

IMPROVING PUBLIC SERVICE DELIVERY THROUGH MARKETING

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THESIS PRESENTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS
FOR THE DEGREE OF MASTER OF PUBLIC ADMINISTRATION AT THE
UNIVERSITY OF STELLENBOSCH

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DECEMBER 2000

DECLARATION

I, the undersigned, hereby declare that the work contained in this thesis is my own original work and that I have not previously in its entirety or in part submitted it at any university for a degree.

Signature:

Date :

ABSTRACT

The hypothesis explored in this thesis is that the application of marketing in the public sector will improve public service delivery.

Three different areas of academic enquiry are examined in an effort to prove a beneficial relationship between marketing and public service delivery. These three areas are Public Management, Marketing, and Services Management.

Certain challenges for improving service delivery are identified in each of these disciplines, and the current status of public sector marketing is described.

The study is applied to the Cape Metropolitan Area, and specifically the Cape Metropolitan Council. This does however not rule out the application of the findings of the study to other areas.

Additional to the normal literature study, research for the thesis involves personal interviews with public managers, and on-line questionnaires on the Internet and the Intranet of the Cape Metropolitan Council.

Combining the results of the literature study and the physical research with the argument constructed in the thesis, it is found that many of the challenges identified in the three disciplines address each other, and that marketing can definitely prove useful as a tool with which to improve public service delivery.

A model for marketing-oriented public service delivery is proposed.

OPSOMMING

Die hipotese wat in hierdie tesis aangespreek word is dat die toepassing van bemarking in die openbare sektor sal meebring dat openbare dienslewering sal verbeter.

Drie studievervelde word verken om te bepaal of enige afleidings gemaak kan word oor die positiewe invloed van bemarking op dienslewering. Die drie studievervelde is Openbare Bestuur, Bemarking, en Dienstebestuur.

Sekere uitdagings om dienslewering te verbeter word in elke veld geïdentifiseer, en die huidige status van openbare bemarking word verduidelik.

Die studie word toegepas op die Kaapse Metropolitaanse Gebied, met spesifieke verwysing na die Kaapse Metropolitaanse Raad. Die toepassing van die bevindings van die studie op ander gebiede word egter nie hierdeur uitgesluit nie.

Bykomend tot die literatuurstudie word persoonlike onderhoude met openbare sektor bestuurders en vraelyste op die Internet en die Intranet van die Kaapse Metropolitaanse Raad as deel van die navorsingspoging gebruik.

Deur die resultate van die navorsing en die literatuurstudie te vergelyk met die argument in die tesis, word dit bevind dat die uitdagings uit die verskillende velde mekaar aanvul. Dit word bevind dat bemarking aansienlik sal kan bydra tot die verbetering van dienslewering in die openbare sektor.

'n Model vir bemarkings-georiënteerde openbare dienslewering word voorgestel.

BEDANKINGS

Ek dra hierdie werk op aan die opofferings van geliefdes.

Aan Jorina vir die lang wag.

Aan my ouers vir die geleentheid wat hulle vir my moontlik gemaak het.

My opregte dank aan:

Professor Johan Burger vir inspirasie, voorbeeld en geduld.

Dr Michael Byrne en Kobus Minnie, vir proefleeswerk.

Paul Pretorius en Geoff Laskey, vir ondersteuning en begrip.

Alle eer en dank aan Hom wat oor alles beskik.

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CHAPTER 1

1 INTRODUCTION

At the end of the twentieth century, the public manager in South Africa is confronted with increased demand for service delivery while suffering from a lack of available resources to satisfy this demand. Sustainable service delivery has become one of the new maxims in South African political and public service circles. Faced with an imperative to do more with less (Beveridge, 1995:34), the resourceful public manager must investigate new or alternative ways of better utilising the resources available to satisfy public needs optimally. Such a resourceful public manager should re-evaluate his/her most basic assumptions, and where feasible come up with an innovative way to face the service delivery challenge of the new millennium.

This service delivery challenge is also topical in the sphere of local government in South Africa. This is illustrated in recent policy documents (*Batho Pele* - White Paper on Transforming Public Service Delivery, 1997, and the Local Government: Municipal Systems Bill, 1999, are but two examples), and also on a practical level in how the Cape Metropolitan Council has invested in research, the aim of which is to arrive at recommendations for alternative service delivery measures in the Cape Metropolitan Area (Price Waterhouse Coopers, 1999).

If it is accepted that knowledge about ways to improve service delivery should be used to improve the lives of people, it becomes clear that public managers have a duty to locate, create or develop a body of knowledge that could assist in improving service delivery. The basic societal issues and problems facing all spheres of government demand that knowledge should be applied to improve public service delivery. Such improvement has been the aim of many studies, but one body of knowledge that has clear relevance to service delivery, is that of public management. Indeed, when ways of improving

public service delivery are investigated, the theories and elements of public management are often revisited.

However, the body of knowledge that is public management is also dynamic and subject to development. During its growth as a discipline with its own locus and focus, public management has evolved through the integration of certain elements of other fields of study such as policy analysis, organisational theory, financial management and human resources management. Certain independent applications have also been integrated, such as strategic management and the learning organisation, while new movements such as that of reinventing government are being explored.

Profession-based bodies of knowledge like public management draw knowledge from basic and applied sciences, and make this useful in a specific setting, aiming to address certain societal issues and problems. One application or field of study which has been largely ignored, but which has significant potential to contribute to improved service delivery in all spheres of public management, is marketing.

Taxpayers or citizens may feel that marketing is not appropriate in a setting where they have no choice or alternatives. Nonetheless, marketing could enable the public manager to deliver the right service or product to the right person at the right time and place at the right cost. Marketing as an alternative focus for managing public service delivery could contribute significantly to creating ways for public managers to meet the challenges of the new millennium.

The potential benefit of marketing is reason enough for a thorough investigation into the possible application of marketing concepts and practices to public management, and more specifically public management in the local government sphere. The aim of such an investigation would be to determine the feasibility of drawing into the knowledge-base of public management certain elements of marketing theory and practice.

1.1 PROBLEM STATEMENT

The most demanding challenge facing the public manager in South Africa today is service delivery. Public managers must improve service delivery, but are forced to operate within a context of declining resources.

Many ways could be proposed to overcome the problem of scarce resources and also improve service delivery. Theories from the Reinventing Government school of thought could be applied, or a comprehensive public management audit could be carried out to see whether public institutions are functioning correctly. Alternative ways of delivering services can also be considered.

While the use of more than one of these avenues of thought cannot be covered adequately in the scope of this thesis, it will be possible to look at one specific alternative that could improve service delivery.

This one alternative would be to borrow and adapt marketing concepts and processes from the commercial environment and apply these to the public sector. Before such an application could take place, however, certain reservations about the relevance of marketing to the public sector as well as a possible exaggeration of the usefulness of marketing should be addressed. What is motivated here is to extend the body of knowledge that is public management with the aim of improving service delivery through public sector marketing.

The problem to be investigated in this paper is:

Can the application of marketing concepts and practices to public management improve public service delivery?

The central variables that will therefore be investigated to prove a causal relationship is the independent variable of *marketing* and the dependent variable of *service delivery*.

1.2 HYPOTHESIS

The hypothesis of the researcher is that public sector marketing will improve local government service delivery.

This hypothesis seems justified after a preliminary literature survey showed that marketing in the public sector, although only applied on a limited scale, has been successful in increasing levels of service delivery. Secondly, it is observed that public managers believe that marketing concepts could improve service delivery, although it must also be said that perceptions about the definition and scope of marketing will vary extensively. Thirdly, if the success of marketing in providing business growth in the private sector is considered, it seems that marketing, like other business management applications such as strategic management, should lend itself to being translated and injected into public management.

The above rationale for the hypothesis will of course not endure rigorous scientific scrutiny, and little real proof exists of the success of marketing in the public sector. The aim of this study will be to provide more substantial grounds for the application of marketing in the public sector or alternatively show that it should not be applied in the public sector. To achieve this aim, observations from specific case studies will be used to inductively argue for public sector marketing. In a second strand of argument, general public management, marketing and services management concepts will be used to deductively argue the case for public management.

1.3 CONCEPTUAL CLASSIFICATION

The two main concepts to be discussed in this thesis are marketing and service delivery. These and other concepts will now be defined, and the field of study will be described.

1.3.1 MARKETING

As mentioned above, opinions may differ about the definition and extent of marketing. This is especially true in the public sector, the domain of the public manager. The reason for this is that few public managers in any given public sector institution would have had any training or practice in marketing. Therefore public managers could equate marketing with concepts such as promotion, selling, or public relations, while marketing is all of these and more.

It is possible that the confusion around the true substance of marketing, public relations, advertising and other related terms may lie at the root of the distrust or rejection of marketing as a legitimate exercise in the public sector.

Illustrating this limited level of knowledge regarding marketing, some public managers think of marketing as virtually identical to public relations, while others think of it primarily as a research function. Elements in the public sector consider marketing as being all about modern graphic design and creativity, or that marketers help to sell things like sponsorship packages. But selling is not marketing and marketing is not only selling (Tam, 1994:13). In this thesis it will be argued that the marketer in the public sector must be allowed to play a substantial role in helping to determine what a public institution should or should not be providing, and how this should be done.

The traditional definition of marketing in the business sector is that of delivering the right product to the right person at the right place and time at the right price. The main variables here are the elements of the so-called

“marketing mix”: price, product, placement and packaging (Coffman, 1986:1-11; Zeithaml & Bitner, 1996:23).

This definition of marketing relates to the concepts of: developing a customer orientation; strategic marketing planning and organisation; developing and organising resources; designing the marketing mix (place, product, packaging, price) and controlling marketing strategies. Inherent in these terms are activities such as: market research (research into the demographics, needs and preferences of the market), marketing research (research into the effectiveness of the marketing campaign), product development, pricing, promotion, selling, packaging, public relations and advertising (Hiam, 1997:3; Marx & Van der Walt, 1989:vii-xviii,16,31).

Marketing will be described in more detail in Chapter 3.

1.3.2 SERVICE DELIVERY

Improving service delivery and creating sustainable service delivery are frequently used terms in South Africa in the late 1990s, but perhaps easier used than explained. It seems self-evident that service delivery is what government does (or should do), and that improving service delivery will result in or stem from government improving what it is doing. In this assumption lies a danger, because it does not imply a re-evaluation of what government is doing in order to determine the appropriateness of the service itself, no matter the efficiency with which it is delivered. It can therefore be argued that the improvement of service delivery also entails an affirmation that those services that are being delivered are actually required (Hiam, 1997:27-30; Kotler & Levy, 1969:15; Osborne & Gaebler, 1992:166-169).

Additional to delivering the right service, and delivering this service in an efficient way, improving access to service or the information held by government could also be seen as improving service delivery (Gyford,

1991:106). This would for example entail convenient location of service delivery points, and convenient hours for visiting these points.

Public managers normally provide a service to the public, and are in the service of the public. Improving this service would conceivably include a focus on customer orientation and customer care, but here also lies a danger: It is undesirable to liken service delivery to servility because unthinking slaves will not be able to improve service delivery. Levitt (1983:53) states the case for independent thought, innovation and freedom from serfship, but his views should be qualified by a conscious effort not to use freedom from servility as an excuse for disregarding the real needs of the public.

Service delivery will be discussed in greater detail in Chapter 4.

To detect an increase in service delivery, the implication is that service delivery can be measured. The use of marketing techniques to determine levels of service will be explored at a later stage, but public management also provides tools to quantify service delivery.

1.3.3 PUBLIC MANAGEMENT

Management is an accepted field of study. Public management can be seen as a specialisation in management. Although the management of public functions on the one hand and private business enterprises on the other hand have some common elements, the environment, objectives and processes of management are sufficiently different to call for curricula and practices which focus on the public aspects of management (Schwella, 1991a: 3).

Public-sector management refers to the macro-management of delivery of national goods and services. It involves concrete policies and programmes by which the state provides public goods and services and promotes and regulates certain forms of economic and social behaviour, while maintaining the institutions and instrumentalities of government. The micro-level of public

management refers to the operations of individual managers at the middle and supervisory levels (Fox & Meyer, 1996: 106).

Public management utilises scarce resources optimally in pursuing realisable public policy goals (Schwella, Fox, Burger & Muller, 1996: v).

Public management is seen as part of public administration, and is more concerned with management inside the public sector as experienced and exercised by practitioners (Schwella, 1991a:2).

The hypothesis that marketing could improve public service delivery proposes the application of marketing techniques to the field of public management. Public management can be seen as the arena in which public service delivery occurs, and it can be said that the delivery of public services is the sole purpose of public management. In this paper, it will be shown that public management can use marketing as a vehicle for the improvement of service delivery.

Public management will be described in more detail in Chapter 2.

Public management and the delivery of public services both exist within the public sector, and this is where the main thrust of this research project will be focused.

1.3.4 THE PUBLIC SECTOR

The words "public service delivery" in the title of this thesis implies public sector service delivery. Therefore the nature of the public sector needs to be defined in clear terms.

There is disagreement on the extent of the public sector, and some commentators see its exceptional size as one stumbling block in accurately demarcating the public sector (Coffman, 1986:2). Public sector institutions

can however be identified and distinguished from other institutions through their public sources of funding, their public budgeting processes and their public-oriented products. The extent of the public sector will however depend on the political and management philosophies followed in differing localities. Functions performed by the public sector in one country could be left for the private sector in other countries (Fox & Meyer, 1996:107).

In the first chapter of his book on Public Administration and Management Cloete (1995:3-30), discusses the public institutions of South Africa. One would surmise that the public sector consists of all public institutions, and therefore the institutions mentioned by Cloete should be part of the public sector. These institutions include those executing the legislative, executive and judicial functions of government in the central, regional and local spheres. Figure 1.1 shows the extent of the South African public sector.

Figure 1.1: The South African public sector

	Legislative	Executive	Judicial
Central	Parliament and advisory institutions for parliament (such as the Human Rights Commission).	Political: President, Deputy President, Cabinet, Ministers and deputy ministers. Administrative: Control institutions (eg Constitutional Court, Public Protector), state departments, state corporations (eg SA Reserve Bank, SABC, Eskom), research institutions (eg HSRC, MRC), universities, technikons, agricultural produce control boards and other miscellaneous control bodies and regulating councils (eg IBA, Competition Board).	Supreme Court, Constitutional Court, Magistrates' Courts and small claims courts.
Regional	Provincial Legislatures	Political: Premier and Executive Council. Administrative: Provincial administration.	
Local	Elected Councils	Political: Executive Committee. Administrative: Departments.	

1.4 DEMARCATION OF THE FIELD OF STUDY

Although the purpose of this study is to arrive at recommendations for management in the public sector, the concepts and practice of marketing are mainly situated in the business or profit sector. The field of study will therefore include the fields of public management, marketing and services management. The study will integrate marketing and other concepts or theories from both the public and private sector, and then apply these to the public sector. In applying these constructs to the public sector, the focus will be on local government, and more specifically the Cape Metropolitan Council. This should however not limit the application of the lessons learnt from this study only to one sphere of government. If marketing is seen to have a positive impact in one specific sphere of government, and if one operates from the premise that there are many similarities between spheres of government, one can inductively argue that marketing could also have a positive impact in other spheres.

This thesis is written from a public management perspective and the study will dwell mainly on the academic discipline of public management, aiming to extend the body of knowledge that is public management to include public sector marketing.

1.5 SIGNIFICANCE OF THE STUDY

The most significant practical implication of this study, if the hypothesis can be proved, would be that public managers should receive more education and training in marketing concepts and practices. In terms of the study and teaching of public management, the significance of the study would be that it could prompt an extension of the public management curriculum to include public sector marketing.

Over recent years, marketing has grown from a purely profit centred discipline to one that now also incorporates non-profit and public sector marketing. Marketing has been applied to the public sector in countries such as the United Kingdom, the United States, Australia and New Zealand, but little has been done in South Africa to apply elements of marketing to the public sector. If it can be proved that marketing has a high probability of increasing service delivery if applied to public management, this would inform the training of future public managers, and the way in which institutions in the South African public sector are run.

1.6 METHODOLOGY

This is an exploratory study, the aim of which is to motivate the use of marketing to its full extent in the South African public sector. Operating from a current situation where literature and scientific research findings on full-blown public sector marketing in South Africa is limited or non-existent, it is necessary to rely on an inductive mode of scientific inquiry. This will imply reasoning that proceeds from specific experiences to general truths, from facts to theory (Hattingh, 1999:31-32; Johnson & Joslyn, 1986:19-22, 112-114; Van der Merwe, 1996:279).

The nature of inductive reasoning is often exploratory, and the research often qualitative, but induction and deduction is not mutually exclusive (Van der Merwe, 1996:279), and a deductive strand of argumentation will also be used in this thesis, moving from general principles and theories to specific observations, and using quantitative research techniques (Hattingh, 1999:31-32; Johnson & Joslyn, 1986:19-22).

Various research methods will be used in the course of this study. As mentioned in the previous two paragraphs, the aim is to use both qualitative and quantitative research, enabling the researcher to argue both deductively and inductively in support of the hypothesis. Actual experimentation to test the hypothesis will not be possible due to two main reasons. Firstly because

of time constraints, and secondly because of the likelihood that such an experiment would not be possible inside current legal constraints. Some marketing activities could fall outside the current mandate of public service delivery bodies. It is however argued that other research techniques and logical argumentation will provide sufficient grounds for valid conclusions.

A literature review will be done, paying particular attention to documented case studies and the theoretical evolution of both public management and marketing as this relates to the research topic. Literature is to be analysed on both a historical and comparative basis. The literature review will indicate to what extent Kotler and Levy really initiated the application of marketing outside the traditional profit sector with the publication of their article "Broadening the Concept of Marketing" in 1969. It will also highlight the progress of, and research in, the field of public sector marketing.

Field-work also forms an important part of the study. The field-work can be divided into qualitative and quantitative modes of collecting information. The qualitative techniques entail personal in-depth interviews involving nine senior public managers working in local government in the Cape Metropolitan Area. Quantitative techniques include a survey through a questionnaire using Internet technology (for example a web-based questionnaire) to reach as broad an audience as possible. Due to the structure of the argument presented in this thesis, the field-work is described in more detail in Chapter 7.

1.7 CONTENTS OF THE THESIS

The aim of this thesis is to prove a beneficial relationship between service delivery and public sector marketing, and the argument structure and chapters will be constructed to facilitate this.

Following two strands of argumentation, one inductive and one deductive, the thesis will be organised into nine chapters, each containing a specific part of the argument. Chapter 1 (this chapter) consists of an introduction to the study,

describing the background to the study and the problem statement, the research hypothesis, the main concepts addressed in the study, the field of study, research techniques used in the study and the contents of the thesis.

The next step will be to focus on what is already known in the relevant areas of study such as public management. This will also entail exploring beyond the public management discipline and paradigm, and collecting information from fields of study not normally associated with public management.

Chapter 2 focuses on the concept and practice of public management. The evolution of public administrative thought and practice will be discussed, looking at the reason for the existence of public administration, the state of flux in which public administration finds itself, and the peculiarities of public administration. The goal of public administration, as well as the public management functions, will be discussed. Public resource management will be investigated, along with the relationship between public management and public service delivery. The discussion of this relationship will concentrate on ways in which the improvement of public service delivery has previously been attempted.

In Chapter 3 the explorative nature of the research is clearly illustrated. In this chapter the concept and practice of marketing will be discussed. This is where a short overview is presented of a subject foreign to most public sector managers. The definition and nature of marketing, as well as its evolution over time will be described. The marketing mix will then be discussed, as well as the actual practice of marketing. After this broad outline of what marketing traditionally concerns, the broadening of the concept of marketing to include sectors other than the private sector with a profit motive will be investigated.

Maintaining the focus on what is already known, but still exploring beyond public management, the next step is to look at the dependent variable in the hypothesis: service delivery. Chapter 4 links to Chapter 2 and Chapter 3 where services are mentioned, and contains a discussion on services, service management and service delivery. The marketing of services is also

discussed. Specific themes in this chapter are the unique characteristics of services, and some of the issues which complicate the marketing of services.

The three chapters after the introductory chapter all concern current knowledge in different disciplines. The theoretical discourse can seem protracted, but is necessary to provide the reader with enough background knowledge for subsequent discussions. These chapters provide a theoretical base for later deductions, but also include specific observations that can be used for inductive argumentation. Careful observation of one or a handful of cases may suggest possible general explanations for the behaviour or attributes that are observed (Johnson & Joslyn, 1986:112-114). In terms of the inductive strand of argumentation, subsequent chapters revisit and strengthen some of the specific constructs identified in the first four chapters.

After establishing the nature of both public management and marketing, and after discussing services, the next step in the argument is to look at precedents in public sector marketing. These precedents are specific cases that can add to the inductive argument strand. Chapter 5 addresses the central concept in the thesis, public sector marketing. This is done with reference to chapters two, three and four, and the argument for public sector marketing is covered. The public sector marketing mix and public marketing plan are discussed, as well as why marketing is needed in the public sector. Descriptions of research and market models, market research and market information systems, are also included in the chapter. In general, this chapter aims at presenting the current international position on marketing in the public sector.

In the next stage of the argument (Chapter 6) the theoretical focus is lifted, and the environment within which practical research is conducted is described. The physical context (the geographical and organisational boundaries within which this study is conducted) is analysed. This will include discussions of political and organisational structures in the Cape Metropolitan Area and demographics of the area. An investigation into the functions of organisational components as well as legislative frameworks will also be

presented. The general principles identified in the first four chapters can be applied deductively to the specific observations made in this chapter, and can then serve as specific case study to apply inductively on a more general level, further strengthening the inductive strand of argumentation.

In Chapter 7 the focus becomes practical and specific, and case studies and research will be presented. In terms of the inductive argument presented in this thesis, the case studies present further proof of the success of public sector marketing in specific contexts. A detailed analysis of research findings will be presented, including discussions on personal interviews conducted and questionnaires used. The research findings of the qualitative and quantitative research will show to what extent the expectations created through the inductive and deductive arguments are met in the context of the Cape Metropolitan Area. Comparative case studies of the use of marketing in the public sector will also be included in the discussion, often referring back to Chapter 5, where the *de facto* position of marketing in the public sector is discussed. The chapter is concluded with certain observations about the findings of the research.

Research findings are only presented at this late stage in the thesis to allow room for the development of both the deductive and inductive argument strands in the thesis. After the discussion of case studies, the inductive argument is partially completed because several specific situations have shown the success of public sector marketing. The deductive argument is also partially completed because enough general principles have shown that public sector marketing should be effective, and several documented case studies have confirmed these expectations.

Working against the background of the findings in the previous chapter, Chapter 8 explores the integration of public management and marketing management. The chapter specifically looks at how marketing practices and techniques can improve the quality of public management and ultimately public service delivery. The chapter can be seen as a dialogue between the inductive and deductive strands of argumentation presented in this thesis.

The deductive argument is that the general principles of marketing, service delivery and public management are complimentary and that marketing would be effective in a specific public management situation such as the Cape Metropolitan Area. The inductive argument is that marketing has proven successful in improving service delivery in specific spheres, and should therefore also be able to improve service delivery in the public sector, including the Cape Metropolitan Council. In this chapter the marketing mix is translated into public sector terms, and the marketing elements of public management are highlighted along with possible further applications of marketing in the public sector. In discussing what can be termed the public management toolbox, the case is made for adding marketing to the range of tools available to the public manager. The second part of Chapter 8 explores some ethical issues regarding the use of marketing in the public sector.

Closing the argument, the final chapter, Chapter 9, contains conclusions and recommendations. Here reference will be made to arguments put forward in the thesis, and a synopsis will be made of the argument for public sector marketing to improve public service delivery in South Africa. The references used in the thesis follow after this chapter. Appendix A describes the research tools, Appendix B contains questionnaire data, and Appendix C consists of the data procured through interviews.

1.8 ARGUMENT STRUCTURE

The above description of chapters gives an indication of how the argument for marketing in public management will be made. The structure of the paper and argument is illustrated in the figure on the right. This figure will be repeated at the start of each chapter to indicate progress.

1	INTRODUCTION
2	PUBLIC MANAGEMENT
3	MARKETING
4	SERVICE DELIVERY
5	PUBLIC SECTOR MARKETING
6	CONTEXT OF THE STUDY
7	CASE STUDIES AND RESEARCH
8	IMPROVING PUBLIC SERVICE DELIVERY THROUGH MARKETING
9	CONCLUSION

Figure 1.2: Argument structure

1.9 CHAPTER SUMMARY

In this chapter the problem statement and hypothesis for this thesis were advanced. Key concepts were described and the field of study was demarcated. The content of the rest of the thesis was discussed, along with the structure of the argument. It was shown that both an inductive and a deductive process of argumentation will be used. The two strands of argumentation (inductive and deductive) will be used to reach the aim of this study, namely to prove a beneficial relationship between marketing, public management and service delivery.

In the next chapter a more detailed exploration of the field of public management will be presented.

CHAPTER 2

2 THE CONCEPT AND PRACTICE OF PUBLIC MANAGEMENT

A short introductory description of public management was provided in Chapter 1, sub-section 1.3.3. In this chapter, the concept and practice of public management will be explored in more detail. In order to do this, the broader concept of public administration will be described, as well as public management and its component parts. This will direct the focus of the

1	INTRODUCTION
2	PUBLIC MANAGEMENT
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argument to possible ways of improving service delivery. Certain public management challenges will be identified in the latter part of this chapter. The discussions in Chapter 3 to 7 will uncover more challenges, but can also provide answers to these challenges. This will be discussed in Chapter 8.

It should be noted that the term service delivery will be used here in the same context as in the previous chapter. Service delivery will be thoroughly analysed in Chapter 4.

In the first section of this chapter public administration will be discussed.

2.1 PUBLIC ADMINISTRATION

A brief discussion of the broader concept of public administration will serve to set the scene for a more specialised examination of management within the public sector, or public management, later in this chapter. Dealing separately with the

concepts of public administration and public management can be seen as arbitrary or unnecessary. Indeed, the two terms are frequently used interchangeably. The separation is however a generally accepted practice (Cloete, 1994:220; Schwella, 1991a:2), and its virtue will not be debated here. The purpose of this thesis is not to become embroiled in academic rhetoric, but rather to advance real solutions to real public management problems.

2.1.1 THE ORIGINS OF PUBLIC ADMINISTRATION

In all societies, there are social problems that do not respond adequately to individual initiatives (Caiden, 1982:3). Effective remedial action requires the organised efforts of the whole community. Such collective problems range from child-rearing, food-gathering, and protection from wild beasts in primitive societies to safety and pollution in contemporary organisational societies. How people organise themselves as a collectivity in which they recognise mutual obligations and duties, handling their common problems and achieving common goals, constitutes the subject matter of public administration. (Also see McKenzie, 1978:334.)

The institutionalisation of administrative capacity for collective purposes is the foundation of public administration.

This is clearly illustrated in the modern machinery of government. Even societies that might be seen as abnormal or traumatised, such as the hostel communities in South African townships, in time develop their own (often written) codes or rules that limit certain individual freedoms in order to benefit the community as a whole. Examples of these rules, as highlighted in the Goldstone report on hostels, include times when doors are locked, when and where clothing can be washed and dried, and who are allowed to use the few available showers at

which times. These rules are enforced by a committee of elders (Goldstone & Minaar, 1993).

Such rules also exist in more traditional communities. Together with the street committees of townships they point at a large body of community-formulated legislation putting into place many informal types of executive, legislative and judicial entities that, although largely unconnected to official government machinery, is actually performing public administration.

This type of public administration was recognised by the South African Constitution (Constitution of the Republic of South Africa, 1996, Act 108 of 1996) through the inclusion of traditional leaders into the machinery of government, and is also recognised by local governments, non-governmental organisations (NGOs) and community-based organisations (CBOs) when they involve these social structures in their activities.

The above points begin to illustrate that public administration is distinct from other applications of administration.

2.1.2 THE DISTINCTIVENESS OF PUBLIC ADMINISTRATION

Public administration systems can be distinguished from other administrative systems by function, structure and behaviour.

Caiden (1982:14-16) lists several peculiarities of public administration. According to him, public administration is unavoidable, influencing all elements of society. It also expects obedience due to its legal monopoly of coercive power.

Exceptional size is another characteristic of public administration, one that could impair its efficiency. A further possible drawback is that its top management is

political, making it vulnerable to political pressure. In the same vein, performance is extraordinarily difficult to measure because goals are not objectively measurable. Public administration is also a specialist profession, and more is expected of it as public officials are held to high standards (Caiden, 1982:14-16).

Added to these peculiarities, public administration and management also suffers from an image of incompetence (Ott & Shafritz, 1995:27; Bouckaert & Halachmi, 1995:16). The image of incompetent bureaucracy associated with public administration may in some cases be earned. However, public administration does represent a convenient target for blame when things go wrong. People are more impatient with officialdom, and may well have different standards when comparing public and private services. Overly conscious of personal costs involved in public services, users are often less aware of the benefits they receive, some of which they rarely have cause to question (Caiden, 1982:13-14).

The distinctiveness of public administration adds to its dynamic nature.

2.1.3 THE DYNAMIC NATURE OF PUBLIC ADMINISTRATION

Similar to the extent of the public sector (discussed in Chapter 1), the scope of public administration varies considerably from one society to another. One global constant, however, is that profound change and growing complexity face public administration (Bouckaert & Halachmi, 1995:1-21; Caiden, 1982:12-13,23-24; Clarke, 1996:1,4;).

Some of the changes experienced in public administration are the emergence of mixed economies of providers and the growth of "partnership" activities of various sorts in the public sector. In some areas special purpose agencies are on the increase, combined with increased differentiation within public service organisations. There is also an increase both in policy problems that straddle

organisational and sector boundaries, and in the complexity of society (Clarke, 1996:26-32; Daybell, 1994:17-18).

These changes show that the public sector is open to influences from its general and specific environments. Elements of the changing environment influencing public administration include social change, demography and the economy. Technology, globalisation, and the growing expectations of citizens also exert influence. Similarly, the role and scale of government and management trends and ideas can have bearing on public administration (Clarke, 1996:26-32). These environmental influences will again be discussed as part of the public management model in the next section.

The origins, distinctiveness and dynamic nature of public administration have now been discussed, but the ultimate goal of the discipline must still be articulated.

2.1.4 THE ULTIMATE GOAL OF PUBLIC ADMINISTRATION

The object of the discipline of public administration is to improve the human condition; the rest is all commentary (Caiden, 1982:23-24).

A bold statement, these words of Caiden are succinct in describing the ultimate goal of public administration. It implies a constant focus on improving the collective well-being of the public, requiring creative thought in discovering new alternatives and careful judgement in selecting from existing alternatives.

Keeping in mind what has been said of the dynamic nature of public administration and the degree of environmental influence it is exposed to, it is clear that an innovative approach to public administration and management is required. This innovative approach should embrace a serious endeavour to:

- Continuously adapt the discipline and profession to new challenges emanating from changing societal conditions; and
- Keep abreast of modern management approaches and techniques with which public institutions can be managed not only for internal bureaucratic efficiency, but also for the provision of those services which will serve the interests of the total community (Schwella, 1990:101-102).

For public officials, the ultimate goal of public administration translates into improving public service delivery. The basic values and principles governing public administration, as stated in chapter ten of the South African constitution (Constitution of the Republic of South Africa, 1996:83), supports this imperative for constantly improving service delivery. Furthermore societal changes, both in South Africa and internationally, repeatedly emphasise the need for improving public service delivery.

The vehicle with which public officials can answer this call to arms is improved public management.

2.2 PUBLIC MANAGEMENT

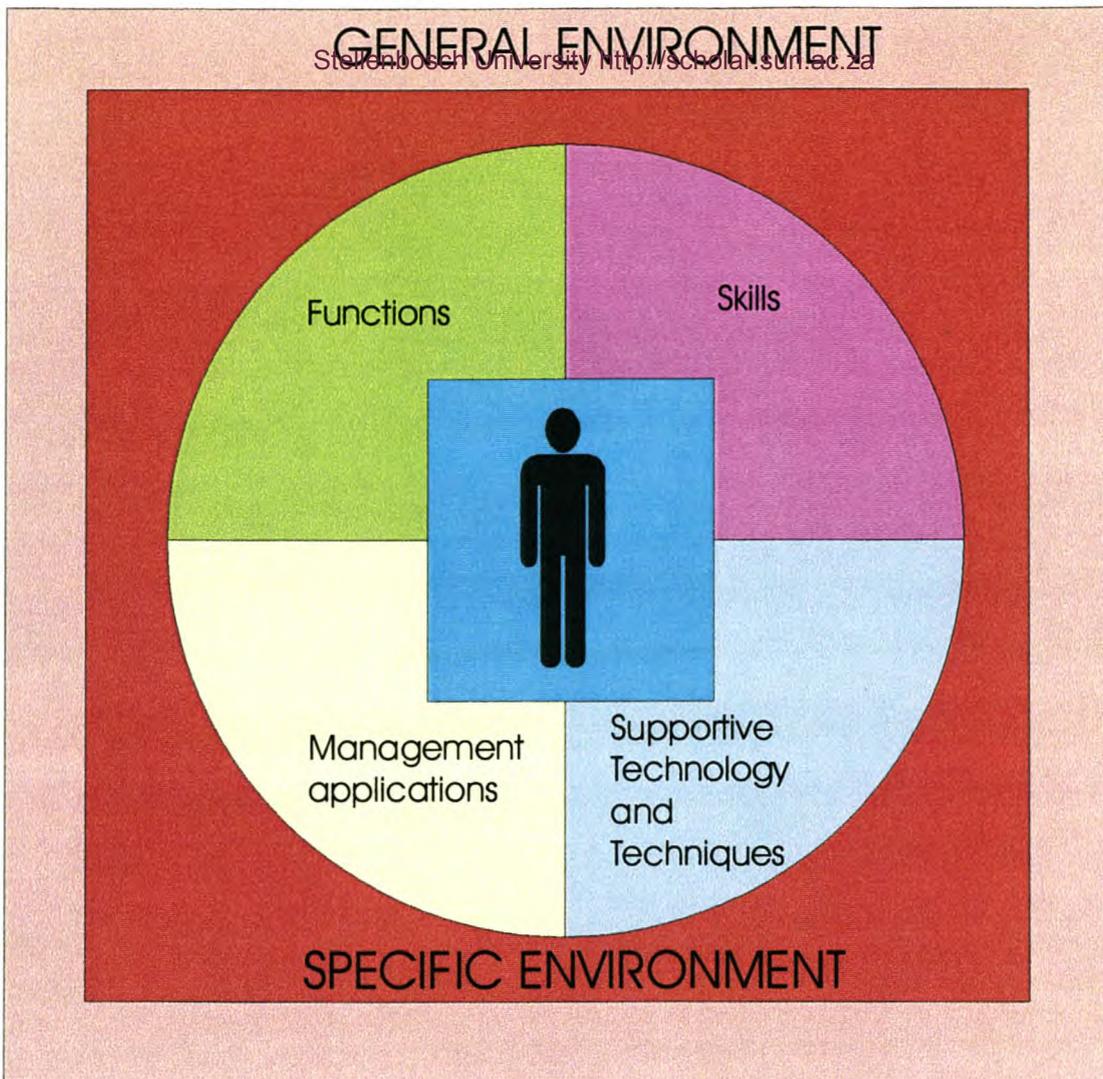
Public management can be defined as a process or processes of utilising scarce resources optimally in pursuing realisable public policy goals (Schwella *et al*, 1996:v; Fox & Meyer, 1996:106; also see discussion in Chapter 1, sub-section 1.3.3). "Public policy goals" are realised through the delivery of services. These services are the responsibility of public sector institutions, who either deliver the services themselves or contract out for the delivery of services. Delivery of services is executed through the management of public sector resources and activities. In this context, public management approaches and techniques become important, as they have direct influence on the delivery of services.

Substantiating this view, Schwella (1990:102) states that public management approaches and techniques are only important to the extent that they can contribute towards the philosophical ideal of the "good society". He goes on to describe an aspiration to optimally manage governmental institutions in the interests of the citizens, implying a constant effort to improve service delivery through whatever methods public management can muster. A concise description of current public management methods, the model of public management proposed by Schwella (1991a:4) will be used for a discussion on the elements comprising public management.

2.2.1 THE PUBLIC MANAGEMENT MODEL

The Public Management Model designed by Schwella (1991a:4) is a useful aid in describing the component parts of public management. The model, illustrated in Figure 2.1 on page 26, encompasses the contingency approach to management. The contingency approach is based upon systems theory and stresses the importance of the environment for the theory and practice of management (Schwella, 1991a:1-6).

The contingency approach as point of departure is complemented by a view of relevant public management functions and skills. In this way the functional approach to management is integrated with the contingency approach (Schwella, 1991a:1-6).



GENERAL ENVIRONMENT
 Political - Social - Economic - Technological - Cultural

SPECIFIC ENVIRONMENT
 Suppliers - Competitors - Regulators - Consumers

FUNCTIONS	SKILLS	APPLICATIONS	
Policy-Making Planning Organising Leading Control and evaluation	Decision-making Communication Management of change Management of conflict Negotiation	Policy analysis Strategic management Organisation development	
		SUPPORTIVE TECHNOLOGY AND TECHNIQUES	
		Computer technology and information management Techniques for public management	

Figure 2.1: The Public Management Model (Schwella,1991a:4)

The model focuses on the environment of public management, the public management functions, public management skills, applications for public management and supportive technology and techniques (Schwella, 1991a:1-6).

The public management functions (Policy-making; Planning; Organising; Leading; Control and Evaluation) constitute ongoing concerns for public managers and are used to delineate and conceptualise the management task in line with a functional approach to management. These functions are supported and underpinned by management skills. The skills (Decision-making; Communication; Management of Change; Management of Conflict; Negotiation) are distinguished from the management functions as they are more practical and can be taught and learnt practically (Schwella, 1991a:1-6).

Public management applications attempt to incorporate a wide spectrum of management knowledge and skills into integrated and systematic approaches to improve the quality of particular aspects of public management. Examples used here include policy analysis to improve the quality of policy decisions; strategic management aimed at improving the capacity to plan and manage optimally based upon systematic assessments of opportunities and constraints; and organisation development aimed at improving the productivity and adaptive capacity of organisations within turbulent environments. Supportive technology and techniques may be used, when necessary, in conjunction with and in support of public management applications (Schwella, 1991a:1-6).

The public management environment consists of general and specific components. The general component includes the political, economic, social, cultural and technological aspects of the environment. The specific environment includes suppliers, regulators, competitors and consumers. It is important to analyse and acknowledge the effects of the environment on particular public management functions, skills, applications and aids (Schwella, 1991a:1-6).

The model is however nothing more than a model, and it is not cast in stone. The selection of functions, for example, should according to Schwella (1991a:5) not be viewed as a claim that these particular choices represent the only and complete option (See Cloete, 1994).

After this brief look at the public management model, it will be useful to stand back for a moment and take stock of what has thus far been said in this chapter.

2.2.2 TAKING STOCK OF WHAT WAS SAID

At this juncture, both the theoretical and practical (environment induced) imperatives for improving public service delivery have been confirmed through an exploration of public administration. The responsibility for service delivery improvement has been assigned to public managers, and public management has been identified as the vehicle for improving service delivery. Subsequently the public management model was briefly described.

What remains is to show how public management can improve service delivery.

One way of doing this would be to continue describing the functions, skills, and other elements of public management, as illustrated in the public management model, in great detail. It is however felt that, along with the narrative of Chapter 1, the preceding discussions on public administration and the public management model in this chapter provides sufficient background.

In order to restrict the length of the discussion, the focus will now turn directly to public management "tools" used to improve public service delivery. These "tools" will in all likelihood include most of the components of the public management model where these components have been used to improve and not just render public service delivery.

2.2.3 THE PUBLIC MANAGEMENT TOOLBOX

The metaphor of public management "tools" and a "public management toolbox" will be used in this thesis from here onwards. The use of the toolbox metaphor is in part an adaptation of the concept of "policy instruments" (Van Nispen & Ringeling, 1998:206), and merely provides a useful collective and descriptive name for tools. "Tools" should be seen as referring to the various management functions, skills, applications, technologies and techniques that the public manager can use in an effort to improve service delivery. (See for example Schwella, 1991a:1-6.) It is not limited to those shown in the public management model in the previous section.

Certain tools will be described here, and as the argument progresses through the thesis certain tools can be added to the toolbox. Certain challenges for improving service delivery will also be identified during the course of the discussion, and tools can then be evaluated to determine their usefulness in addressing these challenges. In terms of the hypothesis made in Chapter 1 that marketing could improve public service delivery, it is clear that adding certain marketing concepts to the public management toolbox will be considered at some stage.

In the tradition of public management borrowing from other disciplines (Caiden, 1982:1), tools from other disciplines will be considered in later chapters.

In the next section the use of various public management tools to improve service delivery will be discussed.

2.3 EFFORTS TO IMPROVE PUBLIC SERVICE DELIVERY

Several management tools have been used to improve the quality of public management and therefore service delivery. Some of these applications will be discussed briefly. Their respective approaches illuminate the later discussion of marketing as a management application for improving service delivery.

Many efforts to improve service delivery have been identified. To facilitate their discussion they will be grouped into five broad categories. These categories are indicated in Figure 2.2. They are aids to better organise the flow of the argument in this chapter, and should not be seen as hard and fast categories for service delivery improvement.

Figure 2.2: Categories of tools for service delivery improvement

Paragraph	Category	Page
2.3.1	Public management functions, skills and applications	31
2.3.2	Entrepreneurial government and innovative management	34
2.3.3	Alternative service delivery	37
2.3.4	Voice, choice and exit	39
2.3.5	Getting closer to the customer	42

After completing the discussion of efforts to improve service delivery, it will be possible to identify certain common themes in these efforts, certain challenges facing public management, in section 2.4.

The first category of tools to be described is public management functions, skills and applications.

2.3.1 PUBLIC MANAGEMENT FUNCTIONS, SKILLS AND APPLICATIONS

CATEGORY OF TOOLS FOR SERVICE DELIVERY IMPROVEMENT				
1	2	3	4	5

Keeping in mind that the ultimate goal of public management is to improve the well-being of society, it is clear that every component of public management (as illustrated in the public management model, Figure 2.1 on page 26) can be a tool for service delivery improvement. It is however not the purpose of this thesis to analyse each element of public management at length and give recommendations for improvement in each case. Some general observations and recommendations will rather be made where applicable. It is for example held that to improve service delivery, the public manager must look at optimising every element of public management.

The public management applications (policy analysis, strategic management, organisation development) are perhaps the most relevant ingredients of public management when efforts of improving service delivery are discussed. They are applications of the public management functions of policy-making, planning, and organising. As systematic instruments, they can assist the public manager in the execution of functions and skills (Fox, Schwella & Wissink, 1991:203-239).

The three public management applications will now be examined. The improvement of decision making and public resource management will also be discussed in this sub-section.

2.3.1.1 *Policy analysis*

Policy has been described as government programmes of action in achieving goals to address societal problems. Policy implementation is the delivery of strategy-level services, and can result in the physical supply of a product, be it a good or a service, to the public (Fox & Meyer, 1996:96-98,107). By evaluating

and attempting to optimise policy, policy analysis has been one attempt to optimise public service delivery.

Information is a primary requisite for the many decisions to be made in framing policy (Burger, 1996:188; Cloete, 1994:91; Graber, 1992:119-120). The collection of all the relevant data is however almost never possible.

A criticism against policy analysis is its propensity to focus on current policies and how these can be adapted to circumstances, instead of following a bottom-up approach: first determining the real (not perceived) need and then formulating a policy. In view of this, policy analysis must cease to be the preserve of the powerful and the organised and endeavour to reach as wide a public as possible, enriching and enlarging political debate, and promoting competition between ideas and values (Parsons, 1995:615; Hogwood and Gunn, 1984:268-270).

2.3.1.2 Strategic management

Strategic management is a public management application that was borrowed from the private sector (Schwella, 1991b:220). Seen as important in all levels of government, strategic management emphasises environmental analysis (Clarke, 1996:15, 116) and is seen as a way to improve service delivery.

The process of Integrated Development Planning (IDP), now legally enforced on local authorities in South Africa, can be seen as an adoption and adaptation of strategic management in local government. The IDP can be valuable in improving service delivery but has had mixed results, often because of attitudes towards the process (Schmidt, 1998:[http](http://)).

Both the IDP approach and strategic management have been criticised for rarely producing new strategies, but rather recording existing strategies. It is also

argued that strategic plans often do not capture the critical soft operational information that frontline managers have. Schmidt (1998:http) suggests that the strategies actually implemented by an organisation differ markedly from what is contained in the strategic plan. Strategic plans can also result in an inflexible approach to changing circumstances. This is especially the case in times of rapid change. Circumstances often require major changes in strategy in accordance with time frames that bear no relation to the IDP cycle (Schmidt, 1998:http).

2.3.1.3 Organisation development

Definitions of organisation development (OD) stress the need for change in the structures and processes of the organisation in responses to organisational challenges and opportunities (Schwella, 1991c:242).

In terms of improving service delivery the contribution of OD becomes clear when bringing together organisations and agencies at the most local level and supplying the public with seamless service. OD could optimise the structure and operations of joint information and/or advice centres or "one-stop-shops". It could also facilitate co-operation for jointly published information about services and local authority activities. This includes co-operation between different elements of local government and also other spheres of government (Clarke, 1996:104-105).

2.3.1.4 Improving decision-making

Optimal service delivery will be ensured by informed and sound decision making capacity within local government. However, poor, corrupt and ill-informed decision-making often occur in South African local government (Pamphilon, 1998:http).

An approach to address bad decision-making could involve configuring decision-making processes which help link policy and action. Another option is to ensure that accountability, citizen-responsiveness and organisational performance are promoted and understood by both the political and the managerial dimensions of government (Pamphilon, 1998:http).

2.3.1.5 Public resource management

Public management and service delivery can also be optimised through focusing on public resource management. Human resources, financial resources, information and natural resources could all contribute to better service delivery if managed appropriately (Schwella *et al*, 1996).

The next set of tools for service delivery improvement to be discussed is innovative management.

2.3.2 INNOVATIVE MANAGEMENT

CATEGORY OF TOOLS FOR SERVICE DELIVERY IMPROVEMENT				
1	2	3	4	5

A second category of tools (as explained in Figure 2.2 on page 30) aimed at improving service delivery concerns creativity on the side of managers. This category involves innovative management.

The first tool in this category to be discussed is entrepreneurial government.

2.3.2.1 *Entrepreneurial government*

According to Jean Baptiste Say, who coined the term entrepreneur around the year 1800, the entrepreneur "shifts economic resources out of an area of lower and into an area of higher productivity and greater yield" (Osborne & Gaebler, 1992:xix). In terms of the public sector, entrepreneurship involves being continuously interested in effectiveness, efficiency and responsiveness, and in cutting time and costs (Esman, 1991:41; Schwella *et al*, 1996:331).

Although entrepreneurial government might be limited by the stifling rules and regulations of the public sector, it can be useful in improving service delivery (Jenvy, 1999; Osborne & Gaebler, 1992, Kirkpatrick & Lucio, 1995:33; Beveridge, 1995:34). Entrepreneurial activity is essential in breaking the vicious cycle of poverty and dependency that has long afflicted lesser developed countries. Entrepreneurship encourages its own replication and, through proper exposure to it, it can be learned and spread throughout society (Schwella *et al*, 1996:334).

Another innovative approach to public management is the reinventing government movement.

2.3.2.2 *Reinventing government*

"Reinventing government" is associated with the work by Osborne and Gaebler (1992) of the same title. This school of thought proposes "Customer-Driven Government": Meeting the needs of the customer, not the bureaucracy.

Especially in the South African society there is "a burning need" for public management processes to work for development rather than in the interest of the *status quo* (Fitzgerald, 1993:17).

The reinventing government approach has however been severely criticised (Epstein, 1995:441; Winnick, 1995:http), and some commentators believe that evolution and continued renewal is more appropriate than reinvention (Clarke, 1996:6).

One of the central concepts of reinventing government is that government should steer, not row, putting an emphasis on separating out the business of operations from that of setting direction and approach. This separation of operations and strategy can only be taken so far. A key ingredient of the learning needed about the environment and what is happening in it comes from the actual delivering of services and the discharging of other responsibilities, from operations (Clarke, 1996:116-117).

2.3.2.3 *Corporate management*

A corporate style of public management, which derives directly from private sector models of corporate planning and strategic management, can also be seen as an attempt to improve service delivery. Its proponents argue that corporate management can ensure that service delivery is both more efficient and effective. Critics claim that corporate management places undue emphasis on quantitative measurement of both programme and staff performance (O'Faircheallaigh & Graham, 1991:xi).

2.3.2.4 *The learning organisation*

The notion of the "learning organisation" has become one of the new "buzzwords" or fashions in the literature of management. The same can be said for the literature of psychology and human resource development. Many senior managers have come to believe that the way in which an organisation learns is a

key index to its effectiveness and potential to innovate and grow (Garavan, 1997:18).

In terms of a learning organisation, Clarke (1996:94) indicates learning requires an organisation that does not become enclosed in its own tasks, insulated from what is going on around it. Processes which allow those who work at the front-line to feed their experience to the top of the organisation and the top to listen to the front-line are needed. The constant improvement of the knowledge base on which planning operates is a key to success (Kitchen, 1999:http).

The alternative service delivery category of tools for improving service delivery will now be discussed.

2.3.3 ALTERNATIVE SERVICE DELIVERY

CATEGORY OF TOOLS FOR SERVICE DELIVERY IMPROVEMENT				
1	2	3	4	5

The alternative service delivery category of tools (see Figure 2.2 on page 30) with which to improve service delivery contains examples where new ways of delivering services are investigated in an effort to improve them by making them more affordable or efficient.

2.3.3.1 *Outsourcing*

A Price Waterhouse Coopers study into service delivery alternatives in the Cape Metropole uses a decision-tree to determine whether a public function should be outsourced or not. Core, discretionary and non-core functions are measured in terms of profitability, sustainability, and legal requirements (Price Waterhouse Coopers, 1999). The desirability of outsourcing is not questioned in the study, but critics definitely exist.

Many governments are turning to outsourcing non-core functions as a means of reducing costs. The underlying presumption is that internal government systems are more costly than external services, but also that certain services can not be outsourced or privatised due their core nature (CFTMPC, 1999:http; Kirkpatrick & Lucio, 1995:36). Clarke points out the difficulty of ensuring customer service when the actual service is contracted out (Clarke, 1996:111, 115), and warns against what he terms the downplaying of the ultimate service responsibility of government.

2.3.3.2 *Commissioning*

In the situation where government pays someone to deliver a service, Clarke proposes the use of commissioning instead of purchasing. He argues that purchasing puts too much emphasis on the act of purchase and on the business of managing some kind of contract or agreement to provide (Clarke, 1996:116). He prefers commissioning because it contains the implication that there has been a set of prior activities (review and assessment of need and judgement of priorities) as a result of which there are detailed decisions about levels of provisions and arrangements for delivery. Commissioning implies greater involvement by government in the service design process (Clarke, 1996:116).

2.3.3.3 *Competition and public-choice economics*

Competition and public-choice economics is an approach to public administration based on micro-economic theory. It views the citizen as a consumer of government goods and services and would attempt to maximise administrative responsiveness to citizen demand by creating a market system for governmental activities in which public agencies would compete to provide citizens with goods

and services. Such an extension of market forces into the public domain through markets, it is argued, will make public services more responsive to the choices and preferences of individual consumers (Fox & Meyer, 1996:105; Kirkpatrick and Lucio, 1995).

The introduction of the market mechanism must not be confused with the introduction of marketing, which will be described in the following two chapters.

2.3.3.4 *Appropriate use of technology*

Today, governments disseminate services to citizens in almost the same way as they did 50 years ago - manually, from behind counters and desks, with paper forms, queues and waiting rooms, ringing telephones, and face-to-face interviews. In many cases services are available only from Monday to Friday from nine to five and information may be accessible only at locations distant from the person who needs it (CSPP, 1999:http).

Clearly, many opportunities already exist to use technology to improve service delivery. The next category of tools for improving service delivery to be discussed is that of voice, choice and exit.

2.3.4 VOICE, CHOICE AND EXIT

CATEGORY OF TOOLS FOR SERVICE DELIVERY IMPROVEMENT				
1	2	3	4	5

This category of public management tools for maximising service delivery involves promoting consumer choice and preference. The choice element links to competition mentioned under point 2.3.3.3 above (Page 38).

"Voice" (increasing the ability of customers to respond) involves the consumer complaining, or in some way scrutinising or placing pressure on the providers of a service so that improvements in quality are realised (Burns, Hoggett & Hambleton, 1994). In South Africa, "voice" can be called stakeholder consultation, or a consultative process.

"Exit" (allowing customers to vote with their feet) refers to the freedom of consumers (or employees) to choose alternative providers of a service in the open market. Such action represents the ultimate sanction against poor quality and can be seen as the most effective way of rectifying the problem. By inflicting revenue losses on delinquent management, exit is expected to induce that 'wonderful concentration of the mind' mentioned by Samuel Johnson (Kirkpatrick & Lucio, 1995:30; Foreman, 1968:251).

2.3.4.1 *Charters, standards and educating the customer*

One of the advances of recent years has been the greater attention given to defining standards and levels of service and of measuring performance against these definitions. Charters and annual reports are examples of such measures (Clarke, 1996:113; HMSO, 1991:4; Jamaican Ministry of Health, 1999:http; Kirkpatrick & Lucio, 1995:36; *Batho Pele* - White Paper on Transforming Public Service Delivery, 1997:31-36).

A variety of different approaches to quality and improving service delivery were formally incorporated into the reform project of the British government through the *Citizens Charter* (HMSO, 1991). A combination of exit and voice, the charter was a commitment on behalf of the government to guarantee standards of service, efficiency and value for money, as well as right of complaint and redress if public services performed badly (Kirkpatrick & Lucio, 1995:36). It was an attempt to increase output without increasing input.

Similar to the *Citizens Charter*, a South African white paper, the *Batho Pele* White Paper on Transforming Public Service Delivery, 1997, proposes annual reports by national departments to citizens, detailing the meeting of standards and efforts to improve service delivery. As is the hallmark of such standards and charters, *Batho Pele* propose a "Service Delivery Improvement Programme Plan" enabling departments to do customer-oriented planning.

Figure 2.3: The Eight *Batho Pele* principles (1997:15)

THE BATHO PELE PRINCIPLES FOR TRANSFORMING PUBLIC SERVICE DELIVERY			
CONSULTATION	SERVICE STANDARDS	ACCESS	COURTESY
INFORMATION	OPENNESS / TRANSPARENCY	REDRESS	VALUE FOR MONEY

Mirroring other charters and standards, Batho Pele works from eight principles, as illustrated in Figure 2.3, aiming to improve quality and service delivery through increasing user voice, standards, educating the user, and public choice.

2.3.4.2 *The limits of choice*

Choice is limited by the financial constraints facing most public sector organisations (Wistow and Barnes, 1993:297; Lucio & Kirkpatrick, 1995:274). The costs involved in developing options from which customers can choose has led some to question the relevance of the exit mechanism in the public sector.

In the public domain, common societal purposes have to be realised, which may not conform to the wishes of individual members of the citizenry. Public purpose can set limits to responsiveness to the customer, and can be seen to limit the applicability of consumer choice in the public sector context (Stewart and Walsh, 1992; Lucio and Kirkpatrick, 1995: 271,274).

2.3.4.3 *The limits of voice*

A drawback of voice is that it can be misused by more vocal interest groups who will dominate the channel of communication and drown out legitimate complaints. On the other hand, many initiatives to increase user voice have only been policy statements, without real effort to democratise and open producer interests to new external considerations. Furthermore, a narrow emphasis on value for money can contradict extending the involvement of users in the design, delivery and assessment of public services (Lucio and Kirkpatrick 1995:273; Stewart & Walsh, 1992; Wistow & Barnes, 1993:297).

Critics have also often rejected voice, assuming that "political" channels for changing state bureaucracies will be largely ineffective. Consumer pressure from below (voice) is seen as a lot "messier" and more costly than exit (Lucio and Kirkpatrick 1995:273).

The final category of public management tools for improving service delivery will now be discussed. This category involves getting closer to the customer.

2.3.5 GETTING CLOSER TO THE CUSTOMER

CATEGORY OF TOOLS FOR SERVICE DELIVERY IMPROVEMENT				
1	2	3	4	5

The last category of tools to improve public service delivery concern tools to allow closer interaction with clients, and become client-oriented. It is often difficult to maintain a customer focus because many imperatives in organisational life get in the way of external relationships and insulate an organisation from the outside world (Clarke, 1996:108-109).

While a client focus may be a necessary condition for improving the quality and scope of service delivery in the public sector, it is not sufficient in itself. This will be discussed in more detail in Chapter 5.

2.3.5.1 Creating a service culture

A strong service culture is of inestimable value in improving service delivery. Such a culture can be nurtured and fostered by politicians and senior managers demonstrating its importance through what they say and do and by the organisation as a whole in what it does (Clarke, 1996:111).

While each action might be small on its own, taken together with other similar actions they can continually shape and reshape (or undermine) a supportive culture. Amongst other things, this will serve as a counter balance to the forces which turn the organisation in on itself and encourages a pattern of action dictated by its own convenience or a "we know best" attitude (Clarke, 1996:111).

2.3.5.2 Finding out what customers want

Part of being close to people is finding out what is needed or expected - and how the organisation is doing in meeting those things (Clarke, 1996:112). This can be done through research tools. One can also combine individual consumer rights to high-quality services with the rights of citizens to involvement and empowerment - through the democratic process - in the management and planning of public services (Stewart and Clarke, 1987; Kirkpatrick and Lucio, 1995:31).

At the heart of "finding out" is listening to the customer. An increasing number of organisations find that talking to people directly rather than at second hand yields a rich seam of data and help (Clarke, 1996:112).

2.3.5.3 *Recognise that service users are co-producers*

In trying to be closer to the people, it is also important to recognise that service users are co-producers. Often the services can only be effectively used where the customer is seen and accepted as a co-producer or partner. The idea of co-producer involves viewing a member of the public as one who shares in service production, not as one who is "done to" in the delivery of service (Burns *et al*, 1994; Clarke, 1996:112-113; Kirkpatrick & Lucio, 1995:33).

2.3.5.4 *Bottom-up approach to service design*

The final tool in this category, the bottom-up approach is crucial if the shape of services and the way the organisations actually work are to be optimised. This entails understanding local society and seeing the organisation from the outside in. It involves being closer to the people, not alienated, re-connecting citizens to the democratic process and to their local government and governance. What the public want, and not what the organisation thinks it should have, should be more important (Clarke, 1996:96-97; Osborne & Gaebler, 1992:166). Politicians and public officials need to share an understanding of the kind of relationships which are to be built with the public and the community, top-down need to be balanced with bottom-up (Clarke, 1996:18).

This concludes the discussion on public management tools used to improve service delivery. Every approach is the reaction to a specific challenge to public

management. In the next section the common themes identified through these tools will be developed into challenges for public management.

Some of the above discussions on tools might seem superficial to informed readers. The discussions were kept short because the bulk of these points will be revisited in later chapters when the challenges which are identified will be discussed.

2.4 PUBLIC MANAGEMENT CHALLENGES

After looking at several ways in which the improvement of public service delivery has been approached, it is possible in this section to look at some common themes in these attempts. Certain challenges are identified in each attempt discussed above, and perhaps these challenges are more important than the attempts themselves. A list summarising the challenges identified throughout this chapter is presented below.

These requirements for change show where public managers are still lacking in their attempts to improve service delivery. They will be listed here without discussion, but will be referred back to in later discussions on challenges and tools.

The service delivery improvement challenges for public management are to:

- Be customer-oriented and have a service culture (See paragraphs 2.3.5.1 and 2.3.5.2).
- Be close to the community, to citizens and to other stakeholders (See paragraphs 2.3.1.1; 2.3.1.2 and 2.3.4.1).
- Find imaginative solutions to the evermore complex problems of public policy (See paragraphs 2.3.1.1; 2.3.2.1; 2.3.2.2 and 2.3.3.4).

- Be alert to the influences of the environment, and measure its impact (See paragraphs 2.3.1.1; 2.3.1.2 and 2.3.2.4).
- Manage resources to achieve value for money and value in services provided (See paragraphs 2.3.3.2; 2.3.3.3; 2.3.3.1; 2.3.2.1 and 2.3.1.5).
- Achieve effective management and decision making in all activities (See paragraphs 2.3.1.4; 2.3.2.3 and 2.3.3.4).
- Determine exactly what services are needed (See paragraphs 2.3.2.4 and 2.3.5.2).
- Educate the customer as participant in service delivery (See paragraph 2.3.5.3).
- Set standards and be measured against them (See paragraph 2.3.4.1).
- Organise for better, seamless service delivery (See paragraphs 2.3.1.3 and 2.3.3.4).
- Use marketing techniques to discover consumer preferences (See paragraphs 2.3.5.2; 2.3.2.2 and 2.3.4.1).
- Measure customer needs prior to designing the service (See paragraphs 2.3.5.4 and 2.3.5.2).
- Foster ownership by and involvement of customers (See paragraph 2.3.5.3).
- Facilitate constructive political involvement (See paragraph 2.3.5.4).

2.5 CHAPTER SUMMARY

This chapter covered the concept and practice of public management. The discussion was initiated by looking at the origins, distinctiveness, dynamic nature and ultimate goal of public administration. Subsequently, public management, the public management model and the metaphor of the public management toolbox were described. The next section of the chapter concerned efforts in public management aimed at improving service delivery, and covered these through the use of five broad categories.

The last section of the chapter consolidated the challenges in the discussion into a list of fourteen service delivery improvement challenges for public management. These challenges are important building blocks in the inductive argument that is being built in this thesis. The broader principles discussed in this chapter in turn contributes to the deductive strand of argumentation used in this thesis.

This chapter has largely served as background information to facilitate the argument presented in the thesis, but two important concepts used in this chapter will be revisited several times, that is the public management toolbox and the challenges.

In this chapter the tools used in public management to improve service delivery were convenient indicators of the challenges facing the improvement of service delivery in the public sector. In Chapters 3 and Chapter 4 other tools to improve service delivery in other settings will be analysed, and more challenges will be identified.

The hypothesis of this thesis is that marketing will improve public service delivery. The three main concepts in this hypothesis are marketing, service delivery and public sector. The public sector and management inside the public sector have now been discussed, and in the next chapter, Chapter 3, marketing will be analysed. Service delivery will be the subject of Chapter 4.

CHAPTER 3

3 MARKETING: AN OVERVIEW

A brief introductory description of marketing was given in sub-section 1.3.1 of Chapter 1. Here, the concept and practice of marketing will be analysed in greater detail. The goal is to provide insight into the content and extent of the marketing discipline. This analysis will facilitate the discussion of service delivery in Chapter 4 and marketing as it is manifested in the public sector in

1	INTRODUCTION
2	PUBLIC MANAGEMENT
3	MARKETING
4	SERVICE DELIVERY
5	PUBLIC SECTOR MARKETING
6	CONTEXT OF THE STUDY
7	CASE STUDIES AND RESEARCH
8	IMPROVING PUBLIC SERVICE DELIVERY THROUGH MARKETING
9	CONCLUSION

Chapter 5. Together with the discussion of public administration in Chapter 2, it will provide a basis for discussing the effect that marketing could have in improving service delivery in the public sector from a public management perspective.

Society in general is aware of marketing, but awareness does not imply knowledge. In the public sector in South Africa, a similar general awareness of marketing exists, but there also are many misconceptions regarding the real substance of marketing. These misconceptions are barriers in the way of using marketing in the public sector to improve service delivery.

It is a daunting task to condense the field of marketing, which is so much wider than public perception accepts, to one short chapter in a thesis on public management. Its complexity also explains why marketing is used to such a small degree outside the private sector profit-oriented ambit, and where it is used outside, why it is frequently misunderstood.

Building a strong argument for public sector marketing must include a look at marketing in its original setting before attempting to synthesise it with public

administration. Therefore this chapter will concentrate on the original marketing concepts as manifested in the private sector, Chapter 5 will look at the current use of marketing in the public sector, and Chapter 8 will provide a synthesis of marketing and public management. It is hoped that this discussion will address some of the misconceptions regarding marketing and enable a confident discussion on the possibilities of public sector marketing.

3.1 THE ORIGINS OF MARKETING

The fact that people have needs and wants lays the groundwork for marketing. Marketing exists when people decide to satisfy their needs and wants through exchange. Exchange, a central concept in marketing, is the act of obtaining a desired product or benefit from someone by offering something in return. Participating in the exchange process is voluntary, with each party participating with the expectation of being better off as a result of the exchange (Churchill & Peter, 1998:7; Kotler & Fox, 1995:5-6; Skinner, 1994:10).

Exchanges are made to satisfy needs and wants. While needs are those goods or services consumers require in order to survive, wants describe something that is desired but not required for basic survival (Churchill & Peter, 1998:7; Skinner, 1994:7).

Some conditions for an exchange to take place are applicable, and this is illustrated in Figure 3.1.

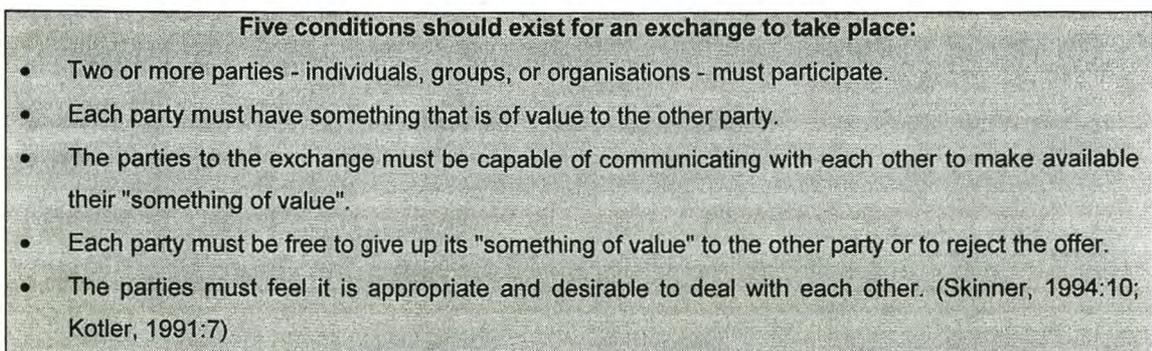


Figure 3.1: Five prerequisites for exchange

In satisfying their needs and wants through exchanges, consumers acquire certain benefits, but must also "pay" certain costs (not always monetary). Normally most of the cost will benefit the other party involved in the exchange.

The types of benefits customers can receive from purchasing products and services include:

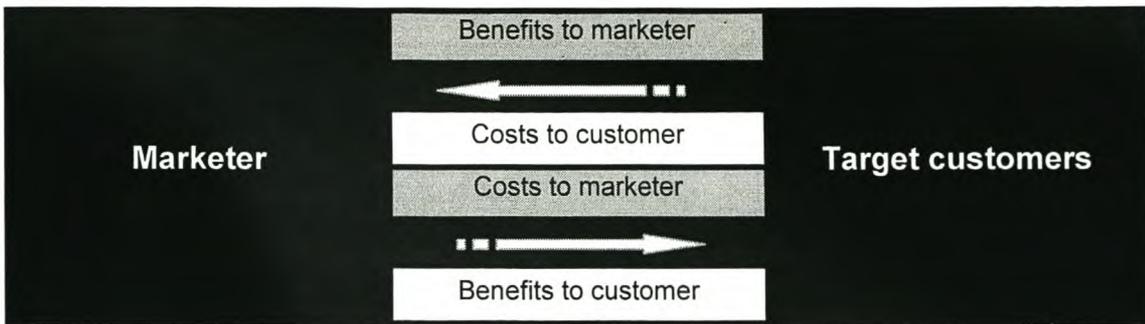
- Functional benefits - the tangible benefits received from goods and services.
- Social benefits - the positive responses customers get from others for purchasing and using particular products and services.
- Personal benefits - the good feelings that customers get from purchasing, owning and using products, or receiving services.
- Experiential benefits - the sensory enjoyment customers get from products and services (Churchill & Peter, 1998:17-18).

On the other hand, the costs involved in exchanges include:

- Monetary costs - the amount of money customers pay to receive products and services.
- Temporal costs - the time spent purchasing products and services.
- Psychological costs - the mental energy and stress involved in making purchases and accepting product risks.
- Behavioural costs - the physical energy customers expend to buy products and services.
- Transaction (shopping) costs - the combination of temporal, psychological, and behaviour costs (Churchill & Peter, 1998:18-20).

Figure 3.2 illustrates the interchange of cost and benefit during exchanges. Although the marketer benefits from the exchange, costs are incurred in making the exchange possible. Similarly, the customer is willing to incur cost for the benefit to be received.

Figure 3.2: Costs and benefits involved in exchanges



The most important tool with which to maximise benefit and minimise cost for both marketer and customers is marketing. This is why today marketing is a central activity of most institutions. To survive and succeed, institutions must know their markets; attract sufficient resources; convert these resources into appropriate programs, services, and ideas; and effectively distribute them to various markets and publics (Kotler & Fox, 1995:6). Marketing is the tool with which this is realised (Drucker, 1954:37; Skinner, 1994:6).

In the next section the definition and nature of marketing will be discussed.

3.2 MARKETING: DEFINITION AND NATURE

Definitions of marketing, of which there are several, can be divided into two broad categories: those with a profit focus and those with a focus on value and meeting objectives. These differing focuses will also be demonstrated in the later discussion on the different orientations of marketing.

3.2.1 PROFIT MOTIVE

The wording of definitions reveal the inclination of their authors, and the main gist of most traditional definitions of marketing clearly is monetary profit. According to the traditional view, marketing is seen as the management process responsible for identifying, anticipating and satisfying customer requirements *profitably* (Smith, 1994:17). Therefore marketing is charged with

attracting and satisfying long-term customers or clients to achieve the economic objectives of an organisation (Lubbe & Puth, 1995:11).

The profit focus has however faded from the centre stage of academic marketing debate recently. Theoretically, at least, observers are recognising that the profit motive alone will not ensure the survival of a company. In his book *The Marketing Imagination*, Levitt (1983:1-20) argues that the corporate purpose of marketing is not profit or turnover, but rather the establishing, maintaining and growing of a customer base. Such a customer base is built through adding value to the benefits customers acquire, and aiming to satisfy both customer and organisational objectives.

3.2.2 VALUE AND MEETING GOALS

Recent definitions state that marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods and services to create exchanges that satisfy individual and organisational goals (Skinner, 1994:7; Kotler & Fox, 1995:6; Churchill & Peter, 1998:6).

This new focus will be elaborated on in the next section of this chapter, describing the evolution of marketing. It should be noted that the new definitions allow for the inclusion of marketing in situations where profit is not the objective. This is a marked departure from the traditional business focus of the marketing discipline.

3.2.3 BUSINESS FOCUS

The traditional profit motive of marketing complemented a focus on the business environment as the *locus* of marketing, the environment in which it is practised. The term "marketing" also connotes to most people a function peculiar to business firms. Marketing is most often viewed and discussed as a business activity (Kotler and Levy, 1969:10).

The section of this chapter dealing with broadening the focus of marketing will again address the traditional business focus of marketing. The business focus also emphasises the managerial nature of marketing.

3.2.4 A MANAGEMENT PROCESS

A complicated activity such as marketing with its many variables cannot be executed through random actions: it must be managed. Management activities such as analysis, planning, organisation, implementation and control are important (Kotler & Fox, 1995:7; Churchill & Peter, 1998:21; Skinner, 1994:21; Boyd, Walker & Larréché, 1998:16). The marketing management process is illustrated in Figure 3.3. Elements of the process that have not yet been explained will be discussed later in this chapter.

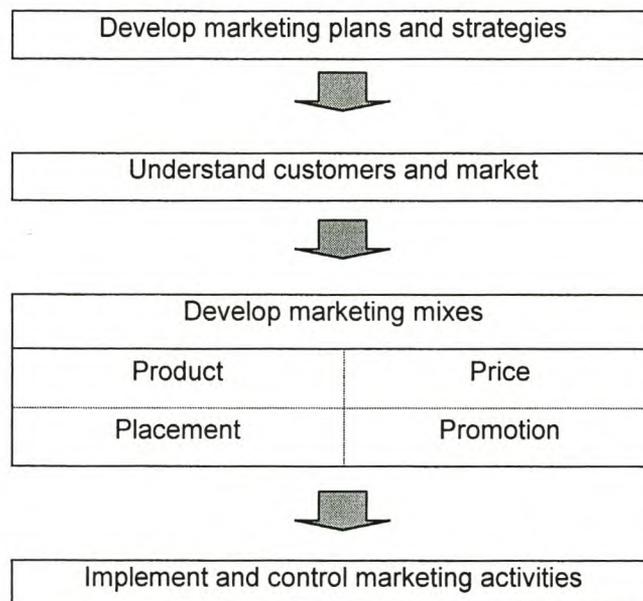


Figure 3.3: An overview of marketing management adapted from Churchill & Peter, 1998:21.

The fact that marketing is seen as a management process lends it to comparison with other types of management. This type of comparison could be valuable in terms of improving management influence on service delivery, and will be made in Chapter 8. Having discussed the basic definition and

nature of marketing, one can now look more closely at different aspects of marketing. In the next section of this chapter the evolution of marketing will be investigated.

3.3 THE EVOLUTION OF MARKETING

Traditionally associated with the private sector and products sold at a profit, the concept of marketing has broadened, changing both its orientation and its underlying motive. This was alluded to in the earlier discussion of value (See paragraph 3.2.2).

Investigating the various orientations in the evolution of marketing can provide understanding about the substance of marketing. The stages identified by Marx and Van der Walt (1989:17-20) and others will be used as the framework of the discussion in this section.

The different marketing orientations to be discussed are illustrated in Figure 3.4. The production orientation will be discussed first.

Figure 3.4: Development in Marketing Orientations (Churchill & Peter, 1998:8-12)

Orientation	Focus	Description
Production	Products	Produce goods and services, inform customers about them, let customers come to you.
Sales	Sales	Produce goods and services, go to customers, get them to buy.
Marketing	Customers	Find out what customers need and want, produce goods and services they say they need and want, offer them to customers.
Value	Customer value	Understand customers, competitors and environment, create value for customers, consider other stakeholders.

3.3.1 PRODUCTION ORIENTED MANAGEMENT

The era of production orientated management began in the industrial revolution and continued into the early part of the twentieth century. Before

the specialisation and mass production of the industrial revolution, households were largely self-sufficient. Goods were produced or manufactured on order and only if they were sure to be sold or exchanged (Marx and Van der Walt, 1989:17).

Industrialisation gave manufacturers the ability to mass-produce, but the new technology brought many challenges to the producer, as these machines required much effort to keep them operational. It is evident that management would concentrate on the production of the product, becoming production-oriented (Marx and Van der Walt, 1989:17; Skinner, 1994:12-13).

With increasing efficiency, however, it became clear that consumer goods would pile up if more were not done to get these products sold.

3.3.2 SALES ORIENTED MANAGEMENT

Sales oriented management (mid 1920s to early 1950s) originated because of the change from a seller's market to a buyer's market where supply exceeded demand and businesses looked on sales as the major means of increasing profits. In order to encourage potential consumers and to get rid of accumulated stockpiles, unethical selling practices and misleading promotion were used. These activities caused revolt amongst consumers and signalled the birth of consumerism: a social force intended to protect customers by exerting legal, moral, and economic pressures on the business community (Churchill & Peter, 1998:36; Marx and Van der Walt, 1989:17; Skinner, 1994:13, 127).

This reaction prompted a re-appraisal of marketing orientation.

3.3.3 MARKETING ORIENTED MANAGEMENT

Marketing oriented management came about after the Second World War. Top management became aware of the importance of the marketing task as a sales orientation made way for a marketing orientation where price and the sales message were no longer the only concerns (Marx and Van der Walt, 1989:18). Management recognised that before a product could be manufactured, marketing information had to be gathered regarding what the consumer wanted, how much the consumer would be willing to pay for this and how the consumer could be reached with persuading marketing communications.

According to the marketing orientation, an organisation should seek to meet its customers' needs and wants as it strives to achieve its own goals. This signified the birth of the marketing concept (Kotler & Levy, 1969:15; Skinner, 1994:13; Churchill & Peter, 1998:12): a philosophy with an endeavour to satisfy consumer needs through a co-ordinated set of activities that also allows the organisation to achieve its objectives.

The focus of the marketing concept is a customer orientation. Customer-orientation can be determined by asking questions like whether a firm is easy for customers to do business with, whether the firm keeps its promises and meets the standards it set, and whether it is responsive to customer needs (Skinner, 1994:14; Shapiro, 1988:119-124).

A marketing orientation is valuable, but has limitations. By focusing only on customers, it may encourage organisations to give insufficient attention to other important groups, such as employees and suppliers. It ignores the ability of competitors to satisfy needs and wants better than the organisation, thus causing it to fail. It gives little direction on how to satisfy customers, compete with other companies, and perform marketing activities to be consistent with it. An extension of the marketing orientation that attempts to overcome these problems is value-driven marketing (Churchill & Peter, 1998:12).

Before discussing the value-approach, the strategic marketing approach will be discussed.

3.3.4 STRATEGIC MARKETING APPROACH

Some commentators see the strategic approach to marketing management as the latest development in marketing thought. The strategic approach to marketing is not a departure from the marketing orientation, but rather a dual recognition of the value of marketing in informing the strategic management of an organisation, and the importance of longer-term strategic planning of marketing efforts. Marketing followed a shift towards strategic management also seen in other fields and disciplines (Marx and Van der Walt, 1989:18, also see Schwella, 1991b:220-224).

Up to the 1970s marketing management played a relatively subordinate role in strategic planning in business. A change to a more pro-active marketing role in the strategic context was prompted because of the rapid change in a dynamic marketing environment. These changes made planning over longer time periods and a focus on environmental analysis and adaptation to changing circumstances necessary to ensure survival. Its knowledge of the consumer market, its involvement in products and its direct contact with the competition implied that marketing management could give valuable inputs into the solving of strategic questions in the process of planning and implementing programmes to exploit opportunities in the dynamic environment (Marx & Van der Walt, 1989:17-20).

Strategic marketing management constitutes a sustained analysis of the marketing environment by the marketing function and the identification of opportunities to exploit and threats to counter, bearing in mind organisational strong and weak points (Marx & Van der Walt, 1989:17-20).

After this short discussion of strategic marketing management, the discussion can return to the most recent marketing orientation: value-driven marketing.

3.3.5 VALUE-DRIVEN MARKETING

Value-driven marketing is an orientation for achieving objectives by developing superior value for customers. It is an extension of the marketing orientation that is based on several principles and assumptions about customers (Churchill & Peter, 1998:12). Figure 3.5 depicts how customer value can produce long-term profitable relationships between organisations and customers.

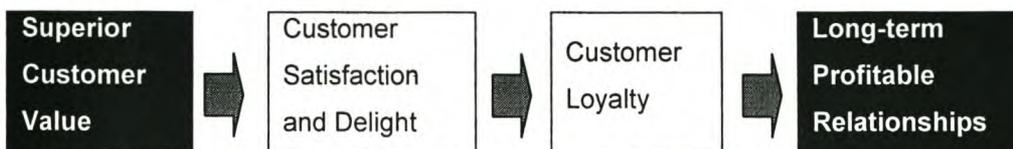


Figure 3.5: The consequences of superior customer value (Churchill & Peter, 1998:21)

Value-driven marketing assumes that customers who are willing and able to make exchanges will do so when firstly the benefits of exchanges exceed the costs of exchanges and secondly the products or services offer superior value compared to alternatives (Churchill & Peter, 1998:15).

Several principles form the core of the value-driven marketing approach. These principles propose that marketing activities should focus on creating and delivering customer value and should offer customers superior value to competitive alternatives. A pro-active stance is advocated towards the environment, as well as the use of cross-functional teams when they improve efficiency and effectiveness of marketing activities. Continuous improvement and the consideration of stakeholders are also encouraged in this marketing orientation (Churchill & Peter, 1998:15).

Customer value is the difference between customer perceptions of benefits from purchasing and using products and services, and customer perceptions

of the costs they incur to exchange for them (Churchill & Peter, 1998:15, see also Figure 3.2). The value equation is illustrated in Figure 3.6.

$$\text{CUSTOMER VALUE} = \text{PERCEIVED BENEFITS} - \text{PERCEIVED COSTS}$$

Figure 3.6: The Value equation (Churchill & Peter, 1998:16)

As a footnote to the discussion on marketing orientations, the major types of marketing can be described.

3.3.6 MAJOR TYPES OF MARKETING

Six types of marketing are illustrated in Figure 3.7. Although not specifically mentioned before, the discussion up to now of marketing was limited mainly to the first type of marketing: product marketing.

Although service marketing will be discussed in Chapter 4, it should be noted that all of the types of marketing shown in the table could be employed either with or without a profit motive. This point will be elaborated upon in the section on broadening the concept of marketing.

Figure 3.7: Types of Marketing (Churchill & Peter, 1998:8; Skinner, 1994:396-371; Kotler & Levy, 1969:13)

Type	Description
Product	Create exchanges for tangible products
Service	Create exchanges for intangible products
Person	Create favourable actions towards persons
Place	Attract people to places
Cause	Create support for ideas or issues, change undesirable behaviour
Organisation	Attract donors, members, participants, or volunteers.

Other distinct manifestations of marketing can also be mentioned. For example "green" marketing (developing products and packages that are less harmful to the environment); global marketing (the development of marketing strategies as if the entire world - or regions thereof - were one large market);

and international marketing (the performance of marketing activities across national boundaries) (Skinner, 1994:132-149). Another manifestation, relationship marketing, emphasizes the strengthening of bonds with existing customers (Zeithaml & Bitner, 1996:40).

This concludes the discussion on marketing orientations and types of marketing. In the next session, one of the most fundamental concepts in marketing will be analysed. This concept, the marketing mix, which was mentioned as a part of the marketing management process (See Figure 3.3), will provide further insights into marketing.

3.4 MARKETING MIX

The marketing of services and products is usually explained under a number of headings, collectively known as the *Marketing Mix*, or the *Four P's* (Abrams, 1993:116; Boyd, Walker & Larréché, 1998: 20; Churchill & Peter, 1998: 22-23; Coffman, 1986:11; Grove, Fisk & Bitner, 1997: 73; Kotler, 1988: 72; Kotler & Andreason, 1987: 196; 1996: 342; Marx & Van Der Walt, 1989:15; McCarthy, 1960; Titman 1995: 27; Skinner, 1994:9, 20; Smith, 1994; Zeithaml & Bitner, 1996: 23).

The marketing mix is a conceptual framework that helps to structure approaches to marketing challenges. It describes the strategic controllable marketing variables and tools a firm uses to create value for customers and achieve organisational objectives. These ingredients can be "mixed" in infinite combinations, creating the building blocks of a marketing programme (Boyd, Walker & Larréché, 1998:16; Churchill & Peter, 1998:22-23; McCarthy, 1960; Grove, Fisk & Bitner, 1997; Skinner, 1994:9, 20).

Although sometimes referred to by different names, the (traditional) four elements of the marketing mix are: product, price, placement, and promotion. The four elements or "Ps" of the marketing mix are illustrated in Figure 3.8.

PRODUCT Anything that satisfies a need or want and can be offered in an exchange, including goods, services, and ideas.
PRICING The value (mostly monetary) placed on the "something of value" in an exchange.
PROMOTION Communicating positive, persuasive information about an organisation, its products, and activities to expedite exchanges in a target market.
PLACEMENT Marketing activities that make products available to consumers at the right time and in a convenient location.

Figure 3.8: The Marketing Mix

The elements of the marketing mix are not cast in stone, and have often been amended. For example, Smith (1994) adds a fifth element, People (customers, competition and employees). Some marketing academics in South Africa use these five P's. Another P (Planning) was subsequently added by writers such as Titman (1995), who refer to the Six Ps.

Alternative ways of describing elements of the marketing mix have also been developed, such as Abrams' five F's (1993:117), or the four T's of Training; Technology; Time and Trading (Kloot, 1999). In Chapter 4 it will also be shown that different approaches to the marketing mix are followed in marketing services.

Whether one uses four, five, or any other number of P's in the context of this thesis is perhaps not as important as sufficiently explaining the concept and practice of marketing. Thus, although the extra marketing mix elements (Planning and People) are well-motivated and understandable extensions to the marketing mix, the researcher will limit the discussion in this thesis to the original four P's.

Two structural elements will be used to facilitate the discussion of the marketing mix. The definition of each element will be repeated at the start of its discussion, placed in a shaded box, along with a progress indicator. At the

end of each discussion tools will be listed that are used in the setting of that specific "P". A shaded table will be used. These tools are listed and not discussed due to space constraints. Their names are largely self-explanatory and the tools are also encountered in other disciplines.

The first element or "P" of the marketing mix to be discussed is product.

3.4.1 PRODUCT

PRODUCT	PRICE	PROMOTION	PLACEMENT
Anything that satisfies a need or want and can be offered in an exchange, including goods, services, and ideas.			

The product is what is being sold, and includes the development of it and also customer expectations of it.

Many reasons can exist for developing a new product. Reasons include growth, a perceived gap or competitor activity. Product life cycle implications can also be a motivation, as well as novelty or attempting a new target market segment. There may be an attempt to improving the product mix or build on a loyal customer base. One might also want to copy competitor products (Titman, 1995:56-57).

Having the motivation or reason to develop a product, certain steps will be followed to develop the product. This will occur within the ambit of existing strategies. The stages of new product development are manifested in a search for new ideas and concepts that meet the objectives of the organisation. Initial screening and evaluation is done to determine what will be evaluated further, taking care not to throw out good ideas. Market analysis ensues, followed by prototype development, testing, and launching (Skinner, 1994:324; Titman, 1995:58, see also Booz *et al*, 1982 and Particelli & Killips, 1986).

The marketplace will then determine the success of the product. Key success factors in product development based on more than 1000 case studies (Cooper and Kleinschmidt, 1990; Barclay, 1992; Rothwell *et al*, 1974; Buijs, 1984; Titman, 1995:62) are the following:

- A unique superior product.
- Proper undertaking of the pre-development stages.
- Sharp and early product definition.
- Market-oriented product: customer focused and market driven.
- High quality technology and production activities.

However, once developed, every product has a finite life (Skinner, 1994:321; Titman, 1995:47). The four distinct stages of a product life cycle are:

- Product development and introduction/launch.
- Product growth.
- Product maturity.
- Product decline.

This is followed by product termination.

In the last instance demarketing can be employed, a strategy used to reduce the demand for a product (Churchill & Peter, 1998:44; Skinner, 1994:16). This is also used in social marketing to reduce demand for say drugs.

The product life cycle is important because each stage has to be actively managed in an effort to achieve maximum profit (Titman, 1995:48). Profit can be maximised by either stabilising or growing current market share, or with any product strategy in between. There are four alternative approaches to growth or stabilisation (Titman, 1995:56; Skinner, 1994:51-53; Ansoff, 1957):

- Market penetration (Existing market; existing product).
- Market development (New market; existing product).
- Product development (Existing market; new product).
- Diversification (New market; new product).

There are various internationally used tools for setting market objectives and strategies, and assessing the viability of products (McDonald, 1987: 73-76,88; Hazelhurst, 1999; Skinner, 1994:46,49,51; Ansoff, 1957:113-124, 1988; Porter, 1985:11-26; The Boston Consulting Group, 1970), as indicated below.

Tools of Product
Brainstorming. Mapping. Market research. Forecasts. Break-even analysis. Risk analysis. Probabilities. Branding. Packaging. Logistics. Creativity. Total Quality Management. Customer forecasting survey. Sales-force forecasting survey. Expert forecasting survey. Time series analysis. Trend analysis. Cycle analysis. Seasonal analysis. Random factor analysis. Correlation method. Market test and combination methods. Boston Matrix. Ansoff Curve. Porter's analysis. Research and development.

After this discussion on profit, the marketing mix element of price can be investigated.

3.4.2 PRICING

PRODUCT	PRICE	PROMOTION	PLACEMENT
The value (mostly monetary) placed on the "something of value" in an exchange			

The pricing element of the marketing mix describes pricing strategies, types of price and pricing levels. Pricing is used to influence customer behaviour, and is vital in maintaining the viability of a company. Pricing to a large degree depends on target market expectations. Types of price include cost pricing and market-related pricing. The difference here is between what production costs and what the market is willing to pay (Titman, 1995:80-86; West, 1988:37-42).

Some market-related pricing approaches include skim price, prestige price, moral price, charm price, promotion pricing, penetration price and variable prices (Titman, 1995:80-86).

Specific pricing tools are listed on the following page.

Tools of Price

Market survey research. Market trials. Statistical analysis. Market and competitor data analysis. Cost-benefit analysis. Pricing strategies. Cost pricing. Market pricing.

The next element of the marketing mix to be described is promotion.

3.4.3 PROMOTION

PRODUCT	PRICE	PROMOTION	PLACEMENT
Communicating positive, persuasive information about an organisation, its products, and activities to expedite exchanges in a target market.			

Promotion is any communication activity used to inform, persuade, or remind the target market of an organisation, its products, and its activities (Skinner, 1994:580).

The specific combination of various promotional methods like advertising, personal selling and sales promotion used by an organisation for a specific product is called the promotion mix (Kotler, 1988:73; Skinner, 1994: 372, 586, 588, 598; Smith, 1994:18, 19; Titman, 1995:91). The promotion mix also encompasses marketing communications.

Factors affecting the composition of the promotion mix include promotional objectives and policies; promotional budget; target market characteristics; product characteristics; cost and the availability of promotional methods (Skinner, 1994:590-599; Smith, 1995). For promotions to be effective, each element of the promotion mix should reinforce the other through an integrated communication programme (Skinner, 1994:586, Smith, 1994:13). Activities should reinforce each other.

The wealth of information regarding the promotion mix tempts one to linger on the subject. For the sake of remaining focused on the development of the argument in this thesis, every element of the promotions mix cannot be thoroughly examined. The publicity element however warrants more in-depth discussion because this is one field of marketing where the public sector is

routinely active. The corporate identity element of the promotion mix is also of particular importance and will be discussed in sub-section 3.4.3.2.

3.4.3.1 *Publicity and public relations*

Publicity objectives can vary from promoting a product to promoting a company. It can be used to create awareness, to maintain positive public visibility, to enhance a particular image or support advertising, or to overcome a negative image.

Titman (1995:91) describes publicity as information about an organisation, an event or a product that is normally carried by a third party such as radio, newspapers or magazines without payment or control by the organisation itself. The lack of payment is attractive but the lack of control is less so.

Public relations, on the other hand, can be seen as efforts to try to manage the type of publicity that arises. Greener (1990:3; also Smith, 1994 and Lubbe & Puth, 1995:11) defines public relations (PR) as the positive presentation of an organisation to all its publics.

Both publicity and public relations aim to influence perceptions. To determine the effect of these efforts means that perceptions must be measured. The tools of marketing and public relations make perceptions measurable (Mann, 1999).

Although public relations could be perceived to be a part of promotion and therefore a subsystem of marketing, public relations is not a subset of marketing nor is marketing a subset of public relations. They do however integrate with each other (Smith, 1994:273; Skinner, 1994:638). The various arguments for the independence of public relations from marketing and *vice versa* (See Greener, 1990:14; Smith, 1994:273; Lubbe & Puth; 1994:10) will not be discussed here.

In this thesis PR is viewed as one of the tools available to the public marketing manager.

3.4.3.2 *Corporate identity and image*

Corporate identity is a visual means of identifying a corporation, company or organisation. It is a strategic asset, which helps to achieve longer-term communication goals. Corporate identity makes the corporate strategy visible through design and can specifically project three things:

- Who the organisation is.
- What the organisation does.
- How the organisation does it (Smith, 1994:324).

Corporate identity is the reality of the tangible points of public contact, for example the buildings, vehicles, uniforms, business forms and so on. Corporate *image* on the other hand, is the sum of the perceptions held by people of an organisation. Images and perceptions are created through all the senses: sight, sound, smell, touch, taste, and feelings experienced through product usage, customer service, the commercial environment and corporate communications (Smith, 1994:333).

Managers must realise that *everything about an organisation talks*. Customers form impressions of an organisation from its physical facilities, employees, officers, stationary, and other company surrogates. Only when this is appreciated do the members of an organisation realise that they are all in marketing, whatever else they do. With this understanding they can assess realistically the impact of their activities on customers (Kotler & Levy, 1969:13; James, 1988:xxi). The Internet and World-Wide-Web provides another vehicle of corporate image and identity (Sterne, 1995:xv).

Tools of Promotion

Public relations. Publicity. Media liaison. Annual reports. Lobbying. Joint ventures and special events. Corporate image and identity. Research. Branding. Packaging. Information technology. Spokespersons. Media releases.

After promotion, placement is the next marketing mix element to be discussed.

3.4.4 PLACEMENT

PRODUCT	PRICE	PROMOTION	PLACEMENT
Marketing activities that make products available to consumers at the right time and in a convenient location.			

The marketing mix element of placement includes such aspects as channels of distribution and logistics, and is concerned with mixing distribution channels to optimum effect. Other issues of placement are the investigation of alternative methods of service delivery, centralisation versus decentralisation, and the placement and use of branches. The identification of exactly what is being delivered also falls under placement (Titman, 1995:113).

The main marketing channels for reaching the consumer are:

- Direct from originator to ultimate consumer.
- Direct to a retailer for onward distribution to the ultimate consumer.
- Indirectly through an agent, a wholesaler or other intermediary.
- Some combination of these (Titman, 1995:116; Baker, 1990; Sterne, 1995:xv).

Demand forecasting represents an important part of placement because it can serve as planning guideline. However, no demand forecasting process can consistently provide perfect information (Melnyk & Denzler, 1996:455).

An element of placement is determining target markets. Markets and market segmentation will be discussed here, although some observers would rather group it under the "P" of people.

3.4.4.1 *Markets and segmentation*

Ensuring correct placement will require intimate knowledge of markets, and the segmentation of these markets. A market is a group of people who need and want a particular product, and have the buying power, willingness, and authority to purchase the product. A target market is a group of consumers at whom an organisation directs its marketing efforts (Skinner, 1994:19,182).

Target markets are identified through market segmentation. Market segmentation is the process of dividing a total market into groups of consumers who have relatively similar product needs. A market segment is a group of individuals, groups or organisations that share one or more characteristic that cause them to have relatively similar product needs (Skinner, 1994:184).

Market segmentation is based on three propositions:

- Customers are different, even unique.
- Customer differences are related to differences in demand.
- Groups (segments) of customers can be separated out from the total market (Titman, 1995:124).

The decision to segment will be based on a number of criteria, but becomes more important as consumers want more specific needs satisfied (Titman, 1995:124-125; Zeithaml & Bitner, 1996:40).

Markets can be of either the consumer or organisational market type (Churchill & Peter, 1998:7; Skinner, 1994:183,250), and market type will determine bases for segmentation. Figure 3.9 illustrates segmentation bases for individual customers.

Figure 3.9: Segmentation bases for individual customers (Skinner, 1994:188; Titman, 1995:125)

Demographics	Age; Sex; Income; Ethnic background; Family life cycle
Geographic	Climate; Terrain; Natural resources; Market density
Psychographic	Personality; Motives; Lifestyle
Product-related	Usage; Perception of brand quality; Application; Benefits

Figure 3.10, on the other hand, indicates segmentation bases for organisational markets.

Figure 3.10: Segmentation bases for organisational markets (Skinner, 1994:198; Titman, 1995:125)

Geographic location	Climate; Terrain; Customer preference
Size of customer	Quantities; Procedure
Type of organisation	Size; Complexity; Policies
Product use	Production; Research; Business operations

Different marketing segmentation approaches can be used, and the approach used will affect the marketing mix. Possible segmentation approaches include undifferentiated (everyone treated the same), concentration (one segment at a time) or multi-segment, where more than one segment are approached with differentiated campaigns (Skinner, 1994:202).

Tools of Placement

Demand forecasting. Market segmentation. Information technology. Transport economy. Property investment. Customer needs analysis. Demographics. Observation.

This concludes the discussion of placement, and of the marketing mix. In the next section management issues in marketing will be analysed.

3.5 MANAGEMENT IN MARKETING

In this section various management functions, skills and applications, as well as supportive technology and techniques that are used in marketing, will be

discussed. These will be compared to the elements included in the Public Management Model (Chapter 2, Page 26) in Chapter 8.

The items discussed below could also have been discussed under certain elements of the marketing mix. The setting of this discussion, being management, does however make it more appropriate to discuss these largely management-related issues separately. This will facilitate later applications of marketing to public management.

The table of tools at the end of each sub-section used in the previous section will also be used in this section.

3.5.1 PLANNING

Planning includes all aspects of planning in the marketing of services and goods, and forms an integral part of each element of the marketing mix.

Planning interfaces with policies and strategies. In the marketing environment all planning must work towards the purpose of creating and keeping customers. Marketing inputs must also be fed into strategic planning activities to ensure the consolidation and growth of a customer base (Levitt, 1983:18-19).

Three elements of marketing planning are the marketing objective, plan, and strategy. A marketing strategy is a plan for selecting and analysing a target market and developing and maintaining a marketing mix that will satisfy this target market. A marketing plan is a formally prepared and written document detailing the planned marketing strategy and its intended results in operational terms. Marketing objectives in turn specify what is to be accomplished through marketing activities (Churchill & Peter, 1998:21; Skinner, 1994:19,54,60).

Tools of Planning
Marketing plan. Workshops. Story boards. Brainstorming. Market research. Strategy. Objectives. Marketing mix. Promotions mix.

The next item to be discussed is organising or staffing.

3.5.2 STAFFING

Staff can form an integral part of marketing. Their role in corporate identity and image was discussed in sub-section 3.4.3.2.

Staff member should recognise their importance in marketing efforts because the person giving the service is often marketing the next order. Staff have to be convinced that the production process is a marketing activity (Titman, 1995:14-15,133; James, 1988:xxi).

One way of instilling this urgency in marketing in personnel is internal marketing. This is the process by which all members of the organisation come to understand the values of the marketing system and their role in implementing marketing strategies (Skinner, 1994:704).

Recruitment, selection and training of personnel must also support marketing objectives.

Tools of Staffing
Recruitment. Selection. Training. Education. Motivation. Leadership. Internal marketing. Industrial psychology.

Consumer behaviour will be addressed next.

3.5.3 CONSUMER BEHAVIOUR

The study of consumer behaviour and the extensive range of psychology-related instruments for describing, measuring and predicting perceptions and

actions have contributed extensively to the field of marketing. Consumer behaviour is the action and decision processes of people who purchase goods and services for personal consumption. The study of consumer behaviour includes inquiries into consumer decision making. This is a five-stage process people go through when deciding what products to buy. It includes problem recognition, information search, evaluation of alternatives, purchase decision, and post-purchase evaluation (Skinner, 1994:218).

Skinner (1994:220,222) points out two central concepts in consumer behaviour. These are the evoked set (a group of brands from which the buyer feels free to choose) and cognitive dissonance (the conflict buyers experience when they have doubts about a purchase, such as whether the product should have been purchased at all or whether a different brand or type of product should have been purchased).

Consumer decision making can range on a continuum from impulse purchasing (low involvement and after-purchase evaluation of the product) to routine purchases (moderate involvement). It then becomes more involved with limited decision making for occasionally purchased products. The high end of the continuum is extensive decision making, with high involvement and where there is little or no familiarity with the product (Skinner, 1994:224).

Tools of Consumer Behaviour
Psychology. Behavioural study. Opinion surveys. Decision making studies. Market segmentation.

Marketing research will now be described.

3.5.4 MARKETING RESEARCH

Marketing research is the collection, analysis, and interpretation of data for guiding marketing decisions (Skinner, 1994:279).

The process of marketing research shows many characteristics of the academic research process, following the same rational scientific approach to get reliable information. Marketing research can help answer many questions about markets, the marketing mix and performance (Churchill & Peter, 1998:113).

Part of the research process which should be an ongoing activity is scanning and analysing the environment. This is the practice of tracking external changes that can affect markets, including demand for goods and services (Churchill & Peter, 1998:28; Skinner, 1994:100). The marketing environment comprises the forces of competition, regulation, politics, society, economic conditions, and technology surrounding the target market (customers) and the marketing mix (Skinner, 1994:20,73).

Marketing information systems are important market research tools. These systems can enhance the quality of market research by managing and organising information gathered from inside and outside an organisation, the output of which can be used for marketing decision-making (Skinner, 1994:279).

Tools of marketing research
Sampling. Dependent and independent variables. Telephone surveys. Personal interviews. Observation. Laboratory experiments. Field experiments. Primary and secondary data. Exploratory studies. Hypotheses. Descriptive studies. Mail surveys. Statistical interpretation. Polling. Environmental scanning and analysis.

The next item for discussion is control and evaluation.

3.5.5 CONTROL AND EVALUATION

Marketing provides several opportunities for control and evaluation. The marketing plan is one such an opportunity. If written correctly a marketing

plan would provide indicators of performance and achievement of goals (Marx & Van der Walt, 1989:31).

Another option is benchmarking, the continuous process of measuring the goods, practices, and services of a firm against those of its toughest, most capable competitors, using their practices as a springboard for improvement (Churchill & Peter, 1998:119; Skinner, 1994:27).

The marketing audit is another control measure that can ensure strategic alignment. It is a thorough, systematic and objective review of the marketing objectives, philosophy, strategies, organisation, and performance of an organisation. It highlights what activities the organisation does well, helps pinpoint problems in executing marketing activities, and makes recommendations for improving the performance of these activities (Skinner, 1994:713).

Marketing in itself is a control instrument because it demands more from workers. It can come in conflict with other functional areas, for example demanding customised products while production would prefer to produce standardised products (Churchill & Peter, 1998:15). This problem can be addressed through internal marketing, which provides yet another control and evaluation instrument.

Tools of Control and Evaluation
Marketing plan. Benchmarking. Performance management. Marketing audit.

This concludes the discussion on management in marketing.

Up to this point in this chapter marketing as it is practised in the private business environment was described. The next section of the chapter is the first departure from the traditional setting of marketing, and concerns the broadening of the concept of marketing.

3.6 BROADENING THE CONCEPT OF MARKETING

In 1969 Kotler and Levy spearheaded a movement to expand the field of marketing to also include non-business activities. They argued that every organisation performs marketing-like activities whether or not they are recognised as such. It was stated that as other types of organisations recognise their marketing roles, they will turn increasingly to the body of marketing principles worked out by business organisations and adapt them to their own situations (Kotler & Levy, 1969:10-13). Other writers have emphasised the need of understanding the cultural dimension of marketing (Costa & Bamossy, 1995:viii-ix).

Extending marketing to also include services, ideas, organisations and persons was partly a result of the efforts of Kotler and Levy, and the business heritage of marketing provides a useful set of concepts for guiding other organisations (Kotler & Levy, 1969:15).

The marketing of services is one of the types of marketing shown in Figure 3.7 on page 60. Services marketing have grown into a strong specialisation inside marketing, and will be discussed in more detail in Chapter 4.

Non-profit marketing will be discussed in the next section.

3.7 NON-PROFIT MARKETING

Non-profit marketing is not a type of marketing as is services marketing. It rather represents another focus or motive. This field of marketing has shown considerable growth in recent years. Non-profit marketing is defined as all marketing activities conducted by individuals or organisations to accomplish goals other than financial profit (Skinner, 1994:367). Typical uses of non-profit marketing are in educational and health services (Kotler & Fox, 1995:5).

Non-profit marketing is different because it has different objectives, exchange process (clients and donors) and the medium of exchange takes many forms (eg votes). Non-profits are also involved in competition for a limited pool of donor and grant money, and different performance evaluation apply (Skinner, 1994:367-369).

Non-profit marketing can also be divided into the types of marketing as shown in Figure 3.7 on page 60. Developing a marketing mix for non-profits requires creativity because target markets can differ widely in this sector. Some marketing strategies for non-profits are shown in Figure 3.11 on page 78.

Figure 3.11: Marketing strategies for non-profit organisations (Skinner, 1994:372)

Product strategy
Non-profit organisations typically market ideas and services rather than goods. The intangible nature of these products makes it important to establish something with which the target market can identify.
Promotion strategy
Advertising and publicity are used by non-profit organisations to communicate with clients and donors. Clients must be made aware of the product offered, where it is available, and how it can be obtained. Direct mail, telephone solicitations, television advertising and personal selling activities are used to attract sponsors.
Price strategy
With a lack of profit motive, the welfare of clients is stressed over costs and revenues. A fair price, or no charge. The price can be viewed as opportunity cost - the value that a client or donor gives up in an exchange.
Distribution strategy
Production and consumption take place simultaneously, so there is direct distribution to clients and donors. It is therefore necessary to be active at ground level where the need is and where the donor is.

It is generally accepted that non-profit marketing would inform marketing in the public sector. This can be hazardous because not all public sector institutions are non-profit, and not all non-profits are part of the public sector. Boundaries do not co-incide. Public sector marketing should thus be fed from a broader source than non-profit marketing, but must be separated from private sector marketing (Lovelock & Weinberg, 1984:40).

The interaction between marketing in the public and private sector, the types of marketing, and profit and non-profit marketing is illustrated in Figure 3.12 on page 79.

It is clear that when studying public sector marketing, not only non-profit marketing will be involved. This is the reason for the focus of Chapter 4: Service delivery and services marketing.



Figure 3.12: Focuses of marketing

This concludes the discussion on non-profit marketing, in the next section certain marketing challenges will be identified.

3.8 MARKETING CHALLENGES

At the end of Chapter 2 certain public management challenges were identified. That pattern will be repeated here and in Chapter 4 and 5. In Chapter 8 these challenges will be revisited.

A common denominator amongst the most successful international companies is the good use of marketing techniques and tools (Hazelhurst, 1999). The challenge implied in this is to be effective in marketing. Some indications of what constitutes effective marketing will thus serve as a list of challenges for marketers.

The challenge is to:

- Be alert to the environment, as well as ideas inside the company.
- Employ a people-centred approach.
- Handle conflict between marketing and other functions.
- Understand, plan, and manage exchanges.
- Conduct thorough marketing research.
- Communicate effectively.
- Emphasise the basic customer need(s) to be served.
- Clearly identify target markets.
- Use multiple marketing tools for reaching the audience.
- Integrate marketing activities.
- Overcome negative perceptions of marketing.
- Conduct marketing audits (Kotler & Levy, 1969:14-15; Hazelhurst, 1999; Kotler & Fox, 1995:6).

There is a degree of correspondence between these challenges and those identified for public management in the previous chapter. These will be revisited later. By comparing the challenges listed with the tools of marketing identified throughout this chapter, it is clear that marketing has the appropriate tools with which to address them.

3.9 CHAPTER SUMMARY

In this chapter the concept and practice of marketing was investigated. The origins and evolution of marketing were described, as well as the different orientations and types of marketing. It was shown that marketing has evolved both in orientation and in its focus, with various new types of marketing being identified in recent times.

The marketing mix was presented, and certain management elements in marketing were analysed. The broadening of the concept of marketing was described, and facilitated a discussion on the fact that the boundaries of non-profit and public sector marketing will not coincide.

Certain challenges for marketing were identified for later discussion, and throughout the chapter constant reference was made to various marketing tools. These specific challenges and tools serve to support the inductive argument strand in this thesis by showing specific examples of marketing in practice having a positive effect on reaching goals. Many of the challenges identified can be seen to mirror the public management challenges identified in the previous chapter. It can however be argued that marketing has more appropriate tools with which to address them.

The deductive argument strand in this thesis is further strengthened through the discussion of marketing principles in this chapter. These general principles, together with those of public management discussed in the previous chapter, are now starting to create a basis for deductive reasoning that marketing should be able to influence public management positively.

After the Chapter 2 discussion of public management, and the discussion in this chapter of marketing, the next step is to take an in-depth look at service delivery. Service delivery is the dependent variable in the hypothesis of this thesis that marketing will improve public service delivery.

CHAPTER 4

4 SERVICE DELIVERY

Service delivery is what public sector workers do, and it is a central concept in this thesis. The goal of this work is to improve public service delivery, and to do that through implementing marketing in the public sector. Little precedent however exists for using marketing in public management. Service management could provide certain lessons in this regard. The concept of service management has many

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parallels with public management, as public management is really the management of public *services*. An important difference between the two types of management, however, is that extensive research has been done on the *marketing* of services in the private sector. Lessons learnt regarding the marketing of services can thus contribute to an understanding of what marketing in the public sector will entail.

To investigate services marketing, some background information must first be discussed.

The short discussion of service delivery in Chapters 1 and 2 served as primers for a discussion of efforts to improve public sector service delivery. Service delivery was only described as it is perceived by public sector managers. This perception is however limited, and some elaboration on the concept of service delivery will be done in this chapter.

A more detailed discussion of service delivery is presented at this juncture in order to maintain the logical flow of the argument presented in this thesis. It is treated separately because it is of such fundamental importance, both in terms of the physical need for improved service delivery in the public sector and in its centrality in the hypothesis of this thesis. In discussing service delivery, service in general will first be discussed, after which a discussion of service management and services delivery improvement will be presented. Services marketing will be analysed for tools with which to improve service delivery, and the challenges facing services marketing will be identified.

4.1 *DEFINING SERVICE DELIVERY AND SERVICE MANAGEMENT*

As is the case with public administration and with marketing, the field of services management (including services marketing) contains considerable accumulated literature, knowledge and opinions. Also, as with marketing, this field may be foreign to the everyday public sector official. Although it can be argued that all public officials are involved in services, casual observations by the researcher during literature reviews show that the connection between the two specialisations of services management and public management is tenuous at the best of times and the common ground not well articulated.

A service is an intangible product that provides benefits to consumers (satisfy needs and wants) and often involves human or mechanical effort. It can be deeds, processes and performances (Skinner, 1994:348; Zeithaml & Bitner, 1996:5). Service in itself can be seen as the act or mode of serving, the performance of any service, an action (Chambers Concise Dictionary, 1988:910).

According to Fox and Meyer (1996:118) public service delivery is the provision of public activities, benefits or satisfactions. In this context services relate both to

the provision of tangible public goods and to intangible services themselves. Taking into account the previous discussion on public administration and management, the aim of delivering this service would be to improve the lives of citizens. To improve service delivery, one or other aspect in the process of delivering the service should be made more efficient.

Although it seems straightforward, service delivery and its improvement can be hard to define and is open to misinterpretation. At the same time, much can be said about service delivery that can improve the understanding of the role that marketing can play in public sector service delivery.

4.1.1 CHARACTERISTICS OF SERVICES

The differences between goods and services provide reason for treating services separately. Services are held to have certain unique characteristics, which distinguish them from goods. These differences are that services are:

- Intangible;
- People-dependent;
- Inseparable from consumption;
- Normally understandardised or heterogenous;
- Perishable; and
- Subject to fluctuating demand (Bateson, 1979; Klein and Lewis, 1985; Rothschild, 1984:58; Skinner, 1994:351-355; Titman, 1995:12,13; Zeithaml, Parasuraman and Berry, 1985).

Some of the distinct differences between goods and services, and the implications these differences hold, are illustrated in Figure 4.1.

Figure 4.1: Differences between goods and services (Zeithaml & Bitner, 1996:19)

Goods	Services	Resulting implications
Tangible	Intangible	Services cannot be inventoried. Services cannot be patented. Services cannot be repeatedly displayed or communicated. Pricing is difficult.
Standardised	Heterogenous	Service delivery and customer satisfaction depend on employee actions. Service quality depends on many uncontrollable factors. There is no sure knowledge that the service delivered matches what was planned and promoted.
Production separate from consumption	Simultaneous production and consumption	Customers participate in and affect the transaction. Customers affect each other. Employees affect the service outcome. Decentralisation may be essential. Mass production is difficult.
Nonperishable	Perishable	It is difficult to synchronise supply and demand with services. Services cannot be returned or resold.

4.1.2 CLASSIFICATION OF SERVICES

Services are a diverse group of products (A product can be either a good or a service). Despite this diversity, services can be classified on the basis of: type of market; degree of labour intensiveness; degree of customer contact; skill of the service provider or goal of the service provider. Comparing these classifications with current worldwide trends, it can be deduced that governments are active in all of these categories. Providing to both consumer and organisational markets; providing services that are both labour-based- and equipment-based labour-intensive; providing in both high and low customer contact situations; providing both professional and non-professional skills, and having both profit and non-profit goals (Skinner, 1994:356).

Services can also be classified in terms of two types, namely social (e.g. health and education) and physical (e.g. water and telecommunications)

(O'Faircheallaigh & Graham, 1991:x). These types and categories of services, as well as the characteristics of services, will impact on how they can be *managed* to improve service delivery. A short description of service management will prove useful in expanding the argument on improving service delivery presented in this thesis.

4.1.3 SERVICE MANAGEMENT

Service management is a relatively new academic pursuit, with various disciplines bringing contributions of their own to service management (Grönroos, 1997:354-355). If it is the business of the public sector is to deliver public services, the new concept of service management could provide additional insights into how these public services can be managed for improvement, in support of public administration and management.

In discussing service management as a management perspective for the "Age of Service Competition", Grönroos (1997:345) describes the service management perspective as including some shifts in the focus of management:

- From the product-based utility to total utility in the customer relationship.
- From short-term transactions to long-term relationships.
- From core product (goods or services) quality or the mere technical quality of the outcome to total customer-perceived quality in enduring customer relationships.
- From production of the technical quality of products (goods or services) as the key process in the organisation to developing and managing total utility and total quality as the key process.

These shifts correspond with changes in the focus of marketing as presented in Chapter 3. Five key facets of the service management perspective can be

recognised, viz., overall management perspective, customer focus, holistic approach, quality focus, and internal development and reinforcement (Grönroos, 1997:347).

According to Albrecht, cited in Grönroos (1997:346), service management is a total organisational approach that makes quality of service, as perceived by the customer, the number one driving force for the operations of the business. (Once again a pronounced marketing influence.)

Service management is not a well-defined area or a single theory of management. Rather it is a management perspective that fits the current competitive (value-adding marketing) situation. Cost reductions and core product quality are still important to success, but to achieve customer satisfaction and a competitive advantage through differentiation of the market offer, more value has to be added to the core product. This is done through a variety of services by turning activities such as deliveries, technical service, claims handling, telephone exchange and invoicing into customer-oriented, value-adding services (Grönroos, 1997:354).

It is clear that services management has integrated within itself the principles of adding value to products through marketing. This brief look at service delivery and service management has set the scene for a more comprehensive discussion of service delivery indicators. These indicators will facilitate a later discussion of improving public service delivery.

4.2 SERVICE DELIVERY INDICATORS

Delivering services is what every employee in public management bodies does, or should do. Optimal service delivery should therefore imply that the correct

services are provided to the right people at the right time and right place at the right cost (Coffman, 1986:4).

Service quality, service satisfaction and service value can be seen as indicators of levels of service delivery. There exists general consensus in the commercial world that services and goods are two categories of products that are actually far removed from each other. In marketing, the marketing of services has grown as a strong separate field of marketing (Churchill & Peter, 1998:8; Kotler & Levy, 1969:13; Gabbot & Hogg, 1997:ix; Skinner, 1994:396-371; Zeithaml & Bitner, 1996:18-19).

The primary objective of service producers will be identical to that of all marketers: to develop and provide offerings that satisfy consumer needs, thereby ensuring their own economic survival (Kotler & Levy, 1969:13-15; Zeithaml & Bitner, 1996:25,32,56).

To achieve this objective, service providers will need to understand how consumers choose and evaluate their offerings. Unfortunately, most of what is known about consumer evaluation processes pertains specifically to goods. The assumption appears to be that services, if not identical to goods, are at least similar enough in the consumer's mind that they are chosen and evaluated in the same manner. However, services' unique characteristics necessitate different consumer evaluation processes from those used when assessing goods. Tools to measure products must be adapted to measure service delivery (Gabbot & Hogg, 1997:ix; Zeithaml & Bitner, 1996:21).

Specific concepts related to the measurement of service delivery, namely consumer evaluation of services, the measurement of public service delivery, and the identification of service delivery gaps, will be discussed in the next three sub-sections (4.3.1 to 4.3.3).

4.2.1 CONSUMER EVALUATION OF SERVICES

The classification of the qualities of goods provides a framework for isolating differences in evaluation processes between goods and services. Two categories of qualities of consumer goods are: *search qualities*, attributes which a consumer can determine prior to purchasing a product; and *experience qualities*, attributes which can only be discerned after purchase or during consumption. Search qualities include attributes such as colour, while experience qualities include characteristics such as taste and purchase satisfaction. Some goods (e.g. clothing, furniture, and jewellery) are high in search qualities, for their attributes can be almost completely determined and evaluated prior to purchase. Other goods and services (e.g. vacations and restaurant meals) are high in experience qualities, for their attributes cannot be known or assessed until they have been purchased and are being consumed. A third category of qualities of goods, involving faith in the producer, is *credence qualities*, which are characteristics which the consumer may find impossible to evaluate even after purchase and consumption. For example, some consumers will not be able to determine how well their cars are serviced due to a lack of technical knowledge (Zeithaml, 1997:34).

Services are more difficult to evaluate than goods. The inseparability, nonstandardisation, and intangibility of services lead them to possess few search qualities and many experience qualities. Credence qualities also dominate in many services, especially those provided by professionals and specialists (Zeithaml, 1997: 35-36; Skinner, 1994:359). Difficulty in evaluation, in turn, forces consumers to rely on different cues and processes when evaluating services than when goods.

Certain points concerning consumer evaluation of service products will now be discussed.

4.2.1.1 *Information search*

Consumers obtain information about products and services from personal sources (e.g. friends or experts) and from non-personal sources like the mass or selective media (Zeithaml, 1997:36). When purchasing goods, consumers employ both personal and non-personal sources since both effectively convey information about search qualities. When purchasing services, on the other hand, consumers may seek and rely to a greater extent on personal sources for several reasons. First, mass and selective media can convey information about search qualities but can communicate little about experience qualities. Second, non-personal sources may not be available (Zeithaml & Bitner, 1996:56).

Personal sources are more appropriate in situations where experience qualities dominate, and become pivotal as product complexity increases and objective standards by which to evaluate the product decrease. Managers in service industries believe word-of-mouth to have a great influence in services. The credibility of personal sources also encourage their use in situations of high perceived risk (Zeithaml, 1997:37).

4.2.1.2 *Criteria for evaluating service quality*

When purchasing goods, the consumer employs multiple cues to judge quality, among them style, colour, label, feel, package, brand name, and price. When purchasing services, the consumer is limited to a small number of cues; in many cases, the only cues available on which to judge quality are the price of the service, and the physical facilities which house the service. Plumbing, housekeeping, and lawn care are examples of services where price may be the only pre-purchase indicator of quality. Research demonstrates that when the price is the only information available, consumers use it to assess quality (Bolton

& Drew, 1991:309-311; Gabbot & Hogg, 1997:171-172; Parasuraman, Zeithaml & Berry, 1988:12-40; Zeithaml, 1997:37).

With other services (e.g. haircuts, legal aid, dental services, and weight reduction), consumers may base decisions about quality on the tangible evidence of the services: the physical facilities. Thus they may examine the offices, personnel, equipment, and paraphernalia used to perform the service in order to evaluate quality (Zeithaml, 1997:37).

4.2.1.3 *Evoked set*

Consumer evaluation of service products also differ from goods in terms of the evoked set of alternatives that consumers consider. The evoked set is that group of products which a consumer considers acceptable options in a given product category, and is likely to be smaller with services than with goods (Zeithaml, 1997:38).

4.2.1.4 *Innovation diffusion*

Innovation diffusion describes another factor in consumer evaluation of service products.

The rate of diffusion of an innovation depends on consumer perceptions of the innovation with regard to five characteristics: relative advantage, compatibility, communicability, divisibility, and complexity. A product which has a relative advantage over existing or competing products, that is compatible with existing norms, values, and behaviours, that is communicable, and that is divisible (i.e. that can be tried or tested on a limited basis) diffuses more quickly than others.

A product which is complex, i.e. difficult to understand or use, diffuses more slowly than others.

Considered as a group, services are less communicable, less divisible, more complex, and less compatible than goods. Services are frequently more complex than goods because they are composed of a bundle of different attributes, not all of which will be offered to every buyer on each purchase. Services may also be incompatible with existing values and behaviours, especially if consumers are accustomed to providing the services for themselves (Zeithaml & Bitner, 1996:72).

4.2.1.5 *Perceived risk*

A key point regarding consumer evaluation of service products is that the level of perceived risk is perceived to be higher for consumers purchasing services as opposed to physical goods. While some degree of perceived risk probably accompanies all purchase transactions, more risk would appear to be involved in the purchase of services than in the purchase of goods because services are intangible, non-standardised, and are usually sold without guarantees or warranties (Zeithaml, 1997:39).

4.2.1.6 *Attribution of dissatisfaction*

The final point related to consumer evaluation of service products is that when consumers are disappointed with purchases they may attribute their dissatisfaction to a number of different sources, among them the producers, the retailers, or themselves. Consumers participate to a greater extent in the definition and production of services, and may feel more responsible for this dissatisfaction when they purchase services than when they purchase goods

(Parasuraman, Zeithaml & Berry, 1988:12-40; Grönroos, 1978:51-52; Zeithaml, 1997:41).

The quality of many services depends on consumer (participation) definition. Failure to obtain satisfaction with any of these services may not be blamed completely on the retailer or producer, since the consumer must adequately perform his or her part in the production process also. Consumers may complain less frequently about services than about products due to their belief that they themselves are partly responsible for their dissatisfaction (Grönroos, 1978:51-52; Zeithaml, 1997:41).

After looking at consumer evaluation of service products, the discussion of service delivery indicators will now be continued by looking at the measurement of public service delivery, as this impacts directly on the outcome of the argument in this thesis concerning the improvement of public service delivery.

4.2.2 DIFFICULTIES IN MEASURING PUBLIC SERVICE DELIVERY

The measurement of public service delivery needs to be mentioned here as it is central in any efforts to improve public service delivery. The previous discussion of consumer evaluation of service products must be applied to public service products, as well as the discussion on service delivery gaps that will follow. The difficulty in measuring public service delivery was mentioned in Chapter 2, and here concrete reasons for these difficulties can be given. This discussion will illustrate why it is difficult to measure public service delivery, and supply certain methods to overcome these difficulties.

The measurement of service delivery (which can also be seen as service quality) is difficult because the evaluation of service is more subjective than the evaluation of tangible goods. Service quality (the conformance of services to

customer specifications and expectations) can be judged on the criteria of reliability, tangibles, responsiveness, assurance and empathy. This emphasises knowledge of consumer specifications and expectations. However, the difficulty of measuring service delivery is compounded by the intangibility, nonstandardisation and inseparability of services which lead them to possess high levels of experience and credence properties (Skinner, 1994:363,366; Gabott and Hogg, 1997; Zeithaml, 1997:43).

Another issue relating to the difficulty in measuring service delivery is that service delivery is easier to quantify when it is lacking than in its availability. It is easier to see how service delivery is not meeting objectives, than to explain how acceptable service delivery would look (Gabott and Hogg, 1997:171-172; Parasuraman, Zeithaml & Berry, 1988:12-40).

Marketing (discussed at length in the previous chapter) is one field that does provide tools with which to measure service delivery. This is illustrated in this chapter where marketing concepts are used to describe customer evaluation of service products, as well as (in the next sub-section) the service delivery gap. Coffman (1986:4) advanced a description of marketing which incorporates what he called the "five 'rights'", also doubling as a model for marketing success. According to him marketing is getting the right service to the right markets at the right price by the right means at the right time. "Right", in all cases, is a judgement call that is the crux of the job of the marketing practitioner.

Benchmarking is also mooted as a way in which to measure service delivery: a service delivery indicator. It was mentioned in the previous chapter as a control instrument in marketing. In searching for ways to improve their policy decisions, policymakers in the City of Bellingham, Washington USA, identified a need for a better way to measure the progress of the community toward its goals. A task force of local citizens representing a broad cross-section of the community was established to address this issue. The group examined the previously established

goals of the community, and then created a set of measurable "benchmarks", used to chart progress toward these goals over time (City of Bellingham, 1999:110).

Benchmarks, like any measuring and control instrument, can however create dysfunctional effects when emphasis is placed on looking good in terms of the control devices rather than in terms of institutional objectives. Information could be manipulated to emphasise successes or suppress evidence of failures (Fox, 1991:131). This is a challenge to service delivery that will be discussed in section 4.4 on page 106.

Despite all the difficulties associated with measuring public service identified above and in other chapters, the measurement of public service delivery could be simplified by marketing through the identification of service delivery gaps. In the next sub-section the concept of service delivery gaps will be addressed as the final element in the discussion on service delivery indicators.

4.2.3 IDENTIFYING SERVICE DELIVERY GAPS

The gaps model of service quality focuses on the difference between customer perceptions and expectations that create a gap. Customer perceptions are subjective assessments of actual service experiences. Both customer expectations (expected service) and customer perceptions (perceived service) play a major role in service marketing (Zeithaml & Bitner, 1996).

Customer expectations are the standards of or reference points for performance against which service experiences are compared, and are often formulated in terms of what a customer believes should or will happen (Zeithaml & Bitner, 1996:37). The sources of customer expectations consists of marketer controlled factors (such as pricing, advertising, sales promises) as well as factors that the

marketer has limited ability to affect (innate personal needs, word-of-mouth communications, competitive offerings). In a perfect world, expectations and perceptions would be identical: customers would perceive that they receive what they thought they would and should. In practice these concepts are often far removed from each other. It is the goal of services marketing to bridge this distance (Zeithaml & Bitner, 1996:38).

The process of closing the customer gap can be subdivided into four "company gaps," discrepancies within the organisation delivering the service that inhibit delivery of quality service. These four company or provider gaps are discussed below.

4.2.3.1 *Not knowing what customers expect*

Producer perception / customer expectation gap. This exists where management does not understand or have failed to identify which aspects of service or quality are important to the customers.

Reasons for this gap include no direct interaction with customers and inadequate marketing research orientation. Unwillingness to ask about expectations and unpreparedness in addressing them can also cause the gap. In the same manner a lack of upward communication and an insufficient relationship focus will cause a lack of knowledge of customer expectations (Zeithaml & Bitner, 1996:39).

Customers hold different types of service expectations. Desired service reflects what customers want, adequate service what customers are willing to accept and predicted services what customers believe they are likely to get. Customers have global expectations of their relationships with service providers and also expectations of individual service encounters. Customer expectations are

influenced by a variety of factors, some controllable and other uncontrollable by service marketers. The types and sources of expectations are the same for end consumers and business customers, for pure service and product-related service, and for experienced customers and inexperienced customers (Zeithaml & Bitner, 1996:99).

4.2.3.2 *Not selecting the right service design standards*

Producer perception / service specification gap. This gap exists when management knows what the customer wants but then the service specification laid down falls short. It is the difference between company understanding of customer expectations and development of customer-driven service designs and standards. It can be brought about by a lack of customer-driven service standards, inadequate service leadership, and poor service design (product development) (Zeithaml & Bitner, 1996:41).

4.2.3.3 *Not delivering to service standards*

Service specification / service delivery gap, the discrepancy between development of customer-driven service standards and actual service performance by company employees. This occurs when front-line staff do not provide the service as laid down by management. It is here that strategic measurement systems come into play. Historically the domain of finance and accounting, management strategists now call for the addition of key marketing indicators in the overall measurement program. If customer satisfaction is to become a focus of strategy, companies must incorporate into their measurement systems important barometers of customer and perceived service quality satisfaction (Zeithaml & Bitner, 1996:42).

This gap originates in deficiencies in human resource policies, failure to match supply and demand, and in customers not fulfilling their co-producer roles (Zeithaml & Bitner, 1996:44-45).

4.2.3.4 *Not matching performance to promises*

Service delivery / communications gap. This occurs when for example advertising promises more than staff can hope to deliver, it is the difference between service delivery and the external communications of the service provider (Titman, 1995:55; Zeithaml & Bitner, 1996:38).

This gap is caused by ineffective management of customer expectations, overpromising, and inadequate horizontal communications (Zeithaml & Bitner, 1996:45-47).

4.2.3.5 *Putting it all together: Closing the gaps*

Zeithaml & Bitner's conceptual model of the four service gaps conveys a clear message to managers wishing to improve the quality of their service: The key to closing the customer gap is to close the four gaps explained above and to keep them closed. To the extent that one or more of the gaps exist, customers perceive service quality shortfalls. This model, called the gaps model, serves as a framework for service organisations attempting to improve service quality and services marketing, a framework for understanding and improving service delivery (Zeithaml & Bitner, 1996:48-50).

The closing of the service gaps as discussed here could be likened to increasing productivity. This can be a mistaken assumption. Although there is a general

belief that improved productivity should contribute to improving service delivery, if one feels that service delivery constitutes primarily quality of service to customers, productivity might be excluded (Titman, 1995:22).

Titman (1995:22) argues that productivity is a dichotomy - increase it too much or too obviously and customers may perceive it as being a reduction in the level of service provided. This is because ways of increasing productivity include options that could involve reducing high service-quality standards, or persuading customers to carry out some of the work themselves. Some of the techniques for improving productivity might decrease service quality, which should be one element of improved service delivery. It follows that effectiveness, efficiency and productivity do not automatically translate into improved service delivery.

The concepts of services, service management and service delivery have now been discussed. Although mentioned in passing earlier in this chapter, the next section will contain an inquiry into how marketing could improve service delivery. Findings from such a discussion could later be used to motivate the marketing of public services to improve public service delivery.

4.3 SERVICES MARKETING

The gaps model of service quality described in the previous sub-section seemingly ignores the difference between customer perceptions of their needs, and actual needs. And it is actual needs, not perceived ones, which public managers aim to satisfy. It is however true that in order to determine needs, the most generally used method would be to ask the customer. The measurement of service delivery should therefore allow for the differences between perceptions and reality. The tools of marketing can be used to identify differences between reality and perception, and can help to bring perceptions closer to reality (Zeithaml & Bitner, 1996:37).

Furthermore, the services gap model as well as consumer evaluation processes regarding services which were also discussed in the previous sub-section can both be seen as marketing tools. In both cases marketing provides ways in which to describe the peculiarities of services, and to give better understanding regarding the causes of poor service delivery. The same can be said for the way in which marketing provides tools for the measurement of public service delivery.

In the rest of this section the usefulness for services marketing of technology, the drama metaphor, and marketing strategies for services will be investigated.

4.3.1 TECHNOLOGY

Sterne (1996:294-295) points out that with the new technology of the Internet, customer contact has dawned on the technology personnel of institutions. These "techies" are used to work with operations, but not with customers. Now that they are getting involved in direct contact with the client, they should have some knowledge of customer service and customer care - marketing. This is because of the integration of the customer with technology and operations.

4.3.2 THE DRAMA METAPHOR OF SERVICES MARKETING

In recent years, several marketing scholars have acknowledged the 'drama-related' dimensions associated with services marketing. It is generally accepted that many 'drama' aspects of services marketing can be recognised and ultimately managed. Services marketers must perform several 'roles', among which are the services marketer as 'dramatist' and 'choreographer' (Grönroos, 1985; Grove, Fisk and Bitner, 1997:70).

The drama metaphor involves dramatising elements of the marketing mix. In this regard it has become accepted that the *services* marketing mix is different from the traditional marketing mix (Cowell, 1985).

Services are often produced and consumed simultaneously and because customers frequently interact directly with organisational personnel, the service manager has additional controllable elements with which to communicate and satisfy customers. These elements (or three new P's added to the four of the marketing mix) are:

- Participants - All human actors who play a part in service delivery and thus influence the perceptions of the buyer (personnel and other customers).
- Physical evidence - The environment in which the service is assembled and where the firm and the customer interact.
- Process of service assembly - The actual procedures, mechanisms, and flow of activities by which the service is delivered (Grove, Fisk & Bitner, 1997).

Major drama concepts are analogous to the 'Three New Ps' and can be utilised to advance their management. As shown in Figure 4.2, the term 'participants' is analogous to the theatrical terms of 'actors' and 'audience', 'physical evidence' is analogous to the 'setting' and 'process of service assembly' is analogous to the 'performance'.

Figure 4.2: Drama analogues to marketing mix elements (Grove, Fisk and Bitner, 1997:73).

Drama analogues to 'Three New Ps'	
Three new P's	Drama
Participants	Actors/Audience
Physical evidence	Setting
Process of service assembly	Performance

The three new P's mentioned here will not be used again in this thesis. Although valuable, their main use is in describing the drama metaphor.

The drama metaphor can serve as a tool for planning, co-ordinating and implementing specific service designs. It provides a structural model that may be applied across different services. The drama metaphor offers a vocabulary for translating and communicating the various characteristics of any particular service, thereby fostering an understanding of its nature (Grove, Fisk and Bitner, 1997:89).

There are certain dangers in using a drama metaphor. What must be ensured when using it is sincerity, adaptability to the need of the audience, appropriateness, and consideration of applicability (Grove, Fisk & Bitner, 1997).

As a conceptual tool, the drama metaphor addresses many well-known services marketing issues by demonstrating the implicit and explicit relationships among the service organisation, its customers, its employees and its physical properties. Application of the drama metaphor to services marketing provides a holistic framework, a design tool, a classification scheme and a vocabulary for promoting the understanding and management of service experiences (Grove, Fisk & Bitner, 1997:91).

4.3.3 MARKETING STRATEGIES FOR SERVICES

Service delivery can be differentiated in three main ways, being people, physical surroundings and systems and procedures (Titman 1995:20). This gives limited scope to the services marketer, but some strategies can be followed for each of the four elements of the marketing mix.

4.3.3.1 *Product strategy*

One tactic to handle intangibility is to make services more tangible, the opposite from that often suggested for selling products. Tangible elements associated with the service becomes the product (Skinner, 1994:361; Titman, 1995:13; Rushton and Carston, 1985).

The manner in which the service is delivered is often more important than the service itself, the product element of the services marketing mix is dominated by the importance of staff and physical surroundings. Staff needs to be knowledgeable, helpful, pleasant and inspire confidence. The importance of physical surroundings may disappoint some people who think that the actual service is what should matter. Systems and procedures can often provide not only differentiation but also the appearance of good service (Titman, 1995:22).

4.3.3.2 *Promotion strategy*

It is difficult to promote or advertise something intangible, and it is therefore necessary to emphasise tangible cues and symbols that can be associated with the benefit required from an intangible product.

Promotion tools can be used to increase the tangibility of the service. Mainly in the sphere of corporate identity and branding, tools that can be used include:

- An outstanding brand name.
- An unusual and easily identifiable sign or logo.
- Corporate clothing or uniforms.
- A memorable long-lasting slogan.
- A recognised style of advertising (Skinner, 1994:361; Titman, 1995:13; Rushton and Carston, 1985).

In terms of promotion the services marketer would have to look at the variability of service contact personnel, and rely heavily on publicity. The use of personal selling would be beneficial. The promotional tool of sampling is not possible with services, as services cannot be broken down into smaller samples of the whole. On the other hand, while sales promotion can be difficult, the use of coupons, rebates and contests can provide positive results (Skinner, 1994:361).

4.3.3.3 Price strategy

The intangibility of services makes establishing prices difficult, but price is a significant marketing tool for services because, as mentioned earlier, it is frequently the only indication of quality for the consumer (Skinner, 1994:362).

In terms of services marketing it is thus necessary to recognise the importance of price in consumer evaluation of service product. Clear target market definition and solid market research will enable the supplier to arrive at an effective price strategy.

4.3.3.4 Placement strategy

Distribution channels for services are mostly limited to direct channels of distribution. Use of marketing intermediaries is one strategy. A credit card, for example, is the physical symbol of credit services, service is separated from provider and direct sale is not the only distribution alternative. Where customers must be present when services are produced, it is important to get the facility or outlet close to the target market. Location can also influence image (Skinner, 1994:362).

This concludes the section on service marketing. During the preceding part of this chapter various causes of poor service delivery were identified. These causes present certain challenges for service delivery, and the challenges will be discussed in the next section. Even where solutions for problems are apparent, the proper implementation of such solutions embodies challenges for service delivery.

Tools of services marketing

Drama metaphor, Technology, Services gap model, Knowledge of consumer evaluation processes, Services marketing strategies, Service quality and satisfaction indicators.

4.4 SERVICE DELIVERY CHALLENGES

The challenges facing public service organisations as they try to improve service delivery are summarised in the gaps model. These challenges include that these organisations should:

- Set customer-defined performance standards and realise that customer service is key.
- Demonstrate strong leadership commitment.
- Design for comfort and convenience, provide one-stop shopping.
- Customise and also recognise internal customers.
- Invert the organisational chart so that the customer is on top and management is on the bottom.
- Empower front-line staff and overcome incomplete measures of performance by using multiple criteria.
- Acknowledge the role of customer variability and provide value.
- Use total quality management and ensure service quality.
- Use emerging technology.

- Acquire accurate information about customer expectations through market research and maintain a close relationship with clients.
- Be accessible, physically and psychologically and improve productivity and effectiveness by enlisting the co-operation of the customer.
- Provide good clear information and communicate well, effectively co-ordinate actual service delivery with external communications.
- Be able to solve problems with minimum fuss and use cross-function handling of inadequate service delivery issues.
- Be clear and explicit when things cannot be done or happen in a particular way and develop strategies to teach customers to perform their roles appropriately (Clarke, 1996:108-110; Zeithaml & Bitner, 1996:42).

It is also important that standards must be backed by appropriate resources (people, systems technology) and also must be supported to be effective. Employees must be measured and compensated on the basis of performance along those standards. Strategic measurement systems are also necessary. Historically the domain of finance and accounting, management strategists now call for the addition of key marketing indicators in the overall measurement program. If customer satisfaction is to become a focus of strategy, companies must incorporate into their measurement systems important barometers of customer and perceived service quality satisfaction (Zeithaml & Bitner, 1996:42).

For the improvement of service delivery, operations standards set to correspond to customer expectations and priorities rather than to company concerns such as productivity or efficiency, are needed. Another challenge is to overcome the difficulties in delivering service through intermediaries (Zeithaml & Bitner, 1996:44).

The challenges mentioned here reflect many of the challenges identified for both public management and marketing in the previous two chapters. As in the case

of marketing, though, many of the (marketing) tools identified in this chapter can help overcome these challenges.

4.5 CHAPTER SUMMARY

In this chapter, two different views of service were explored, service management was discussed and service delivery as a concept was described. Certain challenges facing services management and services marketing were also identified. These specific challenges flowing from specific observations in services management further strengthen the inductive argument strand in this thesis. They combine with the specific observations from the previous chapter and increase the ability of the researcher to induce that the success of marketing in the services arena could be replicated in the public services context. To further bolster the inductive argument strand, these challenges will be revisited later in this document.

In general, what is illustrated here is that marketing is providing a new way of looking at poor service delivery, and is also providing some answers to the question of improving service delivery. This generalisation will be used in the deductive argument strand in this thesis.

In the next chapter, service delivery will be discussed in conjunction with what has been said about public management and marketing management. The aim will be to translate marketing concepts into public management concepts with the emphasis on how this can be used to improve service delivery.

Three different concepts have now been covered in this thesis. A separate look was taken at public management, marketing and service delivery.

The temptation is to see these three concepts as separate entities with no relation to each other. However, the challenges for public management and service delivery, and the challenges and benefits of marketing, clearly relate to each other. This relation will be explored in Chapter 5, where the current situation regarding public sector marketing will be discussed.

CHAPTER 5

5 PUBLIC SECTOR MARKETING

The public sector should be judged in terms of its performance in enhancing the good of all: Improving service delivery (Tam, 1994:4). If marketing cannot improve service delivery, it has no place in public management. Here the *de facto* position of marketing in the public sector, both internationally and in South Africa, will be described to see whether public sector marketing has a proven track record or not.

1	INTRODUCTION
2	PUBLIC MANAGEMENT
3	MARKETING
4	SERVICE DELIVERY
5	PUBLIC SECTOR MARKETING
6	CONTEXT OF THE STUDY
7	CASE STUDIES AND RESEARCH
8	IMPROVING PUBLIC SERVICE DELIVERY THROUGH MARKETING
9	CONCLUSION

In Chapter 3 the concept and practice of marketing was discussed, mainly as it is manifested in its original field of use, the profit oriented private sector. In this chapter marketing concepts will be discussed in parallel with the public administration concepts mentioned in Chapter 2. The four Ps of the marketing mix will once again be used to structure the discussion, and in each instance the meaning of these elements of the marketing mix in the public sector setting will be investigated.

5.1 INTRODUCTION

The phrase public-sector marketing is a marriage of two widely misunderstood terms. "Public sector" conjures up some fuzzy notions about bureaucrats and tax-supported budgets. "Marketing" is among the most misused words in the English language. People persist in using it, wrongly, as a synonym for

advertising, public relations, and most other categories of the communications field (Coffman, 1986:11).

At one time marketing was a concept entirely alien to the public sector because the word was closely associated with ideas of hard selling. Changes in for example the British public sector have since placed emphasis on arms length relationships, on trading or quasi-trading relationships, and on allowing managers more freedom to decide on where they should obtain the services which they require. In this way, public sector transformation in the United Kingdom and elsewhere, focusing on competition between government agencies to supply other government agencies, has prompted the use of marketing (Titman, 1995:vi; Tam, 1994:10).

This is further illustrated in how, resulting from competition, many public managers have had to start to think seriously about how best to inform potential purchasers about the services which they can provide and how to ensure that the services offered meet the needs of those purchasers. The British Citizens Charter has increased the emphasis on service to the public, on establishing the needs of the public and ensuring that they are met (Titman, 1995:vi). All of these issues have strong marketing overtones.

According to Coffman (1986:5), marketing in the public sector is the two-way catalyst for change between the design of service and the public. The circular, continuous process begins with the joint marketing/planning service design, followed by service delivery, accommodation of public feedback, redesign (change) as needed, and redelivery. For marketing to have a strong role in public service design sounds relatively simple and straightforward. However, what usually happens is that all of the so-called marketing activities are really only one-way communications with the public, and the chief executive or planners design the service with no accommodation for change. The marketing group (if it

actually exists) is in competition with the planners, operators, and accountants for control over service design, with the chief executive in the veto role.

Nonetheless, there is a growing recognition that marketing techniques provide a new perspective and powerful new tools for tackling a range of difficult social welfare problems. Faced with growing resource constraints and with demands for greater accountability, service delivery agencies have become increasingly concerned to ensure that they correctly identify the requirements of their clients, that the service they provide actually meets these requirements, and that clients (particularly those who are most in need) are aware of the available services and make full use of them. In attempting to deal with these concerns, some public sector managers have turned to marketing (Lovelock & Weinberg, 1984:33; O'Faircheallaigh & Graham, 1991:xi-xii).

In the area of legislation, marketing insights may for example prove useful. People will not necessarily obey laws just because they are on the statute books, and consumer research is needed to help legislators frame laws that are realistic in their expectations of human behaviour. Moreover, marketing efforts may also facilitate individual understanding of the rationale of new legislation, its impact, and what will be expected of citizens by way of compliance (Lovelock & Weinberg, 1984:41; Cloete, 1994:107).

These and other motivations prompt the use of marketing in the public sector.

5.2 THE ARGUMENT FOR PUBLIC SECTOR MARKETING

Many observers would identify the difference between business management and public management as the profit motive. As soon as they identify this difference they automatically assume that traditionally profit-related activities such as marketing should also be divorced from public management. Although it

is accepted that there are differences, it is argued in this thesis that marketing should be a constant in both types of management. In fact, the choice facing those who manage non-business organisations is not whether to market or not to market, for no organisation can avoid marketing. The choice is whether to do it well or poorly (Kotler & Levy, 1969:15; Tam, 1994:13).

The argument for the use of marketing in the public sector was touched on in previous parts of this thesis. In this section some additional arguments that support the use of marketing in the public sector will be described.

Many people still have a particular aversion to using the terms "public sector/government" and "marketing" in the same sentence. The lack of marketing expertise in government organisations contributes to the problem. Increased education and awareness, coupled with successful marketing examples, will help in breaking down preconceived notions, misperceptions, and philosophical differences (Beveridge, 1995:34).

Some commentators would see marketing as unusable in the public sector due to a lack of competition. But there is no absence of competition in the public and non-profit sector. Competition exists for funding, personnel, users, influence and prestige (Greenberg, 1984:207-212).

Government officials need to have a better understanding of exactly what marketing is and how it can be applied to real government situations. The application of even the most basic marketing principles, the four Ps, can have a tremendous impact on the development and delivery strategies for government programs and services (Beveridge, 1995:34; Tam, 1994:13).

Gyford (1991:122-124) argues that marketing is important in government to determine the actual need for services. Furthermore marketing can ensure that

the traditional disproportionate benefit from services received by the middle class can be mitigated by determining where the real need for certain services are.

Particular public services may need to be marketed for one or more of three reasons:

- To be viable they need a minimum number of consumers.
- The institution wishes to attract income.
- The institution believes it is socially desirable to increase take-up (Gyford 1991:122-124).

The marketing of educational institutions provides an argument for using marketing in the public sector. These institutions need to receive certain resources in order to offer their services to others. Without the ability to attract students, money, staff, faculty, facilities, and equipment, they would cease to exist (Kotler & Fox, 1995:6).

It can be deduced that marketing is also needed in the public sector to provide tools for communicating with and educating the public. Beyond traditional marketing activities, there is a great deal of potential for applying more specialised strategies in the public sector (Beveridge, 1995:34):

Positioning: Positioning or repositioning strategies are applicable to many long-standing public services (Beveridge, 1995:34).

Corporate sponsorship/cause marketing: Many government programs have the opportunity to profit from the growing trend toward cause marketing. To capitalise on this major source of revenue, government organisations need to learn how to market themselves to corporations by understanding the motivation and process behind cause marketing strategies (Beveridge, 1995:34).

Examples of this method can be seen in South Africa where businesses have created Business Against Crime. By sponsoring certain government projects aimed at reducing crime, these companies receive valuable publicity, boosting their corporate images. Their efforts to get publicity favours the government bodies involved, as these bodies also get more publicity for their projects. The oil company Engen sponsored an "Awaiting Trial Prisoners Project" to look at the issue of speeding up the processes regarding trial-awaiting prisoners. A highly publicised launch of the project (Pollsmoor Prison Sports Club, Cape Town, 27 August 1999) was held with a large PR effort from the side of Engen in the background.

Target and inclusive marketing: Many government programs are developed with a one-size-fits-all mentality. Thoughtful efforts are needed to tailor programs and promotional campaigns for different age or ethnic groups (Beveridge, 1995:34).

The marketing approach to management is however still relatively new to the public sector. Managers who are committed to serving the common good can still overlook the importance of identifying what citizens really need, as opposed to assuming what they must need. In order to focus on customer needs, a strong ethos of public service can be integrated with a management strategy which is customer-driven (Tam, 1994:5).

One of the most important management disciplines to bridge the gap between what a provider thinks and what the customer thinks is that of market research. Many in the public sector still fall into the trap of dismissing market research as superficial, when in fact it is a highly sophisticated tool which can be used to understand the feelings and opinions of those the public sector exists to serve. Focusing on the needs of customers and establishing a real dialogue with those customers in determining how services can be improved for them, can ensure

that public sector bodies provide the public better services (Tam, 1994:7; Titman, 1995:203).

In the absence of clear solutions to the fiscal constraints experienced in government, the implementation of systematic evaluation procedures, of which marketing has many to offer, is essential if service provision is to become more efficient and effective (O'Faircheallaigh, 1991:182).

Public service delivery organisations can overcome many of the problems they face by developing a strong client focus. The question is whether it is necessary to adopt a "marketing" approach in order to develop a client focus. It can be argued that such a focus could also result from a reassertion and extension of traditional social democratic values which posit that the welfare of citizens should be the primary concern of all government activity. These values have not been abandoned by public sector organisations to the extent claimed by some proponents of a marketing approach (O'Faircheallaigh, 1991:178; Daybell, 1994:17-18).

In any case, it is not clear that a strong client focus at the organisational level will necessarily allow some of the major problems in service delivery to be addressed:

- A client focus is unlikely to have any substantial impact unless it permeates all activities at all levels of an organisation.
- A strong client focus can only solve service delivery problems if the lack of such a focus caused these problems in the first place. Some authors however believe that marketing not only provides a client focus but also allows client expectations to be influenced so that they match available resources.
- Problems may arise from factors beyond the control of an individual service delivery organisation. Public sector organisations typically enjoy

much less autonomy than private sector corporations in devising and implementing policy initiatives (O'Faircheallaigh, 1991:179).

5.2.1 THE PECULIARITIES OF MARKETING IN THE PUBLIC SECTOR

In the public sector, much of the marketing is concerned with promoting a service rather than a physical product. Indeed, much of the marketing is even further along the spectrum, being concerned with selling an *idea* rather than goods. This is sometimes the selling of a change in conduct by the public. At times, this change in conduct can have the backing of the law, such as the use of seat belts in cars. It can be argued that to try to change human conduct can be more challenging, more exciting, than trying to get them to switch their brand of hair-spray (Titman, 1995:2-3).

The words "Public Sector Marketing" or "Government Marketing" are often seen as marketing *to* the government and public sector, and not marketing *by* them. This is obvious from internet searches on these keywords. In the United States the most pages found concern marketing to the public sector. Why this has become a specialism is obvious when it is taken into account that the US government is the largest consumer of goods and services in the United States: marketing to it could be profitable. Illustrating these trends, a "Government Marketing Newsletter" is published quarterly by the Penton Government Media Group. It is intended to carry news and information of use to companies interested in marketing to the government, with a controlled subscriber base of more than 5,000 individuals (See <http://www.penton.com> and <http://www.govgroup-online.com/newsletter/main.html>).

5.2.2 CHARACTERISTICS OF MARKETING IN THE PUBLIC SECTOR

When describing public sector marketing, many commentators never venture past public utilities and corporations. This is illustrated by "An International Perspective on Public Sector Marketing" (Lovelock, 1984a:43-55). He compares the post offices, passenger rail corporations and energy departments of Britain, Canada and the United States. Lovelock focuses on organisations that are historically the first to privatise and in most countries are semi-privatised. One can premise that this will weaken the applicability of his findings to the more core functions of government such as safety or domestic policy. The insights he arrives at after his international comparison are still valuable:

- Public sector marketing expertise is transferrable between countries.
- Public sector agencies must deliver services even to market segments that are unprofitable.
- Public agencies may lack control over their product due to outside influences.
- Governments may constrain pricing policies.
- Politicians might object to paid media advertising.
- Political involvement harms long-range planning.
- Sustained government commitment is needed.
- Government ambivalence may reflect political realities.
- Public sector marketing becomes more complex as government structures become more complex.
- Outside interference from interest groups can hinder marketing efforts.
- Performance measurement is more difficult.
- High standards of behaviour are expected.
- Targeting market segments is difficult as it is frequently necessary to target a large number of segments (Lovelock, 1984a:52-54;Titman, 1995).

Thus while a client focus may be a necessary condition for improving the quality and scope of service delivery in the public sector, it is not sufficient in itself. In Chapter 2 it was mentioned that this will be discussed in more detail here.

Authors who favour a marketing approach regard marketing as involving much more radical change than would a simple reassertion of the primacy of client needs. Marketing offers:

- The public sector a number of concepts and tools which can ensure that a client focus is actually translated into more efficient and effective service delivery.
- A model of human behaviour and responses which assists programme managers in influencing client behaviour so as to increase the effectiveness of public services (O'Faircheallaigh, 1991:180).

Advantages of using marketing in the public sector are:

- Market segmentation can help ensure efficient use of limited resources by targeting programmes on areas of greatest need.
- An emphasis on market-product fit can help match the service provided with client needs.
- Marketing can also offer important insights into appropriate placement, promotional and pricing strategies (O'Faircheallaigh, 1991:180).

Some authors make even more extensive claims for marketing, arguing that it offers a model of strategic and corporate management which is appropriate for service delivery organisations because of the central position it accords to the "client" (Ryan, 1991; O'Faircheallaigh, 1991).

Some authors may claim too little for marketing, by simply equating it with a client focus, while others may claim too much for it, suggesting that it might provide a model for strategic management of the whole service delivery process. Assuming there is a role for marketing in the public sector, perhaps it is somewhere in between, providing public sector managers with specific ways of operationalising a focus on client needs, and of implementing programs developed with more broadly based policy processes (O'Faircheallaigh, 1991:180-181).

5.3 THE PUBLIC SECTOR MARKETING MIX

In this section the marketing mix, as described in Chapter 3, is translated into public sector terms.

5.3.1 PRODUCT

In the public sector, policy should not be equated with product. Service delivery should be seen as the delivery of a product, and where that delivered service differs from the product dictated by policy, a service gap exists. Service gaps are often seen in the public sector. Policy analysis might be equated with market research while policy formulation could be likened to product development. If policy formulation could be likened to product development, the stages of product development should be analysed for any likeness.

In the private sector, marketing activity is proactive: anticipating customer needs and trends or staying one step ahead of the competition. Government, however is reactive. Usually, something bad has to happen (natural or man-made) to generate programs to address the problem. This could be called the "wait-until-three-people-are-killed-at-an-intersection-before-we-install-a-traffic-light" syndrome (Beveridge, 1995:34).

A marketing approach would identify the need, alternatives, and installation plan for the traffic light before a tragedy occurred. In this way, marketing is more than a set of specific techniques and tasks, but also a mindset, a culture, a way of doing business. In the United States successful examples in which marketing is incorporated at the beginning of the product development cycle can be found in various corners of government, from municipal recycling programs to public

transportation programs. Some organisations have taken this idea to the extreme by developing unique retail products (e.g. used parking meters and fire hydrants), whose sales support worthwhile government programs that otherwise would fall victim to budget cuts (Beveridge, 1995:34).

Product development requires innovation and creativity, both things that are often seen to be lacking in the public sector. Titman (1995:60) identifies a difference between creativity and innovation. Creativity is the ability of individuals or groups to think of new ideas. Innovation is the ability to produce a new product physically. One wants both individuals and the organisation to feel a responsibility and a full involvement in both creativity and innovation. Both are important in the public sector, from policy creation to social service benefits innovation.

A high percentage of business sector products and services fail because they do not meet a need or offer perceivable benefit to the consumer. In the public sector this is even more applicable, and promotion or communications cannot carry a poor product offering (Rothschild, 1984:63).

Product improvement: "Government agencies such as licence bureaus, police forces, and taxing bodies are often not responsive to the public because of monopoly status; but even here citizens have shown an increasing readiness to protest mediocre services, and more alert bureaucracies have shown a growing interest in reading user needs and developing the required product services" (Kotler & Levy, 1969:12).

Vincent Ostrom, cited in Caiden (1982:21-22) moves towards a marketing pose by starting to look at the product, rather than the process, of public management.

Government relations is a facet of PR that is most effective as part of the marketing group. This encompasses all of the contacts with government and

political people key to the well-being of an agency. Divorcing the lobbying activity from marketing increases the potential for sending mixed messages to the all-important political audience (Coffman, 1986:16).

Smith (1994:17) makes the point that the American Marketing Association removed profit from their marketing definition, in order not to exclude those "vast armies of marketing professionals who work for charities or other non-profit-making organisations". According to Smith the UK definition could replace "profitability" with "efficiency" or "in a way that meets the organisation's goals".

When looking at service gaps, the gap between expectations and perception, it must be remembered that in the public sector promises can be made by politicians. These promises, out of control of the marketer, can increase expectations. Expectations cannot be equalled to need, and it is need which should be the operative word in the public sector.

5.3.2 PROMOTION

Promotion is an especially weak area for government organisations, which often find themselves in a defensive posture. They fear publicity more than they seek it. New relationships need to be forged with local media, which traditionally focuses on the negative or scandalous. Innovative, proactive, and positive PR campaigns need to be encouraged, well-planned, and executed (Beveridge, 1995:34).

When one explains or justifies the use of PR in or by government, this argument will point to a justification for the use of marketing, a get-it-right-before-it-becomes-a-problem-to-be-candy-coated-with-public-relations approach. The fact that PR is seen as a relatively affordable (payment does not accompany news releases), makes it popular in the public sector.

While the private sector leans heavily on advertising as a channel of promotion or marketing communications, this is not so in the public sector. Advertising is seen as unethical or manipulative in the public sector, and financial resources are limited or cannot be used for advertising. The public sector marketer thus relies more on publicity. Television programs, short films and television series have for example been used with success (Rothschild, 1984:62-62; Mendelsohn, 1973:50-61).

If no direct benefit or positive behaviour reinforcement can be perceived, negative reinforcement can be used. Behaviour change through communication is more lasting than change resulting from external force (Rothschild, 1984:63; Bem, 1970; Ray, Sawyer, Rothschild, Heeler, Strong & Reed, 1973; Enzensberger, 1974).

A nation is seen as a product, and like any product, the right image for it must be created. This is also true for the export processing zones and free trade zones within Third World countries, which must compete to keep their multinational clients happy, and also lure new ones (Nelson, 1989:102).

Only in recent years has there been any obvious influence of marketing specialism in the work of local authorities and this has generally occurred as a limited operation in a fairly restricted range of authorities (Richardson, 1988:137-138).

The term "marketing" is mostly used with uncertainty by those who bear the responsibility for management in local government; in many cases the tasks being performed are little different from those normally undertaken PR professionals. This element of uncertainty stems from the fact that while local government lacks the motivation of selling a product for profit which dominates the commercial world, it nonetheless has to achieve 'customer satisfaction' in the

delivery of the services for which it has a statutory responsibility and which the public expects (Richardson, 1988:137-138).

Customer satisfaction in the delivery of services for which it has a statutory responsibility may also be less limiting than it sounds, as the creation of customer satisfaction would involve all facets of marketing.

At the most basic level an authority can ascertain the anticipated demand for a particular service from the public and can assess whether these demands can be satisfied within the budgetary resources available. It can then introduce the requisite level of publicity to ensure that the service can be enjoyed by those for whom it is being provided. Such procedures are commonplace in a properly regulated authority, but the municipal venture into marketing has to go further than that and demands a professional approach orientated to local government problems. The service nature of most of the activities of local authorities calls for a different marketing concept; the urge to provide expanded services is not the primary motivation; more important is deemed to be the objective of improving the quality of life of the community (Richardson, 1988:138).

There is a facet of PR in the public sector called community relations that is essential because of the public ownership of the service. This is the point of continuing contact with various public-interest groups. It is also where impasses between a public agency and the opponents of a particular project are dealt with - or should be. A unified effort must be brought to bear on the problem, and the response must be in line with the over-all policies of the organisation, because concessions made in one area can have serious negative repercussions in others (Coffman, 1996:16).

The challenge for the public administrator is to use public publicity and advertising campaigns effectively and efficiently while nurturing democratic political institutions and social values (Yarwood & Enis, 1984:67-76).

While some politicians criticise the use of paid advertising by government, other politicians advocate it (Yarwood & Enis, 1984:67). Advertising and promotion is used extensively by American armed forces, with expenditures around \$112 million in 1981 and public affairs personnel exceeding 1322 persons (Yarwood & Enis, 1984:68-69).

There are many managerial and product-related sets of difficulties in the administration of public advertising and publicity. The managing of advertising and publicity in any organisation is a challenging task because it is personal-relations intensive and boundary spanning makes for complexity. There are even more difficulties in the public sector because of conflicting objectives, diffuse authority, political pressures and frequent top-management turnover (Yarwood & Enis, 1984:70; Bower, 1977:131-140). Public service products also differ because of intangibilities, involvement (participation) and the limited scope for market segmentation (Yarwood & Enis, 1984:70; Rothschild, 1979:11-20).

The promotional marketing of place is a well-used tool in government today, primarily in terms of encouraging tourism. Marketing of place in terms of inviting investment is also relatively common (Ashworth & Voogd, 1990; Richardson, 1988:142; Gyford, 1991:121). What is much newer is the notion of applying the idea of marketing to the agencies and their services. Such a notion is still incomprehensible in some quarters, where marketing is an unknown entity.

Although marketing had its origins in the market based private sector rather than in the public services, local government interest in marketing as the vehicle for increasing responsiveness and effectiveness reflects an openness on the part of many public sector authorities to private sector management ideas (Gyford, 1991:120).

The determination of boundaries for marketing might pose a problem in the public sector. Certain questions can illustrate these problems: Should the politician who has been selected by the people and is the representative of the people be the marketer of public services? Should the politician be regarded as just another avenue of marketing which can be utilised by the official? Is part of public service marketing the selling of proposals to the politicians who control the purse strings? Is marketing possible in the public sector or is public relations a better option? (Franklin, 1988.)

The debate about the proper purpose of local authority publicity is not confined to the question of its use for partisan purposes by local politicians. Professional practitioners themselves may have views which conflict with those of colleagues (Franklin, 1988).

It can be deduced that the danger of politicians hi-jacking marketing initiatives for their own benefit, or of officials shaking loose from political control and running loose with the whole marketing exercise themselves, also point at the difficulties around marketing public services.

It can further be argued that politicians will not relinquish control of the link with the media to an official because they need the exposure to further their own political career and the interests of their parties. Here more questions can further illustrate the difficulties involved: Is it in the public interest to only get information via politicians? Should they speak for the organisation rather than someone like the Chief Executive Officer, who has less possible personal gain in the game than a politician?

Customer relations should be the top-most priority, more important even than relations with the media. This would require recruiting staff with a rather different background for a PR department, with fewer from journalism and more with

experience in advertising, campaigning, fund raising, exhibition organising and *marketing* (Guttridge, 1987:20; Gyford, 1991:120)

5.3.2.1 *Spin doctoring*

Some observers call spin in the political arena "the blatant art of bending the truth". The concepts of spin and spin doctors fit in an advertising or public relations model and are an important component of image making. Media commentators often portray spin doctors as toiling to reverse poor marks in public opinion polls following a government scandal. One way that spin doctors approach the concept of truth is to maintain that every issue has two sides. Another view of the truth taken by spin doctors is that truth is relative (Sumpter & Tankard, 1994:22-23).

Most PR professionals would distance what they do from the activities of spin doctors. Edward L Bernays, one of the "fathers" of PR, has criticised political "operatives" and "lobbyists" and argues that they are not really practicing PR. Much of the activity he criticised seems to be what spin doctors do. However, it seems as if some PR people admire spin doctors (Sumpter & Tankard, 1994:23).

The role of spin doctor differs from that of the traditional PR practitioner by putting greater stress on personal contacts with the media, by attempting to intervene earlier in the newsmaking process, by using new technology to greater advantage. The spin doctors seem to have found ways of circumventing the traditional wariness reporter have of the source who is an advocate, and they seem to be more skilled at this than the traditional PR practitioner (Sumpter & Tankard, 1994:23).

5.3.3 PRICE

Generally, government services are considered to be free of charge, although citizens understand that they already have paid for them through various tax assessments. However, the opportunity to employ traditional pricing strategies is becoming more prevalent for specialised fee-based programs and other government "products" (such as data and customised software) that can be marketed to businesses and/or other government agencies (Beveridge, 1995:34).

In the public sector the use of pricing as a marketing tool should be done with circumspection. Fluctuations and especially rises in prices will not be accepted without question by the public, who normally expect to be charged what it costs to provide a service, and even that this should be subsidised by the state (Kotler & Levy, 1969:13). In terms of pricing, since marketing deals with exchanges of value, one must also consider the non-monetary costs of the product such as time, inconvenience and psychological (donating blood) costs when determining prices (Rothschild, 1984:58). If the inconvenience cost of a service could be reduced, public service consumers might be willing to pay more in monetary terms.

Organisations in the public sector have a special constraint in the matter of pricing. This is particularly true of those organisations that have customers in both the private and public sectors. Public-to-public sales are regulated, but public-private sales will be subject both to the rules of the market-place and to regulation. Those organisations that sell to both segments will thus find themselves having to handle and understand two different types of pricing (Titman, 1995:65).

Pricing of services and the payment for them could involve levies, fees or direct charging. In the UK there has been a growth in direct charging (Titman, 1995:66). Still, it is often difficult to determine the actual costs involved in

delivering a service. One of the main complaints about traditional British government accounting is that costing information for the purposes of setting fees and charges and designing performance indicators does not easily fall out of the existing system.

5.3.4 PLACE / PLACEMENT

Distribution is a central concern to the manufacturer seeking to make his/her goods conveniently accessible to buyers. Distribution also can be an important marketing decision area for non-business organisations. The police department of a city must think through the problem of distributing its protective services efficiently through the community. It has to determine how many protective services to allocate to different neighbourhoods; the respective merits of patrol cars, motorcycles, and foot patrolmen; and the positioning of emergency phones or monitoring cameras (Kotler & Levy, 1969:13).

The traditional methods for delivering government services conjure up images of long queues at inconveniently located offices between 8 a.m. and 5 p.m. The opportunities to overhaul delivery methods in government are endless. Many government agencies already are exploring alternatives for marketing programs and providing 24-hour, seven-day-a-week service through use of technology (Beveridge, 1995:34). The use of public sector one-stop-shops, creating seamless service, as advocated by (Clarke, 1996:104-105), as mentioned in Chapter 2, can be an important focus in placement.

"In the public sector a number of politically contentious issues could arise under these headings, privatisation versus public ownership, one-stop shops, agency formation and autonomy, municipalisation, and joint ventures. Since many of these contentious aspects are not an integral part of marketing as such, they will be largely ignored here, and left principally for political authorities to resolve."

This is how Titman (1995:113), perhaps due to specific conditions in the UK at the time, shies away from some elements of distribution that are actually very much a part of marketing. It can however be argued that even political authorities should be able to get quality support from the officials working for them, and officials should at least have an opinion on which policy avenue could best serve the public. In fact, if these decisions are solely the responsibility of the politicians, and the officials are just to do or die, the right of existence of a practice such as policy analysis can be questioned.

Although some of the terms used are mostly meaningless to anyone outside the UK of 1995, it would be possible to say that Titman (1995:113-114) makes a grave mistake when saying that the concept of a one-stop-shop, for example, is outside the ambit of marketing. Instead, it could be argued that this is an important concept that should be one solution to improving service delivery.

According to Titman (1995:114), when discussing place or placement, a government has four main types of channel to put forward its ideas, wherever these may be on a spectrum from reducing cholesterol levels to reducing immigration, namely coercion; legal measures; pressure and publicity and finally propaganda and advertising.

Organisational design and environmental and social impact assessment would have a bearing on placement.

5.4 MANAGEMENT IN PUBLIC SECTOR MARKETING

Although not seen as independent elements of the marketing mix in this thesis, the P's of planning and people are discussed here as marketing management concepts.

5.4.1 PLANNING

In order to do planning, outside consultants are often contracted to determine public opinion on a specific issue for public managers. However, knowing what the public needs should be the prime thrust of public management, the main factor concerned when embarking on any action. Knowing what the public thinks, or at least knowing how to research this or which already-existing information sources should be consulted should be second nature to public officials, not something contracted out every so often with little frequency. If public managers have to contract out something, it could rather be the actual delivery of the service than determining what that service should be.

The question the above paragraph poses is whether the plans or policies of government are informed by marketing research, or whether they are based only on past activities and the opinions of policy-makers. The point is that policy-making in the public sector is perhaps lacking in factual, scientific basis.

In some instances, however, marketing is ensuring better decision making and a focus on consumer needs. For example, metropolitan councils use statistically representative panels of people (as much as 1000) whom they question frequently about needs, services and views (Clarke, 1996:112).

5.4.2 PEOPLE

The question of target markets and personnel are involved in the "People" concept of marketing management. One observation regarding the current status of these in public marketing is that, contrary to what is the norm in the private sector, the income/revenue base (tax-base) and the service users (customer base) are not always the same people. The customer of a public

service did not necessarily pay for it, and a taxpayer may help fund a road he/she will never use.

5.5 THE PUBLIC MARKETING PLAN

The marketing plan is seen as crucial in translating strategic marketing decisions into action plans coupled to definite timeframes. Normally compiled annually, it is a formal document that indicates how a marketing component will go about executing its marketing actions (Coffman, 1986:108-109).

A marketing plan normally follows a broad structure which will not be discussed here. The public is in an ownership role in public services marketing, and intangibles like attitudes toward the service and awareness of it are legitimate indicators of the success of a public marketing programme. But if one does not identify these as objectives and can not measure them, then the sole standard of success is imposed by superiors and the budget-makers. One of those retro-active criteria is sure to be the cost-benefit ratio - a comparison of the money spent on promotion to get X number of people to use the services of an agency (or not use the service - as in the case of conservation-minded energy agencies or police and fire departments bent on reducing crime and fires) (Coffman, 1986:108-109).

Another point related to public marketing plans is that they should be budget related and synchronised due to the importance of the budget in the public sector. The annual marketing plan should for example cover the same time-frame as the annual budget (Coffman, 1986:108-109).

5.6 PUBLIC SECTOR MARKETING AND PUBLIC ADMINISTRATION

In the South African constitution, basic values and principles governing public administration are discussed. The constitution states that public administration must be governed by the democratic values and principles enshrined in the constitution. Some further principles are listed, including one principle that can be seen as pointing the way to marketing: "People's needs must be responded to, and the public must be encouraged to participate in policy-making." Marketing could also promote the principle worded: "Efficient, economic and effective use of resources must be promoted". "These above principles apply to: administration in every sphere of government, organs of state and public enterprises" (Constitution of the Republic of South Africa, 1996:83).

The impact that public sector marketing can have on public administration is illustrated in how, in terms of organisational development, an overall marketing analysis provided the basis for a number of strategic changes at the British Public Service College. These changes went wider than the marketing function itself (Titman, 1995:203).

5.7 THE CURRENT PROMOTIONS FOCUS OF PUBLIC SECTOR MARKETING

Many observers indicate that public sector marketing is mostly concerned with promotion. Promotion is however only one element of marketing (Titman, 1995:205).

The current promotions focus is illustrated in the pre-occupation with public-relations-related *explaining* of policies, as professed by Cloete (1994:107). This type of after-the-fact marketing should be the exception to the rule. Marketing

should influence policy-making, but the formulation of public policy as described by Cloete (1994:107) gives little opportunity for *gathering* marketing information instead of reactively waiting for the public to supply marketing information.

The current promotions focus of public sector marketing ignores the other elements of marketing, and the fact that marketing is not only selling, but also product design, target market analysis, market research and more (Churchill & Peter, 1998:21).

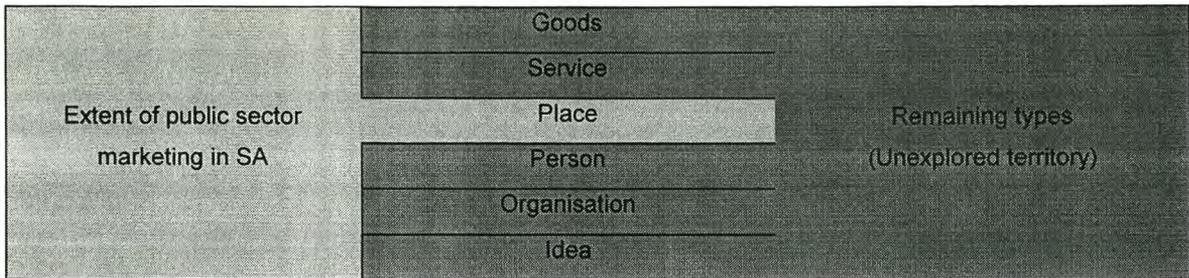
Overcoming the preoccupation with promotion is necessary before all the benefits of marketing can be brought to bear on public management.

5.8 CHALLENGES FOR PUBLIC SECTOR MARKETING

In this chapter certain challenges for public sector marketing were identified. The main challenge concerns education. Public managers are misinformed about marketing, preoccupied with the promotions element of marketing and mainly concerned with the marketing of place while ignoring the other types of marketing. These misconceptions need to be addressed through education if marketing is to be applied to the public sector with any success.

The table below illustrates how public sector marketing in South Africa at present only covers the category of marketing of place, while the other categories of marketing still lie unexplored. The challenge this presents is to explore the other categories of public sector marketing to their fullest, looking for more ways in which to improve public service delivery.

Figure 5.1: The extent of public sector marketing in South Africa



5.9 CHAPTER SUMMARY

In this chapter the concept and the *de facto* position of marketing in the public sector were discussed. Presenting more arguments in this chapter strengthened both deductive and inductive arguments for the use of marketing in the public sector made in other chapters. The precedents in public sector marketing discussed in this chapter are specific cases that add to the inductive argument strand. Each of the marketing mix elements was also discussed, and concepts explained in the previous chapters were linked into the marketing mix.

The discussion of public sector marketing precedents also contribute to the deductive argument for public sector marketing because they illustrate and confirm the use in specific cases of general principles discussed in previous chapters.

This chapter concludes the theoretical exploration of literature, and it is now possible to move on to more practical issues such as the physical and organisational context of the study, and the research conducted for the purposes of this thesis.

In Chapter 6, which follows, the context of this study will be described, both in terms of physical and organisational boundaries.

CHAPTER 6

6 DELIVERY STRUCTURES IN THE CAPE METROPOLITAN AREA

Although public sector marketing would have a general usefulness across the public sector in most parts of the world, it is necessary to give specific context to this study. The physical context of this study is determined by the extent of fieldwork. As such, fieldwork will be conducted mainly in the Cape Metropolitan Area, which includes Cape Town and its immediate surroundings. The public sector in the Cape

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Metropole is a cross-section of the South African public sector, with all spheres of government represented in legislative, executive and judicial form. Several public corporations also operate inside the metropole.

The study is thus limited on geographical level to the Cape Metropolitan Area and on organisational level to those public sector institutions operating inside the Cape Metropolitan Area.

The main focus of fieldwork will be the Cape Metropolitan Council, but the metropolitan local councils, provincial authority and some national departments will also be included.

The World Bank classified Cape Town as one of the most inefficient cities in the world, because of long distance commuting. The average distance travelled to work is 14 km. In Paris it is 6/7 km. This is partly because Cape Town is a 180 degree city, while Paris is a 360 degree city (Tomalin, 1999).

6.1 THE CAPE METROPOLITAN COUNCIL

In South Africa, the Local Government Transition Act 1993, Act 209 of 1993, provided for the establishment of transitional local councils and transitional metropolitan councils. This and other legislation culminated in the amalgamation of the 39 Substructures of the Cape Metropolitan Area into 6 metropolitan local councils and one metropolitan council with certain metro-wide responsibilities. The Province of Western Cape Provincial Gazette Extraordinary 5152 of 30 June 1997 contained Proclamation 12, which re-allocated the powers and duties of the Metropolitan Council and Metropolitan Local Councils. Working from the base of its powers and duties, the Cape Metropolitan Council organised itself into seven directorates under a chief executive officer.

These directorates, listed in Figure 6.1 below, each fall under an executive director, with various departmental heads reporting to this executive director.

Figure 6.1: Directorates of the Cape Metropolitan Council

Directorates of the Cape Metropolitan Council
Corporate Services
Economic and Social Development
Financial Services
Protection, Health and Trading Services
Transportation and Traffic
Planning, Environment and Housing
Water and Waste Services

Proclamation 12 also clarified the powers and duties of the six metropolitan local councils listed in Figure 6.2 below.

Figure 6.2: Metropolitan Local Councils in the CMA

Metropolitan Local Councils
Blaauwberg Municipality
City of Cape Town
Helderberg Municipality
Oostenberg Municipality
South Peninsula Municipality
City of Tygerberg

These metropolitan local councils were created by combining in various ways the staff and jurisdictions of 39 separate local authorities that operated in the Cape metropole prior to restructuring.

It is important to note that the CMC has no jurisdiction over the metropolitan local councils.

6.2 POLITICAL AND ADMINISTRATIVE STRUCTURE OF THE CMC

6.2.1 POLITICAL STRUCTURE

The Cape Metropolitan Council (CMC) is constituted through the proportional (60%) representation of councillors from the metropolitan local councils, with the balance (40%) elected by the political parties. Chaired by an elected Metropolitan Mayor, the 60 councillors of the Cape Metropolitan Council direct the affairs of the Council by making policy and programme decisions, raising revenues and setting financial priorities in an advisory and support role to the six metropolitan local councils.

The Executive Committee (Exco), with its chairperson, comprises of 10 councillors and makes decisions on major policy issues and issues not dealt with by the standing committees and may refer these to an ordinary or special meeting of the entire Cape Metropolitan Council.

The standing committees, drawn from the ranks of Cape Metropolitan Councillors, consider matters and are empowered to make decisions on matters relevant to their area of expertise, or to make recommendations to the Executive Committee or full Council. These standing committees cover Financial Services, Economic and Social Development, Water and Waste Services, Urbanisation and Planning, Transportation and Traffic, Corporate Services, and Protection, Health and Trading Services.

6.2.2 ADMINISTRATIVE STRUCTURE

The administrative structure consists of appointed officials whose function is to support the councillors and implement the decisions taken by the council. These officials are headed by the CEO and seven Executive Directors, each of whom heads a directorate. Each of the core functions of the Cape Metropolitan Council is headed by an appointed Executive Director. The primary responsibility of each executive director is to ensure that sound management principles are applied in the achievement of the declared strategic objectives of the Cape Metropolitan Council and in implementing the policy decisions taken by Council or its Standing Committees.

The directorates will now be discussed separately.

6.2.2.1 Corporate Services Directorate

The main responsibility of the Corporate Services directorate is to provide an efficient and effective corporate support service to Councillors and Management. This support is in the areas of administration, human resources, information technology, communication and liaison, strategic support, legal services, internal audit, information services and councillor support with a view to adding value to their respective roles.

The directorate consists of the Strategic Support, Legal Services, Human Resources, Corporate Audit Services, Information Technology, Information Services and Administration Services departments.

6.2.2.2 Economic and Social Development Directorate

Because of its relevance to the study this directorate and the role it can play in marketing, it will be discussed in more detail than most other directorates.

The Directorate has the functional responsibilities for economic and social development, tourism, sport and recreation, arts and culture. These responsibilities are promoted in an integrated way. For example, sport and recreation, and arts and culture are addressed through a major events and facilities strategy.

In executing its functional responsibilities, the core business of the Directorate is to facilitate and co-ordinate integrated economic and social development action in the metropolitan area through co-operative processes and partnerships. Capacitating MLCs to deliver with regard to their economic and social development roles and priorities is also a core responsibility. The collation, development and distribution of economic and social development information

aimed at informing policy and strategy decisions and action falls within the core area of business of the directorate as well. Finally, the directorate must also support and monitor priority economic and social development programmes and projects of metropolitan significance. In order to achieve these objectives it is recognised that both economic growth and empowerment are required to break the cycle of poverty in the CMA.

Working in partnership with the MLCs and other role players, the ESD Directorate and Committee focus on a Local Government Economic Development Strategy for the CMA. This strategy consists firstly of a global competitiveness strategy focusing on maximising the comparative and competitive advantages of the region and identifying how best to assist existing and potential growth sectors. Work is in progress on an assessment of the CMA as a global economic player. Performance will be measured through benchmarking and linked to vulnerability indices.

Secondly, an anti-poverty strategy is followed for local government in the metropolitan area to further the fight against poverty and inequality and to maximise job creation and small business development in the CMA.

Thirdly, a major events and facilities strategy is followed. This includes efforts to support and monitor events of metropolitan significance and to develop a major facilities plan for the area. Currently the focus is on the establishment of an International Convention Centre and a football stadium.

As part of economic and social development initiatives of the CMC, The Cape Metropolitan Tourism Organisation (CMT) was established in April 1997. The CMT, in partnership with the six local tourist bureaux is responsible for marketing the Cape Metropolitan Area.

CMT aims to promote responsible tourism development and quality visitor experiences in the region, and to ensuring co-ordination amongst all tourism partners. The focus of the R 4- million 1998/9 business plan was on developing common brand and marketing tools and an innovative marketing approach. The business plan also confirmed the importance of service standards, of creating tourism culture and awareness, and of creating and maintaining a tourism database.

Related to the tourism database, the importance of accurate and current economic and social development data and information is essential for policy and strategy development and monitoring. In this regard the Directorate is building a reliable and easily updateable statistical resource and database to assist the CMC and MLCs with their ongoing economic development strategy information requirements. Selected indicators and impact assessments will be used as part of an overall approach towards monitoring the functional and project performance of local government.

A first step in the development of the database is an Economic Trends and Spatial Patterns Study, which was initiated in partnership with the Urbanisation and Planning Directorate and the MLCs.

The Directorate is also responsible for the funding of over R75 million worth of "on-the-ground" projects. New local government procedures are being piloted for these projects which will include the construction of skills training centres, provision of infrastructure, night shelters, sports facility upgrades and facilities for informal traders and small business.

In order to maximise the use of CMC funds, matching funds are currently being raised. In addition, discussions have begun on how to fund the work of the ESD Directorate more effectively in the long term, including the matter of cost recovery from the MLCs. Each activity and all the programmes of the Directorate are also

run in such a way as to add value to the efforts of the MLCs and other role-players in the CMA. The needs of a range of constituencies will be addressed.

While the CMA LG Economic Development Strategy is being developed, work is also taking place on the following:

- Investment and trade promotion via Wesgro. The Western Cape Investment and Trade Promotion Agency (Wesgro) is an independent agency established by Provincial Law No 3/1996 and is the official investment and trade promotion agency of the provincial government. Wesgro is funded through annual allocations from, inter alia, the CMC (R4m in 1997/8). It focuses on investment promotion, sector analysis, trade promotion and local authority support.
- Strategic sector support. Sector profiles of over 30 key sectors in the Western Cape and CMA are available. Key sectors include food processing, clothing and textiles, plastics, wine and beverages, telecommunications, printing, tourism, the film industry and the hi-tech industry. Cluster process initiatives are being explored.
- Public and private partnerships (PPPs). This involves combining the skills and assets of the public and private sectors to ensure that community needs and services are met. Work has started on a framework and process to develop a local government policy on PPPs, to action a selected number of metro-wide projects and facilitate training programmes in the CMA.
- Small to medium enterprises (SMMEs). Metro-wide local government policies and strategies are being developed for SMME support and local government by-laws and procedures/policies are being reviewed.

- Capacity building. Capacity of councillors and officials is being built by conducting briefings, seminars and educational tours on economic and social development matters.
- Improving the way business is done. Here, the focus is on local government procurement procedures, cutting red tape, using the collective spending power of local government to the best advantage of the CMA economy; pursuing value for money and client focussed methods, and being friendly to small businesses.
- Major projects. Co-ordination, facilitation and support of major projects in the metropolitan area, including the establishment of an international Convention Centre and a football stadium.

6.2.2.3 *Financial Services Directorate*

In its mission statement this directorate asserts that:

"As custodians of public funds we provide financial and accounting services of integrity to the Council and the public; committing ourselves to the provision of cost-effective, affordable financial management, thereby facilitating decision making and public accountability. "

As its main responsibility within the CMA the directorate must do pro-active long term financial planning, including for funding and infrastructural arrangements, it must promote and develop financially sustainable local government by providing support and guidance and effective, affordable financial information to the CMC and the MLCs. It must also ensure the equitable redistribution of funds across the CMA.

Within the CMC the directorate must manage the financial affairs of Council by providing the necessary accounting and financial support to the directorates, exercising financial control and monitoring over the budgetary process within each directorate and establishing the necessary lines of accountability. It must also present timeous and accurate financial statements, and provide council with expert financial advice, including investment advice and guidance.

The goals of the directorate are to achieve excellence and it has stated its commitment to public accountability in financial administration. It is also committed to inspiring confidence in its clients by acting in a professional and courteous manner, and timeously supplying the required management information and support services that council or its directorates may need for the achievement of their objectives.

The directorate has expressed its commitment to the creation of a climate of participative management in which its staff can realise their potential, the optimal utilisation of staff through training, development, rotation, job enrichment and the use of modern technology and the creation of a climate of responsible accounting.

The directorate consists of the Accounting, Administration, Budgets and Budgeting Control, Finance and Research, Revenue and Procurement departments.

6.2.2.4 Protection, Health and Trading Services Directorate

Perhaps the most diverse directorate in the CMC, this directorate has three ingredients to its core business - co-ordination, controlling and providing. It is

responsible for the co-ordination of primary health care and protection services within the Cape Metropolitan Area, must ensure control and monitoring of pollution within the Cape Metropolitan Area, and also provide services and facilities for suppliers and traders of meat and fresh produce. Furthermore, it must provide cemetery and cremation facilities and services. The provision of ambulance services on behalf of the Western Cape provincial administration also falls within the ambit of this directorate.

Metro-wide co-ordination of protection services and primary health care services involves the provision of specialised support services and ensuring a co-ordinated approach to the planning, commissioning and provision of facilities for health, fire services and disaster management.

The directorate must also provide communication facilities to enhance a co-ordinated approach to metro-wide incidents and operations.

The Protection, Health and Trading Services Directorate consists of the Administrative support, Epping Market, Maitland Abattoir, Cemeteries and Crematoria, Protection Services, Ambulance services and Municipal Health Services departments.

6.2.2.5 Transport and Traffic Services Directorate

The preparation of an integrated Metropolitan Transport plan, including budgeting, is an important element of the responsibilities of this directorate, as well as management and co-ordination of the planning, operation, implementation and maintenance of metropolitan transport infrastructure and passenger services. It must also monitor transport operations and review plans and publish metropolitan transport information.

The directorate consists of the Public Transport, Road Management, Technical Support and Administration, Traffic Management, Projects and Transport Planning departments.

6.2.2.6 *Planning, Environment and Housing Directorate*

The core responsibilities of this directorate is the preparation and review of: an integrated metropolitan spatial development framework and associated planning and co-ordination; an integrated metropolitan environmental management strategy and associated co-ordination and facilitation; and an integrated housing strategy and associated co-ordination as well as the provision of bulk infrastructure

Departments in this directorate are Spatial Planning, Housing, Environmental Management and Administrative Services.

6.2.2.7 *Water and Waste Services Directorate*

This directorate is responsible to provide sustainable bulk services for Potable Water Supply and Wastewater, as well as to manage Waste and Urban Catchments within the CMA (and beyond where appropriate) effectively and efficiently and in an environmentally responsible and consultative manner. It must also manage the funding of projects financed by the CMC and carried out by the MLCs and provide corporate technical support.

The directorate consists of the Water, Scientific Services, Technical Services, Wastewater, Waste Management, Catchment Management and Administration Services departments.

6.3 OTHER SPHERES OF GOVERNMENT

The Provincial Administration: Western Cape is the provincial government responsible for the Western Cape area. The legislative and executive centres of the administration are located in Cape Town, along with the national parliament of South Africa. Cape Town is the legislative capital of the Republic, and hosts members of parliament for several months each year.

Most national departments are strongly represented in the Cape Metropole, with a large National Defence Force contingent, among others at the largest naval base in South Africa at Simon's Town.

The Western Cape is seen as one of the better managed provinces in South Africa. Economically it has one of the strongest provincial economies in South Africa, its GDP steadily increasing from 13,9% of national GDP in 1994 to 14,2% in 1998.

6.4 FUTURE DEVELOPMENTS

The establishment of the Cape Metropolitan Council and the six metropolitan local councils was the result of negotiated settlements. Every element of the structures and responsibilities of these authorities was the object of discussion and negotiation during the transition to an inclusive democracy.

The restructuring process to arrive at the current structures had a high cost, both in the personal trauma of re-deployed personnel and the amount of time and resources spent on completing the restructuring process. In many instances, 1999 has been the year of final consolidation of restructuring. Many officials have felt that they can now get down to work, and not have to concentrate on the restructuring process.

Legislation however determines that after the second election, local elections must be held within 2 years, and other legislation (Local Government: Municipal Structures Act, 1998, Act 117 of 1998) determines that local government will then once again be restructured.

In the Cape metropole, it is expected that the national minister responsible for local government will declare the Cape metropolitan area as a metropolitan area or type A municipality which should have a single municipal authority. The possibility exists that the minister may choose to declare more than one metropolitan area in the Cape Peninsula, but this is unlikely.

The outer boundaries of this metropolitan area as well as the wards inside it will be determined by the Demarcation Board (Local Government: Municipal Structures Act, 1998; S.A. Local Government Research Centre, 1999a:10), and could be different from the current boundaries of the Cape Metropolitan Area. The type of metropolitan municipality to be established in this new Cape Metropolitan Area, can be any one of four options.

Provincial legislation must determine for each category of municipality the different types of municipality that may be established. In terms of metropolitan municipalities, the four options provincial legislators will have is:

- Metropolitan executive type - a metropolitan municipality which has the power to establish an executive committee.
- Metropolitan executive committee (metropolitan local councils) type - a metropolitan municipality which has the power to establish an executive committee and the power to establish metropolitan local councils.
- Metropolitan executive mayor type - a metropolitan municipality which has the power to elect an executive mayor.

- Metropolitan executive mayor (metropolitan local councils) type - a metropolitan municipality which has the power to elect an executive mayor and the power to establish metropolitan local councils.

Another permutation regarding the type of metropolitan government involves establishing ward committees to involve more citizen participation in developing and proposing policies.

The main difference between this legislation and previous legislation is the new executive mayor possibility, as well as the fact that the metropolitan council will decide on the role and functions of local councils and determine their powers. Under current legislation the metropolitan local councils are not answerable to the CMC.

The effect of the new legislation will be to centralise local government authority in metropolitan areas. This concept, referred to as the megacity or uni-city, has been sharply criticised. Critics maintain that government will become even more removed from the citizen, with a negative impact on service delivery.

The establishment of this new authority takes effect on the date of the first election of its council. The next municipal elections must take place by November 2000. Because the structures of the new authority will have to be finalised by then, it is clear that major initiatives will have to be taken up to then.

6.5 CHALLENGES

The challenges facing public management in general, as identified in Chapter 2, stand as they were identified, and are also challenges to public management in the Cape Metropolitan Area (CMA). The description of structures and possible

future development regarding these structures in the CMA have however highlighted certain challenges.

The activities in which for example the Economic and Social Development directorate of the CMC are involved presents many opportunities for marketing, but the only types of marketing practiced are marketing of place and public relations for the organisation. Here the challenge is to extend the use of marketing to other types, and not only concentrate on the promotion element of marketing.

It is clear that concepts such as change management, urbanisation, poverty, transport, and political ambiguity will dominate the public management agenda in the CMA for the near future. In terms of future developments, the megacity concept will pose a challenge in maintaining responsiveness to the public, and remaining close to the customer.

It is also clear that community consultation and involvement is becoming central in South African public management (SA Local Government Research Centre, 1999b:8) and that reporting to the public on public management activities is seen as an imperative (*Batho Pele – White Paper on Transforming Public Service Delivery*, 1997:1-36).

The overriding challenge for public management in the CMA is however to improve service delivery. The challenges and issues mentioned here once again point to certain methods that may be used to improve service delivery, most notably more two-way communication with the citizen. The challenges mentioned here, and those identified in other chapters, will be linked to the tools for improving service delivery in Chapter 8.

6.6 CHAPTER SUMMARY

In this chapter the geographical and organisational boundaries of the study was discussed. The study is limited mainly to the Cape Metropolitan Area. Possible short-range developments in local government structures in the Cape Metropole were also discussed, mainly concerning the issue of a megacity. Specific challenges confronting the CMA and CMC were identified, linking in with challenges and tools identified in previous chapters.

Now that most of the challenges facing this area have been identified, and that the possible contributions of various disciplines have been shown, the next step is to look at actual examples or case studies, and also to evaluate research conducted in the study area. This will be done in Chapter 7 where the general principles identified in the first four chapters can be applied deductively to the specific observations made in this chapter, and can then serve as specific case study to apply inductively on a more general level, further strengthening the inductive strand of argumentation.

CHAPTER 7

7 COMPARATIVE CASE STUDIES AND RESEARCH

In order to motivate the use of marketing in the private sector, a beneficial relationship between marketing and public service delivery must be proven.

Although many plausible theoretical arguments have been raised in this thesis to support the hypothesis that marketing will improve public service delivery, theory is not enough. Additional to theory, some

factual examples of success must be shown. Certain conditions in the public sector in the study area must also be shown to be similar to conditions in case studies where marketing proved to be beneficial. This can only be done through research findings.

Case studies cited in literature and research done for the purposes of this thesis will therefore be discussed in this chapter.

In preceding chapters, public management, marketing and service delivery have been discussed. The *de facto* position of public sector marketing was also investigated, with some further challenges identified. The previous chapter, Chapter 6, explored the organisational and geographical boundaries of this study, identifying certain projects and issues which will later be related to marketing.

In the first part of this chapter certain comparative case studies will be analysed with a view to using the outcomes of these case studies in proving or disproving the value of marketing in improving service delivery.

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In the latter part of this chapter, research done in the study area concerning some of the challenges and issues raised in previous chapters will be presented, again raising certain points for later discussion in Chapter 8.

7.1 CASE STUDIES

Some examples of marketing in the public sector have been mentioned in previous chapters. Further examples are shown here. The goal is not to explain each case study in detail, but rather to give broad outlines of how marketing theory and practice improved public service delivery. Where justified, cases will be dealt with separately.

Although many examples of the use of marketing for non-business organisations exist, the focus of this section is public sector marketing.

7.1.1 CONVERSION TO A DECIMAL CURRENCY SYSTEM IN BRITAIN

In the period from 1966 to 1971 Britain replaced its imperial currency system with a decimal system using 100 pennies to the pound. Exhaustive use was made of marketing research, indicating public opinions and perceptions every step of the way and giving early warning of areas of concern. An extensive promotion mix including television, radio, newspapers, magazines, posters and booklets was implemented, among other things supplying each British household with an information booklet on the decimilisation process.

The decimilisation campaign in Britain can be seen as a classic example of utilising the tools and strategies of marketing and market research to facilitate a major and initially unpopular, societal change. The nature of the task, persuading

the entire population to change the habits of a lifetime, required sophisticated understanding of communications theory and the potential and limitations of each medium (Lovelock, 1984c:377,367-378; Moore, 1973).

The relative success of the decimilisation process contrasts with the failure of other similar although less complicated campaigns where proper use was not made of co-ordinated marketing strategies (Lovelock, 1984c:367,377-378; Axelrod *et al*, 1975).

7.1.2 PUBLIC TRANSPORT

Marketing efforts, including detailed market research, advertising and promotion through various means helped authorities in Los Angeles and San Francisco to increase use of public transport and improve public perception of public transport.

Market and marketing research contributed to product design, placement of services and the restructuring of pricing (Lovelock & Demmler, 1984:335-352; Weinberg & Weitz, 1984:107-116).

7.1.3 SOCIAL PERSUASION ADVERTISING

A service agency of the British Government, the Central Office of Information (COI) has shown how marketing can be used to promote behaviour favouring community safety and welfare. The COI was involved in promoting the use of seat belts, keeping matches out of the reach of children, illustrating safe following distances in vehicles and also a campaign to educate people in the handling of stove-top fires. Other campaigns included safe road-crossing, and campaigns against drinking and driving.

Going beyond advertising, the COI identified certain stumbling blocks in studying the effectiveness of social persuasion campaigns. The COI also indicated marketing-related ways to improve measurement of campaign effectiveness (Samuels, 1984:287-293).

In Canada, the question of energy conservation highlighted the use of marketing and consumer behaviour to identify behavioural and institutional barriers to changing current situations, as well as how marketing can be used to determine and plan ways of overcoming these barriers (McDougall & Mank, 1984:197-206; Evans, Ritchie, Brent & McDougall, 1979:165-181).

A case in Saskatchewan illustrates how experience in prevention of venereal diseases have shown the value of marketing techniques in targeting specific elements of society with promotion customised for that target market (Dow & Pearce, 1984:115-129).

In Palo Alto, California, the use of marketing in water conservation is illustrated in controlling demand through pricing, incentives and penalties. The important role of promotion in changing behaviour through providing information and motivation and is also highlighted (Hutchison, Parkinson & Weinberg, 1984:91-104).

The police department of a major United States city, concerned with the poor image it had among an important segment of its population, developed a campaign to "win friends and influence people". One highlight of this campaign was a "visit your police station" day in which tours were conducted to show citizens the daily operations of the police department. The department also sent officers to speak at public schools and carried out a number of other activities to improve its community relations (Kotler & Levy, 1969:11).

A paper (pitch) for the classification of Baltimore as an empowerment zone in the United States Department of Housing and Urban Development is one example of

marketing of place to secure certain benefits for a community (Baltimore Empowerment Management Corporation, 1998:11).

Nations also resort to international marketing campaigns to get across important points about themselves to the citizens of other countries. The junta of Greek colonels who seized power in Greece in 1967 found the international publicity surrounding their cause to be extremely unfavourable and potentially disruptive of international recognition. They hired a major New York public relations firm and soon full-page newspaper ads appeared carrying the headline "Greece Was Saved From Communism," detailing in small print why the take-over was necessary for the stability of Greece and the world (Kotler & Levy, 1969:11; Stauber & Rampton, 1995; Nelson, 1989).

The public school system in Oklahoma City sorely needed more public support and funds to prevent a deterioration of facilities and exodus of teachers. It resorted to television programming to dramatise the work the public schools were doing to fight the high school dropout problem, to develop new teaching techniques, and to enrich the children. Although an expensive medium, television quickly reached large numbers of parents whose response and interest were tremendous (Kotler & Levy, 1969:11).

7.1.4 DEVELOPING A CONSUMER PERSPECTIVE

Detailed surveys of public opinions, as illustrated in Dallas, Texas, increases management information available to officials. This illustrates the value of marketing in determining social priorities, and in identifying under-utilised sources of information, such as for example the number of and topics of enquiries by phone made by the public (Lovelock, 1984b:79-90; Bechtel, Keene, Griglock, Mathai & Mixer, 1977).

The 911 emergency number in the United States and similar short one-number for-all-emergencies services (107 in South Africa) also indicates a customer orientation. The aim is to make it easier for the user. The implementation of the 911 system in New York also illustrates how marketing can be used to identify the causes of problems in a system (Kahn & Lovelock, 1984:15).

7.1.5 SOUTH AFRICAN EXAMPLES

The most common focus of public sector and non-profit marketing world-wide is public health and education. This trend is also followed in South Africa, where a play was for example commissioned by a national department as an Aids-awareness campaign.

Marketing was also used for voter education for national elections, and is annually used in an "Arrive Alive" campaign to reduce deaths on roads during holidays. Currently national and local marketing campaigns are also being used to allay public fears regarding the readiness of the governments for the transition to the year 2000 and possible Y2K contingencies.

These are but a few concrete examples of how marketing is used through various means to improve public service delivery. South African examples are clearly more focused on the promotions or even more specifically the public relations aspects of marketing, while some examples from abroad display a wider, more comprehensive use of marketing tools.

To effectively use marketing in the public sector, two factors are needed. Firstly a willingness to use marketing, and secondly knowledge of marketing. To show that public sector marketing can be used in the Cape Metropolitan Area (CMA), the presence of both of these factors in the public sector in the CMA must be proven. In the next section the physical quantitative and qualitative research

conducted in the study area will be discussed, and this could point out whether both willingness and knowledge exists. The research methods used will first be discussed.

7.2 INTERVIEWS

In setting out to collect data, it was decided to approach top management in local authorities for personal interviews. The original aim was to interview each CEO in the CMA, and then a representative sample of all senior managers in the CMA.

Unfortunately the response to requests for interviews were only forthcoming from two authorities, which incidentally reflects on the general marketing orientation of local authorities in the CMA. Inside the constraints of the limited response, a fairly good sample of officials could be interviewed. Top management was approached for personal interviews for several reasons:

- From their strategic management levels they have the "bigger picture" and would know whether marketing concepts were used in their organisations.
- They set or at least approve the agenda for training and implementation of management techniques in their organisations.
- They have considerable experience and knowledge, and would be able to give informed opinions.
- They know the levels of knowledge and capacity within their organisations.

Personal interviews were conducted with two chief executive officers, four executive directors and three top managers. The largest portion of respondents work in the Cape Metropolitan Council, three respondents are from the Helderberg municipality. In the personal interviews a list of 32 questions was used in a structured interview to get responses from the interviews related to the application of marketing in the public sector. The length of interviews ranged

between one and two hours. The list of questions and the responses of individuals are presented in Appendix B. Due to a confidentiality agreement with respondents the answers are not linked to specific individuals.

7.3 QUESTIONNAIRES

Although personal interviews give excellent results, they are time-consuming. Another way had to be found to gather a wider response. This was done through a questionnaire. The questions of the interview were re-worked into 42 questions, most of which were multi-choice, with a five-scale response.

In order to allow the widest possible response, the questionnaire was converted to an on-line format, and made available on the corporate intranet of the Cape Metropolitan Council, allowing CMC employees to fill in the form. The questionnaire was also posted on the Internet site of the CMC. In order to attract visitors to the questionnaire, a dedicated website was established to give more background on the study, as well as the reason for filling in the questionnaire.

The fact that an on-line form was used meant that only computer-literate people with access to either the Internet or the CMC Intranet could respond, putting a limitation on the sample group. Another issue was that the sample could not be chosen, it would consist purely of people who visited the sites on their own time, perhaps because they have heard of the questionnaire somewhere. Although limited, the sample is still applicable, firstly because access is generally available, and secondly because computer literacy has become a prerequisite for many local government positions.

The response to the on-line questionnaires was less than expected, with only 7 respondents completing the questionnaire. This can be ascribed to the nature of the internet, as an internet user will need to know about a site before being able

to visit it. Although the pages were submitted to the major search engines such as Alta Vista, Lycos and Yahoo (among others), and the address was circulated through e-mail, the response remained limited.

The researcher also ascribes the limited response to this method to the length of the questionnaire, which slowed its download time to internet users, and which might have made the questionnaire appear like too much work. Internet users are also cautious of supplying information over the internet. If this research method is to be used in future it will need to be managed with care to optimise its benefit.

Inputs gathered through the on-line questionnaires have some value as it points out certain trends, and in the interest of completeness these will be discussed as well. The on-line questionnaire, the pages on the internet and CMC intranet, and the responses received are exhibited in the appendices.

In the next section the results obtained from the interviews and questionnaires will be presented. It should be stated once again that the purpose of this research was to determine whether public sector marketing could be applied in the CMA in order to improve service delivery. Such a case can already be supported on the strength of the literature survey described up to now and the case studies described at the start of this chapter, but it is also important to determine the two necessary factors of willingness and knowledge. Willingness to consider using marketing, and knowledge of how to use marketing.

7.4 RESEARCH RESULTS

In this section the results from both the interviews and the questionnaires are discussed in the context of the questions that these research instruments were

designed to answer. Questions were designed to address some of the main arguments that could be used against the use of marketing in the public sector.

The first argument against using marketing in the public sector is that marketing can not be used in a non-profit context.

7.4.1 EXTENT OF THE PUBLIC SECTOR

The first goal was to determine knowledge regarding the full extent of the public sector among public sector officials. The researcher wanted to determine whether the officials involved would see some elements of the public sector as profit seeking. The presence of profit seeking elements would be one clear motivation for the use of marketing.

Respondents exhibited a good understanding of the extent of the public sector, and agreed that not all public sector institutions are non-profit organisations. This supports the position as illustrated in Figure 3.12 on page 79, in the discussion on the focuses of marketing. It also removes one argument against public sector marketing.

Although it can still be argued that the majority of the public sector is non-profit oriented in terms of monetary profit, the seeking of social profit (for example increased development or lower infant mortality rates) should be a goal in any public sector organisation. All public institutions can thus be seen as working for social profit, being profit seeking and therefore needing marketing to survive and grow.

7.4.2 SERVICE DELIVERY AND PUBLIC PERCEPTION OF IT

The next step was to determine how public sector officials would define service delivery, and whether they would agree that public sector service delivery is in need of improvement. The argument against public sector marketing targeted here is that marketing is not needed because service delivery is satisfactory. Service delivery is a central concept in this thesis, and its definition received considerable attention.

Respondents defined service delivery as the performing of the legal mandate of an institution. This legalistic response confirmed a public sector focus on legislated responsibilities and functions, rather than a focus on customer needs. It illustrates that a customer focus is lacking, or at least made difficult through an overemphasis on designated functions rather than broader responsibilities.

However, by directly asking what they thought public perceptions of service delivery were, respondents were forced to focus on the client and what the client would perceive. The result was that respondents agreed on the fact that public perceptions of public service delivery are negative. One respondent indicated

that perceptions are improving, while others expressed the opinion that public expectations are sometimes unrealistically high.

This finding removes yet another possible excuse for not using marketing in the public sector.

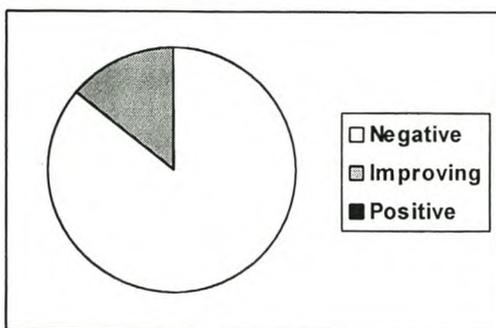


Figure 7.1: Public perceptions of public service delivery

In the private sector the difficulty in measuring service delivery is often used to explain why it is difficult to apply marketing to services. This could be an argument against using marketing in public sector services. Questions to test this argument were put, but respondents were positive that public service delivery is measurable, and cited marketing tools such as surveys and benchmarks to use for this purpose.

Therefore, difficulty in measuring service delivery can also not be used as a reason not to use marketing in the public sector.

7.4.3 IMPROVING SERVICE DELIVERY

Having dispelled possible arguments against public sector marketing, it might seem that there is no reason for not using marketing in the public sector. There is however little proven use of marketing in the public sector. This is because a tool can only be used if it is recognised as a tool. The researcher used certain questions to determine whether marketing is recognised as a tool for improving service delivery.

When prompted for ways to improve service delivery, the respondents concentrated on various management practices. They also emphasised innovation, co-ordination and integration. Two respondents mentioned activities that could be construed as market research, for example determining customer needs. In the figure below responses are grouped into broader categories of tools. It is significant that at this stage in the interview no respondent cited marketing itself as a tool with which to improve service delivery. These findings, as illustrated below, clearly show that in the CMA marketing is not seen as a tool with which to improve service delivery.

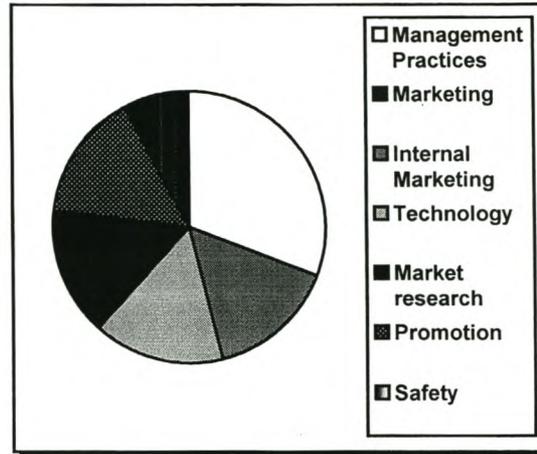


Figure 7.2: Tools to use in improving service delivery

Some of the tools identified can however be seen as elements of marketing, and illustrates at least an underlying recognition that marketing could be useful in improving service delivery. This shows how certain marketing tools are used without realisation and without the benefit of using marketing more comprehensively.

An argument against using marketing which is related to service delivery might be that service delivery can not be improved. This argument was rejected by all respondents, who agreed that service delivery can always be improved, also in their own organisations.

7.4.4 POLICY-MAKING

The use of marketing could be supported if respondents saw it as a policy-making tool. This was not the case.

One of the primary issues in marketing is to determine exactly what products, be it services or goods, are needed *before* these products are developed. However, all respondents rated legislation as the determining factor in determining what services to deliver, while internal processes also dominated. Political processes and consultation (eg IDP process) were also cited in the majority of cases. A needs analysis, pointing to marketing tools, was mentioned by only one respondent.

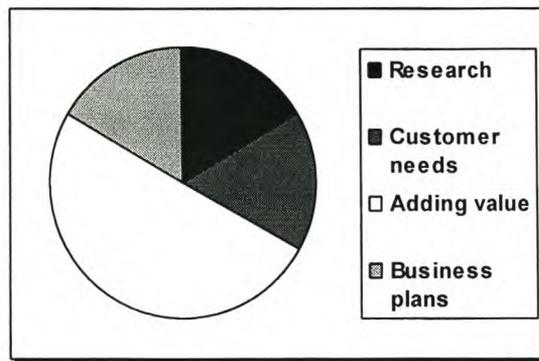


Figure 7.3: How organisations determine what services to supply

Respondents feel that policy research is sound at central level, but also that political decisions are always made. It was accepted that decisions on what services were to be delivered were aimed at satisfying a political mandate rather than a service provision mandate. Two respondents criticised the amount of consultation of them by central government, indicating that it was too little.

Respondents were also asked what criteria they would use to decide where resources would be invested if they had some freedom of choice. Although complaining about limited decision-making powers, the idea of adding value through service delivery was prevalent when the responses were categorised. Officials felt that resources should be applied where they can create the most value. This illustrates a desire to deliver services in such a way that it improves the condition of the community, but once again marketing tools such as needs analysis were not adequately recognised as tools with which to determine the application of resources.

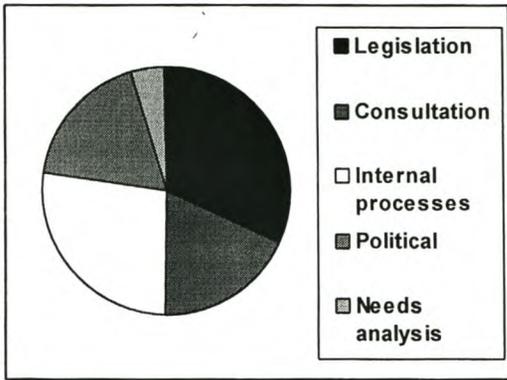
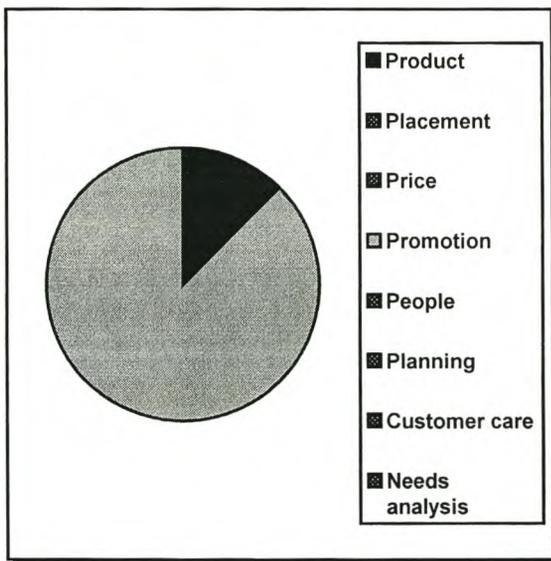


Figure 7.4: Grounds for deciding on discretionary services

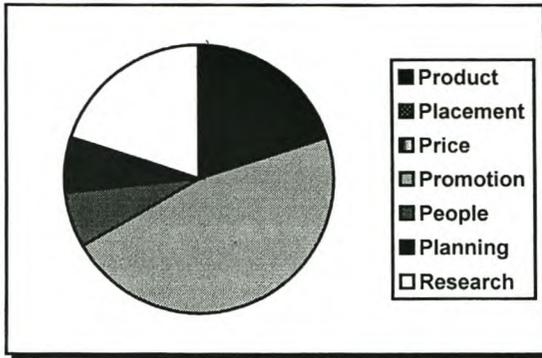
7.4.5 DESCRIPTIONS OF MARKETING



The researcher also asked questions to determine whether sufficient knowledge about marketing existed to enable its efficient implementation. When asked to define marketing, all the respondents confirmed the expectation that they would be able to see the promotion side of marketing, but little else.

Figure 7.5: Aspects included in respondents' definitions of marketing

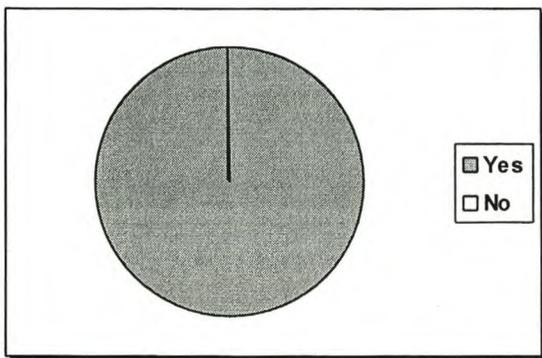
Asking respondents what functions they felt formed part of marketing was met by indignation by some officials, and most had to be prompted with an example, and this gave them some idea of what was required. They however focused only on promotion - related activities such as public relations. Creativity was seen as an important element of marketing.



When asked about the possible functions inside marketing, promotions once again featured strongest, with product and research - related functions being the next most popular.

Figure 7.6: Functions of marketing identified by respondents

Clearly the full extent of marketing is not realised, and knowledge about marketing is limited.

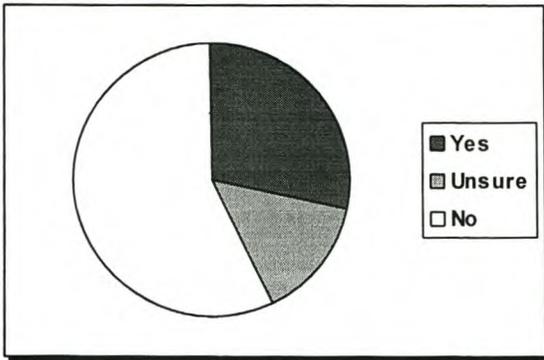


However, even with limited knowledge of marketing, the respondents were unanimous in accepting that marketing could be valuable in society. It was also accepted that marketing could also be dangerous. Its value is in identifying needs and informing the public.

Figure 7.7: Can marketing be of value in the public sector?

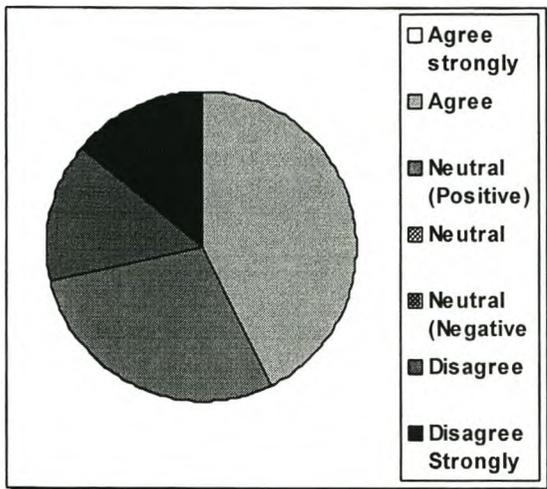
7.4.6 MARKETING INVOLVEMENT IN THE PUBLIC SECTOR

The researcher also needed to determine whether the marketing roles that all officials routinely play are recognised as such. A majority of respondents indicated that marketing is not a part of the duties and functions performed by public sector officials, or were unsure. It was felt that a level of marketing knowledge is needed, but is not available.



Once again a limited knowledge of what marketing actually entails led to misguided opinions, as it was clearly shown in previous chapters that every employee is in fact involved in some type of marketing.

Figure 7.8: Is marketing part of public officials' duties and functions?



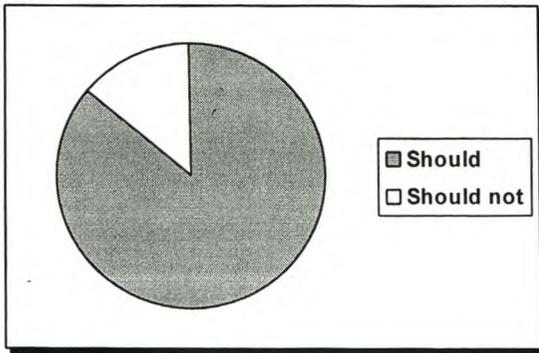
The questionnaire had a more mixed response. With a slightly differently phrased question, the majority of respondents indicated that most public sector officials do marketing at one stage or another.

The difference in phrasing of the questions clearly had an influence.

Figure 7.9: Most public sector officials do marketing at one stage or another

The respondents did however unanimously agree that marketing had a role to play in the public sector. Six out of seven respondents in the interview indicated that marketing should be something done frequently by public managers. One respondent however argued that the creativity needed for marketing will not be found in the public sector.

The conclusion one can draw from these views is that the willingness to use marketing in the public sector is strong.

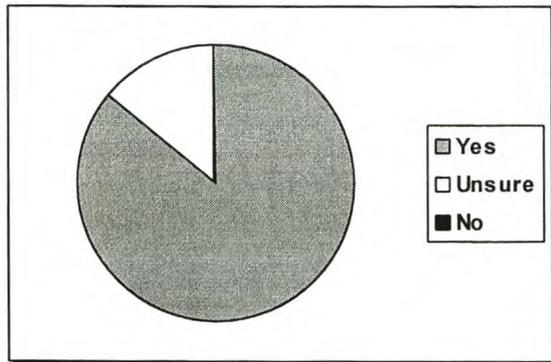


Most respondents feel that marketing should be used in the public sector.

Figure 7.10: Should it be?

7.4.7 THE BENEFITS OF PUBLIC SECTOR MARKETING

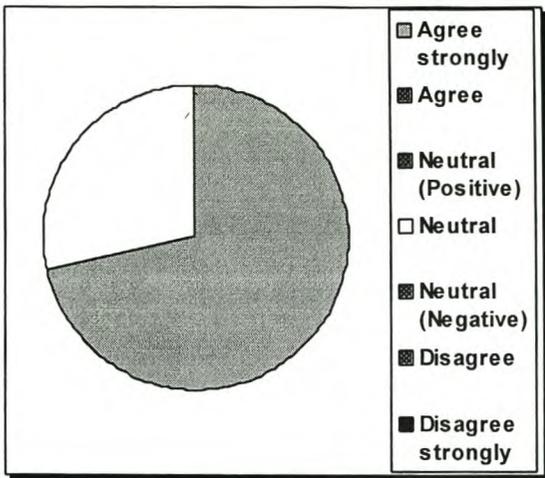
A willingness to use marketing would be strengthened by a believe that marketing could benefit public service delivery. Six of seven respondents believed that the application of marketing concepts and practices to public sector management could improve service delivery. The remaining respondent was unsure.



marketing could benefit public service delivery. Six of seven respondents believed that the application of marketing concepts and practices to public sector management could improve service delivery. The remaining respondent was unsure.

Figure 7.11: Could marketing improve service delivery?

Respondents noted that marketing could ensure that one is providing the service that is needed and wanted. Marketing could also make customers more aware of what they are getting, and this, it was stated by respondents, would mean fewer problems in getting people to pay for their services. Results from the questionnaire confirmed these views. Five of the respondents strongly agreed, while two were neutral.

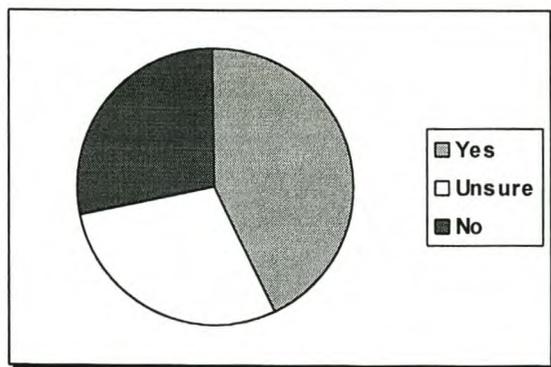


These results show that much is expected of marketing. Marketing is seen as a magic wand with which to improve service delivery. This expectation of great benefit is fuelled by the positive statements in texts on marketing.

Figure 7.12: Marketing can improve public service delivery

7.4.8 MARKETING ACTIVITIES IN THE PUBLIC SECTOR

Questions were also asked to try and identify marketing research being done in respondents' organisations. This could show that certain levels of marketing expertise exist within the organisations. However, less than half could confirm

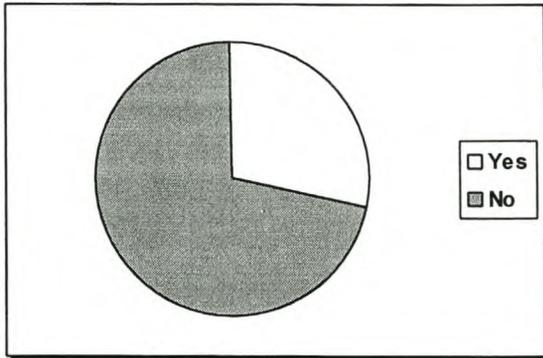


research to determine customer needs, and none of the methods mentioned constituted market or marketing research. The type of research mentioned could rather be described as consultation, which could be a very low-level type of research, depending on how it is managed.

Figure 7.13: The use of research by respondents' organisations

Full time marketing personnel could also indicate knowledge about marketing. The finding was that where full-time marketing people are employed, they are in the tourism bureaux. Helderberg has got a public relations person, while this is

contracted out in the CMC. There are however a limited number of persons with marketing portfolios in the CMC.



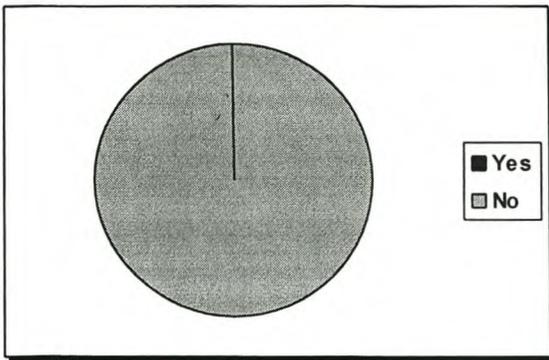
Those persons with marketing or public relations portfolios also suffer from an over-emphasis on promotion with a neglect of the other elements of marketing.

Figure 7.14: Use of full-time marketing personnel

Going deeper into the promotions part of marketing, the researcher wanted to determine whether set procedures were used for public relations. In this regard procedures exist for both public relations and external liaison. The CMC employs a public relations consultancy, while the Helderberg Municipality has an internal capacity. In both cases top management gives final approval, but in the CMC senior politicians give final approval.

Because most employees interact with the environment, external liaison is difficult to control. Marketing can improve this situation but this connection was not made by the respondents.

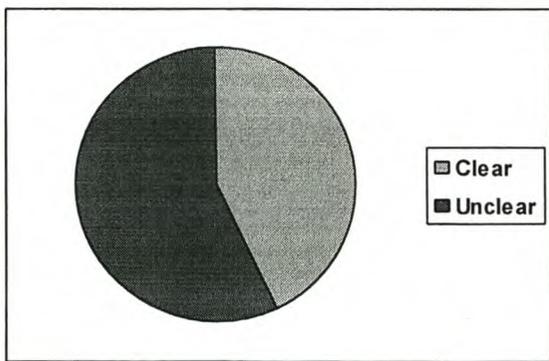
The role of politicians in public relations and the role they can play in marketing has received little attention in this thesis, but certain issues were addressed through questions to the respondents. All the respondents agree that politicians play a central role in promoting organisations, but that short-term party-political interests are often more important for politicians than longer term service delivery issues.



The respondents unanimously stated that politicians should not be the primary contact with the media for a local authority. They propose a balanced approach between political and technical input

Figure 7.15: Should politicians be the primary contact with the media?

An advertising budget could point at the use of marketing in an organisation, but although advertising is budgeted for in certain projects, this is not promotional advertising. Types of advertising were limited to invitations for tenders and comments, as well as the advertising of posts. This does not constitute any real advertising or marketing campaign.



In a marketing oriented organisation, customers would be well described. In the results of the research, customers were not clearly articulated by all respondents, once again indicating a lack of marketing knowledge and experience.

Figure 7.16: Definition of respondents' customer base

There was general agreement among respondents that organisations don't know their customers well. Although they know who they are, they don't know them well. Respondents indicated that they were not close enough to their customers.

This realisation on the side of respondents could enhance the extent of their willingness to use marketing, as soon as they see how it can help them to become closer to their clients.

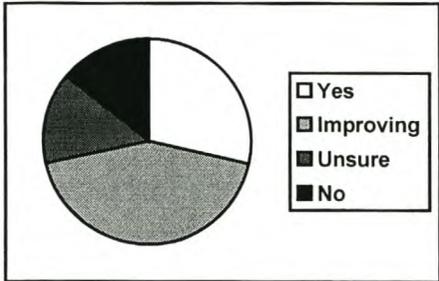
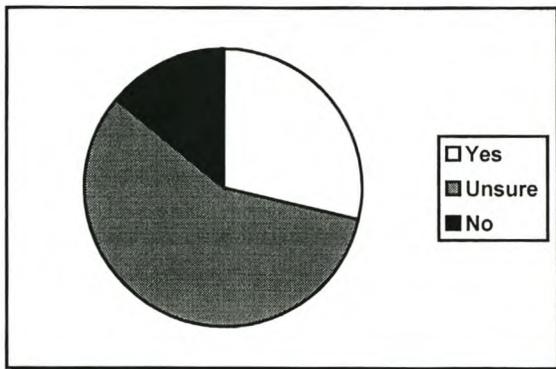


Figure 7.17: Do respondents' organisations really know their clients?

The researcher also asked respondents whether their organisations were customer-oriented. The majority of respondents were unsure on this point. There



was a feeling that they were not as customer oriented as they could be. Another indication that if they were shown how, they would use marketing as a means to become more customer-oriented, and deliver better services.

Figure 7.18: Are respondents' organisations customer-oriented?

All respondents agreed that public sector managers with more knowledge about marketing would improve service delivery. One respondent indicated this is not as essential internally, while another recognised the need for support services to sell themselves to line functions

7.4.9 THE NEED FOR MARKETING AWARENESS AND EDUCATION

Again addressing the willingness to use marketing, it was found that all respondents agreed that public sector marketing should form a part of the training of public officials and/or the curriculum of public management courses.

This could entail a basic awareness programme, but would become important as local government moves towards becoming more customer-centred and community-oriented. Although responses to earlier questions confirmed that little

marketing knowledge exists in the local authorities in the Cape Metropolitan Area, respondents were positive that more marketing knowledge would help public managers to improve service delivery.

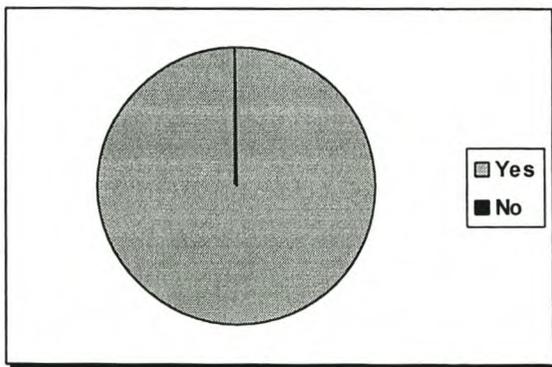
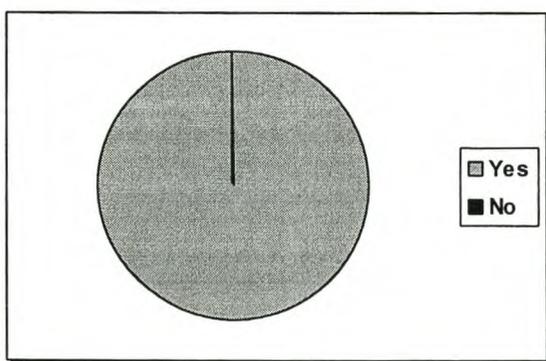


Figure 7.19: More marketing knowledge would help managers improve service delivery

Respondents also reacted positively to the question whether marketing should be



taught to officials in some or other manner. This continues the strong trend that illustrates an inherent willingness to use marketing in the public sector in the CMA.

Figure 7.20: Marketing should be taught to public officials in some or other manner

When asked to indicate areas where they think their organisations are going wrong in its methods of delivering services, the respondents gave answers that can be linked to the challenges for public management identified earlier:

- Political decisions that are taken are not always the most functional.
- Policies are not being implemented effectively or fast enough.
- Not enough consulting with the public is taking place.
- There is a lack of performance measurement.
- Too much crisis management is taking place, especially with the integration processes in local government.
- The lower echelon is not being empowered.
- Technology is not being used to its full potential.
- Too little integration of activities across departmental and organisational boundaries are taking place.

The full responses of interviewees and of persons who completed the on-line questionnaires are exhibited in Appendix B and C respectively.

7.5 THE DISCOURAGING REALITY

Certain arguments that could be raised against the use of marketing in the public sector were discredited in the previous section. The only remaining reasons for not using marketing in the public sector can be a lack of willingness or a lack of marketing knowledge. The responses described in the previous section give an indication of what the real expectations and levels of knowledge regarding marketing in the public sector is in the Cape Metropolitan Area.

It is clear that a limited knowledge of marketing exists, but that marketing is regarded positively as a tool with which to improve service delivery. The problem is that without knowledge, the real potential of marketing as a vehicle for the

improvement of service delivery can not be realised. This knowledge clearly does not exist at the required levels.

Furthermore, compared to the examples of how marketing has been used internationally, it is clear that between the ideal and the reality as it is experienced in the Cape Metropolitan Area, there is a great divide. This mismatch between the ideal and reality raise certain challenges that will be discussed in the next section.

7.6 CHALLENGES

The imperative for increasing the knowledge and use of marketing in the public sector in the Cape Metropolitan Area is clear. From the responses received from the research, one is confronted by a lack of understanding of what marketing really is, and how it can really be used to improve service delivery. Public officials are preoccupied with the promotion side of marketing, and have no conception of other elements of marketing and how this can be used for their benefit.

The first challenge in the Cape Metropolitan Area, and conceivably in South Africa, is thus to “market” marketing to public managers. Public managers should be made aware of all the tools of marketing in the public sector as identified in previous chapters, and should be informed of how public sector marketing can strengthen the discipline of public management to face the many challenges also identified in the previous chapters. This battle may be half-won already, as a positive attitude or willingness towards marketing was identified among respondents.

The second challenge is more difficult. It is to educate and to increase knowledge of marketing, so that its potential can be realised.

7.7 CHAPTER SUMMARY

In this chapter the research conducted for this study was presented. Research findings were only presented at this late stage in the thesis to allow room for the development of both the deductive and inductive argument strands in the thesis. After the discussion of case studies, the inductive argument is partially completed because several specific situations have shown the success of public sector marketing. The deductive argument is also partially completed because enough general principles have shown that public sector marketing should be effective, and several documented case studies have confirmed these expectations.

In terms of the inductive argument presented in this thesis, the case studies present further proof of the success of public sector marketing in specific contexts. There are many interfaces between this chapter and Chapter 5, where the current status of marketing in the public sector was analysed. The fact that public sector marketing had beneficial effects on service delivery in one location could imply on an inductive level that it would have the same impact in the Cape Metropole.

The research findings illustrated in this chapter shows that although marketing is regarded positively by respondents, a lack of knowledge of marketing mitigates against its effective use in the CMA local authorities. Although it can be deduced from general theory and principles that marketing should be effective in improving public service delivery in the CMA, it cannot be proven scientifically with a deductive argument. This is because marketing is not being used to its full extent in the public sector in the CMA.

In the next chapter these research findings will be compared with the challenges for better public management and service delivery, as defined in Chapter 2 and Chapter 4. The deductions made from the results of the case studies and research will be integrated with what has been said about public management,

marketing, service delivery, and public sector marketing. Where the deductive argument strand cannot be completed due to a lack of scientific observation of full-blown public sector marketing in the CMA, the inductive argument strand can use other specific examples to point towards the possible success of marketing in improving public service delivery in the CMA.

Another important issue, the ethics involved in public sector marketing, will also be discussed in Chapter 8.

CHAPTER 8

8 IMPROVED SERVICE DELIVERY - MARKETING ORIENTED PUBLIC MANAGEMENT

This chapter consists of two main parts. In the first part the argument for marketing in the public sector will be concluded by integrating all the arguments presented in the previous chapters with the research findings presented in Chapter 7.

The second part of the chapter will address the ethical concerns around applying marketing to the public sector.

The first part of the chapter will be covered in three sections. The first of these sections concern public management concepts in marketing.

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8.1 PUBLIC MANAGEMENT CONCEPTS IN MARKETING MANAGEMENT

In Chapter 2 definitions of marketing were discussed. It was noted that the profit focus of traditional definitions have been replaced with maintaining customer bases and giving the customer value, and also reaching organisational goals. It could be argued that in terms of public sector marketing the profit focus should be returned. But not monetary profit. To improve service delivery, public sector marketing should focus on generating *social* profit, building social capital.

8.1.1 TRANSLATING THE MARKETING MIX

The different elements of the marketing mix will now be discussed in terms of public management.

8.1.1.1 Product

The product development process bears close resemblance to the policy-making process. The many components and ideas of product development facilitates a new look at policy-making, with a new focus on the customer.

Kotler and Levy (1969:10-15) mentions "more alert bureaucracies" who focus on user needs during product development. Such an alert bureaucracy is built on marketing principles.

Marketing can help the public manager in ensuring that marketing of product is occurring, not marketing of person.

8.1.1.2 Placement

Marketing brings new emphasis to the placement of service providing units and the use of alternative channels of distribution. It prompts public managers to consider the convenience of customers, and investigate ways of making service interaction easier and faster.

An important point in this regard is one-stop-shops, which can be of considerable value in improving service delivery.

8.1.1.3 *Promotion*

Promotion brings to public management the recognition of the many tools of communication available to service delivery bodies. It also brings a recognition of the impact of corporate image on customer perceptions regarding service levels.

The importance of the largely free channel of communications that is publicity is also highlighted. Due to cost factors and accountability it seems more appropriate to use publicity than advertising in the public sector (Titman, 1995:91).

Promotion also gives the public manager a set of tools with which to address the traditionally bad image of public sector institutions.

Marketing of place can be enhanced through using consumer behaviour studies and target market research to accurately determine who might be willing to invest or move to a locality, then to determine key decision considerations, and then to concentrate only on these decision issues.

The universally present adverse image of the public sector also demonstrates a need for marketing, and especially the promotional tools in marketing can help in this regard.

8.1.1.4 *Price*

Marketing tools can provide very specific recommendations on pricing and other elements of the marketing mix, making available various formulae and decision supports to improve management decisions (Weinberg, 1984:261-269; Davis & Lovelock, 1984).

The recognition of price as a marketing tool with which customer behaviour can be changed opens it up for use in the public sector in terms of marketing or demarketing certain service products.

8.1.1.5 People

People, not discussed as a separate element of the marketing mix in this thesis, is discussed here purely as an important element of marketing management.

If educated in marketing and corporate image, employees will realise that what they do reflect on corporate image. They can assess the impact of their activities on consumers, and become more involved in promoting the organisation. They can also serve as valuable sources of marketing information through their observations.

In the next section some marketing concepts will be identified in public management.

8.2 MARKETING CONCEPTS IN PUBLIC MANAGEMENT

In previous chapters many instances of marketing in the public sector have been identified and discussed. In this section certain public management constructs will be analysed to identify marketing-related concepts.

8.2.1 POLICY - MAKING

Burger (1996:182) highlights one problem area in collecting information on public policy as being the complexity of information regarding the societies being served. This type of information is not empirical, and "makes public sector policy making an ill-structured science with many decision makers, unlimited alternatives, conflicting values, unknown outcomes and incalculable possibilities" (Dunn, 1994:146). It is held that marketing can play an important role here, in that marketing research can provide more structure to information.

The argument for the marketing of public policy made by Cloete (1994:107) and discussed in Chapter 5 emphasises the misconceptions regarding marketing. Although the after-the-fact explanatory marketing of policies should be used, Cloete ignores the extensive armoury of tools contained in marketing with which the need for policies can be determined. This armoury of tools can also be used to enhance other elements of policy analysis, as well as policy advocacy.

A marketing focus can ensure that decisions are made on the strength of hard research, and not on the whim of some politician or officials. Even where decisions are supposedly reactions to public opinion, the exact nature of public opinion was not measured in any scientific manner. Furthermore, public opinion in itself is merely perception and not reality. Real needs do not always coincide with public opinion. The marketing orientation enables the identification of real public needs and wants.

It is not enough to run public delivery from the standpoint "we are here, this is what we do". We should rather ask: Why are we here, what should we do?

In the next sub-section marketing concepts will be applied to the public management functions.

8.2.2 PUBLIC MANAGEMENT FUNCTIONS

The integration of marketing and management (in this case public services management), is not without precedent. This is illustrated in the fact that integrated subjects such as "Marketing & Operations Management" is being taught at South African universities in Masters in Business Leadership courses (UNISA). This demonstrates the trend to integrate marketing into the management of organisations, instead of placing the function in a separate department. It also indicates the necessity for marketing to be part of line management responsibilities. Marketing and its application to the various public management functions will now be discussed.

8.2.2.1 *Planning*

It was mentioned in Chapter 2 that strategic planning processes like the IDP often do not capture the critical soft information that frontline managers have. This type of information can be tapped through marketing techniques, and planning information could be supplemented by marketing information.

Clarke (1996:15) indicates the necessity at local government level of a strategic planning and research and intelligence capacity - such a capacity can be enhanced with marketing research techniques. He also points out that council members and officers need to share an understanding of the kind of relationships which are to be built with public and community, top-down need to be balanced with bottom-up (Clarke, 1996:18) - here is another opportunity for marketing techniques and processes.

Public officials agree that they do not know their clients as well as they should. It is therefore clear that the focus of marketing on the client, and creating value for the customer, will benefit service delivery. The most beneficial characteristic of

marketing in terms of the public sector is its pro-active stance towards the environment, it provides for an alert bureaucracy which is sensitive to its environment.

8.2.2.2 *Organising*

Communication is seen as one of vital elements of any organisational development programme. This is the *forte* of marketing, and the promotion element of the marketing mix can be implemented with great effect in this field. Marketing can for example help to overcome resistance to change.

Marketing can help ensure the co-ordination of external communications with operations. This will alleviate situations like when an elderly man was admonished by a municipal law enforcement official for leaving garden refuse in a park, while he was actually cleaning the park as part of a public participation programme (Olivier, 1999).

Marketing should permeate through all functions and departments of an organisation, and be the main responsibility of each person. This would bring about a true customer orientation.

8.2.2.3 *Leading*

Burger (1996:207) describes closeness to clients as a characteristic of excellent leaders in a turbulent environment. This closeness to clients can be engineered through marketing and customer-oriented management.

Marketing will provide leadership with better ways in which to measure performance, more scientific ways in which to decide on service design, and better communication tools with which to motivate and educate employees.

8.2.2.4 *Control*

The marketing audit and other tools of control in marketing can facilitate control in public management of service delivery. More accurate measurements will be possible, and the field of public performance management will also be enriched by the many performance management tools contained in the discipline of marketing.

With its focus on facts and scientific measurement, marketing as control instrument could address the conflict between allocative efficiency and political interests that may arise in the public sector (Kraan, 1998:106). The ability of politicians to identify and correctly articulate the needs of the citizenry will also be enhanced through the research tools of marketing.

Marketing could also improve control by providing concrete ways of identifying service standards, traditionally difficult in the public sector.

The next public management concept to which marketing will be applied is skills.

8.2.3 SKILLS

Marketing can afford public managers an avenue for critical skills development in various fields, such as communication. However, marketing should not become a specialisation in public management, it should rather become part of the make-up of each and every public official.

Marketing will also help build in public managers a consideration of stakeholders, already a strong point of management in SA according to Roberts (1999).

8.2.4 MARKET RESEARCH

The wealth of market research tools inherent in marketing can contribute to the information public managers have available before they need to make a decision.

Marketing research can help the public manager to see past the more vocal interest groups who dominate discussions on policy and follow parochial agendas. It will allow the public manager to determine the real needs of target groups and to plan accordingly.

8.2.5 PUBLIC INFORMATION MANAGEMENT

As mentioned in Chapter 2, information is needed to frame proper policy. It is the contention of the researcher that marketing techniques can be used as public information management tools to collect the data for the policy information strands mentioned by Graber (Burger, 1996;188). Both market research and marketing research can supply information in the problem analysis strand, the option exploration strand, the selecting and implementing strand, and the monitoring strand.

Government needs information to function optimally, and marketing is a way of collecting the relevant management information with respectable scientific tools, and feeding this into the decision-making process. This will enable public managers to make better informed decisions, and to give more factual advice to politicians.

8.2.6 PRECEDENT

Marketing provide public managers with a long and rich history of experiments in marketing in all the fields in which public sector officials could conceivably become involved. From marketing goods to ideas, the public manager can learn from the experiences of those who went before.

The onus rests on the public manager to learn from the experiences of marketers, and to use this information to improve public service delivery.

8.2.7 COMMUNICATION

The importance of communication is widely accepted in public management (See Burger, 1996:182, also discussion in Chapter 2). With its emphasis on communication, marketing could play an important role in improving all modes of communication in the public sector.

The concept of integrated marketing communications, using the promotion mix to its fullest extent, provides further opportunity to optimise both internal and external communication.

Marketing also gives officials a tool with which to evaluate communication. Unethical marketing and public relations efforts that are used to shape public opinion will be easier identifiable, and officials can be aware of the efforts of stakeholders to monopolise the media stage and promote their vested interests.

This concludes the discussion on marketing concepts in public management.

8.3 RISING TO THE CHALLENGE

A common challenge identified in public management, marketing, and service delivery, is getting closer to the customer: a customer orientation. Based on the various tools of marketing and services marketing that have been identified in this thesis, it can be argued that marketing provides the single best tool with which to ensure closeness, and with which to ensure efficient two-way communication between the customer and the service provider.

In this regard the increased distance between officials and the public which is attributed to the impending change in metropolitan local government structures makes the application of marketing even more necessary.

Getting closer to the customer is but one of many challenges identified in this thesis, and the challenges are too many to repeat here. Most of these challenges can be met through applying marketing to the public sector. Either in its role of optimising communication, in its power to improve decision making and service design by providing valuable management information, or in its ability to closer align public perceptions with reality, marketing provides the collection of tools with which to face the challenges: to improve public service delivery. These tools should be added to the public management toolbox.

In all fairness there are some major problems marketing can't solve, such as the limits on the achievement of good service delivery imposed by governmental structure, such as federalism (Australia), and also resource constraints and the political (that is, resource allocation) choices which they force not only on politicians but on those involved in planning and delivering services. (O'Faircheallaigh, 1991:181). It is however still clear that marketing has a role to play in meeting each of the many challenges facing public management in its bid to improve service delivery (Chapter 2: point 2.3 on page 30, and point 2.4 on page 45.).

Perhaps the most serious challenge to public sector marketing was identified in Chapter 7, where research indicated that although very positive about the use of marketing, public officials have an inadequate knowledge of marketing to use it effectively and to its fullest potential. But this is a challenge which holds its own solution, as marketing encompasses many tools with which such knowledge can be imparted to public officials.

In the next section of this chapter the ethical consideration regarding the application of marketing to public service delivery will be addressed.

8.4 ETHICAL CONSIDERATIONS

In the first part of this chapter various marketing concepts were placed in the context of the public sector, and related to public management concepts. Precedents of marketing in the public sector as discussed in the previous chapter were elaborated upon, and it was shown how a more comprehensive use of marketing in the public sector can be beneficial to service delivery.

One important issue remains to be discussed: the question of ethics.

8.4.1 BACKGROUND

Ethics can be defined as the moral principles and values that govern the way an individual or group conducts its activities (Churchill & Peter, 1998:42). Marketing ethics can in turn be described as the moral evaluation of marketing activities and decisions as right or wrong on the basis of commonly accepted principles of behaviour (Skinner, 1994:113).

As was shown in the discussion of the peculiarities of public management, very high standards of behaviour apply to the public sector. The public sector official must remain beyond reproach and maintain a high standard of ethical behaviour. In view of this ethical imperative, it is clear that before introducing new concepts into the public sector, the ethical implications must first be considered.

This could present a problem, because the general perception is that ethics are alien concepts to marketing. The recently developed concept of value-driven marketing might mitigate against this perception, but the picture of the crooked salesman remains in the back of many heads. The point is that there are ethical concerns about marketing in the private sector. But it is not within the ambit of this paper to prove or disprove the moral qualities of private sector marketing. Rather, some of the concerns that might be raised specifically in terms of public sector marketing will be discussed.

Those who regard marketing as containing a manipulative dimension, as creating needs among customers in order that they can be profitably satisfied for the benefit of private capital, would clearly hold grave reservations about marketing in the public sector. Not only would its use undermine basic democratic values and rights, it might also lead to an escalation of demand for public services and place greater (and unnecessary) strains on government budgets (Kotler & Andreason, 1987:20-21).

On the other hand, it could be argued that a marketing approach could be entirely consistent with democratic values, and indeed ensure their realisation in practice, by insisting on the primacy of the "consumer", or in this case the citizen. Those most in need of public services would be made fully aware of their entitlements, and service providers would give priority not to their own or organisational needs but to the needs of their clients (O'Faircheallaigh & Graham, 1991:xii).

A short list of concerns will be presented here to provide background on the type of concerns the public manager will need to address when applying marketing to the public sector.

8.4.2 CONCERNS

In the public management domain an important concern is a clear separation between politics and administration marketing issues (Titman, 1995). Politicians should not be allowed to use administrative resources for political campaigning. At the same time they should be figureheads, spokespersons, and part of the corporate image of public institutions in terms of their executive functions. A careful balance should be maintained.

A second issue is the danger of synthetic public debate. The media carries the messages of governing officials to the people, but also selects issues to present to the government for action of some sort, thus ignoring real public opinion. Real expressions of mass opinion are replaced by a continual sophisticated analyses of the news that serve as a surrogate public (Maltese, 1992:219-220).

The media cannot be trusted to truly reflect public opinion, as it is dominated by press releases and other tools used to manipulate news (Maltese, 1992:218; Nelson, 1989: 43-44; Yarwood & Enis, 1984:74; Ashmore, 1971:25).

Another issue is that marketing tools can be used to distort reality. When an institution becomes the object of public discontent or even outrage over some or other action or failure, this could influence its ability to attain its objectives. In the private sector it may cause loss in sales, in the public sector a loss in service delivery capacity or public goodwill.

Environmental analysis may be done to determine the cause of public discontent. This could for example point out that the public has observed wastage of resources. The honourable thing would be to rectify the issue at hand. The temptation is to persuade the public that what they think is actually wrong. It is easier and less costly to change the way people think about reality than it is to change reality (Nelson, 1989:17).

A concern related to this point is that public sector officials may feel that the public do not understand the constraints they work under, and should be educated to expect less. At such a point they are dangerously close to an attempt at sculpting public opinion to suit them.

A final and related concern is that the line between providing information purely as information is separated by a thin line from providing information to justify policy, swaying minds and practising propaganda. The astounding success of propaganda during war opened eyes to the possibilities of regimenting the public mind (Nelson, 1989:49; Maltese, 1992:7). Public managers working in democratic societies should guard against using marketing for promoting defective policies.

In summary, ethics are fundamentally important in the public sector, and every caution should be observed to ensure that marketing in the public sector is used for public benefit. However, if marketing tools can be used to usurp democracy, it can also be used to bolster democracy. Knowledge of PR and publicity techniques will enable public officials to look past the persona of companies and institutions with which they interact. They will be able to recognise immoral use of marketing, and to guard against more vocal interest groups with resources to dominate public opinion.

8.5 CHAPTER SUMMARY

This chapter covered two main subjects.

In the first part marketing concepts were placed in the context of the public sector, some of these concepts being renamed to better suit the public sector. The inherent marketing characteristics of certain public management concepts were also shown. Previous use of marketing concepts in the public sector were discussed in Chapter 5, and in this chapter it was shown how a more extensive application of marketing can improve service delivery in the public sector.

The second part of this chapter concentrated on the ethical considerations when implementing marketing concepts in the public sector, given the high ethical standards that the public sector is held to. Examples of abuses of some marketing tools were shown, as well as other tools that are open to abuse. The role that marketing tools can play in pointing out unethical behaviour, or sensitising the public official to the ways in which marketing can be abused, was also explained.

The argument forwarded in this paper clearly shows that marketing is an excellent tool with which to address the various challenges in public service delivery. By integrating public sector marketing into public management, adding it to the public management toolbox, public service delivery can be improved.

All that remains for the next chapter, Chapter 9, is to summarise the findings of this thesis and make certain recommendations.

CHAPTER 9

9 CONCLUSION

The aim of this thesis, as mentioned in section 1.2 on page 4, is to provide more substantial grounds for the use of marketing in the public sector, and specifically in local government in the Cape Metropolitan Area.

The achievement of this goal was attempted through the use of literature study and field research as outlined in this thesis. In this

chapter a synopsis of the thesis will be presented. No new recommendations will be made as the main recommendation of using marketing to improve service was already made and supported in Chapter 8.

One important element of this chapter is however the proposal of a model for marketing-oriented public service delivery. Seen as a summary of the main theme of this thesis, the model is presented in this chapter as something to be investigated in future research.

The last section of this chapter will raise one final challenge.

9.1 SYNOPSIS

In this thesis an argument for the use of marketing to improve public service delivery was presented. After an introductory first chapter containing the hypothesis and classification of terms, public management was described in Chapter 2. In Chapter 3 and 4 an additional two subjects, marketing and service

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delivery, were discussed. In Chapter 5 the current status of public sector marketing was analysed. Chapter 6 described the context of the study, and in Chapter 7 comparative case studies and research was covered. Research results indicated that although public sector officials are very positive about marketing, they do not really understand its full extent, and are pre-occupied with the promotion elements of marketing. In Chapter 8 public sector marketing was revisited, this time integrating all the previous discussions and findings. It was found that marketing provided tools with which to answer to the challenges facing public management in its mission to improve service delivery.

The thesis must not be seen as a condemnation of public management as it is practised at the moment. Many tools used in public management are very good at pointing out social issues. The Social Impact Assessment, a relatively recent development in policy studies, is one such tool. However, a marketing focus can extend the sensitivity to needs and wants of the society beyond the policy specialists and the front-line worker.

9.2 A MODEL FOR MARKETING-ORIENTED PUBLIC SERVICE DELIVERY

In the same way that the Public Management Model (Figure 2.1, page 26) can help one conceptualise public management, a model can help to illustrate the findings of this thesis. The main recommendation is that marketing should be applied to the public sector, and that the tools of marketing and service management can help to make public management a more effective vehicle for the improvement of public service delivery.

The model, illustrated in Figure 9.1, is an adaptation of the Public Management Model. In developing the model, the Public Policy Marketing Model of Snaveley (1991:320) was also considered. Although this thesis concerns the application of

marketing to public management, the main focus is on improving service delivery. Therefore the model is called a model for "Marketing oriented public service delivery".

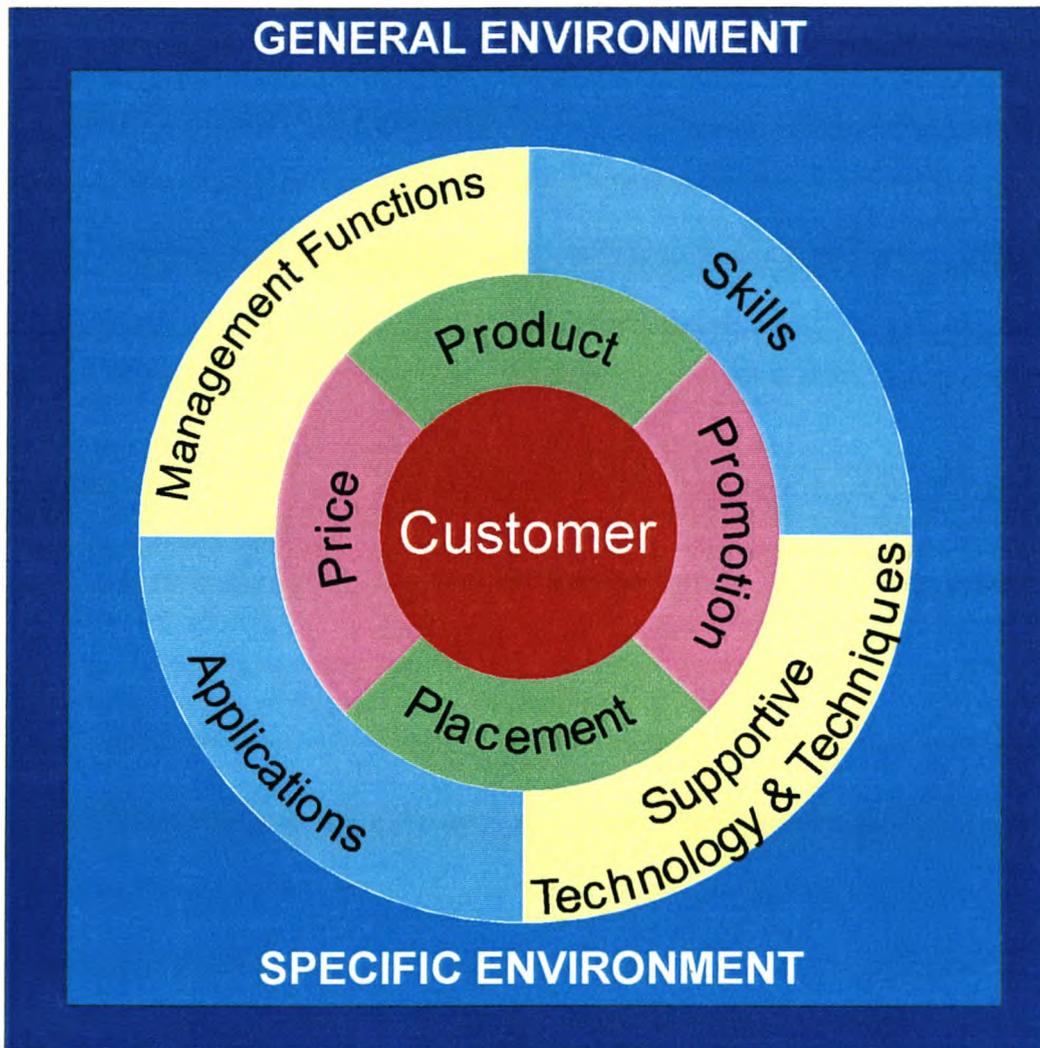


Figure 9.1: A Model for marketing oriented public service delivery

The model incorporates the marketing mix into public management. The customer is installed as the central figure in the model, indicating the customer-oriented nature of marketing. The marketing mix elements interact with each other, but also with the management functions, skills, applications, and supportive technology and techniques around it. The marketing mix forms a filter

for interaction between the customer and the organisation, and will therefore also link with the environment. The four elements on the outer ring of the model are also supplemented with marketing and service delivery tools.

The model is merely a proposal for conceptualising the improvement of public service delivery in public management. More research will be needed to determine its value as an instrument for increasing public service delivery. The model does however follow the recommendations made in this thesis, and is designed to address the many challenges identified in this thesis. Most of all it directly addresses the findings of the empirical research as outlined in Chapter 7.

In Chapter 7 certain arguments that could have been used against the use of marketing in the public sector were discredited and it was found that marketing has a positive appeal to public sector officials, but that they lack knowledge of marketing to use it to its full potential. The model provides a tool with which public sector officials can for the first time come into contact with the true nature and extent of marketing, and a tool which will immediately show them the benefit of using marketing to come closer to the customer, the citizen.

As a construct with which to trigger further research, the model for marketing oriented public service delivery exhibits the inductive exploratory nature of this study. It creates new knowledge and forms the basis for future inductive studies.

9.3 THE FINAL CHALLENGE

The challenge was a recurring theme in this thesis. The improvement of service delivery was seen as a challenge, and marketing was investigated as an instrument with which to answer this challenge. By looking at public management, marketing and service management, many useful recommendations and observations were arrived at. Several new and exciting

tools have been added to the public management toolbox, and it was shown that marketing can address the challenge of improving public service delivery.

In times where local government is going through a second stage of restructuring, and in which seven local authorities in the Cape Metropolitan Area must organise themselves into one entity, marketing can play an important role.

Marketing can be the vehicle that ensures that organisational design and structuring is done according to the needs of the community, and not the needs of officials or parochial interest groups. Marketing can ensure that the public service product is designed correctly, that delivery structures follow function, and that the citizen is reaffirmed as the central customer for public services. In order to do this, those officials and politicians who will be taking decisions on restructuring must answer to one last challenge: To implement the recommendations of this thesis:

Improving public service delivery through marketing.

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APPENDIX A

RESEARCH TOOLS

The various research tools used to collect information for the thesis is presented in this appendix:

1. Excerpts from the internet and intranet pages designed for the purpose of the thesis.
2. The questionnaire posted on the internet and intranet .
3. The list of questions which served as guideline for personal interviews.

**EXCERPTS FROM THE INTERNET AND INTRANET PAGES DESIGNED FOR
THE PURPOSE OF THE THESIS.**

QUICK LINKS

[Home](#)
[Questionnaire](#)
[Resources](#)
[The Study](#)

Academics
[Marketing](#)
[Public](#)
[Administration](#)

Students
[Marketing](#)
[Public](#)
[Administration](#)

Professionals
[Marketing](#)
[Public](#)
[Relations](#)
[Media](#)
[Private Sector](#)

Officials
[Public Sector](#)
[Non-Profit](#)

CMC Intranet

IMPROVING PUBLIC SERVICE DELIVERY THROUGH MARKETING



Welcome to the homepage of the Public Sector Marketing Research Project, a study in improving public service delivery.

IMPORTANT! Before you do anything anything else, please fill in the [questionnaire](#).



SOME BACKGROUND INFORMATION

All spheres of government and other public sector institutions have a responsibility to the taxpayer and the citizen, both individual and corporate, to constantly improve levels of service delivery. Ways of improving service delivery include scientific research into concepts and practices that could optimise methods of service delivery.

Academic and scientific research is however often criticised by practitioners for being conducted in isolation from reality, and not reflecting conditions at the coal face. Therefore academic researchers who aim to produce realistic and useful results must take special care to thoroughly investigate conditions in the operational milieu as part of the research process.

As a masters degree student in Public Administration, I am currently writing a thesis on the potential impact that the concept and practice of marketing could have on public sector service delivery. I have completed a literature study and must now test my hypothesis through field research. This research will entail: interviews with politicians in executive posts in different spheres of government, interviews with top management in different spheres of government and in other public sector institutions; interviews with marketing and public relations professionals in the private sector; interviews with academics in the public management and the marketing disciplines; focus groups involving public sector officials as well as members of the public; and questionnaires aimed at getting a broad response from public sector officials and the public. The questionnaires contained on this website is part of this effort.

This is quite an ambitious project and I will therefore need a considerable amount of co-operation from the various institutions involved. I am however confident that the end product could make a contribution to public management in general and levels of service delivery in specific.

THE QUESTIONNAIRE POSTED ON THE INTERNET AND INTRANET

• MARKETING IN THE PUBLIC SECTOR

• Introduction

Thank you for taking the time to complete this questionnaire. In most cases in this questionnaire, except where otherwise indicated, you will make your choices by clicking a radio button next to where an option is given, as in the example below:

EXAMPLE

What is your favourite colour in the list below?

Blue Green Red

Before starting with the questionnaire, please indicate the name of your organisation and where you are situated.



Company/Organisation:

(Click inside the box and type the name of your organisation or company, e.g. Big Wig Marketing CC)

City / Town and Country

(e.g. Wigfield, South Africa)

28. In which sector are you employed?

Select only one option from the drop-down menu (click the grey down-arrow to display the drop-down menu).

Other ▼

Specify "Other" in the box below

29. What type of work do you perform?

Select only one option from the drop-down menu.

Other ▼

Specify "Other" in the box below

30. At what level of management are you employed?

Select only one option from the drop-down menu.

Strategic management ▼

Specify "Other" in the box below

31. In your opinion which level(s) of management should become involved in marketing?

You may choose more than one option (click in more than one box).

Activities	Degree of involvement				
Marketing	Never <input type="radio"/>	Rarely <input type="radio"/>	Usually <input type="radio"/>	Frequently <input type="radio"/>	Always <input type="radio"/>
Public Relations	Never <input type="radio"/>	Rarely <input type="radio"/>	Usually <input type="radio"/>	Frequently <input type="radio"/>	Always <input type="radio"/>

26. In your opinion, which of the following sciences or can be of benefit to Public Administration and Management?

Click the box(es) of your choice.

<input type="checkbox"/> Total Quality Management	<input type="checkbox"/> History
<input type="checkbox"/> Sociology	<input type="checkbox"/> Art
<input type="checkbox"/> Labour Law	<input type="checkbox"/> Language
<input type="checkbox"/> Marketing	<input type="checkbox"/> Entrepreneurial government
<input type="checkbox"/> Environmental management	<input type="checkbox"/> Service management
<input type="checkbox"/> Project management	<input type="checkbox"/> Development management
Other (Specify)	
<input style="width: 100%; height: 20px;" type="text"/>	

27. Which of the following do you associate with marketing?

Click the box(es) of your choice.

<input type="checkbox"/> Promotion	<input type="checkbox"/> Product definition
<input type="checkbox"/> Product management	<input type="checkbox"/> Advertising
<input type="checkbox"/> Price determination	<input type="checkbox"/> Selling
<input type="checkbox"/> Costing	<input type="checkbox"/> Research
<input type="checkbox"/> Public Relations	<input type="checkbox"/> Media liaison
Other (Specify)	

23. Public sector organisations must advertise.

Indicate your choice by clicking one of the buttons.

1 <input type="radio"/>	2 <input type="radio"/>	3 <input type="radio"/>	4 <input type="radio"/>	5 <input type="radio"/>	6 <input type="radio"/>	7 <input type="radio"/>
(Agree strongly)			(Neutral)		(Disagree strongly)	

• Section 3: Associations and demographics - please indicate your responses by ticking in the appropriate boxes.

24. In your opinion, which of the following is an element of public administration and management?

Click the box(es) of your choice.

<input type="checkbox"/> Human Resource Management	<input type="checkbox"/> Public relations
<input type="checkbox"/> Policy analysis	<input type="checkbox"/> Industrial Psychology
<input type="checkbox"/> Political science	<input type="checkbox"/> Financial Management
<input type="checkbox"/> Marketing	<input type="checkbox"/> Industrial relations
<input type="checkbox"/> Operations Management	<input type="checkbox"/> Strategic Management
<input type="checkbox"/> Quality assurance	
Other (specify)	
<input style="width: 100%; height: 20px;" type="text"/>	

25. In your opinion, how often do public officials become involved in the following activities?

Click the button your choice for each activity.

18. Marketing should be seen as one of the roles of public sector officials.

Indicate your choice by clicking one of the buttons.

1 <input type="radio"/>	2 <input type="radio"/>	3 <input type="radio"/>	4 <input type="radio"/>	5 <input type="radio"/>	6 <input type="radio"/>	7 <input type="radio"/>
(Agree strongly)		(Neutral)			(Disagree strongly)	

19. Marketing should rather be contracted out.

Indicate your choice by clicking one of the buttons.

1 <input type="radio"/>	2 <input type="radio"/>	3 <input type="radio"/>	4 <input type="radio"/>	5 <input type="radio"/>	6 <input type="radio"/>	7 <input type="radio"/>
(Agree strongly)		(Neutral)			(Disagree strongly)	

20. Marketing should be included in the training of public sector officials.

Indicate your choice by clicking one of the buttons.

1 <input type="radio"/>	2 <input type="radio"/>	3 <input type="radio"/>	4 <input type="radio"/>	5 <input type="radio"/>	6 <input type="radio"/>	7 <input type="radio"/>
(Agree strongly)		(Neutral)			(Disagree strongly)	

21. Public sector officials know enough about marketing.

Indicate your choice by clicking one of the buttons.

1 <input type="radio"/>	2 <input type="radio"/>	3 <input type="radio"/>	4 <input type="radio"/>	5 <input type="radio"/>	6 <input type="radio"/>	7 <input type="radio"/>
(Agree strongly)		(Neutral)			(Disagree strongly)	

22. Marketing can be applied to the public sector.

Indicate your choice by clicking one of the buttons.

1 <input type="radio"/>	2 <input type="radio"/>	3 <input type="radio"/>	4 <input type="radio"/>	5 <input type="radio"/>	6 <input type="radio"/>	7 <input type="radio"/>
(Agree strongly)		(Neutral)			(Disagree strongly)	

1 <input type="radio"/>	2 <input type="radio"/>	3 <input type="radio"/>	4 <input type="radio"/>	5 <input type="radio"/>	6 <input type="radio"/>	7 <input type="radio"/>
(Agree strongly)			(Neutral)		(Disagree strongly)	

14. Most public sector officials do marketing at one stage or another.

Indicate your choice by clicking one of the buttons.

1 <input type="radio"/>	2 <input type="radio"/>	3 <input type="radio"/>	4 <input type="radio"/>	5 <input type="radio"/>	6 <input type="radio"/>	7 <input type="radio"/>
(Agree strongly)			(Neutral)		(Disagree strongly)	

15. Most public sector officials should from time to time perform certain public relations functions.

Indicate your choice by clicking one of the buttons.

1 <input type="radio"/>	2 <input type="radio"/>	3 <input type="radio"/>	4 <input type="radio"/>	5 <input type="radio"/>	6 <input type="radio"/>	7 <input type="radio"/>
(Agree strongly)			(Neutral)		(Disagree strongly)	

16. Marketing could benefit public sector service delivery.

Indicate your choice by clicking one of the buttons.

1 <input type="radio"/>	2 <input type="radio"/>	3 <input type="radio"/>	4 <input type="radio"/>	5 <input type="radio"/>	6 <input type="radio"/>	7 <input type="radio"/>
(Agree strongly)			(Neutral)		(Disagree strongly)	

17. Marketing should contribute to strategic planning in your organisation.

Indicate your choice by clicking one of the buttons.

1 <input type="radio"/>	2 <input type="radio"/>	3 <input type="radio"/>	4 <input type="radio"/>	5 <input type="radio"/>	6 <input type="radio"/>	7 <input type="radio"/>
(Agree strongly)			(Neutral)		(Disagree strongly)	

Click in the box and type a short list.

10. Which types of marketing activities do you become involved in?

Click in the box and type a brief description.

• Section 2: Read the following statements and respond by ticking inside the box which most closely reflects your opinion.

11. Government should leave tourism advertising/marketing to the private sector.

Indicate your choice by clicking one of the buttons.

1 <input type="radio"/>	2 <input type="radio"/>	3 <input type="radio"/>	4 <input type="radio"/>	5 <input type="radio"/>	6 <input type="radio"/>	7 <input type="radio"/>
(Agree strongly)		(Neutral)		(Disagree strongly)		

12. Your organisation is a profit-seeking organisation.

Indicate your choice by clicking one of the buttons.

1 <input type="radio"/>	2 <input type="radio"/>	3 <input type="radio"/>	4 <input type="radio"/>	5 <input type="radio"/>	6 <input type="radio"/>	7 <input type="radio"/>
(Agree strongly)		(Neutral)		(Disagree strongly)		

13. Marketing can improve service delivery in the public sector.

Indicate your choice by clicking one of the buttons.

No Experience <input type="radio"/>	Limited experience <input type="radio"/>	Some experience <input type="radio"/>	Considerable experience <input type="radio"/>	Extensive experience <input type="radio"/>
--	---	--	--	---

5. Is your organisation involved in any marketing activities?

Click the button of your choice.

Never <input type="radio"/>	Rarely <input type="radio"/>	Usually <input type="radio"/>	Frequently <input type="radio"/>	Always <input type="radio"/>
-----------------------------	------------------------------	-------------------------------	----------------------------------	------------------------------

6. How would you describe marketing activities in your organisation?

Click the button of your choice.

<input type="radio"/> No marketing taking place
<input type="radio"/> Marketing taking place, but not enough
<input type="radio"/> Appropriate levels of marketing
<input type="radio"/> Too much marketing taking place

7. Do you become involved in marketing activities yourself? How often?

Click the button of your choice.

Never <input type="radio"/>	Rarely <input type="radio"/>	Usually <input type="radio"/>	Frequently <input type="radio"/>	Constantly <input type="radio"/>
-----------------------------	------------------------------	-------------------------------	----------------------------------	----------------------------------

8. What is service delivery?

Click in the box and give a brief description.

9. What tools or techniques can be used to improve service delivery?

Please follow the instructions and complete the full questionnaire, making sure that you answer every question. There are no right or wrong answers, and you are urged to express your own opinion.

Good luck!

• Section 1: Please answer the following questions by clicking the radio button corresponding with your opinion.

1. Do you have any formal education or training in Marketing?

Click the button of your choice.

Yes No

2. Do you have any formal education or training in Public Relations?

Click the button of your choice.

Yes No

3. Do you have any experience in Marketing?

Click the button of your choice.

No Experience <input type="radio"/>	Limited experience <input type="radio"/>	Some experience <input type="radio"/>	Considerable experience <input type="radio"/>	Extensive experience <input type="radio"/>
--	---	--	--	---

4. Do you have any experience in Public Relations?

Click the button of your choice.

<input type="checkbox"/> Top management	<input type="checkbox"/> Middle management	<input type="checkbox"/> Operational Management	<input type="checkbox"/> Workers
---	--	---	----------------------------------

32. Indicate to what degree marketing is involved in the following issues in your organisation.

Click one button for each issue.

Degree of involvement					
Issues	No Involvement	Little involvement	Some involvement	Much Involvement	High Involvement
Determining service Levels	<input type="radio"/>				
New services development	<input type="radio"/>				
Day-to-day operations	<input type="radio"/>				
Prices / tariffs determination	<input type="radio"/>				
Planning the distribution and location of services	<input type="radio"/>				
Public Relations	<input type="radio"/>				
Recruitment of staff	<input type="radio"/>				
Advertising / Promotion	<input type="radio"/>				
Internal communications	<input type="radio"/>				

33. Indicate whether the following factors are present in your organisation.

Click only "Yes" or "No" for each factor.

Factor	Present or not	
	YES	NO
Annual marketing plans	<input type="radio"/>	<input type="radio"/>
A formal marketing policy or strategy exists	<input type="radio"/>	<input type="radio"/>
Formal market research is done	<input type="radio"/>	<input type="radio"/>

Budgetary provision is made for marketing	<input type="radio"/>	<input type="radio"/>
A formal advertising policy	<input type="radio"/>	<input type="radio"/>
A dedicated internal marketing department	<input type="radio"/>	<input type="radio"/>
A dedicated internal public relations department	<input type="radio"/>	<input type="radio"/>
Use of an external public relations agency	<input type="radio"/>	<input type="radio"/>
Use of an external marketing agency	<input type="radio"/>	<input type="radio"/>
Use of an external advertising agency	<input type="radio"/>	<input type="radio"/>
Marketing audits are carried out	<input type="radio"/>	<input type="radio"/>
Personnel is sensitised / trained concerning marketing	<input type="radio"/>	<input type="radio"/>
Advertising and public relations is linked to marketing objectives	<input type="radio"/>	<input type="radio"/>
Senior management considers marketing to be important	<input type="radio"/>	<input type="radio"/>

34. Which advertising media are used by your organisation?

Click all the relevant boxes.

<input type="checkbox"/> Radio	<input type="checkbox"/> Events
<input type="checkbox"/> TV	<input type="checkbox"/> Poster campaigns
<input type="checkbox"/> Newspapers	<input type="checkbox"/> Leaflets and brochures
<input type="checkbox"/> Periodicals	<input type="checkbox"/> Promotional items
Other (specify)	
<input style="width: 100%; height: 20px;" type="text"/>	

This is the end of the questionnaire.

Once you have completed the questionnaire, you can click the Submit button below.

Submit

Reset



• **THANK YOU**

Thank you for giving your valuable time to complete this questionnaire. The results of this survey will be discussed in a thesis which will be available from the researcher early in 2000. It is hoped that the results will shed some light on the question of marketing in the public sector and how this can relate to service delivery.

The Researcher

[THE STUDY](#) - [RESOURCES](#) - [HOMEPAGE](#)

THE LIST OF QUESTIONS WHICH SERVED AS GUIDELINE FOR PERSONAL INTERVIEWS.

Interview of Public Sector Officials

PUBLIC SECTOR MARKETING

Structure of interview

Methods used

Appointments

Letters are written to public sector officials requesting an interview. In this letter the importance of research in providing new insights into improving service delivery is highlighted. Due to the recognition of the fact that anything which is studied will change because of the direct influence of the study while it is still in progress, the letter explains as little as possible about public sector marketing and the purpose of this study. It is however accepted that interviewees will already have started to think about public sector marketing before the interview starts. There is no way around this.

Meetings

Meetings are scheduled according to the availability of respondents, and will mostly be conducted at the place of work, before the commencement of the interview, the researcher will attempt to ensure that no interruptions will occur by explaining the situation to secretaries or personal assistants where these are employed.

Creating rapport

The interviewee is the most important element in the interview, and the researcher will ensure that the interviewee is at ease and willing to talk before commencing the interview. The fact that the interview will be conducted on the respondents' "home ground" should contribute to this. During the first few minutes after meeting the respondent, the researcher will also describe his own background and establish that he is at the interview to learn from the respondent, and not the other way around. As a prelude to the actual commencement of the interview, the introduction as set out below will be read to the respondent.

Conducting the interview

The interview will be conducted in a structured way as indicated by the questions below, but where necessary deviations will be allowed to allow a respondent to fully express opinions. If agreed to by the respondent a tape recording will be made, but notes will be taken in any case by the researcher on paper outlining the structure of the interview. Before the interview is completed the researcher will ask the respondent for any last comments, suggestions or criticisms. The researcher will at all times refrain from trying to influence the opinions of the respondent by remarks, gestures or facial expressions.

Conclusion of the interview

At the conclusion of the interview the respondent will be thanked for the opportunity given and the time allowed. Where allowed, the researcher will list all interviewees in the final thesis, including a recognition of their contribution.

Introduction

This is an interview aimed at getting your opinions about marketing in the public sector. The fact that your opinions will be value-laden and will reflect your own personal background and experience is recognised and accepted, and this is in fact very important for the purposes of this interview. This interview is an attempt to translate experiences and opinions into recommendations for other public sector officials.

Please feel free to interrupt at any time to clear up uncertainties, and feel free to speak your mind. What is said in this interview is treated as confidential unless otherwise allowed by yourself, which means that your opinion will not be linked to your name in the paper written as a result of the research of which this interview forms a part.

Questions

Most questions are open-ended, leaving the respondent room to answer as wide as possible. Questions about the basic concepts come first in order not to influence opinions through questions about the relationships between these concepts. "Influencing" questions are left for last.

In order not to make the interview too long, the amount of questions is limited to thirty. In an interview of sixty minutes, this would allow for about two minutes per response. Where possible, interviews of ninety minutes will be requested to allow for more interaction.

1. Which organisations would you see as being part of the public sector?
Alternatively: Define the extent of the public sector?
2. Do you think all public sector institutions are non-profit organisations?

3. How would you describe the concept "service delivery"?
4. How would you describe public perceptions regarding public sector service delivery?
5. Do you think service delivery is measurable, and if so how?
6. What tools do you think could be used to improve service delivery?
7. Should service delivery be improved, and is this possible?
8. Do you feel there is room for improvement of service delivery in your organisation?
9. Where do you think your organisation is going wrong in its methods of delivering services?
10. How does your organisation determine what services it should deliver? (How is policy formulated?)
11. If this is legislated, who wrote the legislation on the grounds of what research?
12. If you have some discretion inside the boundaries of legislation, how do you determine where the extent of your service delivery should fall inside these boundaries?
13. What is your perception of what "marketing" is, how would you define it?
14. What functions would you feel forms part of marketing?
15. Do you feel marketing has anything of value to offer society? Why?

16. Would you regard marketing as a part of those duties and functions performed by public sector officials? Why?
17. Do you see any role for marketing in the public sector? Why?
18. Do you think the application of marketing concepts and practices to public sector management could improve service delivery? Why?
19. Does your organisation conduct any type of research into the needs of your public, and how is this done?
20. Does your organisation have any type of full-time marketing component or personnel?
21. If so, what do these people or components market?
22. Who handles public relations in your organisation, how is it managed and how does approval work?
23. Who handles external liaison in your organisation, how is it managed and how does approval work?
24. What are the roles of politicians in promoting your organisation?
25. Should politicians be the primary contact with the media for your organisation?
26. Do you have an advertising budget?
27. Who would you regard as your customers or clients?
28. Do you think you really know your clients?

29. Do you think your organisation is client-oriented?

30. In your opinion, if public sector managers knew more about marketing, would this improve service delivery?

31. Do you think public sector marketing should form a part of the training of public officials and/or the curriculum of public management courses?

--ooOOOoo--

APPENDIX B

DATA FROM QUESTIONNAIRE POSTED ON THE INTERNET AS WELL AS THE CORPORATE INTRANET OF THE CAPE METROPOLITAN COUNCIL.

Total number of respondents to questionnaires: 7

Section 1

1: Do you have any formal education or training in Marketing?

Yes	3	No	4
-----	---	----	---

2. Do you have any formal education or training in Public Relations?

Yes	1	No	6
-----	---	----	---

3. Do you have any experience in Marketing?

No Experience	Limited experience	Some experience	Considerable experience	Extensive experience
0	4	1	2	0

4. Do you have any experience in Public Relations?

No Experience	Limited experience	Some experience	Considerable experience	Extensive experience
0	3	2	2	0

Appendix B: Questionnaire results

5. Is your organisation involved in any marketing activities?

Never	Rarely	Usually	Frequently	Always
1	1	1	2	2

6. How would you describe marketing activities in your organisation?

No marketing taking place	1
Marketing taking place, but not enough	4
Appropriate levels of marketing	2
Too much marketing taking place	0

7. Do you become involved in marketing activities yourself? How often?

Never	Rarely	Usually	Frequently	Constantly
0	2	4	1	0

8. What is service delivery?

Providing the right service at the right time as cost effective as possible. The on time, at the right place, at the right price delivery of the service your company sells. Giving your clients what they want. Satisfy the needs of your customer. A specific service, being delivered by an organisation, in a specific manner. Providing your clients with what they want, when they want it, and at the right price/quality. Providing a tangible service to end users/public.

9. What tools or techniques can be used to improve service delivery?

Training and education. Controls, better training for people responsible for delivering service. Better marketing of services. Creating enthusiasm under staff for delivering of services. Getting people to have pride in their jobs. Empowerment of people to take decisions. On time; what is needed; where it is needed; asking what the clients want; promoting your ability to supply in their needs; telling the people what their needs are. Clear info on product: clear benefits of using the product: easy access to product: effectively and efficiency. Holistic quality control approach/programme, results oriented training, surveying/defining client needs/wants, ongoing research/development, monitoring world markets/trends, etc. Customer needs analysis, service targets, measure of services, prioritisation of needs, link of business plan with capital & operational projects, info to public re available services, training of front line staff re customer service.

Appendix B: Questionnaire results

10. Which types of marketing activities do you become involved in?

I do marketing on a personal basis for the Two Oceans Aquarium. Service delivery, motivating people, face to face marketing of products. Selling of goods, getting the right items for the clients, compiling ads, finding the needs of clients, getting the right items for the clients. Promotions; talks; designing brochures. Selling disaster man. And the CMC. Marketing benefits of a largely abstract concept. I.e. Occupational health and safety, to all workplaces controlled by the CMC, this includes direct "selling", compiling and issuing health and safety propaganda, audits of workplaces to determine levels. Brochures and items to external rate payers.

Section 2

11. Government should leave tourism advertising/marketing to the private sector.

1	2	3	4	5	6	7	
2	0	0	1	0	1	3	
<i>Agree strongly</i>			<i>Neutral</i>		<i>Disagree strongly</i>		

12. Your organisation is a profit-seeking organisation.

1	2	3	4	5	6	7	
2	1	0	1	1	1	1	
<i>Agree strongly</i>			<i>Neutral</i>		<i>Disagree strongly</i>		

13. Marketing can improve service delivery in the public sector.

1	2	3	4	5	6	7	
5	0	0	2	0	0	0	
<i>Agree strongly</i>			<i>Neutral</i>		<i>Disagree strongly</i>		

Appendix B: Questionnaire results

14. Most public sector officials do marketing at one stage or another.

1	2	3	4	5	6	7
0	3	2	0	0	1	1
Agree strongly			Neutral		Disagree strongly	

15. Most public sector officials should from time to time perform certain public relations functions.

1	2	3	4	5	6	7
1	3	3	0	0	0	0
Agree strongly			Neutral		Disagree strongly	

16. Marketing could benefit public sector service delivery.

1	2	3	4	5	6	7
5	1	1	0	0	0	0
Agree strongly			Neutral		Disagree strongly	

17. Marketing should contribute to strategic planning in your organisation.

1	2	3	4	5	6	7
5	2	0	0	0	0	0
Agree strongly			Neutral		Disagree strongly	

18. Marketing should be seen as one of the roles of public sector officials.

1	2	3	4	5	6	7
3	3	1	0	0	0	0
Agree strongly			Neutral		Disagree strongly	

Appendix B: Questionnaire results

19. Marketing should rather be contracted out.

1	2	3	4	5	6	7
1	0	0	1	2	1	2
<i>Agree strongly</i>			<i>Neutral</i>		<i>Disagree strongly</i>	

20. Marketing should be included in the training of public sector officials (Only 6 respondents).

1	2	3	4	5	6	7
4	2	0	0	0	0	0
<i>Agree strongly</i>			<i>Neutral</i>		<i>Disagree strongly</i>	

21. Public sector officials know enough about marketing.

1	2	3	4	5	6	7
0	0	0	0	0	3	4
<i>Agree strongly</i>			<i>Neutral</i>		<i>Disagree strongly</i>	

22. Marketing can be applied to the public sector.

1	2	3	4	5	6	7
6	0	1	0	0	0	0
<i>Agree strongly</i>			<i>Neutral</i>		<i>Disagree strongly</i>	

23. Public sector organisations must advertise.

1	2	3	4	5	6	7
4	2	1	0	0	0	0
<i>Agree strongly</i>			<i>Neutral</i>		<i>Disagree strongly</i>	

Section 3

24. In your opinion, which of the following is an element of public administration and management?

1.Human Resource Management	6	2.Public relations	7
3.Policy analysis	5	4.Industrial Psychology	6
5.Political science	6	6.Financial Management	6
7.Marketing	7	8.Industrial relations	7
9.Operations Management	5	10.Strategic Management	6
11.Quality assurance	6		
Other (specify)			

25. In your opinion, how often do public officials become involved in the following activities?

Activities	Degree of involvement				
	Never	Rarely	Usually	Frequently	Always
Marketing	1	6	0	0	0
Public Relations	1	5	1	0	0

26. In your opinion, which of the following sciences can be of benefit to Public Administration and Management?

1.Total Quality Management 6	6	2.History 1	1
3.Sociology 5	5	4.Art 1	1
5.Labour Law 4	4	6.Language 4	4
7.Marketing 6	6	8.Entrepreneurial government 6	6
9.Environmental management 6	6	10.Service management 6	6
11.Project management 6	6	12.Development management 5	5
Other (Specify): Risk management			

Appendix B: Questionnaire results

27. Which of the following do you associate with marketing?

1.	5	2.	4
3.	6	4.	6
5.	5	6.	5
7.	5	8.	6
9.	6	10.	6
Other (Specify)			

28. In which sector are you employed?

4 Local government, 2 Private Sector, 1 International.

29. What type of work do you perform?

1 Information management, 4 Line management, 1 Other, 1 Strategic support.

30. At what level of management are you employed?

1 Operational, 4 Middle Management, 1 Strategic management, 1 Other.

31. In your opinion which level(s) of management should become involved in marketing?

Top management	Middle management	Operational Management	Workers
7	7	7	5

Appendix B: Questionnaire results

32. Indicate to what degree marketing is involved in the following issues in your organisation.
(Only 5 to 6 respondents completed this part of the questionnaire.)

Degree of involvement					
Issues	No Involvement	Little involvement	Some involvement	Much Involvement	High Involvement
<i>a. Determining service Levels</i>	2	1	1	2	0
<i>b. New services development</i>	0	0	4	1	0
<i>c. Day-to-day operations</i>	1	2	0	1	1
<i>d. Prices / tariffs determination</i>	0	2	2	0	1
<i>e. Planning the distribution and location of services</i>	1	2	3	0	5
<i>f. Public Relations</i>	0	1	1	1	2
<i>g. Recruitment of staff</i>	0	3	1	1	0
<i>h. Advertising / Promotion</i>	1	0	0	2	2
<i>i. Internal communications</i>	1	0	0	3	0

Appendix B: Questionnaire results

33. Indicate whether the following factors are present in your organisation. (Only 5 respondents completed this part of the questionnaire.)

Factor	Present or not	
	Yes	No
a. Annual marketing plans	4	1
b. A formal marketing policy or strategy exists	2	3
c. Formal market research is done	4	1
d. Budgetary provision is made for marketing	4	2
e. A formal advertising policy	3	2
f. A dedicated internal marketing department	2	4
g. A dedicated internal public relations department	2	4
h. Use of an external public relations agency	3	3
i. Use of an external marketing agency	2	3
j. Use of an external advertising agency	4	1
k. Marketing audits are carried out	3	2
l. Personnel is sensitised / trained concerning marketing	3	2
m. Advertising and public relations is linked to marketing objectives	2	3
n. Senior management considers marketing to be important	4	1

Appendix B: Questionnaire results

34. Which advertising media are used by your organisation?

a. Radio	5	b. Events	5
c. TV	1	d. Poster campaigns	4
e. Newspapers	6	f. Leaflets and brochures	6
g. Periodicals	3	h. Promotional items	5
Other (specify): Sporting events - World of endurance, Victory Race, Aids Awareness Programs, Choir Competitions, Community Builder of the Year Awards.			

APPENDIX C

SUMMARISED RESULTS OF INTERVIEWS CONDUCTED WITH STRATEGIC MANAGEMENT - LEVEL LOCAL GOVERNMENT OFFICIALS IN THE CAPE METROPOLE

In seven interviews, nine respondents were interviewed. The two interviews where two respondents were interviewed at once are treated as single interviews.

RESULTS

1. *Which organisations would you see as being part of the public sector?
Alternatively: Define the extent of the public sector?*
 - 1.1 Three spheres of administration.
 - 1.2 Any organisation directed by elected officials, or set up by an organisation directed by elected representatives.
 - 1.3 Three spheres of government, organised local government (WECLOGO, SALGA), parastatals which cannot be ignored.
 - 1.4 Modalink, potential customers
 - 1.5 (If people out there are ignorant of how local government works, don't blame them, blame local government, because we have never told them how it works. People don't understand difference between political and administrative parts of local government. Read papers selectively, only big banner headlines and sports pages. Not interested until it affects them.) All spheres of government, together with parastatals.
 - 1.6 Spheres of government, parastatals, certain NGO's which were funded by the government but now still rendering a service to the public eg Rural Foundation.
 - 1.7 Institutions responsible for representing public interest. They deal with public resources. Client are the broad public. Government (National,

Provincial, Local); parastatals; Wesgro; if you are dealing with and are responsible for public funds you are public sector. If a high percentage of your funds come from the public funds.

2. *Do you think all public sector institutions are non-profit organisations?*

Yes						
No						

- 2.1 No.
- 2.2 Not necessarily. Not always profit motive, not prime reason for being there. Profit should be used to subsidise other services which run at loss.
- 2.3 No. Various facets to core businesses. Ringfencing. Question is what to do with profit, but not to say all are non profit making. At local government normally operate at loss, but there are trading services that can make a profit.
- 2.4 Yes. By legislation are non-profit. Parastatals are profit-driven, but subsidised by government.
- 2.5 No. SAA want to make money. Components of local government make money. Market.
- 2.6 Some should be, some not. Within local authorities certain sectors should be profitable, others can't be.
- 2.7 It is possible to generate income which can be put back in, but not dividends or profit-taking.

3. *How would you describe the concept "service delivery"?*

- 3.1 Rendering the service which falls in the domain of your core business. Core and non-core. Client. Consumer.
- 3.2 Fulfillment of local government's legal responsibilities to render / ensure rendering services / facilities to public. Legal requirement - entitled to basic services. Basic lifeline services. Additional may or may not be afforded.

- 3.3 Execution of core functions, giving expression to core business. Adding value. Giving effect to a clearly defined core business. Not only basic services, also other forms especially from developmental viewpoint often missed out on - soft services / value-adding services. Community measures authority on what happens at grass roots. Standardised service levels adds value to facilities established.
- 3.4 Producing for the needs of the people.
- 3.5 The delivery of services to recipients. Encompassing word that includes all that is needed for a city or town to function effectively, delivery of that service.
- 3.6 You provide a service to your principals, not ratepayers - because then you are excluding certain sectors of the community. Expected to provide a service to your constituency, irrespective of profit, irrespective of whether they are paying for that. Supply what is expected.
- 3.7 Very close to performance. Public service is anything we are providing as part of our functions. More traditional also hardcore services. But actually need the broader interpretation linked to business plans, goals and objectives

4. *How would you describe public perceptions regarding public sector service delivery?*

Negative								
Improving								
Positive								

- 4.1 Perception has changed. Since amalgamation in '96 it was very poor. Only rendering at about 20-30%. Satisfaction rate increased. Becoming satisfactory. Nationally very low, local authorities not living up to expectations.
- 4.2 Pretty poor.

- 4.3 Community not up to speed on latest developments in public sector. Perhaps general civic apathy. Only concerned when something goes wrong, or to complain. Schools don't cater for it. Clients are important contributors to quality of service delivered. If ignore each other - then top-down approach which has proven to be unsuccessful. Poor image, perception not good, think of local government employees as a waste of time, nothing important. Local government hasn't done much to turn that around.
- 4.4 Perceptions are probably quite correct that we offer a blooming poor service. Most public don't have much conception what is being developed, and for example number of people being conveyed through public transport. Up to 800 000 trips a day on Metro Rail, which is 1/3 of London Underground volume. Yet not much regard for system. Really not public transport but rather commuter service (peak hours).
- 4.5 Very patchy, general feeling that there is a decline in service. Change of teacher-to-pupil ratio. In local government people look at the lack of maintenance. But an acceptance of the existence of dysfunctional areas is also needed.
- 4.6 Very negative. See public institutions as bureaucratic institutions, don't see them as providing a service. Even now public see public services purely as for those who cannot afford. If the government cannot provide a secure environment they hire their own security guard. Regard the public service as an unwanted burden, especially where they can provide the service themselves. Even poor not satisfied.
- 4.7 Unevenness perceived. Certain places very good, others not. Even if actually delivery is even, the perception is uneven. People have different perceptions and different thresholds of satisfaction. Complemented by not understanding what service delivery is, what roles are, how this is changing. General public does not have a good understanding of local government. Re what services they are supposed to be providing, and how financing

works. What their rates are used for. Spheres of government criticised for not delivering what is actually the responsibility of another sphere.

5. *Do you think service delivery is measurable, and if so how?*

Yes							
No							

(Mentioned techniques used in marketing, also surveys. Not reality)

- 5.1 Measurable by satisfaction rate of community in broader sense, rate-payers in narrower sense. Nature of complaints also an indication. No more complaints about lack of service, but of level/quality of service. Customer care bureau being developed. Dbn, Jhb, Integrated development plan. Business plan - annual audit. Service equity standards. Department specific measurement. Have to know what community wants. Minimum level.
- 5.2 Yes. Depends on service. Measure against benchmarks - quality, quantity, affordability, accessibility. Whether meets public perceptions of what level of service they want. They should be the ones who set the benchmark. Methods: Balance of needs and demands with affordability and logistics. Measuring whether meeting demands: Public surveys, set performance targets with public representatives. CMC not direct. Our clients are local councils. Prime customers MLCs and business. May have different perceptions of their needs compared to those of general public. Different motives and motivators. Theirs: demands of communities, level established through demands and affordability, then expect CMC to provide to help them conform with level, especially from affordability point of view. Assess needs of MLCs through consultation and negotiation. Questionnaire not possible - each service somewhat different.
- 5.3 Yes. Should be measured. Haven't done much to measure individual performance, let alone collective performance. Performance management not yet clearly defined. Efficiency and effectiveness can be measured.
- 5.4 Is measurable. Aspects: Quality, frequency. Monitoring, interviews, operator can be required to submit report.

- 5.5 Yes. Physical surveys. Is drain working, how often electrical interruptions, how long it takes for a fire tender to respond, traffic police response. But proper recording systems have to be established. Also public opinion - market survey. City council might have worked on market survey which was somewhat controversial. Will be less objective, but will show what people feel, which is important.
- 5.6 Can be measurable, depending on how you are going to measure, by quality or assigning a unit. Some services more difficult to measure, like financial services, but are value-laden. If set standards beforehand, then can be measured. Both in delivering required service and efficiency in delivering service. Reliability, effectiveness, making a difference.
- 5.7 Is. But different services will have different methods, indicators for measuring. How - complicated due to varied nature of services. Also some sort of definition or agreement from public side around what that is, service level agreements

6. *What tools do you think could be used to improve service delivery?*

Management practices							
Marketing							
Internal marketing							
Technology							
Market research							
Promotion							
Safety							

- 6.1 Business plan. Core / Non-core business. Price Waterhouse Coopers model. IDP. Contract appointments. Cross-subsidisation from profitable. Reducing staff-part of budget. Technology, Internal marketing, innovative management.
- 6.2 Better understanding on side of public and public sector. Perceptions: what can be done and what need to be done. Marketing role in public perceptions of what can be done. Measurement of need, demand and

performance. Performance encompasses reaching of targets for level, quality, quantity, cost.

- 6.3 Community awareness of what is trying to be achieved, and if there is actually a goal. Business planning is an important tool. Strategic way of planning.
- 6.4 Security and safety measures, technology, looking at needs of customers.
- 6.5 Performance management which is not yet part of local government culture. Local government has not committed itself to proper training that is needed of managers and functionaries, people just do tasks because it is on their job description, they need to be educated, capacitated, and understand the bigger picture, that they are not just a small cog in a big machine, they play an important role. Motivation, staff morale.
- 6.6 Management should change its paradigm from serving to people who have internalised entrepreneurial skills. One-man operator in bus company. Key performance indicators. More run on business principles.
- 6.7 Two things: improving the service and improving the perception. Delivery: Better planning, using business plans and linking that to budgets, better coordination. Perception: Working more closely with the public, involving them in setting priorities. Making sure we are putting our resources where the public is wanting them. Training and education at school level, heightening awareness.

7. *Should service delivery be improved, and is this possible?*

Yes							
No							

(Always possible)

- 7.1 Yes. Never say at ultimate. Always possible. Educating people. Breaking out of traditional ways. Technology like Groupwise. "Talking the same language".
- 7.2 Can always be improved. Never perfect and at peak, circumstances and environment changes.

- 7.3 Yes. Should be improved. Legacy of inefficiency. Critical analysis, can get rid of inefficiencies. Restructuring was aimed at improving efficiency. Should be adopting developmental approach to service delivery.
- 7.4 Yes. Yes.
- 7.5 Yes, must be, but there is a cost factor - affordability. In terms of price paid, rates paid, there is room for improvement, creating value for money. Bigger bang for your buck.
- 7.6 Definitely yes, and is possible. Do not believe service is value for money.
- 7.7 Yes, always striving to give more efficiency. Reviewing. Making sure not overproviding, partnerships.

8. *Do you feel there is room for improvement of service delivery in your organisation?*

Yes							
No							

- 8.1 Above
 - 8.2 Yes.
 - 8.3 Yes. Working in silo's. Need to adopt holistic approach. Interface between line and staff not always well mentioned. Room for optimal utilisation of resources, financial and human. Like to start from clean slate, service to deliver firstly, then build organisation. Restructuring has involved too much accommodation.
 - 8.4 Yes, but need money and resources to do it.
 - 8.5 Yes, in CMC.
 - 8.6 Yes.
 - 8.7 CMC yes, and in directorate.
9. *Where do you think your organisation is going wrong in its methods of delivering services?*

Challenges

- 9.1 That which has been philosophically adopted is not being implemented fast enough. Getting it from the mind to the heart. Time spent on integration. Devolving down decision-making power. Empowering lower echelon.
- 9.2 Politicians set the level, not always adequate political consensus on what needs to be done and how it needs to be done. Left with a situation where politicians instruct to go one route which may not be the most appropriate route based on the need out there. May occur. Politicians represent public, communities differ in their perceptions of what they want and need, and so do politicians, political parties have different approaches. Must take into account their directions.
- 9.3 None
- 9.4 Don't do enough customer integration, stakeholder consultation, are consulting people, but really in driving seat because we are a co-ordinating body.
- 9.5 Politics. To be walking down the road of restructuring when previous round of restructuring's dust has not settled, cannot be good for service delivery. Not saying what we have is perfect. People are very unsettled. With change and transformation. Through affirmative action, situations exist where people are getting paid for a job they are not equipped to do, not able to deliver that service. Too much crisis management leaving too little time for management. Should be putting things in place for approaching restructuring, but uncertainty due to elections is telescoping time frames.
- 9.6 Has not changed enough. Not adapting to new technologies to improve workflow.
- 9.7 Need more integration in CMC, very aware of that. Better identification of and focusing on priorities on short and long term. Human resources / business plan need to be complemented with performance management.

10. How does your organisation determine what services it should deliver? (How is policy formulated?)

Legislation							
Consultation							
Internal processes							
Political							
Needs analysis							

10.1 Politicians - through politics. Academics. Public input in developing criteria. Criteria developed - mathematical system. NGO's, Scientifically and Politically.

10.2 Legislation prime guide, what have to and can't. Political parties decide policy based on technical advice from administration.

10.3 Prescribed. Organisation is a product of a negotiation process. Cape Metropolitan Negotiating Forum prior to restructuring of local government, one of the institutions created was CMC. By proclamation we are told what we should do. Structured according to core business. Not clearly understood.

10.4 Have a status quo, analyse transport needs, encourage people to come onto public transport.

10.5 Deals with policy, such as metropolitan spatial development framework. Through understanding of international best practice, of how cities best function, our responsibility to persuade politicians, stakeholders that in fact the way we would like the city to function is to their advantage. World bank classified city as one of the most inefficient cities in the world, because of long distance commuting, average distance travelled to work is 14 km. Paris: 6/7 km. Part of that because we are 180 degree city, while Paris is 360 degree city. Municipalities: land-use management. Legislation lays down a lot of what must be done.

10.6 Public participation process, IDP involved invitation of public, where they informed what they expect of the council, business plans then developed on

these key priority areas, but done once only and public appreciated it, and now want them to repeat the process.

10.7 Each service probably has different ways of figuring it out. Public consultation with affected stakeholders. Work sessions and interactive sessions. Core functions already defined. Legal requirements which are interpreted in line with responsibilities. Clients, direct users, responding to clients.

11. If this is legislated, who wrote the legislation on the grounds of what research?

11.1 Council does what it deems necessary. Honour provisions of law, constitution. Weighs original legislation against constitution. Consultation of local by central? As and when they feel necessary. Not practically in contact with local. Rates issue.

11.2 In general proper research. Political policy approach, policy formalises a political agenda.

11.3 Legislation product of political negotiation. Looked at existing legislation, classified services as metropolitan or local. Would imagine that facilitators would have done some research, also based on input of technical input from officials. One is aware of deviations from technical advice at political level, as well as international best practice. Eg Fire Service fragmented due to political settlement.

11.4 Process of stakeholder consultation, draft legislation, substantiated.

11.5 Based on sound governance and international best practice. No major dissatisfaction with legislative framework.

11.6 Unfunded mandate: clinics. Emotional political decisions. Self-centered considerations and also consideration of what constituency want. Satisfying a political mandate rather than a service provision mandate.

11.7 Constitution and White Paper on Local Government. Structures Act. Ongoing research at many levels. Have been some research.

12. *If you have some discretion inside the boundaries of legislation, how do you determine where the extent of your service delivery should fall inside these boundaries?*

Research							
Customer needs							
Adding value							
Business plans							

(Can talk the talk of marketing)

12.1 Internal marketing, External marketing. Marketing policy/intentions and getting response. Sensitive to needs. Economic development - as place to invest (developmental). Economic development - for tourism. Local authority not on its own - community should participate, help with funding. Does not receive enough attention. Develop marketing strategy to ensure correct / efficient use of money. Emotional bond, tourism bureau has voluntary part-time component, beyond financial benefits. Not a core-function of the municipality.

12.2 Should depend on customer' needs and wants and available resources.

12.3 Creating awareness / understanding amongst people / clients / key players of something / product /service / strategy. Even selling idea or strategy, making people buy into what we want them to believe. Convincing, influencing people's choice.

12.4 Economic benefit.

12.5 Through the discipline of business plans. Politicians take responsibility. Not very scientific way of prioritising, but have a long-range focus or orientation.

12.6 Sphere of operation, scope, freedom of movement of officials are limited. Director's job could be done by junior official. Write a report to council and council will decide. Leeway limited by council. Checks and more checks. Do some research, ask officials to investigate and give suggestions.

12.7 Look at where value can be added by directorate. Look at gaps, try to fill it. Coordinate service providers to fill gaps, support development of organisations.

13. What is your perception of what "marketing" is, how would you define it?

Product							
Placement							
Price							
Promotion							
People							
Planning							
Customer care							
Needs analysis							

(Were not given lists that gave clues.)

13.1 Departments to be involved: Corporate Services (Public relations), Customer Care Bureau will play major role, economic development, links with tourism board, supporting role. Coordination needed, public only want to see results, certain things higher profile, need to be seen as an organisation. Marketing function to sell electricity, need person dedicated for this. Same theme for each and every department, on strength of business plan and guidance of strategic planning section. Inherent part of general public relations division, economic development and all should work through public relations / customer care. Marketing of place, as investment. Boost payment of accounts. Marketing to business, to tourism. Marketing must be focused on ultimately increasing revenue flow to municipality.

13.2 Selling a product. We're selling a service. Must make sure it's a product people want. Needs analysis.

13.3 None

13.4 Promoting the concept of public transport and trying to attract people to it away from their current mode. Recognising that people need to be attracted to it not just with words but being offered something.

- 13.5 Persuading people what they need. Traditionally very competitive. Gaining advantage over competitors. In the public there are no competitors, so marketing is in fact informing people of the benefits they are gaining from your service, when there is no competitor. If used pro-actively, it can have a very positive effect. If people believe in their city that they live in, they'll promote it. Promotion marketing can engender a very positive belief and self-worth.
- 13.6 A process of selling what you can do, the services you can provide, or selling whatever you want to advertise to a possible client. Advertise in such a way that client is interested.
- 13.7 Public Awareness/PR exercise that let your desired audience know what it is you are offering. Assumes some fresh / exciting way that you can relate to. Sometimes have to be cautious. Marketing exercise - does not always carry substance with it, or ethics. Public awareness. May have gotten tired of the word marketing, perhaps marketing does not go with local government.

14. *What functions would you feel forms part of marketing?*

Product							
Placement							
Price							
Promotion							
People							
Planning							
Research							

- 14.1 Yes. Customer care / Public Relations. Target audiences.
- 14.2 Needs analysis. Opinion analysis. Opinion of level of service. Evaluation of service. Selling of service.
- 14.3 Communication of all sorts, written verbal symbolic. Use of technology. Presenting skills. Creating awareness. Understand business principles, or understand the environment inside which one is working, eg Public Sector.

Economics: Supply & Demand. Negotiating skills, able to convince people, be assertive, believe in himself, no fear for public life. Public relations as a part. Promotion. Use agencies to do PR. Most of the time of a CEO is spent on PR work. Whether internally or to council or to promoting.

- 14.4 Research, product quality control, promotion, efficient management.
- 14.5 Public relations, industrial relations, branding.
- 14.6 Advertising, planning, creativity, communication (radio etc), identifying target audiences.
- 14.7 Define target, client, what it is you are marketing (product), communication strategy. Difficult because you often have a small marketing team that must link in with strategic level, operational people. Around PR, but has multidisciplinary understanding of the organisation. Research for awareness of environmental conditions and changes.

15. *Do you feel marketing has anything of value to offer society? Why?*

Yes							
No							

- 15.1 Yes. Each official which interact with publics is actively marketing the place. Many marketing initiatives can be outsourced. The demand for proper marketing is of such a nature that building a massive internal capacity is not worthwhile. Imperative is there, initiative inside organisation, but execution of function can be outsourced. Micro and Macro, increasing possible market.
- 15.2 Yes. Provides info to public/customers. Allows fully informed opinion about what needs to happen. Not hard selling in public sector - forcing things on people which they don't really want.
- 15.3 Yes. If you sell a story negatively, or if you limit your communication to only the good things in life you lose the impact. But if you come up with a objective strategy of informing and transparency etc it changes the perception. Abattoir worked at loss and city council wanted to sell, chasing

away business. CMC took over and embarked on marketing campaign, promoted idea that not going to sell/privatise and going to turn it around, and the spin-off was influx of animals, figures took up. Deficit reduced and now breaking even after two years. Happened because changed perceptions, commitment and communicated that commitment. Attitude changed and abattoir flourished.

15.4 Yes. Will identify needs, open up niches for service providers to take on that offer. Also give substance to potential of starting up a business.

15.5 Yes. Not just to get advantage, marketing can change people's perceptions, because what is going into people's minds is very important. Some people could call it propaganda, which can be used very powerfully for both good and bad. Can be abused.

15.6 Yes. Makes one aware of things. People are making value judgements because they are not aware of certain things. If awareness is raised, perception changes, and the decision you will make changes. Raises awareness. Public education.

15.7 Whether facade or awareness building would determine. Danger of being unethical, misrepresenting, hard selling. Need marketing face, in terms of marketing place, to be competitive. Has a value, linked to purpose.

16. *Would you regard marketing as a part of those duties and functions performed by public sector officials? Why?*

Yes							
Unsure							
No							

Should							
Should not							

16.1 Yes. Not just here, outsourcing.

16.2 Should be, hasn't been.

16.3 Not normally. Fear of interface between self and clients. Ivory towers. But should have changed already. Not being performed, should be performed. Previous perception that must exist, therefore no need to explain. Also now believed that many functions could rather be performed by the private sector. Monopoly has changed, is challenged. Now important to market what we do and how good we do it.

16.4 Yes to certain extent, but should be improved on substantially. Don't have the expertise to do it, and should use consultants to assist us.

16.5 Don't have the expertise, can be outsourced. But internally shouldn't be starved of total capacity because you need to provide guidance. Have some capacity internally to manage the outsourcing. Should be a level of knowledge which is not currently present.

16.6 Not trained to do that. Lack the creativity. Marketing should be left to private sector people. Marketing contradicts the values of public service - stiff chappy, suit, not think, law is there to guide you. With marketing boundaries are limitless, think too radical for public sector. If person is trained to be a public official, that person should forget about marketing (engtevrees). Sceptical about it, but if entrepreneurial and innovative, could be useful. Need to fire all of us, bring in new people, people who will think in a certain direction.

16.7 Yes.

17. *Do you see any role for marketing in the public sector? Why?*

Yes							
No							

17.1 Yes. No doubt.

17.2 Marketing is an extension of what all local authorities are trying to do in terms of getting community participation in decision-making, and they are required to do it in terms of legislation. Also have moral responsibility to do that, reason for being here is because of the community, the general public

out there, they pay us to provide them with a service. Legal responsibility and moral responsibility for community participation. Marketing and community participation in public sector overlaps.

17.3 Yes. Disaster Management.

17.4 Yes. Outsourced because different specialisation.

17.5 Yes. Classic example is minister of Water Affairs. Why is he rated so high? Because working for water was so prominent, he allocated enough funds for media and marketing, clever concept. Public perception entirely reliant on what was visible in the media. Exhibits, big boards along the roadside, logo.

17.6 Definitely. Public Liaison Officer, partly to market council. There is a place for a marketing person in a local authority, public service.

17.7 Yes. Quite specialised, need to be developed, don't have skills, professionals.

18. *Do you think the application of marketing concepts and practices to public sector management could improve service delivery? Why?*

Yes							
Unsure							
No							

18.1 Want to get HSRC to do needs analysis, especially in new round of restructuring.

18.2 Could - you're sure you are providing the service that is needed and wanted - making customers more aware - less problems in getting them to pay. If knew what he was paying for, and had a say in how it was spent, would be more willing to pay. If people have perception money is wasted, or not getting value for money, or don't know where it is going to, less willing to pay and less likely.

18.3 Yes.

18.4 Yes. Get to recognise issues that have not come to light before.

- 18.5 Yes, indirectly. If people understand the nature of a service and the work that goes into providing a service, they are more likely to pay. Non-payment from lack of understanding. Which is a matter of what is in people's minds. Developed very paternalistic society in SA, somebody else can pick it up.
- 18.6 Danger is to market a product, but no correlation between demand and supply. Can't provide service marketed. Don't have people to provide the service. Determination of percentages to be spent on certain things from national level not based on scientific analysis of differences between localities.
- 18.7 Problem: don't know what is involved in marketing. But as it gives us a better understanding of what is needed, but very indirect. Perception side as well could help. Can encourage two-way communication, better understanding, better appreciation of what is happening in local government. This could also help.

19. *Does your organisation conduct any type of research into the needs of your public, and how is this done?*

Yes							
Unsure							
No							

(Not scientific surveys)

- 19.1 Economic development yes, public relations, customer care, Tourism bureau.
- 19.2 MLCs: Consultation and negotiation. Not objective research, have strong input. Business: Monthly newsletter, invited to give input, regular forum with business representatives, AHI, Business Cape, Chamber of Commerce on one-to-one basis. Hoping to do survey of levy payers, what they want to see from CMC. Fell through (political).
- 19.3 Don't really do needs analysis on which we base our minimum service levels. Haven't done that yet, there is a need for that. Econ & Soc development directorate does it to a certain extent. Don't know how this is

put into policies. Need to come up with strategies to correct imbalances, look at minimum service levels, cycle of services, community profiles, specific services needed by specific communities. General welfare could include more than core business, on which we focus. Community profile analysis, needs analysis could inform the public authorities of what services are in fact required. This may be very different from what is currently rendered. Even if needs referred to relevant possible service provider - will be improving service delivery.

19.4 Yes. Stakeholder analysis, attitudinal preference studies, determining elasticity in certain needs. Done surveys, interviews, modelling.

19.5 No.

19.6 No. Planning to do with public liaison post. Newsletter with survey included to give feedback on customer perceptions. Customer care division planned - marketing strategy. Please phone in! We Care! Major problem is, can you provide that service? Yes and No. Need to hire certain calibre of staff, which cannot be afforded. Customer care person must have enough clout to know and to mobilise resources. People want to see a difference.

19.7 Yes. Keep finger on pulse of policy directions etc. Read, network with people, regular consultation meetings both informal and structured. Issue-focused in Econ & Soc development. Not so much surveys but definitely consultation, project-specific databases of stakeholders. Always possible for domination by interest groups. Are aware of this.

20. *Does your organisation have any type of full-time marketing component or personnel?*

Yes							
No							

20.1 Next.

20.2 No. Employ PR consultants who act as marketing arm to some extent. To business sector, not to MLCs, that done by selves.

20.3 Considered PR function in Corporate Services, political decision rather outside. Within service itself, some staff are used for marketing. Disaster Management, Trading services, Health. Do also use consultancy.

20.4 No.

20.5 No. Have communication people. All major strategic planning studies starts off with socio-economic surveys.

20.6 Yes. Liaison officer.

20.7 No. Rosemary Hare PR. Becoming to realise that communication is important, how things are packaged although no training.

21. If so, what do these people or components market?

21.1 Through corporate services section on voluntary basis. Waiting to fill post. If demand for release through CEO, Major, request then redirected to departmental head, no longer need to see it these days. Constant need for releases from press.

21.2 Pro-actively ensure we're telling everybody what we're doing. Reactively to react to situations. Press statements.

21.3 Answered

21.4 Later.

21.5 Later

21.6 Council and place. Helderberg Tourism.

21.7 RH

22. Who handles public relations in your organisation, how is it managed and how does approval work?

22.1 Not pro-active yet. Press asks. Good relationship with press. District Mail, Helderberg Sun - Open door policy. Letter and response.

22.2 PR function of CEO, admin by corporate services. Strategy - CEO and senior politicians. Exco chair, Mayor. Hi-jacked by politicians.

- 22.3 Until recently very politically driven. After last election a bit of a shift to officials. Very important that officials also take ownership of marketing related projects. That also creates a pride in what we are doing, a willingness to share what we are doing, and an openness to be criticised. Also pick up negatives when marketing, which are also needed, very important, need to know what is not appreciated otherwise will not be able to improve. Will be driven internally with political responsibility which goes with it.
- 22.4 Consultant Rosemary Hare. Chairman standing committee and ED must give OK for media interviews. Discuss reports that go to council, decide which ones will be good for press release. Then writes article, for their approval.
- 22.5 Rosemary Hare public relations. Dynamic situation, depends on politicians.
- 22.6 PRO, complaints through CEO, directors.
- 22.7 CEO & Mayor's Office, EXCO chair, May hire public communication consultants for specific projects, not always RH. Cape Metro Tourism. Use WESGRO as a marketing agency - marketing of place, investment opportunity. Wesgro get funding from different councils and from Province. Official agency.

23. Who handles external liaison in your organisation, how is it managed and how does approval work?

- 23.1 Helderberg Tourism, via economic development, Urban Planning.
- 23.2 PR consultants handle external liaison with press. Draft press release then goes through administration for technical comment finally to EXCO chair for political OK.
- 23.3 Part of the role of every employee, employees embody the Council. In every job description there is an element of PR which is significant in the eyes and the opinions of the people out there. Employees are however not made that aware of this responsibility, which is actually hidden in a job description. Closest was training module on customer care, customer

service, which was done, but success has not really been evaluated. Was before establishing the CMC.

23.4 Consultants which facilitate public meetings, interactive with all three spheres of government, operators.

23.5 Dealt with by consultants.

23.6 Customer care system: Computerised complaints system with tracking.

23.7 Very project-specific, lower levels.

24. What are the roles of politicians in promoting your organisation?

24.1 Very important role. Should know they can influence tourist's perception. Office bearers promote important function to promote. Re-directs complaints. Potential very large. Important public should also realise this. Parties.

24.2 Very strong.

24.3 Important for politicians to clearly distinguish between their roles as party political person, and promoting the image of the council on which they serve. That dichotomy sometimes abused by politicians, to boost party-political image rather than to boost image of council. Very often politicians admit they sometimes don't take the best decision in the interest of the service but that they take a decision out of best political interest. Could see this shift with introduction of politics into local government. They have a definite role because they are the decision makers, best commitment is to commit themselves publicly to good, sound, administration with adequate controls and service delivery based on community needs. Adding value to the quality of life. Need to accept that SA has emerged into new democratic era, and that maturity level of politicians are sometimes still lacking, over the next few elections need to attract better caliber. At this stage still based on party list.

24.4 Significant. They make all the decisions.

24.5 Major role. The image they project. Major is wonderful, photogenic, out there, ambassador. Politicians can do much more than officials can - more room to move. It is part of their job.

24.6 Don't know their role. Good at promoting political parties. Remains to be seen whether they are promoting the Helderberg.

24.7 Important role. Work with communities, are the public face. Often the first point of call. Link could be strengthened between them and the officials. Links in very well. Exco might have specific role.

25. *Should politicians be the primary contact with the media for your organisation?*

Yes						
No						

25.1 No. Own agendas they try to promote individually.

25.2 Are primary contact. Face of local government has changed. Senior politicians see themselves as reflecting the political body of the council, they see it as essential to get coverage, they are supposed to reflect policy, administration to provide technical info that media may require. Up to politicians to comment on policy, because they determine policy.

25.3 No. They have a definite role to play. Officials need to give necessary technical input. Politician can then take that and make a political statement based on that. Partnership between politician and senior official, at ward meetings clearly role of politician, who is assisted by official. Not to misinform.

25.4 No. Need the contact because they always give a different aspect to the thing, technical people see it in speciality line. Going into media, it is important to have the technical facts right, and the politicians don't usually have that aspect at their fingertips. Politicians can screw it up quite easily. Joint is the best.

- 25.5 No. Must be a balance with technical support. Otherwise people will get impression that it is really just a political creature. There is technical information that needs to come across. Iterative process, give and take. Neither side (also consultants) should dominate.
- 25.6 No. Especially with politicising of local authorities. Politicians are not necessarily telling the truth - rather the party line. Never agree over party lines.
- 25.7 Not the primary role. If complemented with technical advise, OK. Problem is media always need more technical , makes it awkward. They take responsibility for policy, must articulate this policy, explain it, the why.

26. Do you have an advertising budget?

- 26.1 Have advertising budget, all departments. Drukwerk/Skryfbehoeftes. Helderberg Tourism Bureau. Publicity not enough money.
- 26.2 PR budgets. Budgets inside departments for their PR and advertising. Frequently considered in planning for projects. Pr Company, in preparing for projects, give inputs about how it can be marketed.
- 26.3 Yes. Specific media, also corporate.
- 26.4 Yes. Part of consultants fee. Do have money for promotion.
- 26.5 Yes. Communications / marketing / media.
- 26.6 No. Use printing and stationary. Being pragmatist.
- 26.7 Yes. Advertising for staff and consultants. Within each project has communications budget. Would depend on event. Major events. (Kite festival videos - Pat Lennox)

27. Who would you regard as your customers or clients?

Clear							
Unclear							

(Clearly articulated or not)

27.1 Later

- 27.2 Local councils who receive services. Business people (levies) - accountable but not necessarily customers.
- 27.3 Variety. Adding value to MLC services. Market - Industry; MLCs (Prot); Air Poll, Cemeteries funeral directors. Direct - ambulances, rest largely indirect.
- 27.4 Passengers, implementing agents (operators), work in the interest of the user, trying to co-ordinate. Operators could be customers as well.
- 27.5 No. Research is not really done. Clients really whole metro, not only levy payers, developers, environmental people, ratepayers' associations. With two-tier system always debate about how far we go down.
- 27.6 Ratepayers, principals, constituencies, every individual in area expects certain services.
- 27.7 MLCs are primary, broader interactive all potential businesses, anybody who would like to be part of the labour force. Through WESGRO very targeted.

28. *Do you think you really know your clients?*

Yes							
Improving							
Unsure							
No							

- 28.1 Very good idea, good relationship. Externally focused. Not sitting behind desks, moving out. Small enough for good response.
- 28.2 Yes - know local councils.
- 28.3 Trading services - fora, represent sectors. In work sessions. Fora. Co-operate with clients.
- 28.4 Yes. Know who they are, but don't know them well. Not close enough to them.
- 28.5 Yes.
- 28.6 No.

28.7 Primary clients yes. In bigger stakeholders groups as well. Don't know enough about the poor, for poverty reduction strategies, but know this, working on better database.

29. *Do you think your organisation is client-oriented?*

Yes							
Unsure							
No							

29.1 Later

29.2 Not as much as could be.

29.3 Yes. For a. reports structure: "Other bodies consulted". Key players not ignored.

29.4 Try to be.

29.5 Later

29.6 No. Core, non-core and discretionary. Too large a percentage of services are inward-looking. Not customer oriented. Too many support personnel, too little line function men.

29.7 Yes. Good awareness.

30. *In your opinion, if public sector managers knew more about marketing, would this improve service delivery?*

Yes							
No							

30.1 No doubt. Concept of marketing not receiving enough attention. Restructuring in the way, no proper focus, Helderberg at end of restructuring now has time to. Not perceived important enough. Fearful next phase same internal focus. Conscious decision to separate strategic and operational.

30.2 In certain areas yes. Not so important in corporate side (administration of council). In rendering line function to client, it is essential. Even support

services must sell themselves to line functions, they need to have some knowledge to market themselves. Especially with outsourcing of functions - competitive bidding etcetera - way we're going.

30.3 Their PR role understood, then yes.

30.4 Yes. It would open another avenue of vision in their scope, give more attention to certain detail that might normally have passed them by.

30.5 Undoubtedly.

30.6 Would definitely, would change their way of looking at service delivery. Can change focus, include marketing in management.

30.7 Yes, in terms of two-way communications. Will have to look at range of tools which could be used, all would not be appropriate all the time. Will be able to tailor product better to fit client.

31. *Do you think public sector marketing should form a part of the training of public officials and/or the curriculum of public management courses?*

Yes							
No							

31.1 Orientation plan engineer becomes marketing.

31.2 Yes, even if only a basic service - as local government moves towards becoming more customer-centered, community-oriented, selling services to them.

31.3 Important transparent and open, understanding of clients in new era, democracy, consultation. Skills imperative: Yes. Not business as usual.

31.4 Yes. Versions of it, like for taxi drivers to make them more aware of tourists, dealing with the public personnel could benefit. Being a public service we should be client-oriented and be reminded who our clients are. One often forgets that. Now going direction of bidding for routes, which will put more onus on operator to attract revenue. At moment profit more from subsidies than from fares. Whole focus of public transport, monopoly, has been wrong. Introducing regulated competition. All just requires money.

About R400million of subsidy annual to train and bus. Looking at Metropolitan Transport Authority, redirect funds which is not possible at moment.

- 31.5 Not really training, because expertise lies outside. To spend a lot of timing training not good. Rather people need to be enlightened, to understand the kind of business they are in, the importance of public relations, the customer is always right should be a motto. Must listen to complaints, get to know what the expectation is that we are not fulfilling. Close relationship between marketing and public relationship.
- 31.6 Yes. Otherwise they wouldn't learn it. Will assist in the understanding of marketing. Need mentoring for new public managers, but is dangerous because could be taught old tricks. Will generate interest in marketing.
- 31.7 Need for effective communication strategies and linking what we are producing with what a consumer wants. Yes. Getting an understanding of what marketing is so that you could get in what you need, recognising that need.