Marketing in the public sector: Towards a typology of public services

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Abstract. The concept of marketing has conventionally been viewed by public service professionals as inappropriate to organizations concerned with the delivery of public good services. However, the adoption of private sector based approaches to the organization of public services in many post-modern western economies has forced a fundamental reconsideration of the potential contribution of marketing to the delivery of public services. Against such a backdrop this paper critically reviews the underlying characteristics of public sector services and through articulating a classification of such services based on the nature of the organization-service user interaction, explores the application of particular conceptualizations of marketing to discrete categories of public services. Key Words • marketing • models • public services

Introduction

The concept of marketing, at least in populist transactional guises, has widely been perceived among public sector professionals as an overtly commercial concept in terms of both its origin and its nature to be of relevance to public sector organizations concerned with the delivery of 'public-good' services (Walsh, 1991; Caruana et al., 1997). Consequently, marketing has conventionally been viewed by such professionals as, at best, irrelevant and, at worst, antipathetic to the delivery of public services (Laing and McKee, 2001). However, the adoption of private-sector-based approaches to the organization of public services in many post-modern western economies, through, for example, the introduction of structural devices such as quasi-market mechanisms and competitive tendering...
procedures, as well as outsourcing service provision through the integration of private sector suppliers into the public sector (Saltman and von Otter, 1995; Day et al., 1998), has forced a fundamental reconsideration of the potential contribution of marketing to the delivery of public services. The need for reconsidering the role of marketing has been further intensified by the increasing prevalence of direct service charges, particularly in the form of user co-payment, and the concomitant emergence of active public sector consumerism as a result of both government policies and social change (Walsh, 1994; Keaney, 1999). Alongside such structural and associated cultural drivers, the central role of public sector organizations, particularly health and education providers, as agents of social change in post-modern societies has similarly made it necessary for professionals in such sectors to fundamentally reappraise the potential contribution of marketing to the delivery of core social objectives.

In this political context, addressing the critical social challenges confronting post-modern economies is dependent to a significant degree on the ability of public sector organizations to design and deliver effective, and appropriately targeted, messages and service offerings. Specifically, the capacity of organizations operating in education, health and criminal justice sectors to achieve effective behavioural change is contingent on understanding the evolving complexity of their relationships with service users and, in turn, the application of relevant marketing frameworks at a strategic organizational level. Against such a backdrop, and anchored specifically within the public policy context of the United Kingdom, this paper critically reviews the underlying characteristics of public sector services and, through proposing a classification of such services based on the nature of organization-service user interaction, explores the application of particular conceptualizations of marketing to discrete categories of public sector services. The articulation of such a typology provides the macro-level framework within which the relationship between public sector organizations and their users can be understood, thereby setting the underlying context within which both service delivery and broader social marketing campaigns require to be framed.

**Perspectives on marketing in the public sector**

The efforts of successive governments in the United Kingdom, both Conservative and Labour, to introduce private sector derived management practices and culture into key areas of public sector service provision has been central to the renewed public sector interest in marketing, in that marketing has been seen as providing some of the critical tools required by managers and professionals operating in such new environments (Pollitt, 1993; Kearsey and Varey, 1998). Collectively these policy initiatives have been encapsulated in the catch-all term 'new public management'. Although the concept of the new public management has been critiqued as lacking focus and precision (Ferlie et al., 1996), at the core of this evolving new management ethos in the public sector is a change in the relationship between service providers and users. From being a relationship
couched in terms of citizenship with myriad mutual commitments and obligations on the part of the citizen, it is increasingly expressed in consumerist terms with emphasis placed on the primacy of the rights of service users, both individually and collectively (Laing and Hogg, 2002). However, such policy initiatives must also be viewed in the context of the broader socio-economic, and increasingly technological, changes occurring from the 1980s onwards under successive Conservative and Labour governments with such developments, impacting on the expectations and behaviours of public sector service users. Central to these socio-economic trends has been the decline in the idea of community and citizenship values and a corresponding increase in emphasis on the rights of the individual (Abercrombie, 1994; Harris, 1999).

However, even within the context of such major changes, there has been a notable reluctance on the part of public sector organizations to embrace concepts of marketing as a means of both understanding and managing the uncertainty inherent in this new environment where market mechanisms and consumer empowerment have replaced the policy planning process as the key influences on organizations (McNulty et al., 1994; Caruana et al., 1997). In part such reluctance may be attributed to the predominance of transactional perspectives in prevailing popular conceptualizations of marketing. Emphasizing competition rather than collaboration, marketing concepts from this perspective appear essentially inimical to the public service ethos of the public sector. However, such popular perspectives ignore the conceptual breadth and richness of marketing, in particular the relevance of relational marketing concepts to the challenges confronting public sector organizations. Against this cultural and conceptual backdrop, available evidence suggests that public sector organizations have largely confined themselves to the utilization of selected marketing tools and the language of marketing, what Ames (1970: 93) referred to as the ‘trappings of marketing’, while retaining their existing orientation in the new consumerized environment in which they operate (Scrivens, 1991; Kearsey and Varey, 1998). Although managers in public sector organizations have increasingly utilized marketing concepts in promoting service redesign, resistance from front-line service professionals to the articulation of such marketing concepts has resulted in a widespread failure to translate such organizational commitment into reality (Laing and McKee, 2001).

This reluctance of public sector professionals to embrace marketing, however, reflects more than simply a deep-seated philosophical antipathy for what is perceived as an overtly commercial concept. Although the underlying concepts of marketing are conventionally viewed as philosophically antipathetic to the ethos of the public sector, in that they are seen as undermining basic democratic values and distorting the demand for public services, it can be argued that marketing concepts are in fact entirely consistent with democratic values in that they reiterate the primacy of the citizen in such services (Roberto, 1991; Butler and Collins, 1995). Rather, the evident reluctance of public sector professionals to embrace marketing principles can be viewed as being based on the perception that the public sector and the services it delivers are unique and distinctive, and an adherence of public sector professionals to established transactional conceptual-
izations of marketing. Walsh (1991: 15), reflecting on marketing from a public management perspective, argues that:

. . . there are fundamental differences between the public and private market sector, both in terms of the services that are provided and the conditions under which they are provided. . . . The ethic that governs the public sector is quite different from that which applies in the private sector.

It is also argued that the characteristics of public services fundamentally influence the underlying dynamics and operations of politically imposed structural devices, such as quasi-market mechanisms and competitive tendering procedures, making them markedly different from the private sector practices they were intended to mirror (James, 1997). In the context of such perceived differences, established transactional conceptualizations of marketing have been seen as being of only limited value, failing to address the specific contextual needs of public sector organizations.

If marketing is to be developed for the public realm, then it will need to develop a language that is defined by the specific character of that realm. . . . The nature of marketing itself will need to be rethought if it is to be specifically public sector marketing rather than a pale imitation of a private sector approach within the public service. (Walsh, 1994: 70)

Although such views have conventionally enjoyed widespread acceptance within the public management literature (Lamb, 1987; Eliassen and Kooiman, 1993), this perspective has increasingly been challenged within the marketing literature (Butler and Collins, 1995; Mawby and Worthington, 2002). While acknowledging that public sector marketing is inevitably going to be different from any private sector application of marketing, this approach suggests that there is no need for a fundamental redefinition of marketing. Rather there is simply a need to adapt the core concepts of marketing to reflect the specific context and characteristics of public services. This is underpinned by the contention that there are very few inherently public services, as evidenced by the creeping privatization of many such public services, raising the question of whether in fact many public services can be viewed as fundamentally different or unique.

The underlying tenor of this emergent debate as to the role and contribution of marketing in the public sector has clear resonance with the early debate on the role of marketing in the service sector (Shostack, 1977; Gronroos, 1978; Sasser et al., 1978; Donnelly and George, 1981). The service sector in developed western economies in the 1970s was faced with increasing consumer expectations and demands, the growth of alternative service providers, and the emergence of a markedly more competitive business environment (Levitt, 1976). The public sector in the United Kingdom from the early 1990s can be viewed as exhibiting a broadly similar pattern of change, with increasing consumer expectations as a result of initiatives such as the Citizens Charter and the increasing prevalence of direct service charges. Together with the growing diversity of service provision arising from the increasing emphasis placed on the development of mixed economies of service provision initiated by the Conservative government, but
accelerated under the succeeding Labour administration, these changes have fundamentally impacted on the operations of public sector organizations. In the face of the parallel changes confronting service sector organizations in the 1970s, such organizations sought to use a variety of managerial tools, including marketing concepts, derived from consumer goods markets in attempting to come to terms with the challenges posed by the new environment in which they were forced to operate. This process has arguably been mirrored in the more recent behaviour of public sector organizations.

As with public sector organizations two decades later, the prevailing conceptualizations of marketing were frequently seen as alien to the service sector. Specifically they were framed in terms that reflected the nature of neither the products they produced nor the market environment within which they operated, and hence were of little relevance to such organizations (Shostack, 1977). Yet marketing has evolved and adapted to take account of the specific characteristics of such service sector markets and products, resulting in the emergence of a situationally relevant reconceptualization of marketing (Fisk et al., 1993). The long-term challenge for marketing is to achieve a similar reconceptualization that addresses the particular characteristics of public services and meets the needs of public sector organizations without undermining the core principles of the marketing concept (Graham, 1994). More immediately, by considering the key defining characteristics of public services, it is possible to assess the extent to which currently evolving conceptualizations of marketing can be utilized within the continually changing structural and cultural context of the public sector.

**Defining characteristics of public services**

In post-modern western economies the public sector is seen as encompassing a broad range of diverse activities; ranging from criminal justice and social welfare at one end of the spectrum through to housing and transport at the other, which superficially at least, have little in common (Lane, 1993). At the same time, the increasing trend for many such public services to be delivered under the aegis of the private rather than public sector results in further apparent diversity (Osborne and Gaebler, 1992; Kemshall and Ross, 2000). It is important to recognize that many of those public services increasingly delivered in the private sector are what may effectively be described as private consumption services, notably services such as ‘public’ transport (Bocock, 1993). Yet irrespective of the range of services delivered, or whether they are delivered in either the public or private sector, public services are seen as having a number of distinctive characteristics that fundamentally impact on the relevance of marketing concepts to the delivery of such services (Hofstede, 1981; Edwards and Creagh, 1991).

At the most basic level, the majority of public goods are in fact services rather than physical products, and as such are characterized by intangibility, inseparability, heterogeneity and perishability (Kotler and Andreassen, 1991). However, going beyond this basic level, the core defining characteristics of public services
have been seen as including, firstly, the dominance of political rather than economic objectives; secondly, the primacy of the citizen rather than of the consumer; and, thirdly, the need to serve multiple multi-dimensional ‘customers’ (Lovelock and Weinberg, 1990). While other factors such as the dominance of inwardly focused professional elites are frequently considered to be central characteristics of public sector services, such behaviours are not unique to public service organizations and as such cannot be seen as constituting the defining or differentiating characteristics of public services. Collectively the three core service characteristics identified above can be seen as underpinning the core public sector ethos, an ethos which due to its primary emphasis on equality and community has conventionally been viewed as diametrically opposed to the competitive, individualistic ethos popularly perceived to be inherent in marketing.

**Dominance of political objectives**

There is a widespread acceptance that one of the key features of public goods, of public services, is that the underlying rationale behind their provision cannot simply be framed in economic terms (Graham, 1994). Whereas in the private sector economic considerations of efficiency and profitability determine decision making, at least in western democracies political considerations of legitimacy, social justice and equity are notionally pre-eminent in the public sector.

Politics is irredeemably a moral undertaking and what is efficient comes second to what is right or good for the social community. (Walsh, 1994: 68)

The justification for tax based services reflects a belief that the external economies or social profit resulting from providing a public service exceeds its associated financial cost. (Lovelock and Weinberg, 1990: 5)

Given the centrality of non-economic objectives to public services, traditional economic-based performance measures, although frequently utilized at an operational level within the increasingly managerialist culture prevailing in public sector services, are inappropriate, requiring the utilization of broader social indicators for assessing service performance at the strategic level – that is, the social profit of such services (Bauer, 1966). Social profit, and in turn social capital, is the benefit that accrues to society as a whole through the delivery of public services. Key examples include levels of educational attainment and improvements in the health status of the population. Implicit in this is the idea that many public services, particularly services such as criminal justice and social welfare services, not only provide direct benefits to the recipient or user but also provide broader social benefits to the community as a whole. This notion is arguably central to the notion of what constitutes public goods or services and hence the concept of the social contract. The resultant need to focus on the broader concept of social profit and go beyond the narrow individual benefit and organizational profit concerns of transactional approaches to marketing has clear implications for the articulation of a relevant conceptualization of marketing within the public sector. This primacy of political objectives in public services results in the provision of
services and the targeting of population groups or markets that cannot be justified on economic grounds, but which are justified on the basis of the requirement for social justice and equity (van der Hart, 1991). Indeed, even if the social profit resulting from the targeting of services at particular groups is less than could be gained by targeting other parts of the population, such focusing of services is accepted on the basis of broader considerations of social justice and indeed the overall legitimacy of the state amongst its citizens (King and Waldron, 1988). This effectively highlights the impact of the existence of multiple stakeholders on the delivery and consumption of public services and hence the need to look beyond the direct service user in managing the delivery of such services.

Even within the increasingly managerialist culture emerging in the public sector in many post-modern western economies, encapsulated in concepts of the ‘New Public Management’, clearly this broad issue of equity has a fundamental impact on managerial freedom in terms of decisions regarding the management of the service portfolio and hence the allocation of resources, requiring in turn the development of relevant and socially acceptable performance criteria and objectives. Moreover, the requirement to pursue such non-economic objectives is widely seen as resulting in tighter political regulation and accountability in public sector services than in private sector services. This occurs even in those circumstances where public service providers are subject to politically imposed private sector derived management regimes. Inevitably such regulation and accountability generates an organization culture dominated by procedure and compliance, with the delivery of customer-focused services being given low priority as a result. This is exacerbated by the frequent lack of clarity over the identity of who constitutes the public service customer.

Citizenship versus consumerism

The centrality of socio-political concerns, such as social justice and equity within public services, has a fundamental impact on the nature of the relationship between public service providers and those who utilize the services they deliver. Specifically the relationship between public services and those who use them has historically been defined in terms of citizenship rather than of consumerism.

The fundamental relationship between citizen and government is not one of simple exchange but one of mutual commitment, and public services are not simply a reciprocation of taxes. (Walsh, 1994: 69)

... a (consumer) model of service where quality becomes a response to highly individualised needs is likely to conflict with and undermine some important objectives of public service delivery, namely the equity objective and the effective treatment of social problems. (Brown, 1992: 204–5)

There is consequently a perception that the pattern of service utilization and behaviour in respect of public services is likely to differ significantly from that in respect of private services, requiring, it has been suggested, a reframing of current models of consumer behaviour (Scrivens, 1991). Although it is argued that the
psychology of the citizen is poorly understood in comparison to the understanding of the psychology of the consumer (Walsh, 1994), it is none the less possible to identify a number of key dimensions in which citizenship behaviour is perceived as qualitatively different from consumer behaviour. At its very core the concept of citizenship is underpinned by a collectivist philosophy, which places primary emphasis on the broader needs of society and social justice rather than the narrow needs of individuals, and highlights the obligations as well as rights of citizens. Within such a concept there is an emphasis on the equality of all citizens and hence the importance of equal rights of access to services irrespective of the ability to pay. The sense of mutual obligation and benefit underpinning the concept of citizenship is encapsulated in the idea of private constraint.

Private constraint is seen as the ‘price’ of public benefit; there exists an acceptance on the part of citizens in the democratic order of the need to be constrained. (Butler and Collins, 1995: 87)

Such private constraint in the behaviour of citizens is viewed in part as a product of the indirect relationship between service utilization and payment that has typified the majority of public services, particularly in the social welfare arena in post-modern western democracies. The fracturing of the payment-receipt relationship has not only a fundamental bearing on the patterns of behaviour of those utilizing public services (Lovelock and Weinberg, 1990), but also in defining and identifying the customer.

It is this question of payment, and specifically the existence of direct service charges, which increasingly represent a significant proportion of the total costs of such service provision, that is arguably central in determining whether the behaviour of the service user is framed in terms of citizenship or consumerism. It must, however, be questioned whether this distinction between citizenship and consumerism is of continuing relevance given the emergence of an active public service consumer mentality as a result of both direct government initiatives aimed at promoting the rights of public service users and broader social changes arising from government economic and social policy (Laing and Hogg, 2002). This evolving shift from citizenship to consumerism is given further impetus by the increasing prevalence of direct user payments, either partial contribution or full payment, for service utilization. The articulation of a consumer perspective on public services has been viewed as having the potential to result in increasing and inappropriate demands on public services by placing primary emphasis on the short-term wishes of the consumer (Buchanan et al., 1987), rather than the professional judgement of the service provider and the perceived requirements of society articulated through the democratic process. Such problems are most immediately apparent in complex services such as health care and education where the informational empowerment of consumers is fundamentally changing the balance between consumers and professionals (Hogg et al., 2003). Moreover, this increasing emphasis on the individual consumer and the associated demands for customer-focused service provision highlights one of the fundamental problems faced by public services, namely defining and identifying the public service customer.
Multi-dimensional customers

The concept of the customer in public services is complex and multi-dimensional. This reflects two key features of public services, namely that public services deliver both individual and social benefits, and that the payment and consumption of such services is frequently separated.

It is often difficult to say who the customer is if we are dealing with public services or goods provided to society as a whole. Many services that have individual recipients or users also make a much wider impact on society. (Walsh, 1994: 68)

In non-profit organisations, the clients who receive services and the taxpayers who provide funds are often unrelated groups. (Lovelock and Weinberg, 1990: 4)

Clearly in many public services such as education, health, and social care there are multiple beneficiaries, all of whom may legitimately be considered the customer. These include most obviously the individual service recipient, but also encompass the service recipient’s family, the service recipient’s employer, as well as society as a whole. This is further complicated by the existence of an indirect payment-receipt linkage in many such services, bringing both individual tax payers and organizations that disburse public money into the equation as further potential customers. The debate within the marketing literature around the definition of who constitutes the public sector customer has conventionally occurred within the framework of the transactional marketing paradigm, which sees the financial exchange as the defining service interaction, with the resultant focus being primarily on the ‘payer’ as the customer to the exclusion of other potential customers (see, for example, Foxall, 1989; Kohli and Jaworski, 1990). Even given the increasing prevalence of direct service charges across a range of public service settings, such a narrow transaction oriented approach fails to address the complexity of defining the public sector customer. A far broader, more inclusive perspective, which encompasses service interactions other than payment, is required. Indeed a clear identification of which interacting parties together constitute the collective customer within public services is critical to the development of an effective and realistic customer orientation in public service organizations (van der Hart, 1991).

By acknowledging the existence of multiple market stakeholders (see, for example, Payne, et al., 1995; Ford, 2000), the evolving relational perspectives on marketing arguably provide potentially valid alternative frameworks for analyzing and defining such multi-dimensional customers.

Developing a typology of public services

While these defining characteristics are seen as common to all public services, given that the public sector embraces a broad range of diverse services ranging from criminal justice to refuse collection, the extent to which specific aspects of such characteristics impinge on service delivery varies significantly. In the same way as the private service sector is seen as encompassing a range of diverse and
discrete types of services, from fast food through to investment management (Shostack, 1977), public services cannot be considered as constituting a homogeneous grouping. In examining the role and contribution of marketing within public services it is necessary to take account of such differences and attempt to develop a classification or typology of public services based on key aspects of the core defining characteristics of public services. The utilization of such a classification or typology is central to any attempt to facilitate an appraisal of the relevance of alternative conceptualizations of marketing to discrete types or groupings of public services.

In exploring the application of marketing concepts in the public sector, the primary focus of research and debate has been in those areas such as education, healthcare and criminal justice where there is a high degree of interaction between the organization and public (see, for example, Nash, 1996; Michael, 1997; Keaney, 1999). Yet despite being characterized by high levels of organizational-public interaction such services exhibit substantial diversity. Reflecting such diversity, the classification of public services developed by van der Hart (1991) in seeking to assess the extent of customer orientation across a range of public sector organizations provides a robust initial base for considering the relevance of the marketing concept to discrete categories of public services. In addressing this issue van der Hart views the existence of direct or indirect payment mechanisms as constituting the critical discriminating factor impacting on the relevance of marketing concepts. The classification developed by van der Hart is outlined in Figure 1 below.

Figure 1

Classification of public services

<table>
<thead>
<tr>
<th>Degree to which the customer pays</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>III</td>
<td>IV</td>
</tr>
<tr>
<td>High</td>
<td>IV</td>
<td>I</td>
</tr>
<tr>
<td>Criminal justice</td>
<td>Customs &amp; Excise</td>
<td></td>
</tr>
<tr>
<td>Emergency services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Postal services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central government departments</td>
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</tbody>
</table>

(Adapted from van der Hart, 1991: 36)

Those services classified by van der Hart as indirect payment services, such as criminal justice and the emergency services, are characterized by extensive and frequent interaction with the community at large, but only a periodic interaction with individual citizens, and a lack of direct payment on the part of service users or agents acting on their behalf. In such services it is argued that marketing con-
cepts are only of limited relevance. Although specific marketing tools can be used in managing the organization’s interaction with the public and individual citizens, as a consequence of the indirect relationship between service utilization and payment, the organization is ultimately not dependent on the service users or their agents for its income and hence survival. Moreover the relationship between such service providers and users is likely to be framed in terms of citizenship rather than consumerism given the existence, and indeed primacy, of a strong social benefit dimension within such services.

By contrast with services such as housing, postal services and public transport, that is direct payment services, van der Hart argues that the potential contribution of marketing concepts to the management of such services is more directly apparent to such organizations. Not only do such organizations face the need to manage multiple interactions with the public, but also they have more frequent interaction with individual citizens and, more significantly, their income is directly related to the delivery of discrete services to individual users. Moreover, the relationship between service providers and users is likely to be framed in terms of consumerism rather than citizenship given the pre-eminence of individual rather than social benefits in such services. Despite the primacy of private benefits, however, it is the existence of direct service charges, whether constituting full or partial payment, which are central to the conversion of the relationship between the service user and the service provider from one based on the concept of citizenship to one based on the concept of consumerism.

The increasing emphasis placed on the citizen as a customer reflects a fundamental change in assumptions about the role of the state in the provision of social welfare services, the role of public sector organizations as agents of change, and hence in the relationship between the state and its citizens. Across the political spectrum in post-modern western democracies there is an increasing recognition of the parameters of the public sector, and of the welfare state in particular, in an open economy operating within global markets. The result is an increasing shift towards emphasis on private rather than public welfare provision, taking the form of both direct service charges by public service providers and the fostering of private sector service provision. While the impact of such a ‘user pays’ approach to public services is likely to be ameliorated by the provision of means tested subsidies in order to ensure ongoing equality of access to such public services, this none the less marks a fundamental shift towards the consumerization of public services and development of a contractual relationship between the state and its citizens. Perhaps the most obvious example of this has been in the form of the introduction of substantial co-payment for services, occurring most notably in terms of tuition fees for higher education in the United Kingdom. Recent proposals for charging insurance companies for the costs of fire service interventions in road traffic accidents represent a further move in the direction of shifting away from an indirect towards a direct payment-receipt linkage (Bain, 2002). The net effect of such developments is to push an increasing proportion of public services into the direct payment category, rendering the distinction at the core of van der Hart’s model redundant.
However, not all public services lend themselves to the application of such a user payment orientation due to both the existence of multiple indirect beneficiaries and the ongoing primary emphasis on social justice within many public services. Indeed in certain public services it is difficult to identify individual service users in that the benefit is primarily communal by nature. Examples of such services would include environmental protection, defence and economic development. Such services can perhaps best be described as being produced primarily for collective public consumption rather than individual private consumption. The existence of such a dichotomy within the public sector between the services existing at these two consumption extremes can best be encapsulated by drawing an analytical distinction between those services where private benefits are dominant, those where societal benefits are dominant, and those characterized by a complex combination of private and societal benefits. Reflecting prevailing patterns of user interaction with public sector service providers, this private-societal benefit distinction can be augmented by drawing a distinction between the respective roles of consumer and producer judgement in the shaping of the public service offering. Specifically, in those public services where private benefits are predominant, consumer judgement would appear to be dominant in shaping the service offering; that is, such services may be viewed as being demand led to a significant degree. By contrast, in those public services where public benefits are dominant, producer judgement would appear to be dominant in shaping the service offering; that is, such services may be viewed as being supply led to a significant degree. This raises fundamental issues in terms of developing user engagement strategies across public sector organizations, particularly those involving a complex combination of private and societal benefit where there is likely to be competition for dominance between professional (supply side) considerations and consumer (demand side) considerations (Bastian, 1996). The resultant spread or continuum of public sector services is illustrated in Figure 2 below.

Figure 2

**Spectrum of public services**

<table>
<thead>
<tr>
<th>Social benefits dominant</th>
<th>Private benefits dominant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customs &amp; Excise</td>
<td>Public transport</td>
</tr>
<tr>
<td>Criminal justice</td>
<td>Public housing</td>
</tr>
<tr>
<td>Education</td>
<td>Health care</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Professional judgement dominant</th>
<th>Consumer judgement dominant</th>
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</table>
The highlighting of such a distinction is not to suggest that at the extremities of the spectrum public services provide either exclusively private or exclusively societal benefits, but rather that the balance between the two constituent elements varies across the spectrum of public services. Consequently the fundamental nature of individual public services, though underpinned by certain common defining characteristics, can in reality be viewed as differing very significantly. Whereas those public consumption services where societal benefits predominate are characterized by the archetypal public sector values of legitimacy, social justice and equity, those services where private benefits predominate rather increasingly tend to be characterized by private sector concerns of efficiency and return. Consequently the relevance and applicability of current conceptualizations of marketing within public services can ultimately be viewed as being directly related to the balance between private and social benefit, together with the associated balance between consumer and producer judgement within such services. It is this distinction between the focus of benefit and judgement, rather than whether services are formally delivered in the public or private sectors (the balance of which is dynamic and is largely shaped by ideological considerations), that ultimately determines the extent to which marketing is relevant and the appropriateness of alternative conceptualizations of marketing to public services. Consequently, although specifically anchored in the public policy context of the United Kingdom, this analytical framework has applicability across a range of national contexts where the public – private sector balance may be different to that prevailing in the United Kingdom.

Towards a model of public sector marketing?

Given the existence of such a continuum, it must be questioned whether it is either appropriate or feasible to develop a discrete and distinctive model of public sector marketing as Walsh (1994), approaching the role of marketing from a public sector management perspective, suggests is necessary. Rather it is arguably of more value to consider the relevance and suitability of alternative conceptualizations of marketing developed primarily within private sector settings for discrete groupings of public sector services.

Focusing initially on those public services such as housing and public transport where the private benefit is clearly predominant, and where individualized consumer judgement is dominant in shaping decisions regarding usage and in turn service provision, it is readily apparent that there are few difficulties in adopting established transactional marketing concepts in such public service settings. Indeed within such contexts the current usage of marketing concepts largely mirrors the prevailing transactional approaches to marketing that is characteristic of private sector markets for many consumer goods and services. This not only reflects the dominance of private benefits in such services but also the predominately tangible, low complexity and low risk nature of such services. There is, as a consequence, little need, or indeed a strong case, for adapting established trans-
actional conceptualizations of marketing to develop a distinctive conceptualiza-
tion of marketing in respect of public services anchored at this extreme of
the spectrum. For organizations operating at this end of the spectrum, whether
formally in the public or private sectors, the imperative is to manage the service
experience of the individual consumer through using established marketing tools
and frameworks.

Turning to those services that lie at the other extreme of the spectrum, such as
customs and excise and criminal justice (that is, where public benefit is domi-
nant), the underlying question is whether the core concepts and principles of
marketing are ultimately relevant to the delivery of such services. In assessing the
question of relevance the critical test is whether marketing as a set of consumer-
focused management concepts can add real value to the delivery of such services
and the pursuit of organizational objectives. The dominance of communal socie-
tal benefits within such services, together with the nature of the interaction
between such public service organizations and individual citizens, cannot be seen
as readily compatible with the primarily individualistic ethos of marketing, with
its emphasis on the primacy of the rights of the customer. That is, the dominance
of professional rather than consumer judgement in the use of such services,
together with the associated dominance of supply-side considerations in the
process of service design and delivery, raises fundamental questions over the rele-
vance of marketing concepts in such service settings. Given that democratically
based legal judgement and associated enforcement are the core features of such
services, marketing concepts with their emphasis on the primacy of the individual
service user have limited relevance in such settings. Indeed, beyond the narrow
application of specific marketing tools, marketing concepts can be seen as inimi-
cal to the overall 'public service' objectives of such organizations. There is con-
sequently a need for caution in extending the domain of marketing within the
public sector to those areas where it is only of tangential relevance in order not to
discredit the underlying concepts of marketing in those areas where they offer
valid conceptual and practical tools to professionals in meeting the underlying
objectives of public sector service provision.

In direct contrast to the position of those public services at either extreme of the
spectrum, the fundamental challenge in transferring marketing concepts into the
public sector lies with those complex multi-dimensional services such as educa-
tion and health care that can be viewed as lying at the centre of the spectrum. Such
services are highly complex entities: they encompass both societal as well as
private benefits, with the balance between such benefits varying across specific
service encounters, and exhibit a dynamic balance between consumer and pro-
fessional judgement. The professional nature of such services further adds to their
complexity and hence the difficulty of applying conventional marketing concepts
(Hart and Hogg, 1998). In order to be of relevance to such services any con-
ceptualization of marketing must take account of, firstly, the existence of societal
as well as individual objectives; secondly, the existence of multi-dimensional
customers; thirdly, the existence of a broad network of stakeholders; and, lastly,
the existence of long-term collaborative relationships within such services. In con-
sidering the applicability of marketing concepts to such services it can be argued that the perceived reluctance of complex public services, such as education and health care, to embrace marketing concepts beyond the adoption of the language of marketing reflects the inability of established ‘popular’ commercial images and conceptualizations of marketing to effectively address the needs of organizations operating under such environmental conditions (Laing and McKee, 2001).

In light of such core characteristics, if marketing is to be of any relevance within these public sector service settings, it is critical to move beyond the narrow transactional conceptualizations of marketing that characterize public sector views of marketing. Indeed, from the perspective of such services, transactional models of marketing with their emphasis on dynamic market structures, competition and the rights of the individual consumer can legitimately be viewed as irreconcilable with the social values and obligations of the public sector. Yet to associate the overall concept of marketing exclusively with transactionally derived models is to ignore the emergence of relational models of marketing as an alternative conceptual paradigm (Pels, 1999). Rather it can be argued that the emergent relationship-marketing paradigm offers a conceptualization of marketing that is fundamentally compatible with the characteristics and market conditions prevailing in such public service settings. In particular, those models of relationship marketing that view markets as networks of interconnected and interdependent actors and highlight trust, commitment, interdependency, mutual exchange of promises and collaboration as the key dynamics of such markets (Moller and Halinen, 2000) provide a set of frameworks and approaches that address the particular challenges evident in complex public services such as healthcare and education. The emphasis within this marketing paradigm on the centrality of the management of a complex network of long-term inter-organizational and interpersonal relationships, what Covello et al. (1997) refer to as ‘network marketing’, has clear resonance with the co-operative ethos that continues to characterize public sector services such as health care and education, despite the introduction of private sector management practices and the empowering of individual service users as consumers. As such, at the conceptual level, the evolving network-based models of relationship marketing constitute the most directly relevant and transferable of the competing marketing paradigms for those complex public services where the adoption of marketing concepts poses the greatest challenge.

**Conclusion**

Although public services can be seen to possess certain unique, and common, characteristics that distinguish such services from private sector services, public services are not homogeneous. Rather they are characterized by a high degree of diversity, ranging, for example, from public transport through to criminal justice. In considering the relevance of marketing concepts to the delivery of public
services, it is critical to acknowledge this diversity. Central to this is the need to develop a framework for the categorization of public services based on the core dimensions of consumer-service interaction. The articulation of such a framework lies at the heart of developing a robust understanding of the relevance of marketing concepts across the public service sector.

The twin dimensions along which public services can be categorized are, firstly, the balance between private and societal benefit and, secondly, the balance between consumer and professional judgement. Utilizing these twin criteria it is possible to identify three discrete categories of public services. Firstly, those services where social benefit and professional judgement dominate. Secondly, those services where private benefit and consumer judgement dominate. Thirdly, those services characterized by a dynamic and constantly evolving balance between societal and private benefit, as well as between professional and consumer judgement. Whereas in the initial two categories the relevance, or not, of marketing is readily apparent, it is the final category of public services that pose the greatest challenge to marketing academics and professionals in articulating a conceptualization of marketing appropriate to the needs of public service organizations and consumers.

Drawing on current marketing paradigms, relational conceptualizations of marketing, particularly those models of marketing anchored in network perspectives on markets, provide a conceptual marketing framework appropriate for public services falling into this final category. Although at the conceptual level such models would appear to provide a valid and appropriate framework, in seeking to understand the contribution and role of marketing concepts in the public sector it is necessary to move beyond the level of conceptual analysis. Specifically there is a need for contextually anchored research exploring the evolving experiences and behaviours of consumers and professionals within particular public service settings from a marketing, rather than public management, perspective. Ultimately the identification and development of applicable conceptualizations of marketing for the full spectrum of public sector services, particularly for those services characterized by a dynamic balance between societal and private benefit such as education and health care, is dependent on building a theoretically and methodologically robust body of primary research.

References


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