are private companies. Citizens, as

beneficiaries of public services are increasingly demanding and do not accept that their needs be determined exclusively by what the public institutions offer them, but they want to have the possibility to choose from existing public offering. In addition, the existence of some challenges in the marketing environment of public service firms, and the institutional requirements imposed by Romania's accession to European Union structures are reasons behind an on-going concern for improving organizational efficiency and citizens' satisfaction. Even if, lately, the theoretical and practical framework has suggested that the implementation of marketing in public services could be a valid solution for achieving the previously mentioned objectives, there are still various obstacles the providers need to pass. For example, according to some practitioners, marketing is not necessary in the domain of public services, because it may be considered immoral and invading the customers' privacy. Moreover, it can lead to an unfavourable image of public organizations, as they may be perceived unable to design and provide high quality services and in despair to attract more customers. This is why marketing is considered an obstacle to innovation (Sargeant, 1999).

Thus, the article tries to identify the importance of marketing within public service organizations in Romania, taking into considerations both the public units and the private companies, and how the managers cope with marketing challenges.

2. Literature review and research premises

Various aspects regarding the importance of marketing within public services field have been in specialists' attention lately. Two types of scientific demarches have been analysed in order to define the premises of this particular study. The first category include both theoretical and practical initiatives and refers mainly to the marketing concepts and activities that suits properly to the public sector and to

the advantages of implementing marketing in the public service organizations.

Thus, the broad principles of marketing concept can be applied to public sector, without any necessity of creating new ones. However, the marketing instruments and practices should be adapted to different contexts within public services domain, as there is no unique solution for each industry or operating environment (Butler and Collins, 1995). An important advantage of adopting a market orientation is that it can lead to an increased performance, as there are studies whose results confirm a positive relationship between market orientation and overall performance of public services organizations (Caruana et al, 1998; Cervera et al, 2001; Kara et al, 2004). Other results highlight the important role of internal marketing in fostering effective human resource management. (Ewing and Caruana, 1999).

Nevertheless, marketing initiatives can prove their utility in the public sector, as „governments wake up to the need not only for more efficient public services, but for services that actually serve the public - that are genuinely customer focused –” (Mitchell 2005, p.24). Thus, in order to decrease public costs or to offer better services, there are suggested marketing skills or activities that include: customer insight, segmentation and targeting, efficient and effective communication, or citizens’ involvement in the process of designing and delivering public services.

In addition, there have been also identified some other activities that can be conducted in public sector. As such, „public service market research uses all the techniques and innovations open to researchers today, but with one difference: the results are open and accessible to the public at large” (Mayo 2010, p. 711). The benefits of this approach could be: more informed citizens, more productive public debates, services designed to meet consumers’ needs. Even if these practices are met in a few developed countries, they are not used to a large extent.

The second type of scientific papers reveals the extent to which marketing activities have been conducted in several categories of public services (e.g. administration, police, library) in different countries.

For example, one study reveals the degree of marketing implementation in the local government, by underlining the difference between the low level of market orientation in smaller municipalities (rural and town/rural type) or districts and the increased level of market orientation specific to town municipalities or cities (Kowalik, 2011).

But, even if various marketing practices have already been adopted by public organizations at the operational level, the undeniable influence of political factors on public sector make some authors to question “whether politicians are prepared to allow a strategic marketing approach to be adopted” (Kearsey and Varey 1998, p. 59).

In fact, not all the providers in the public sector have the same level of marketing implementation, nor do they conduct the same marketing activities. Thus, according to an Australian study, there are three distinct groups of organizations in this field: the policy makers (federal government departments), the service deliverers (state government departments, local government councils, the public utilities, non-trading statutory authorities, and arts, cultural and sporting bodies) and the trading bodies (government business enterprises and marketing boards, and the various tourism bodies). Only the organizations in the third category have an integrated approach to marketing, including in their activities the research and sales positions as well as promotion and marketing management. This happens because they have to compete with other organizations on the same marketplace. Meanwhile, the service deliverers focus on marketing management and promotion and the policy makers use marketing almost exclusively as a communications device (Graham, 1995).

Research evidence show that also police services marketing is precarious and there is no consensus about this concept at practitioner level or at the policy-maker level. However, most of the initiatives are specific to external marketing, while the internal marketing is neglected. In addition, accepting and implementing marketing practices in this field cannot be an easy process, as police services' image is defined by independence and impartiality (Mawby and Worthington, 2002).

Another marketing research reveals the extent to which the libraries are in transition to a marketing orientation, by identifying the attitudes of a sample of librarians in New Jersey. According to this study, the librarians with marketing knowledge and experience expressed more positive attitudes toward marketing. Developing new services and advertising/ promotion are two activities with an increased perceived importance and a high librarian involvement, while the patron surveys stands at the opposite pole – low importance and low level of involvement (Parker, Kaufman-Scarborough and Parker, 2007).

Still, most of the marketing initiatives in the public sector have focused on training programmes whose purpose is increasing customer care, while little attention was paid to the psychology of public service user. However, „the developments in marketing have generally involved marginal changes and additions to the activities of the public service” (Walsh 1991, p.13). The author suggests that in the public sector there should be implemented specific marketing measures, derived from the private sector practices, as there are differences between these two fields in terms of market conditions, offer's characteristics, or modalities of providing the services.

There can be also mentioned various relevant examples of public administrative organizations in European Union that have implemented marketing measures in order to increase their efficiency and productivity and to improve their relationship with citizens. Thus, some of the initiatives in Italy focus on the process of providing

public services, by simplifying the compliance formalities for businesses, offering digital assistance for public administration's customers and getting them more involved in decision-making process. At the same time, the virtual connections and the electronic communication between Italian public offices and their citizens lead to a greater customers' satisfaction (European Public Administration Network, 2010, p.35). In Spain, one pillar of public administration reform is internal marketing, as the current legislation allows selection of the best candidates, provide openings for professional promotion, and stimulate public service commitment (European Public Administration Network, 2010, p. 52). Another example is from France, where one of the objectives consists of simplifying the internal procedures of the State, in order to have faster administrative services (www.rgpp.modernisation.gouv.fr, 2011).

3. Research methodology and findings

The study reveals the results of a qualitative marketing research, which was conducted among thirty-two public services providers, acting on both public and private market. The group was formed by using the snowball sampling and can be divided into two categories:

Sixteen state and socio-cultural services organizations, including education, health, culture, and sport;

Sixteen industrial and commercial public services organizations, including municipal services, public and economic development, protection of environment.

The employed method of collecting data is the semi-conducting in-depth interview and the instrument is the interview guide.

The purpose of this research is to identify the utility and implementation of marketing within public service organizations in Romania, by emphasizing its place and role within the units. Thus, the first objective focuses on the importance of marketing within a public service organization in respondents' opinion. The second one is meant

to reveal respondents' knowledge and opinions on the main marketing activities that are conducted in their organizations. Thirdly, the demarche aims at identifying which are the most important factors that influence the public managers' decisions in the field of marketing, while the fourth objective targets the importance of customers' opinions underlying the measures adopted by the providers. According to Wiid and Diggines (2009, p.85), "qualitative research is the collection, analysis, and interpretation of data that cannot be meaningfully quantified, that is, summarized in the form of numbers". Therefore, the resulted ideas will be accompanied by respondents' original answers.

Regarding the first objective, it can be noted that the perceived importance of marketing is in accordance with the presence of a marketing organizational structure within the organization and with the number of persons that fulfil marketing tasks.

Thus, the majority of the analyzed organizations have an organizational structure where marketing activities are conducted. In most cases this structure is a "Marketing Department", while in some enterprises there are "Communication", "Public Relations" or "Media Relations" offices. Only one organization has a "Sales Department", as the marketing function has been outsourced.

A few respondents declared that even if the organizations they represent do not have a marketing organizational structure, the employees conduct marketing activities sporadically. They admit that these activities are considered of a low importance for the organizational success, as the services they are offering are atypical. In addition, respondents from two health service institutions that are activating in the private sector believe that in this area "marketing should not be done every day".

But there are some organizations – including an educational institution, an institution of public development and a hospital, all

three acting in the public domain – that do not engage in marketing activities, their main reasons being:

Limited resources - both financial and personal ones - which prevent the development of such complex operations, as those specific to marketing;

The existence of a large segment of loyal customers who would never move to competition;

Lack of marketing vision among management personnel primarily, but also the lack of the ongoing concern of employees for the smooth running of the institution;

The employees' mentality that can not establish a connection between the terms "public" or "public need" and "marketing"

However, most of the respondents think that the marketing activities conducted in their organizations are "useful", or even "very important" or "extremely important" because "this is how people find out about you".

The respondents mentioned also some other reasons behind the marketing implementation within analyzed organizations, specifying at the same time the importance of marketing practices and the extent to which they contribute to the organizational success.

For example, only one representative of a public service company mentioned that "Marketing itself is the engine of society. The importance of marketing is essential for survival in a competitive environment."

A few respondents considered that the corporative image can benefit from implementing marketing in their organizations, the most conclusive answer being: "Marketing activities undertaken by the department within our institution have great significance because through them is developed and transmitted the image of the institution in the external environment". Meanwhile, the public service providers that are acting on private markets consider that marketing is

very important, because it helps increasing sales, besides promoting the image of the company.

In the case of a public development institution, there have been identified another advantage, as “through this department is made an important link between the institution and potential customers or beneficiaries from outside.”

In most organizations of the group, the organizational structure of marketing is subordinated directly to General Manager and it is situated on the same level as other departments. Only a few companies indicated that the marketing department is subordinated to commercial one and one single firm places it in the General Secretary Direction.

Number of employees within the organizational structure of marketing depends on one hand on the complexity of marketing activities carried out and on the other hand on the size of the organization.

In those organizations where the marketing department is a part of the commercial department, the number of marketing specialists is lower, counting from 3-4 persons up to a maximum of 9. Otherwise, the number of employees can record higher values of 20, 40 or even 80 people. But because this is a qualitative research, this finding can not be generalized.

In terms of the second objective, the study reveals that most of the respondents do know the main marketing concepts and have conducted or supervised marketing activities. There cannot be noted significant differences between the responsibilities of marketing personnel in public and private organizations, nor between tasks of marketing staff providing different categories of public services, such as socio-cultural, commercial, public development, and so on.

Mainly, these responsibilities are of promotional nature: participating to symposiums and scientific events, designing advertising leaflets, brochures and other materials, updating website, editing press releases, managing the relationship with mass media, or signing contracts and

keeping in touch with companies that are specialized in printing leaflets or organizing events and roundtables. These tasks performed by public service organizations are strongly connected to the perceived usefulness of marketing that have already been defined previously. This is why the respondents' opinions

Other activities that are rarely undertaken by some organizations with a marketing organizational structure include:

Conducting market research aimed at identifying customers' perception of the quality level of products or services and their level of satisfaction;

Analysis of competition;

Analysis of economic and technological environment;

Implementation of marketing strategies;

Managing and optimizing existing products and services;

Identifying market opportunities and design-test-launch-analysis of new offers;

Establishing prices (in just a few cases).

The third objective of this study highlights the factors that are influencing the respondents' decisions on marketing mix. Regarding the price policy, the majority of the organizations does not directly charge fees for their services as financial resources come entirely from the state. Thus, there are cases where customers pay before receiving a particular service through the tax system, and cases where payment has to be done at the end of the delivery process. However, some companies, which establish the prices for their own services take into account the following factors:

Competitors' prices for the same services;

Company's age on the market;

Organizational costs;

Desired profit share (only in some cases), which has a low value because public services meet social needs and therefore it is open to all social classes;

Marketing and financial objectives;
Revenue for the last year;
Image of the company and its positioning on the market;
The quality of services and their life cycle stage;
Ability to replace the existing technology;
Target market;
Deductible sums of money (according to the legislation) for certain categories of customers.

Also, respondents from public transport services indicated that their service fees can be corrected when the price growth rate exceeds with 5% the value of inflation index.

Most of the analyzed organizations have public service delivery units across the country, while just a few operate locally. In fact, a greater coverage and a better control are factors that influence their decisions regarding the distribution policy. Other providers mentioned that they may choose to locate their branches according to their importance in social and economic life of the nation, and the complexity of their activities.

Another example is of public transportation companies that take into consideration both the customers' wishes or needs and their technical potential, financial resources and even the possibility of placing in various spaces the maintenance units, the depots or points to issue tickets.

Other factors underlying the distribution policy are: visibility and easy accessibility of services, adequate equipments of providing units, customers' profile in different market segments, characteristics of different cities and regions of the country, market share, or even competition.

The overwhelming majority of organizations said that budget, and customers' socio-demographic characteristics strongly influence decisions on the promotion of public services. The impact of certain

promotional techniques on the target audience counts for several companies.

Representatives of some institutions, which face a small marketing budget, said that informing the customers quickly and efficiently is important, in addition to promptitude and professionalism.

Only one company noted that promotional objectives underlie a promotional program and a few companies use different promotional channels through a barter system.

Moreover, both organizations promote their services through friends or acquaintances who work in the media and if they opt for advertising through print and outdoor advertising, the entire marketing team, including employees recruited from other departments is dealing with distribution and placement of promotional materials in public spaces.

Finally, regarding the customers' opinions, almost all the organizations mentioned they are of great importance, as long as they are relevant or even "primary" and "crucial". In order to know these opinions, in some cases, there has been conducted market research that "helps establish optimal service and solve customers' complaints" and on which is "established a strategy for the current year" or can lead to the improvement of existing services or launching new ones. Very few organizations do not give great importance to customers' opinions, as "unfortunately, customer behaviour is investigated in no way".

4. Conclusions

In conclusion, not all the analysed organisations have the same level of marketing implementation, nor do they conduct the same marketing activities. For example, a few state institutions do not consider that marketing is a useful instrument within public sector, because the services they are offering are atypical or because they can rely on their customers' loyalty. Others respondents mentioned they had to face

financial obstacles, so they were not able to fulfil the necessary marketing tasks.

However, almost all of the organizations have conducted at least once a marketing activity, in the last years. Among these initiatives, the most common is the analysis of marketing environment, while the rarest is the marketing research aimed at identifying customers' perception on the quality of public services and their level of satisfaction. Moreover, the providers from central administration are dealing with designing and implementing marketing strategies, while the private firms try to identify market opportunities and to test and launch new offers.

As this qualitative demarche is not a representative one and it was conducted within some categories of public services, a future research direction should consist of a quantitative study among organizations from all fields of public sector. In addition, in order to evaluate the influence of political factor on public services providers' marketing vision and activities, it is necessary to compare the organizations subordinated to state structures with those acting on the private market.

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