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The Concept of Marketing Practices and Service Delivery in the Public Sector: A Focus on the State of Alabama

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Abstract

The development of services affiliated to the public sector is adversely increasing and has an increased role in the national economy. Numerous public sector institutions have been undertaking marketing activities with the intention of enhancing service delivery according to their Service Charters. The paper determined the influence of public sector marketing on service delivery in federal agencies in the state of Alabama. This study was anchored on three theories, namely: marketing mix theory, public choice theory and resource based theory. These theories were used as they relate to marketing concepts and they inform the study on the marketing aspects in diverse institutions. The study used the marketing mix practices used in the public sector including products, price, place promotions and service marketing. Descriptive research design was used because it focuses on complex analysis to bring out the correlation of variables. The study captured main federal agencies in the state of Alabama. The results indicated that all the variables carried positive predictive power although there was variation in significance level. The results also showed that product marketing had a positive and significant effect on service delivery. Price marketing had a positive and significant effect on service delivery. Promotion marketing had a positive and significant effect on service delivery. Lastly, place marketing had a positive but insignificant effect on service delivery. The study concluded that product marketing, pricing marketing, place marketing and promotion marketing strategies have a positive effect on service delivery in the public sector. The study recommended that the marketing mix strategies should be widely adopted by federal agencies order to have greater influence on service delivery.

Key words; *Marketing Practices, marketing mix theory, Public Sector, Service Delivery & The state of Alabama*

1.1 Background of the Study

The development of services affiliated to the community is adversely increasing and has an increased role in the national economy. This is an upcoming concept in the marketing field. Although marketing process is deeply entrenched in the public sector Fine (2017) finds that “employing marketing as a game plan to promote the public service has been an issue open to discussion in the public sector”. Numerous community sector establishments have been undertaking marketing activities with the intention of enhancing service delivery according to their Service Charters (Torres, Royo & Garcia-Rayado, 2020).

Three theories namely marketing mix theory, public choice theory and resource based theory guided this study. These theories was used as they relate to marketing concepts in both the private and the community sector. Public choice theory stipulates that overall marketing discipline in the community sector is as a result of rivalry to public service while maintain the benefits of public sector involvement” (Kotler & Armstrong, 2013). Marketing mix entails the four main elements critical and necessary prior to introducing a new product in the market place (Bhasin, 2011). Resource based theory determine the need of resources in competitive advantage. In addition, they inform the study on the marketing aspects in diverse institutions.

As indicated by Kotler and Armstrong (2010), promoting is fulfilling needs and wants through a trade procedure. Marketing in the public sector includes tangible and intangible products, communication, Price and location in relation to place in marketing (Kotler & Armstrong, 2010). Furthermore, Gordon (2011) describe marketing from a duo perspective meaning that it entails a people process and it utilizes management concept whereby both groups and independent consumers actualize their necessities and aspirations, this is facilitated by the concept of offering and exchange of goods and services that are of value hence satisfaction. Therefore, the role of marketing is to establish, predict, mould, communicate, avail and facilitate the exchange of quality for purposes of customer/society fulfillment. (Armstrong Soule & Reich, 2015).

The marketing mix strategies are secured on these 4Ps, which characterizes the bearing of marketing endeavors so as to make an upper hand (Kotler & Armstrong, 2013) The idea of marketing mix system in this way includes a conscious and cautious selection of procedures and strategies for association product, price, promotion and place, just as the extra 3ps for administrations in particular individuals, physical presence and procedures. Every one of the components must be appropriately chosen and mixed in right extents so as to improve product or administration and make it alluring to the client.

Marketing in the community sector focus on illuminating and offering possible answers in the exchange and interrelationships between a government organization and individuals, organizations and communities for purposes of bettering performance of tasks and services offered to the community and general public (Tomkinson, 2017). As Kotler and Lee call attention to, advancing ends up being the best masterminding stage for an open association that necessities to address local issues and pass on real worth (Kotler & Armstrong, 2013). According to Serrat (2017), “public agencies can gain more rewards by focusing on marketing approach and entrenching the concept in articulating solutions and solving problems.”

Public sector marketing according to Peattie and Newcombe (2016) provides coordinated effort towards placing the customer at the very central point in any marketing organization and identifying potential customers with a possibility of responding to what is offered by organizations, understanding communication and citing environmental forces that have ability to influence

success of public sector firms. In addition there is need to deliver timely programs and services by appreciating time utility, place utility and value for the customer investment. It includes a resident focused methodology, one that helps address native grumblings, changes their recognitions, and improves execution (Peattie & Newcombe, 2016).

Delivery of intangible goods is a process of providing for community requirements example transportation sector, communications, or services such as electricity and water (Adam & Featherstone, 2017). According to Wollmann, Koprić and Marcou (2016), service delivery in government involves the provision of services to citizens. The arrangement of open governance, for example, medicinal services, empowering, justice and sanitation is a key undertaking by the government (Kankanhalli, Zuiderwijk & Tayi, 2017).

Open oversight conveyance give the most widely recognized combination among individuals and the state, this influences mutual trust and confidence between people and government. The Government has a fundamental job in the conveyance of a wide exhibit of open administrations from equity and security to administrations for individual residents and private ventures (Yu & Parmanto, 2011). A portion of the customary administrative administrations, including framework, open transportation, government funded instruction and wellbeing. Other than conventional open administrations, there are authoritative administrations, for example, conveyance of licenses and consents, which are dependent upon guideline of regulatory procedures.

Verifiably, open administrations appear to be lower on the stepping stool of effectiveness with respect to their partners in the private area in the universally (Wollmann, Koprić & Marcou, 2016); Zaheer & Rashid, 2017). This is as, “for a very long time, most providers of public services have not faced the threat of competition. Usually the patrons of public services are captive users with little or no choice of providers. This situation makes most public service organizations to be more supplier driven than customer driven. In addition, very often there are no performance metrics to guide behavior and decision-making” (Prout, 2018). However, recent deregulation policies in public services coupled with pressures on public expenditures have made it imperative for managers of public service organizations to constantly search for new and better ways of driving productivity upward while at the same time ensuring effectiveness in meeting the needs of citizens” (Cordella & Tempini, 2018).

According Tomkinson (2017) and Heijlen, et al (2018) some of the measures for service delivery in government include responsiveness, timeliness, customer fulfillment and quality service. Customer satisfaction measure of how well a products and services supplied by the government meet or surpass customer expectation and it is seen as a key performance indicator within government”. Assessing buyer dedication offers a hint of how productive a foundation is at giving things or conceivably organizations to the overall public (Serrat, 2017). Quality service delivery is the degree to which a product or service meets the needs or expectations of a consumer. It is indeed a basis of evaluating how well a commodity passes a trial on what it’s supposed to do.

According to Aguinis (2009), evaluating how services are offered to the open public consumers is an effort backed by organizational policies to achieve certain objectives in addition it can be described as the attainment of a particular goal calculated based on identified or set standards of accurateness, completeness, speed and cost and measured by absorption rate of the development budget and performance contracting (Javed, 2014). Indicators that can be used to gauge service delivery may include output, efficiency, effectiveness, quality and profitability. Efficiency is the

ability to achieve desired results while using the least amount of resource possible, while effectiveness is the ability to produce a desired or expected outcome (Nassazi, 2013).

1.2 Statement of the Problem

Different views have been expressed by Socialists, liberals and politicians regarding the public sector. The views are influenced by economic situation such as the level of democracy, federal structure, and resources available. According to Kotler (2013), “in an era when the public sector organizations must perform better than before to respond better to the public interests, irrespective of whether or not they govern the character of public provisions as opposed to production of goods and services themselves, marketing can greatly help. A marketing road map is critical for improved service delivery in the public sector, but letting people know you are indeed doing the right thing is the most important thing. Kotler and Lee (2007) opine that “marketing is much more than just advertising; it is more about knowing your competitors, customers, and partners; segmenting, targeting and positioning; persuasive communicating; innovation, launching new services and programs; developing effective and efficient delivery channels; forming strategic alliances and partnerships; performance management, and pricing and cost recovery”. Marketing is therefore the “best planning platform for public institutions that want to meet citizens’ needs and real value delivery” (Mothersbaugh, 2015).

However, Walsh (1994) argues that public institutions typically deliver exclusive and sensitive solution including matters affecting security of a nation, public installations, extinguishing services, correctional facilities such as prisons, primary education, and taxation hence marketing those services would be either inappropriate, risky, or uncalled for. He further argues public sector marketing is effective for the less sensitive and politically leaning services such as transport and infrastructure, and social protection; hence paving way for outsourcing and privatization.

Against this backdrop, a comprehensive study on how community sector marketing is undertaken in federal agencies in the state of Alabama is a unique one and assumes greater significance. This provides key answers as to the impact of community sector marketing and how services are rendered in federal agencies in the state of Alabama.

1.3 Objectives of the Study

To highlight the concept of marketing practices in the public sector and performance in service delivery with a focus the state of Alabama.

2.1 Theoretical Review:

2.2.1 Marketing Mix Theory

This is a synthesis of marketing components applied in order to achieve marketing goals Neil Borden (1953). The endeavors must be strong enough to combine in order to fulfill market needs and amplify benefits. McCarthy in 1960 then “summarized marketing mix elements as four categories: Product, Price, Place and Promotion” (Cha, 2009). In 1967, Philip Kotler established that the most significant components in marketing mix, therefore organizations should focus keenly on the combination of marketing elements and ensure that they are strong selling points. Price implies the worth of a product or service. Place requires the firms products and services should be accessible to the consumers. Promotion necessitates the organization to focus on changing the appropriate practices to energize purchasers and utilizing present moment, for example, markdown, to advance the development of utilization (Wander, 2007)

The theory is as yet utilized today to settle on significant choices that cause the execution of an advertising plan. The possibility of a marketing mix hypothesis is to compose all parts of the marketing plan around the propensities, wants and brain science of the objective market". Marketing Mix Theory combines various subsets so as to strengthen an item's image and to help sell the item. The components combined by this are products, price, promotion and place forming the Four Ps. These four P's facilitate publicizing of product so as to clarify worth and make a positive reaction.

The marketing elements was particularly useful in the early days of the marketing concept when physical products represented a larger portion of the economy (Grönroos, 1994). "With marketing having been increasingly incorporated into associations and with a more extensive assortment of items and markets, a few creators have endeavored to broaden its convenience by proposing other three 'Ps, for example, physical proof, individuals and procedure". Today notwithstanding, the advertising blend most regularly stays dependent on the 4 P's. Regardless of its impediments and maybe due to its straight forwardness, the use of this element remains sturdy (Kotler, Burton, Deans, Brown & Armstrong, 2015)"

2.2.3 Resource Based Theory

RBV focuses attention on "an organization's internal resources as a means of organizing processes and obtaining a competitive advantage. Barney stated that for resources to hold potential as sources of sustainable competitive advantage, they should be valuable, rare, imperfectly imitable and not substitutable. According to the RBV associations must create one of a kind, firm-explicit center skills that will enable them to beat contenders by doing things another way (McIvor, 2014). In the resource based view, strategists select the system or focused position that best abuses the inside assets and abilities in respect to outer chances. Given that key assets speak to a mind boggling system of between related resources and abilities, associations can receive numerous conceivable focused positions"

The RBT framework examines how a company's unmistakable and immaterial assets empower it to accomplish a key upper hand in the marketplace (i.e., monetary prosperity). The RBT system depends on the possibility that assets are unevenly scattered crosswise over contending firms and firms increase a vital upper hand by viably sending substantial and immaterial assets that comprise of four attributes (Barney 1991). The asset is significant (i.e., the asset empowers the firm to improve its proficiency and adequacy to adventure market openings as well as kill market dangers).

Resource-based theory allege that "the possession of strategic resources enable an organization to outdo its competitors. (Barney 1991). The rationale is appropriate among venture the board and maintainability. This sort of assets can't be obtained however might be gained through staff preparing. At last, having the correct aptitudes and the cash to begin a task isn't sufficient; the undertaking group needs to connect with nearby network or partners for help among different variables.

The importance of the resource base view grounded on the fact that assets can drive upper hand, particularly in connection to fruitful promoting in establishments. With regards to this examination, so as to make an administration conveyance in the open division, the establishments needs assets in capital and HR which supports the utilization of this hypothesis in this investigation.

2.2.4 Public Choice Theory

Buchanan and Tollison (1984) formulated the public choice theory which asserts that economic principles that influences peoples actions are the same principles that influences peoples decision making process in the market place, hence theory seeks to comprehend and foretell peoples political behavior as influenced by the will to make realistic choice (Peattie & Newcombe, 2016).

Brennan and Buchanan (1988), emphasizes that the difference between economics and other social sciences is not its subject matter but its approach. Indeed economic focus is interestingly ground-breaking since it can incorporate a wide scope of human conduct. It expect that legislatures comprise of people. There are no administration thinks or acts and government activities are the consequence of people settling on choices in their jobs as chose authorities, selected authorities, or officials. Individuals in government, “like those in the private economy, select options that represent the best set of costs and benefits. Their decisions are, in this sense, self-interested” (Stringham, 2005). However, it has been criticized for lack of empirical support and for its methodological approach.

The theory informs the study on marketing in the federal agencies which are part of the public sector and how marketing could be affected by public choice since, people, premium gatherings, officials, and federal agencies officials are accepted to look for their own personal circumstance as in the market place. Further, the choices made rely upon the expenses and advantages of a move made whereby each gathering endeavors to augment their own net advantages.

2.3 Public Sector Marketing

According to Kotler and Armstrong (2013): Hope (2012); Serrat (2017) and Peattie and Newcombe (2016), some of the marketing mix practices used in the community sector include products and services marketing, price marketing, place marketing promotions and service marketing. These practices are reviewed in detail in the subsequent sections.

2.3.1 Product Marketing

Product system alludes to every one of the merchandise and ventures that an organization offers to the objective market so as to fulfill their needs. It also includes tangible goods, intangible good, places, organizations or ideas that can be offered for purposes of ownership, use and that which might fulfill human wants (Kotler 2013).

2.3.2 Price Marketing

This is the worth in return of a product. Its therefore is the worthiness placed by purchasers sooner or later (Mothersbaugh, 2015). It is indeed a critical tool in the marketing elements mix because it provides a possibility for exchange process, it generates revenue and it can be used interchangeably to communicate different issues like quality. (Cowell, 1984).

2.3.3 Place and Distribution Marketing

Kotler and Armstrong (2006), assert that distribution refers to a link that enables the organization to make the product available for utilization by consumers. Place, additionally alluded to as appropriation channels, are the methods you use to convey your contributions, with choices in regards to where, how, and when natives will get to your offer and how wonderful the experience was (Farquhar & Robson, 2017). Choices for conveyance incorporate physical areas, telephone,

mail, portable units, web, e-administration, where natives as of now shop (Chatfield & AlAnazi, 2013).

2.3.4 Promotion Marketing

Promotion and correspondence system is a noteworthy part in the promoting blend procedure. It urges firms to pass on their thing or organizations to the customers. The methodology establishes various components that incorporate individual selling, deals promotion, publicizing, advertising and direct marketing (Kotler & Armstrong, 2010). These parts influence the interrelationship between customer, organization with a bid to influence thoughts and build brand equity (Lehtinen, 2011).

3.0 Research Methodology

This study used a descriptive research which for the most part portrays the attributes of a specific circumstance, occasion or case. The population of interest was federal agencies in the state of Alabama. The unit of observation was the marketing department where marketing managers and officers were targeted. Descriptive statistics such as percentages, frequencies, mean and standard deviation was used for the quantitative data.

4.0 Data Analysis and Discussion

Regression analysis was used to test the effect of public sector marketing on service delivery. The result are as shown below.

Table 1: R Square Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.845	0.715	0.643	0.1848

From the results in Table 1 above, R^2 is 0.715 meaning that independent variables-product marketing, pricing marketing, place marketing and promotion marketing explain 71.5% of the variation in service delivery. This implies that the independent variable contributes 71.5% to the service delivery while remaining 28.5% is explained by other variables other than product marketing, pricing marketing, place marketing and promotion marketing. It is therefore justifiable to make conclusion that public marketing strategies are essential in enhancing the service delivery.

Table 2: ANOVA results.

	Sum of Squares	df	Mean Square	F	Sig.
Regression	1.368	4	1.599	10.016	.000b
Residual	.546	16	0.029		
Total	1.914	20			

The analysis of variance shows whether or not a model is a good fit for the data and the Table 2 above indicates F statistics value as 10.016 and a significant level of 0.000. The p values are less

than the critical value ($p < 0.05$) meaning that the impact of the public marketing strategies is statistically significant on service delivery.

Table 3: Public Sector Marketing Mix and Service Delivery

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	3.104	0.079		39.093	0.001
Product Marketing	0.233	0.037	0.293	3.030	0.021
Pricing Marketing	0.107	0.040	0.258	2.606	0.011
Place Marketing	0.260	0.041	0.121	1.214	0.241
Promotion Marketing	0.073	0.036	0.237	2.515	0.027

From Table 3, all the variables carried positive predictive power although there was variation in significance level. The results also show that product marketing had a positive and significant effect on service delivery ($\beta = 0.233$, $p = 0.021$). From above equation it meant that when other variables are controlled, a unit change in the product marketing would result to service delivery change significantly by 0.233 units in the same direction. The results also show that price marketing had a positive and significant effect on service delivery ($\beta = 0.107$, $p = 0.011$). From above equation it meant that when other variables are controlled, a unit change in the price marketing would result to service delivery change significantly by 0.107 units in the same direction.

Promotion marketing had a positive and significant effect on service delivery ($\beta = 0.073$, $p = 0.027$). From above equation it meant that when other variables are controlled, a unit change in the price marketing would result to service delivery change significantly by 0.073 units in the same direction. However, place marketing had a positive but insignificant effect on service delivery ($\beta = 0.260$, $p = 0.241$). From regression equation it implied that when other variables are controlled, a unit change in place marketing would result to service delivery change but insignificantly by 0.260 units in the same direction.

5.1 Conclusion and Recommendations

The study concluded that given the application of the public marketing strategies namely product marketing, pricing marketing, place marketing and promotion marketing, there been improved level of customer satisfaction in the federal agencies and that there been timeliness in service delivery in the federal agencies. This was supported by the respondents who agreed that there has been quality of services rendered by ministry employees to customers in the federal agencies that there has been efficiency and effectiveness in service delivery in federal agencies. The respondents agreed that there has been improved visibility on products and services provided in federal agencies. The study concludes that product marketing, pricing marketing, place marketing and promotion marketing strategies have a positive effect on service delivery in the public sector

The study recommended that the marketing mix strategies should be widely adopted by federal agencies should be more emphasized in order to have greater influence on service delivery. In

addition to price marketing strategy, formula based pricing strategy and fixed pricing strategy on service stations, the departments can also have smart pricing strategy in various market segment. On product strategy, the firm should venture in other products like technological products and services, to boost service delivery. The federal agencies can also increase physical presence from in the counties to more locations in order to have a more accessible presence.

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