

PUBLIC MARKETING AS A STRATEGIC COMPONENT OF PUBLIC MANAGEMENT. A PILOT STUDY IN CLUJ COUNTY ON THE EXISTENCE OF BASIC MARKETING CONDITIONS IN THE LOCAL PUBLIC ADMINISTRATION IN ROMANIA

Tudor ȚICLĂU
Cristina MORA
Andrei ȚIGĂNAȘ
Laura BACALI

Abstract

Public Marketing has grown to be an ever-increasing part of the general concept of marketing, especially after the late 1970s when a series of fundamental changes occurred concerning the structure and functioning of the welfare state. Since then, public marketing has been constantly expanding as a field of study and has becoming ever more important especially with the new managerial paradigms that emphasize the role and needs of the citizens-clients in developing public policy. The present paper aims to put together a general picture regarding the concept, its development and characteristics, challenges posed by the specific conditions of the public sector and some basic conditions necessary for adopting public marketing as a managerial component of any public organization. In the second part of the paper, we present the results of a qualitative pilot study that aims to identify whether the local public authorities from Cluj County, Romania have the basic conditions for implementing a strategic public marketing component. The results show that the institutions analyzed are far from offering a framework needed to encourage and eventually adopt public marketing as a regular and necessary activity of any modern public organization.

Tudor ȚICLĂU

Research Assistant, Public Administration Department, Faculty of Political, Administrative and Communication Sciences, Babeș-Bolyai University, Cluj-Napoca, Romania

Tel.: 0040-753-688.192

E-mail: tudor.ticlau@apubb.ro

Cristina MORA

Lecturer, Public Administration Department, Faculty of Political, Administrative and Communication Sciences, Babeș-Bolyai University, Cluj-Napoca, Romania

Tel.: 0040-264-431.361

E-mail: cristina@apubb.ro

Andrei ȚIGĂNAȘ

PhD Student, Faculty of Machinery Constructions, Department of Management and Systems Engineering Technical University, Bucharest, Romania

Tel.: 0040-0722-885.430

E-mail: a_tiganas@yahoo.com

Laura BACALI

Professor, Faculty of Machinery Constructions, Department of Management and Systems Engineering, Technical University, Bucharest, Romania

Tel: 0040-0722-218.167

E-mail: laura.bacali@mis.utcluj.ro

1. Introduction

Marketing, as a field of study, has a history of almost a century and still finds ways to redefine itself and expand its boundaries. Public marketing is one of the so called new “reinterpretations” of the marketing concept, by supporting not only the use, but most notably the necessity of marketing in the public sector. The infusion of marketing in the public sphere is somehow natural, taking into consideration the evolutions of the general thinking regarding the state and its role at the beginning of the 80’s when New Public Management (NPM) started to change the ways in which public organizations function. This is not to say that NPM is a panacea for all public sector problems, far from it. It is probably too early to evaluate clearly and objectively the results of all these reforms under the NPM umbrella. It is however a fact that marketing can be seen as something specific for the NPM movement – trying to import particular private market instruments or techniques in order to raise the efficiency of public organizations – that’s the principle behind public marketing as well. The current paper will give a general overview on the field of marketing, with an emphasis on public marketing, presenting the constraints and challenges the public sector poses for implementing a marketing approach. In the last part we present the findings of a pilot qualitative study, carried out in July-August 2010 in Cluj-Napoca, Romania. Our goal was to find out whether the basic conditions necessary for implementing a marketing component in a public organization exist. We measured these basic conditions using 5 indicators relating to the existence of marketing structure, specific personnel, budgeting and past and present marketing activities. Results show that there is still a long way until we reach a basic level of “possibility” that will encourage the development and implementation of a marketing component in public institutions

The concept of marketing – general considerations

The concept of marketing, although with a history of almost a century, has constantly evolved, especially during the last decades, becoming more complex and far reaching. Perhaps, one of the possible explanations of this popularity is that living in a society in major part based on the free market economy involves, among other things, buying and selling numerous products and services aimed at raising the quality of life. Buying and selling are also based on the concept of voluntary exchange which further implies pricing, promoting, branding or, in just one word, marketing.

There have been numerous attempts in the literature to define the concept of marketing, but due to its size and complexity few (if none) have succeeded to offer a complete image regarding its scope, importance and impact on organizations. Few have succeeded to grasp all the aspects regarding the economic, social or strategic side of it. And this is probably natural and healthy, as with any discipline, marketing has always been dynamic, and constantly evolving and continuously expanding its area of coverage. Kotler is one of the first to recognize this: “One sign of the health of a discipline is its willingness to reexamine its focus, techniques and goals as the

surrounding society changes and new problems require attention.” (Kotler, 1972, p. 1). He continues by defining marketing as the disciplined task of creating and offering values to others for the purpose of achieving a desired response (Kotler, 1972, p. 1).

More recent tasks of defining marketing see it as the management process that identifies, anticipates and satisfies customer requirements profitably (The Chartered Institute of Marketing); marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, services, organizations and events to create and maintain relationships that will satisfy individual and organizational objectives (Boone and Kurtz, 1998) or a systematic research process leading to the knowledge of the market (Nedelea, 2006).

In trying to better explain this broad concept, Kotler uses 4 major assertions which he calls axioms (1972, pp. 49-50):

1. Marketing involves two or more social units¹, each consisting of one or more human actors. By this, Kotler wants to stress that marketing is a social activity.
2. At least one of the social units is seeking a specific response from one or more other units concerning some social object. In other words, the marketer (the social unit seeking) is trying to influence the demand for its product.
3. The markets response is probably not fixed. By this, Kotler tries to eliminate the situations where the influence of marketing would be close to 0 thus rendering the activity useless².
4. Marketing is the attempt to produce desired results by creating and offering values to the market. In other words, as Kotler explains, “marketing is an approach to producing desired responses in another party that lies midway between coercion on the one hand and brainwashing on the other” (Kotler, 1972, p. 50).

Besides factors as exchange, satisfaction of customer requirements, knowledge of the market, fulfillment of needs and willing, there are also criteria of effectiveness and efficiency to be taken into account. Throughout time, marketing has always shifted focus; from a commodity focus (products and goods) it went to institutional focus (the retailer, producer, salesperson) then to a functional focus (buying, selling, pricing, promoting) then to a managerial focus (analysis, planning, controlling) and then a social focus (social impact and utility) (Kotler, 1972).

In the last decades marketing has become part of a strategic approach along with the rise of the idea of shareholder value (Rappaport, 1986). The main two benefits for management were that the interests of the shareholders were always part of the organizations strategy and secondly it generated a long-term approach to business with other objectives than just profitability (Proctor, 2007, p. 5).

1 Kotler refers by social units to either individuals, groups, organizations, communities or even nations.

2 The most relevant situation is either response by obligation – addiction – or no response at all because there is no interest.

Regardless the approach we have on marketing, it is important to know that today marketing “is no longer restricted to transactions involving parties in a two-way exchange of economic resources” (Kotler, 1972). A pertinent explanation of this phenomenon is one that “service based organizations are essentially concerned with managing relations because they manage the total buyer – seller interaction process by attracting, monitoring and improving customer relations” (Proctor, 2007, p. 5).

Therefore, marketing, despite being considered something specific only to the private sector, “may be instrumental in promoting key political objectives” (Proctor, 2007, p. 5) which may lead to important social effects. This could be a reason why non-profit organizations, including those from the public field, tend to have an increasing need for marketing. Some of the following arguments may crystallize this idea (Coita, 2005): marketing helps defining and establishing the identity of an organization, and it offers information needed for the mission statement and generates operational value aimed at raising the level of efficiency.

2. Public vs. Private

The debate regarding differences between public and private organizations is one that surely will not find a definitive answer here, but it is worth mentioning as it is one of the most substantial arguments for public marketing. As far back as Max Weber, the subject was worth pointed out, with Weber claiming that “his analysis of bureaucratic organizations applied to both government agencies and business firms” (Rainey, 2009, p. 57). Weber was not the only exponent of the idea that the differences between private and public are minor. Herbert Simon, one of the leading figures of organizational theory in the mid 20th century, had the same view on the issue as Weber, seeing “much of his work as being applicable to all organizational settings, both public and private” (Rainey, 2009, p. 57). This assertion is sustained not only by the views of prominent thinkers like Weber or Simon, but by a number of studies starting from the middle 1960s until late 1980s, that were concerned with either creating taxonomy of organizations based on organizational characteristics (Haas, Hall and Johnson, 1966), either analyzing structural differences (Pugh, Hickson and Hinings, 1969). All this would point out that public-private distinction is inadequate for a general typology or taxonomy of organizations (McKelvey, 1982). More recent studies also show that there’s a certain amount of overlapping and interrelation between the two sectors (Haque, 2001; Kettl, 1993, 2002; Moe, 2001; Weisbrod, 1997, 1998).

On the other hand, there are a number of authors that have highlighted significant differences between public and private organizations (Dahl and Lindbloom, 1953; Downs 1967; Lindblom, 1977; Wamsley and Zald, 1973; Rainey, 1989). The first major difference between public and private organizations is their purpose. One useful analysis of the “raison d’être” of public organizations was made by Dahl and Lindbloom who stated that “in advanced industrial democracies, the political process involves a complex array of contending groups and institutions that produces a complex, hydra-headed hierarchy which they call polyarchy” which is used for

social control (Rainey, 2009, p. 63). In other words, while the free market is based on voluntary exchange, and it has the individual (and thus individual interest) as its core, public organizations represent communities (not just individuals) and thus follow common interest. Starting from this, at least 4 situations have been identified where markets fall short of functioning, the famous market failures (Lindblom, 1977; Downs, 1967): externalities or spillovers, public goods, asymmetric information and monopoly. Besides these economical aspects there is also the issue of public value, which Moore (1995) describes as “what governmental activities produce, with due authorization through representative government, and taking into consideration the efficiency and effectiveness with which the public outputs are produced” (Rainey, 2009, p. 69). On the same matter, Bozeman (2007, p. 13) sees public value as follows:

“A society’s ‘public values’ are those providing normative consensus about (a) the rights, benefits, and prerogatives to which citizens should (and should not) be entitled; (b) the obligations of citizens to society, the state, and one another; and (c) the principles on which governments and policies should be based.”

Taking all the above into account, we can assert that there are noteworthy differences between public and private organizations, which in terms, produce effects on the structure, functioning, performance and relation of these organizations with the users. The public sector could be characterized by the following (compared to the private one):

- It deals with the collective interest, rather than individual one. The main purpose is to achieve common good.
- It has a different relation with its “customers” (citizens) governed especially by equity and representation than by efficiency and profit.
- Decisions are taken collectively and usually have a greater impact.
- It functions in an environment free of competition.
- In the majority of cases public organizations offer services rather than products a different marketing strategy being necessary.
- Public organizations are usually more transparent and open towards public scrutiny compared to their private counterparts.
- Public organizations are subject to greater legal constraints contrasting with their private counterparts which benefit from a more relaxed legal framework;
- Authority is distributed and fragmented through the whole system.
- Public organizations are subject to more control and scrutiny both from inside and outside “actors” (higher authorities, citizens, NGO’s, press, private interest groups).

3. Defining public marketing

A recent study shows that between 1996 and 2006, US Government spending was roughly around 35% of the US Gross Domestic Product (GDP). The situation is the same in Europe where more than 45% of the European Union GDP (average of the GDP for

the EU member states) (Serrat, 2010). Regarding the EU countries, subsequent data have shown an average of 46% of GDP government expenditures (Serrat, 2010). Therefore, it may be reasonable to consider that the state and its permanent representation is an economic sector important enough to care about (Serrat, 2010). Like any important economic sector, public administration faces the increasing need for a sustained marketing activity. The reason why the public sector should extend its strategic goals on this area may be that “the market is an efficient and appropriate allocating mechanism for distributing public sector goods and services” (Proctor, 2007).

As we wrote in the previous section, marketing may be seen as a “systematic research process leading to the knowledge of the market” (Nedelea, 2006). The knowledge of the market must be based on the market analysis which means, in the public marketing terminology, the knowledge of the factors that drive the needs and preferences of the citizens (Nedelea, 2006).

In other words, the market analysis must take into account the reality that the public sector becomes more and more confronted with the marketisation phenomenon. This term supposes that “certain aspects of public sector activities become akin to commercial marketing” (Proctor, 2007). Therefore, marketing may be instrumental in promoting key political objectives (Proctor, 2007).

Thus, the concept of marketing may be defined, from the public sector point of view, as “the activity, set of institutions, and processes – always interconnected and interdependent – meant to identify, anticipate, create, communicate, deliver and exchange valuable offerings that satisfy clients, audiences, partners, and society at large” (Serrat, 2010, p. 3).

The fact that marketing is pivotal to a modern public administration is also underlined by Kotler and Lee (2007, p. 11) who state that:

“Marketing turns out to be the best planning platform for a public agency that wants to meet citizens’ needs and deliver real value. Marketing’s central concern is producing outcomes that the target market values. In the private sector, marketing’s mantra is customer value and satisfaction. In the public sector, marketing’s mantra is citizen value and satisfaction”.

4. Particular aspects of public marketing

If the general marketing is mainly concerned with identifying consumers’ needs and then trying to satisfy them, in the view of the public sector, public marketing could be seen as the management process responsible for identifying, anticipating and satisfying stakeholder requirements and in doing so serving to facilitate the achievement of the organizations objectives (Proctor, 2007, p. 2). Putting under the same umbrella public services and marketing has been a big challenge due to the differences between public and private.

As we already stated, public organizations are largely concerned with providing mainly services. This leads to differences in the approach. Proctor argues “services

may require special understanding and special marketing efforts. For example, the personnel providing the service are just as important as the service itself and the interaction between service provider and service receiver is of paramount importance” (Proctor, 2007, p. 3).

On the same note, comparatively with the private sector, public administration may sometimes make decisions that are binding for all citizens but are not agreed by all (banning smoking from public places is one of the many examples where although not all citizens agree with such a decision they have to live with it). Hence, public administration uses marketing not only for services, but also for promoting certain “desired” behaviors or ideas – social marketing – which can be described as the design, implementation and control of programs calculated to influence the acceptability of social ideas and involving considerations of product, planning, pricing, communication, distribution and marketing research (Kotler and Zaltman, 1971).

Another important aspect which differentiates public from private is purpose. Purpose in the public sector is not seen as creating profit, but rather generating citizens’ satisfaction and pursuing the greater good. If most private organizations use marketing to promote their self interest, public institutions are aimed at being supported by the market and the society to secure their existence. This leads to all kinds of differences.

First of all, the target-group of any public organization consists of all the citizens that organization represents³. Therefore, the largest part of the marketing related activity is concerned with the satisfaction of customers-citizens and that happens despite the lack of any direct or indirect form of competition (Proctor, 2007). Furthermore, the idea that “the customer is always right” may be compromised in the public sector (Proctor, 2007). The public sector does not lose customers because it functions without any competition, sometimes leading to less attention given to citizens’ input when creating and delivering services. Additionally, the services provided by public organizations are “free” which does mean that the customer is often forced to accept that “something is better than nothing” (Proctor, 2007).

Accountability is another aspect to be considered in public marketing. Public organizations are subject to higher levels of public scrutiny and their activities can be investigated by political representatives of the citizens. This actually leads to the fact that public organizations have two major types of “customers” (Kaplan and Haenlin, 2009):

1. Citizens in general, on the one hand, which are heterogeneous (ranging from private individuals to international corporations or NGO’s), but need to be treated basically the same.
2. Political representatives who are the ones that have the political responsibility and thus a substantial amount of control over the activities of the public administration.

3 Here we can clearly see how the principle of equal treatment is applied, as in almost all cases in private organization the target group is very specific and limited.

Last but not least, the perceived image of marketing is different. In many cases marketing is seen by high level bureaucrats as a non-productive and resource consuming activity. This leads to weariness and difficulty in adopting marketing in the public sector. Failure to take into account the differences in purposes, conditions and tasks that distinguish them from the private sector will likely lead to inappropriate and ill conceived marketing programs (Serrat, 2010, pp. 3-4).

5. Challenges for marketing in the public sector

Motto:

“Next to doing the right thing, the most important thing is to let people know you are doing the right thing”

John D. Rockefeller

As public administration all over the Western world has moved toward managerialism at the beginning of the ‘80s, marketing has also increased in importance. Along with the new public management movement a change in the relationship between the administration and the citizens has become evident, public sector in various European countries started perceiving citizens as customers, leading to applying marketing tools and strategic marketing planning (Cousins, 1990) in order to satisfy needs.

Proctor (2007) describes the main two reasons for which the use of marketing in the public sector is inevitable:

1. Scarcity of resources, especially financial ones – This has been a constant problem starting from the ‘80s due to, on the one hand, constant increase of demand for better and more diverse public services and, on the other hand, by higher dissatisfaction with the performance of the administration and thus a reduced willingness to contribute financially and socially.
2. Increased competition from the private sector – In the last 25 years, one of the most common aspects of any reform movement in the public sector has been the introduction of competition in the public sector, irrespectively if we are referring to new public management or the recent approach called governance.

The public sector has long had elements of marketing, but they have usually been marginal to the provision of core public goods and services (Serrat, 2010, p. 3) – take for example activities done in promoting tourism or certain products of state owned companies. The first step is to accept marketing as something fundamental for any public organization. Moreover, integrating marketing as part of the whole organization strategy is something that is in the line of new reforms where citizens’ input is seen as more and more important for development and delivery of services. Another advantage is that it helps to achieve specified revenues or cost-recovery targets (Serrat, 2010, p. 4). Public managers have an array of marketing tools at their disposal, from which we will present two classifications that we feel are relevant for our topic.

One classification regarding types of marketing tools available to the public organizations is put forward by Proctor (2007, p. 6):

- “marketisation” – certain aspects of public sector activities become akin to commercial marketing in the private sector by subjecting products and services to the competitive forces of the market trying to increase quality and lower the costs;
- promoting the organizations interest – public organizations use stakeholder marketing to secure their continued existence by support from the market and society (Burton, 1999);
- city marketing – specific to local authorities used to promote the image and services to the people they represent;
- political marketing – used for promoting key political objectives.

Madill (1998) also sees 4 major forms of public marketing, but from a functional perspective:

- Marketing of products and services – the public sector is mainly concerned with services, thus marketing plays an important role especially when these services are offered on a cost-recovery method or even for profit;
- Social marketing – involves mainly campaigns to change certain behaviors and attitudes;
- Policy marketing – activities aimed at creating acceptance of certain policies and legislation;
- Demarketing – marketing activities aimed at convincing the target group not to use a certain program/service.

Based on the above mentioned classification we can see that there is a lot of need for marketing in the public sector, as public organizations are forced more and more not only to take into account effectiveness of their services, but also efficiency⁴. Commitment to a marketing strategy enables public organizations to more easily set priorities and include citizens’ needs in their organizational objectives, in a customer oriented fashion. This can be done if public organizations manage to find the right way to approach their “clients” (“stakeholders”) by improving their positioning and segmentation (Kaplan and Haelin, 2009):

- A right segmentation may consist in a clear analysis of stakeholders’ interests (needs and wants).
- A right positioning means that the service should create the kind of value that stakeholders want.

The marketing mix, a term originally used by Borden (1965), which is composed of the 4Ps (Product, Price, Promotion and Place), is seen by some authors as out of date, especially in the service provision field and an alternative has been offered based on

4 By this we refer to the reforms that have taken place in Europe and US in the last 20 years where public organizations tried to adopt certain aspects from private ones in order to be able to cope with the increasing demands, but lower resources – see *Reinventing Government* in U.S. and *Next Steps* program in U.K.

a more client-oriented approach, which is also specific to the managerialism reforms in the public sector.

The 4Cs – Customer needs and wants, Cost to the customer, Convenience, Communication – developed by Lauterborn (1990) are a reflection of this client-orientation philosophy describing the marketing mix as the set of tools and activities available to an organization to shape the nature of its offer to customers (Gilmore, 2003).

Product	Customer needs and wants
Price	Cost to the customer
Place	Convenience
Promotion	Consumer

Figure 1: The relation between the 4 P's and the 4 C's

This does not mean that the classic 4Ps approach is irrelevant, but that in present times a customer, or, in this case, a citizen orientation is more appropriate for the public sector, the main concern remaining increasing the end value of services for the user. Therefore, with the right segmentation and positioning, public institutions may “transfer” many private management activities and lead them to fulfill the general interest.

According to Kotler and Lee (2007), there are six private sector practices which may be successfully used in shaping the marketing of public services: Total quality management, Customer driven strategy, Creating self- management teams, Visionary leadership, Outsourcing, E-Government or e-information.

All those practices, procedures and operations specific to the private sector, but which may be “borrowed” or “adopted” by the public service in the marketing activity, must be adapted to the “restrictions” often faced by the public administration. All of them should be seen as “challenges” instead of “fateful problems” impossible to be solved by an advanced public manager. Therefore, any public institution, while conceiving a public marketing strategy, must take into account at least one of the following constraints (Bean and Hussey, 1997):

1. Legislative restrictions – the responsibilities of a public institution are legally stipulated, which restricts managerial autonomy and leaves fewer places for innovation. Legislative constraints often contract manager’s decision power and blocks reorganizing initiatives.
2. Political philosophies – the design of new public services is the monopoly of the political decision. Therefore, public administration range of services is directly influenced by the current political power having its own orientation and ideology.
3. Lack of physical resources – many times the human resource is limited quantitatively and qualitatively. Regarding its quantitative limits, public administration is constraint by diagrams stipulating the maximum number of employees working for an institution. Therefore, if an institution is involved in carrying out large projects, public servants are often overcharged which may influence the quality of their work. Regarding its qualitatively limits, public

administration often tends to enlarge its services, but keeping the same human resource maybe not be enough qualified to carry out all those responsibilities.

4. Lack of financial resources – Limited financial possibilities are a traditional problem of the public sector. Public institutions are facing a constant increase of responsibilities, social issues and expectations from the community unlike the limited resources they need to manage. Therefore, prioritizing is one of the most important words used in the public servant's vocabulary.

Also, an important reason why the four “Ps” should be replaced with “Cs” in public marketing operations (above mentioned distinction) may be the one that product, pricing, placing and promoting issues tend to suffer some limits due to the features of public administration not always compatible with private company practices (Kaplan and Haelin, 2009):

1. Regarding the product: efficient product development and improvement requires some form of performance evaluation to quantify the success of the new product.
2. Regarding the price: public administration is a non-profit “business”, so many public services do not have any direct competition. Also, the concept of “willingness to pay” may not be within the free choice of the customer, which may raise the potential problem of “perceived price unfairness”.
3. Regarding the promotion: public institutions are challenged to promote services “needed” instead of “wanted”. That may occur when public servants are obliged to “advertise” some services by explaining why tax money should be used to support them.
4. Regarding the place: we may consider that “maintaining an appropriate distribution network is crucial” (Kaplan and Haelin, 2009). Placing public services may be done through public channels or, more likely, by using public-private partnerships. Therefore, to improve its distribution efficiency, public administration must extend its horizons to the private sector.

6. Pilot study – public marketing in local public institutions from Cluj County, Romania

The Romanian public sector has gone through extensive changes after 1989 in order to pass from an ultra-centralized and wasteful pre-bureaucratic system to a modern post-bureaucratic administration. The problem faced was quite difficult: reforming the state while still performing everyday functions, continuing to provide public goods and services and deal with the economic and social problems of transition (Mora and Țiclău, 2008, p. 91).

The major changes in the public sector started at the beginning of the 2000 with the 2001 governmental strategy on public administration reform which had 3 main pylons: the reform of civil service, the reform of local public administration and improving the policy process.

After almost 10 years, the current government still has as a major objective the reform of the civil service and the improvement of policy process (National Program

of Reform, 2007-2010), which is an indicator that the public sector is still far from what it should be. The major improvements have been made at the legal framework level, especially because of external pressures, and at structural level – downsizing the central administration starting with 2009.

But, in respect to our subject of interest (public marketing), there are few things that can be mentioned, especially that most public institutions struggle to improve their perceived public image. A true reform process will include marketing as a strategic component.

Probably the first step in introducing a new paradigm is acknowledging it and creating the necessary structures at the organizational level. This is the premise of our pilot study. We wanted to examine whether public marketing is present at the local level in both autonomous local public institutions and local institutions representatives of the central administration. The main argument for not investigating even further was that if local public institutions do not have at least a person or a special department in the field of marketing than, based on the current legislation, no resources can be allocated for activities in this field and there is little or no chance at all to use public marketing as a strategic component in public management.

6.1. Methodology

This was a qualitative pilot study; we mainly used document analysis as our central method of gathering data. Our aim was to find whether marketing is recognized as an important aspect of both daily and also strategic activities of any public institutions; we tried to determine whether local public institutions met a minimum set of conditions.

Thus, we constructed a set of criteria thought to be relevant for the analysis. We wanted to identify if each public institution analyzed have:

1. at least one person that has specific competencies in the field of public marketing;
2. a department/bureau or any kind of organizational structure which has responsibilities regarding the public marketing activity of the organization;
3. financial resources allocated for specific marketing activities (budget)⁵. We have included in our analysis the budgets from 2008 and 2009;
4. marketing plan for year 2009 with activities put into practice;
5. marketing plan for year 2010 with activities meant to be put into practice during this period;

Based on the main purpose and on the 5 indicators listed above we opted for a twofold method of gathering the necessary data:

- The first approach was based on the provisions of Law no. 544/2001 regarding the free access to public information. We sent via e-mail a formal request for

5 The budget indicator is directly connected to the one before it – separate organizational structure with public marketing responsibilities. No distinct structure disables the possibility to have a financial provision.

information to all public institutions included in the study and we requested all the necessary information regarding our 5 mentioned indicators.

- The second approach consisted on a qualitative analysis of the available information relevant to our study that we could find on the websites of all the analyzed public institutions. This would give the possibility to compare the information gathered with both methods and see if there are any discrepancies and also get additional information if the formal request would not offer sufficient.

The study was conducted between 1st of July 2010 and 20th of August 2010. The sample was constructed starting from the population of autonomous public institutions (town halls in this case) and the deconcentrated public institutions of the central administration at local level from Cluj County. We used a filter criterion for the first category (autonomous public institutions), namely to analyze only municipalities.

Regarding the second type of institutions – deconcentrated public institutions of the central administration at local level – from a total population of 31 institutions – we selected from each ministry at least one institution representative at local level. For ministries which had between 1-3 institutions at local level we selected randomly one; between 4-6 we selected 2 randomly; between 6-8 we selected 3. At the end we ended up with a number of 17 institutions (see Table 1 below).

Table 1: List of institutions included in the sample

Autonomous Local Public Institutions – Municipality Town Halls	
	Cluj-Napoca Turda Campia Turzii Dej Gherla
Decentralized ⁶ Public Institutions	
Ministries	Representatives at county level
Ministry of Finance	General Direction of Public Finances - Cluj
Ministry of Economy and Commerce	Regional Commissariat for Consumer Protection – Cluj
Ministry of Labor	<ul style="list-style-type: none"> • County Agency for Employment – Cluj • County Pension House – Cluj
Ministry of Agriculture	<ul style="list-style-type: none"> • Department for Agriculture and Rural Development – Cluj • Agency for Payment and Intervention in Agriculture – Cluj
Ministry of Health	Department for Public Health Cluj
Ministry of Environment	North – Western Regional Agency for Environmental Protection Cluj-Napoca
Ministry of Culture	County Department for Culture, Cults and National Patrimony Cluj
Ministry of Education	County School Inspectorate Cluj
Government	The Prefecture of Cluj
General Secretariat of the Government	Regional Department of Statistics Cluj

6 By decentralized we refer to public institutions that are deconcentrated at local level, meaning they are representing the government locally

6.2. Findings

The results that we obtained based on the responses to the formal information request are presented below.

Table 2: Responses to the formal request of public information from autonomous public institutions

Institution	Response to the formal request in max. 30 days	Existence of a person/dep. with specific marketing respons.	Budget allocated to marketing for 2008-2009	Budget allocated to marketing for 2010	Activities 2009	Activities 2010
Cluj-Napoca Town Hall	NO	NO	Not the case	Not the case	Not the case	Not the case
Turda Town Hall	NO	NO	Not the case	Not the case	Not the case	Not the case
Câmpia Turzii Town Hall	NO	NO	Not the case	Not the case	Not the case	Not the case
Gherla Town Hall	YES	NO	Not the case	Not the case	Not the case	Not the case
Dej Town Hall	NO	NO	Not the case	Not the case	Not the case	Not the case

The above information is speaking for itself. The most significant issue is lack of response. From the 5 institutions included in the sample, only one responded within the 30 day legal term. Although the other 4 institutions did not respond, we were able to find their organizational chart on their website; with one exception – Turda Town Hall, which did not respond and did not have any kind of information/document relating to its organizational structure (although public institutions are bounded legally to have such information on the website). Based mainly on the information from their public websites we can conclude that none of the analyzed public institutions have a department/bureau having specific responsibilities on public marketing. In light of this, we tried to identify some structures that are not specifically created for marketing, but can perform such activities. The closest organizational structure we found was the “Public Relations Department”.

- **Cluj-Napoca** – Direction for Communication, Public Relations and Tourism (60 people) which includes some substructures relevant to our interest – The Citizen Information Center (21 employees), Bureau for Public Events (12 employees), Bureau for Local Development and Project Management (6 employees). The analysis of the budget execution does not offer almost any information regarding spending in activities related to public marketing. An analysis of the website offers information about the institution but only for 2009. However, this institution has a strategy for 2009-2012 which has a reasonable amount of information regarding the vision and goals of the institution for the next years.
- **Turda** is a small town of Cluj County located about 30 km from Cluj-Napoca and having a population of around 60,000 inhabitants. Like in Cluj-Napoca Town Halls case, we did not receive any response to our formal request for information, thus we analyzed only the information available on the website. As mentioned earlier, Turda Town Hall was the only institution that did not provide any information regarding its organizational structure. Thus we cannot confirm that it has any employees or a special department with responsibilities

regarding public marketing. However, the fact that it did not even respond to our formal request and has little information on the website indicates that informing citizens is not a priority – this being a basic condition for a strong marketing component.

On the website there are some useful information regarding the institutions activity that cover only the last year (6 major projects). Also, no information regarding the current or past year budget was found.

- **Câmpia Turzii** Town Hall was another institution that did not respond to our formal request of information. According to the organizational chart of the institution, there are 292 public servants working for the Campia Turzii Town Hall, but only 8 of them are serving into a public marketing structure called “The Public Relations and Communication Service”. The local authorities do not provide any information regarding their budgetary evolution despite their legal constraint to proceed in this way. The Public Relation and Communication Service displays the weekly schedule and the necessary documents that citizens need in order to access certain public services. Also there’s no activity report of the mayor or any other department subordinated to him.
- **Gherla** Town Hall was the only institution that responded to our formal request of public information. Unfortunately, as with the other institutions, the Town Hall does not have a distinct department on marketing, nor a person who has specific responsibilities in this area. By consulting their website, this information was confirmed as they do not have any kind of department that could resemble or have some marketing activities (no public relations or information center exists). However, there is a description of 6 major areas of concern for the institution (education, waste management, public lighting, water supply network, urban development, Day-Care Center). Also there is short description of different socio-cultural events that took place.
- **Dej** Town Hall was again one of the institutions that did not respond at all to our formal request although it is required by Law no. 544/2001 regarding the free access to public information. Based on information we found on the website, according to the organizational chart there is no specific department for marketing, but there is a department of Mass-media and International Relations that could involve certain marketing activities. No information regarding past or future projects of the institution exist (we did not include here posting the legal acts adopted by the City Council).

To sum up, we can conclude the following:

- The basic conditions (as we have defined them) that we consider are vital in order to develop a public marketing approach in a public organization do not exist.
- None of the 5 analyzed institutions have a specific department responsible for public marketing or employees with clear and explicit marketing competencies and responsibilities.

- Some of the institutions – Cluj-Napoca, Câmpia Turzii and Dej Town Halls – have an organizational structure that has certain responsibilities regarding marketing activities – especially promoting the image of the institution and communication/relation with citizens.
- Although it was not our main focus, transparency was found to be at a very low level, as only one from 5 institutions responded in the legal time span although the law regarding the free access to public information has been around for more than 9 years. This confirms our previous statement that marketing is not a significant component in the activity of the public institutions (if it were the relation with citizens, in this case offering access to public information would have been better).

6.3. Public institutions representatives of the central government at local level

As mentioned earlier, besides the decentralized institutions we selected a number of 12 institutions representing the central government at local level. The procedure we followed was the same as in the case of the autonomous local institutions: sending a formal request of information to the official e-mail address of the institution. Table 2 shows the responses we received:

Table 2: Responses to a formal request for public information regarding public marketing from representatives of the central government at local level

Institution	Response to the formal request in max. 30 days	Existence of a person/dep. with specific marketing responsibilities	Budget allocated to marketing for 2008-2009	Budget allocated to marketing for 2010	Activities 2009	Activities 2010
General Direction of Public Finances Cluj	YES	NO	Not the case	Not the case	Little information	Little information
Regional Commissariat for Consumer Protection – Cluj	YES	NO	Not the case	Not the case	Provided detailed information	Provided detailed information
County Agency for Employment – Cluj	NO	NO	Not the case	Not the case	No information	No information
County Pension House – Cluj	YES	NO	Not the case	Not the case	Little information	Little information
Department for Agriculture and Rural Development – Cluj	YES	NO	Not the case	Not the case	Little information	Little information
Agency for Payment and Intervention in Agriculture – Cluj	NO	NO	Not the case	Not the case	No information	No information
Department for Public Health Cluj	YES	NO	Not the case	Not the case	Provided detailed information	Provided detailed information

North – Western Regional Agency for Environmental Protection Cluj-Napoca	YES	NO	Not the case	Not the case	Provided detailed information	Provided detailed information
County Department for Culture, Cults and National Patrimony Cluj	YES	NO	Not the case	Not the case	No information	No information
County School Inspectorate Cluj	NO	NO	Not the case	Not the case	No information	No information
Regional Department of Statistics Cluj	YES	NO	Not the case	Not the case	Little information	Little information
Prefecture of Cluj	YES	NO	Not the case	Not the case	No information	No information

The most noticeable difference compared to the other lot of public institutions is that from the 12 institutions 9 of them replied to our formal request for public information. This is somehow intriguing as we expected the autonomous local public institutions to be more responsive as the leaders are directly elected by the citizens compared to the local representatives of central administration which are appointed by the respective minister. The three institutions that did not respond to our formal request are – County Agency for Employment, Agency for Payment and Intervention in Agriculture – Cluj and the County School Inspectorate Cluj.

The least amount of information we received from the County Agency for Employment; this institution did not respond to our formal request and it has no website what so ever. The County School Inspectorate, although did not respond to our request, has a functional website with decent amount of information. We could not identify any specific marketing department or a department with some responsibilities in this area based on the organizational chart that we found on the website. They also featured press releases, but the newest ones were from April 2008, and information relating to 5 major areas of activity. The last institution that did not respond to our formal request was Agency for Payment and Intervention in Agriculture – Cluj. Analyzing the website of this institution, we found out that they have a Communication and Promotion Service that is in charge of managing the public image of the institution. The department has 4 employees. Other useful information that can be seen as part of marketing is the presentation of the press-releases and the image strategy of the institution.

Based on the responses that we received from the other 9 institutions and on the analysis of the websites we can state the following conclusions:

- Four institutions (General Direction of Public Finances Cluj, County Department for Culture, Cults and National Patrimony Cluj, Department for Agriculture and Rural Development – Cluj, Prefecture of Cluj) did not meet any of the 5 criteria mentioned in the methodology – more specific they had no department or at least one person with public marketing responsibilities, no budget for any marketing

activities and, by consequence, they did not have any marketing activity in the last 2 years.

- None of the 12 institutions had a specific department for marketing, thus no budget could be requested specifically for public marketing.
- Five institutions met some of the criteria more specifically they provided a decent amount of information regarding activities that relate to marketing in the last 2 years. All of those were either updating the web page, press-releases and in the best case public information campaigns regarding the responsibilities of the institution. From these only 2 out of the 5 had a special department for public relations and communication (General Direction of Public Finances Cluj, County Pension House Cluj).
- Two institutions provided sufficient amount of information in order to have a general picture regarding the marketing component.
- The Department for Public Health although not having a specific department for marketing has a service for communication and public relations (1 employee) who informed us that, in 2009, they had 7 information-awareness campaigns, more than 10 partnership projects with other public institutions at local level. For year 2010 the schedule, according to their response, will remain the same but with a few partnership projects underway. Besides this, the Department for Public Health has frequent and constant press releases to the media regarding public health threats.
- The North – Western Regional Agency for Environmental Protection Cluj-Napoca had 6 information awareness campaigns according to a schedule set by the central ministry. However, for 2010 they did not give specific information regarding informational and promotional activities, just that they will continue the same activities.
- The Regional Commiserate for Consumer Protection – Cluj mentioned a number of 3 informational awareness campaigns that took place in 2009. Besides this, they also opened an information center where citizens can easily access relevant information regarding their rights as consumers. For 2010 they have a total of 5 informational-awareness campaigns focused on the legal framework modifications, citizens' rights as consumers and legal obligations for private producers.
- All 3 institutions had a specific department for public relations and communication.

7. Conclusions and further discussions

Based on the information we gathered through our study we can assert that the basic conditions necessary for implementing marketing as a significant component of the public administration's activity are lacking.

Probably the most important indicator for this is the fact that neither one of the 17 institutions had a marketing department, although almost half (8) had a department

for public relations and communication that had some activities related to marketing – mostly concerned with informing and maintaining good relations with the citizens. The direct implication of this is the fact that no institution had financial provisions for marketing activities included in the annual budget.

Secondly, although some institutions had some kind of activities, these were all related to information-awareness campaigns. This shows that leaders in these public institutions associate marketing with advertising and nothing more. This indirectly leads to reticence and low interest level in developing a true marketing strategy inside the organization.

Thirdly, an indirect argument that public marketing is not present in public institutions is the fact that especially the local autonomous public institutions did not respond to our formal request of information. The first two principles of marketing⁷ set out by Kotler (1972) concern the relation between the social units; in order to talk about marketing we must first have a relationship, or by not answering a formal request of public information, although legally bounded to do so, such a relationship is basically inexistent.

There are still signs of optimism. Some institutions have had significant activities relating to promoting their public image and raising awareness of citizens. Although this is not enough, it is a start to build upon.

In order for a marketing approach to grow, two basic conditions must be met:

1. Awareness of the leadership – by this we refer to public leaders acknowledging the importance of marketing as a strategic component of their organization and implementing such a component at all organizational levels.
2. Creating the structure – because we are talking about public administration, for a successful implementation of public marketing the necessary organizational structures needs to be created. Without a marketing bureau/department on the organizational chart no funding can be allocated legally, thus even being open and willing to carry out marketing activities public managers have to rely on financial “tricks” in order to fund these activities.

We hope that the current study is a door-opener for other follow-up research projects that will bring relevant and valuable information not only on what is lacking regarding public marketing, but more importantly what are the causes for these shortcomings and possible solutions for resolving them

⁷ Marketing involves two or more social units, each consisting of one or more human actors. At least one of the social units is seeking a specific response from one or more other units concerning some social object

References:

1. Bean, J. and Hussey, L., *Marketing Public Sector Services*, London: HB Publications, 1997.
2. Boone, L. and Kurtz, D., *Contemporary Marketing*, Hampshire: South-Western College Pub, 1998.
3. Borden, N., 'The Concept of the Marketing Mix', 1964, *Journal of Advertising Research*, vol. 4, pp. 7-12.
4. Bozeman, B., *Public Values and Public Interest: Counterbalancing Economic Individualism*, Washington D.C.: Georgetown University Press, 2007.
5. Burton, S., 'Marketing for Public Organizations: New Ways, New Methods', 1999, *Public Management*, vol. 1, no. 3, pp. 373-385.
6. Coita, D.C., 'Aplicarea marketingului în activitățile nonprofit', [Online] available at www.biblioteca.ase.ro/downres.php?tr=524, accessed on August 21, 2010.
7. Cousins, L., 'Marketing Planning in the Public and Non-profit Sectors', 1990, *European Journal of Marketing*, vol. 24, no. 7, pp. 15-30.
8. Dahl, R.A. and Lindblom, C.E., *Politics, Economics and Welfare*, New York: HarperCollins, 1953.
9. Downs, A., *Inside Bureaucracy*, Boston: Little, Brown, 1967.
10. Gilmore, A., *Services Marketing and Management*, Gateshead: Sage Publications Ltd., 2003.
11. Haas, J.E., Hall, R.H. and Johnson, N.J., 'Toward an Empirically Derived Taxonomy of Organizations' in Bowers, R.V. (ed.), *Studies of Behavior in Organization*, Athens: University of Georgia Press, 1966.
12. Haque, M.S., 'The Diminishing Publicness of Public Service under the Current Mode of Governance', 2001, *Public Administration Review*, vol. 61, no. 1, pp. 65-82.
13. Kaplan, A.M. and Haenlein, M., 'The Increasing Importance of Public Marketing: Explanations, Applications and Limits of Marketing within Public Administration', 2009, *European Management Journal*, vol. 27, no. 3, pp. 197-212.
14. Kettl, D.F., *Sharing Power*, Washington, D.C.: Brookings Institution Press, 1993.
15. Kettl, D.F., *The Transformation of Governance: Public Administration for the Twenty – First Century*, Baltimore: Johns Hopkins University Press, 2002.
16. Kotler, P., 'A Generic Concept of Marketing', 1972, *Journal of Marketing*, vol. 36, pp. 46-54.
17. Kotler, P. and Lee, N., *Marketing in the Public Sector: A Roadmap for Improved Performance*, New Jersey: Pearson Education, Inc., 2007.
18. Kotler, P. and Zaltman, G., 'Social Marketing: An Approach to Planned Social Change' 1971, *Journal of Marketing*, vol. 35, pp. 3-12.
19. Lauterborn, B., 'New Marketing Litany: Four Ps Passe: C-words Take Over', 1990, *Advertising Age*, vol. 61, no.41, p. 26.
20. Lindblom, C.E., *Politics and Market*, New York: Basic Books, 1977.
21. Madill, J., 'Marketing in Government', 1998, *The Journal of Public Sector Management*, vol. 28, no. 4, pp. 9-18.
22. McKelvey, B., *Organizational Systematics*, Berkeley: University of California Press, 1982.
23. Moe, R.C., 'The Emerging Federal Quasi Government: Issues of Management and Accountability', 2001, *Public Administration Review*, val. 61, no. 3, pp. 290-312.

24. Moore, M.H., *Creating Public Value: Strategic Management in Government*, Cambridge, Massachusetts: Harvard University Press, 1995.
25. Mora, C.M. and Țiclău, T., 'Managerial Approach to Public Administration', 2008, *Transylvanian Review of Administrative Sciences*, vol. 24E, pp. 87-97.
26. Nedelea, A., *Marketing în administrația publică*, București: Editura Didactică și Pedagogică, 2006.
27. Proctor, T., *Public Sector Marketing*, 1st edition, Essex: Prentice Hall, 2007.
28. Pugh, D.S., Hickson, D.J. and Hinings, C.R., 'An Empirical Taxonomy of Work Organizations', 1969, *Administrative Science Quarterly*, vol. 1, no. 4, pp. 115-126.
29. Rainey, H.G., 'Public Management: Recent Research on the Political Context and Managerial Roles, Structures and Behaviors', 1989, *Journal of Management*, vol. 15, no. 2, pp. 229-250.
30. Rainey, H.G., *Managing Public Organizations*, 4th edition, San Francisco CA: Jossey-Bass, 2009.
31. Rappaport, A., *Creating Shareholder Value: The New Standard for Business Performance*, New York: Free Press, 1986.
32. Serrat, O., 'Marketing in the Public Sector', [Online] available at www.adb.org/documents/information/knowledge-solutions/marketing-in-the-public-sector.pdf, accessed on August 22, 2010.
33. The Chartered Institute of Marketing, 'CIM definition of marketing', [Online] available at <http://www.cim.co.uk/resources/understandingmarket/definitionmktng.aspx>, accessed on July 17, 2010.
34. Wamsley, G.L. and Zald, M.N., *The Political Economy of Public Organizations*, Lexington, Massachusetts: Heath, 1973.
35. Weisbrod, B.A. (ed.), *To Profit or Not to Profit: The Commercial Transformation of the Nonprofit Sector*, Cambridge, U.K.: Cambridge University Press, 1998.
36. Weisbrod, B.A., 'The Future of the Nonprofit Sector: Its Entwining with Private Enterprise and Government', 1997, *Journal of Policy Analysis and Management*, vol. 16, no. 4, pp. 541-555.

Acknowledgement

The contribution brought by Tudor Țiclău to this article was possible due to PhD scholarship obtained in the project "Investing in people!" co-financed by the Sectoral Operational Program For Human Resources Development 2007-2013, Priority Axis 1. "Education and training in support for growth and development of a knowledge based society", key area of intervention 1.5: Doctoral and post-doctoral programs in support of research, contract no. POSDRU/88/1.5/S/60185 – "Innovative doctoral studies in a Knowledge Based Society" Babeș-Bolyai University, Cluj-Napoca, Romania.