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Romanian Public Marketing in Terms of Necessity, Collaboration and Mix

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Abstract

The paper carries out a short literature review on public sector and public marketing terms. The findings of the paper's study shows that the Romanian public sector should give more importance to marketing activities, as 87% of the respondents sustained when asked about their necessity. Within a public institution, the marketing specialists should cooperate with research& development, sales and financial departments. The study results reaffirm the importance of the 4 P of the marketing mix when making an offer, and place them on the top positions.

1. INTRODUCTION

The paper presents approaches considering the public sector, aspects on public marketing, the marketing necessity in Romanian public sector, the importance of cooperation between marketing specialists and other departments inside a Romanian public institution, the marketing components when making an offer and conclusions. A short literature review and a structured evaluation of current knowledge on public marketing are carried out. The paper includes an analysis that seeks to highlight the necessity, the collaboration and the mix of the public marketing obtained through a survey (processing 384 questionnaires) applied to employees from Romanian central and local public administration.

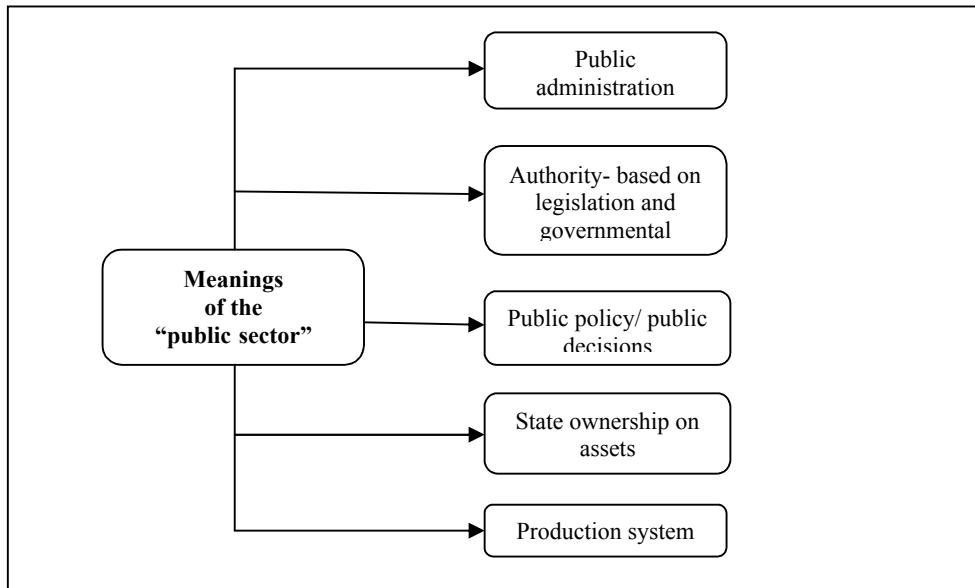
2. APPROACHES OF PUBLIC SECTOR

The public sector is the allocation system managed by the state, which influences the economy in general, through regulations, controlling of revenue by collecting and redistributing it. The purpose of the public sector is to ensure fairness and social equity for all the citizens at different levels (local, national, European).

There are numerous ways of explaining the term of "public sector" and also different perspectives on it. (figure 1) The public sector should be seen beyond the financial approach, which implies budget expenditure and revenues in relationship with the private sector, by detailing the functional mechanisms and its outcomes, according to the established purposes.

The most used meaning of the "public sector" is public administration, which is associated with governmental activities, through which the budget funds are allocated for consumption, investment and income transfers. As authority, the public sector includes the characteristics of public administration, being more than the budgetary allocation and is focused on legislation and governmental power. This posture of authority generates actions on the business community, by regulations and operations affecting market relations.

FIGURE 1
Meanings associated with the “public sector” term



Source: adapted after Stănciulescu G. (2002) Managementul utilităților publice, Editura Uranus, Bucharest, pp. 17-19

The third meaning associated with the “public sector” term implies the criteria of public policy making, which consists of relevant fields according with the national strategy. Taking the example of Romania, policies are presented in the Governance Programme (2009-2012) and are referring to fiscal-budgetary policy, justice and anticorruption policies, education, health, labor market, social insurance, family and child protection, teenagers and sport, business environment, SMEs, competition and consumer’s protection, transport infrastructure, scientific research, development and innovation, informational society, agriculture and rural development, regional development, public infrastructure of local interest and tourism policies, energy and mineral resources, environmental protection, public administration reform, public order and citizen safety, foreign policy, culture and national heritage, national defense, European affaires and policies on ethnic relations. As ownership of assets, the public sector has the right to control the activity of all the budgetary organizations from the public administration and even decide on the obtained results, including selling towards private sector.

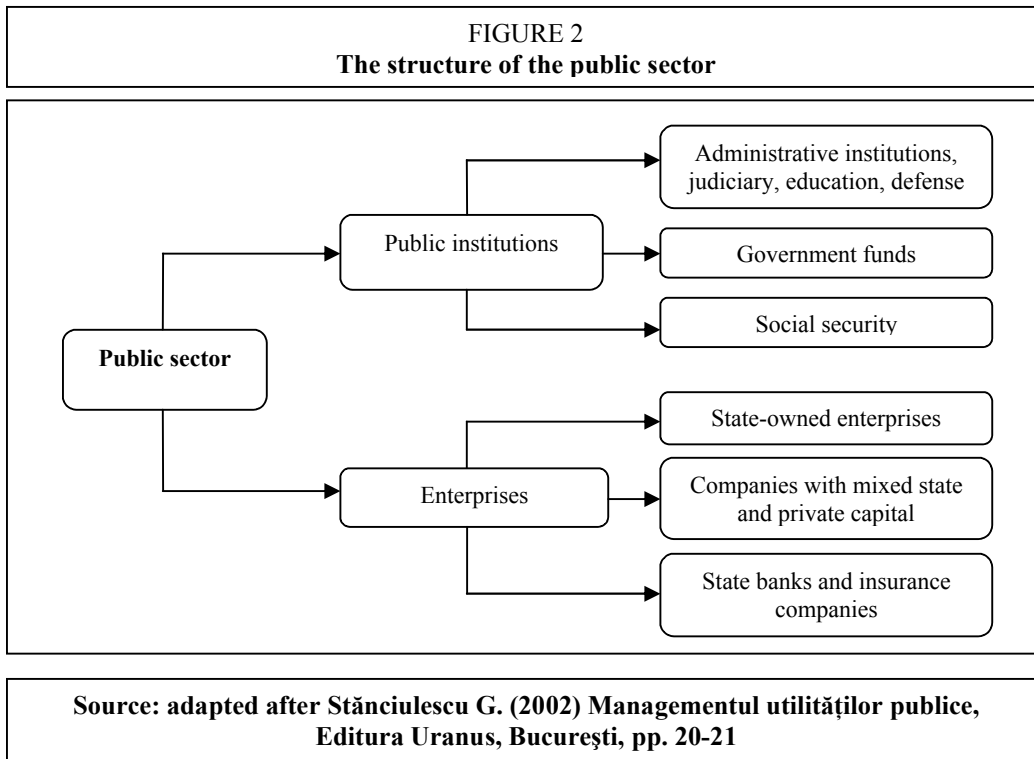
The last meaning refers to the public sector as a production system, considering the size of demand and supply of public goods and services established by specific mechanisms of budgetary sector and the ways of action on building the individual and public interest. (Stănciulescu, 2002)

When talking about the structure of the public sector there are identified two types of state organizations, such as institutions and enterprises. (figure 2)

Public institutions include ministries, agencies, and offices, organizations that are financed by the state or local budgets. For example, Romania has fifteen ministries, at the national level, and prefecture for each county.

The second category includes enterprises that are state ownership and obtains income by selling their production on the market and in addition, benefit of subsidies from the state budget, when the expenditure is higher than the income.

The decisions that are taken at the governmental level are of impact for both public and private sector, because of the means and instruments used by the public sector, such as regulations, taxes, subsidies, price controls.



Depending on the government objectives, these elements stimulate or inhibit the activity of business community. Furthermore, positive attitude towards citizens and increase of their satisfaction could be obtained by marketing activities of the public sector.

3. ASPECTS ON PUBLIC MARKETING

The contemporary marketing is situated in the sphere of methods for managing resources and can be mobilized by economic agents or by macroeconomic bodies in order to obtain an increase of profit, number of clients, image improving, keeping the clients of an enterprise, institution, public or private administration or government body. [6].

Nowadays, contemporary marketing, in general, adopted a holistic orientation which implies the engagement of an institution, in particular, in more diverse relations and represents a sum up of relational marketing, interior omnipresent marketing, socially responsible marketing and integrated marketing. [4]

Public marketing represents a modern concept considering the orientation of public

organizations, with an overall of planned, scheduled and developed activities, by using specific methods and techniques with the purpose of satisfying the contributors needs or/and of promoting expected behaviors, inside the collectivities which represent the target market. [2] Being part of the marketing concept, public marketing has different approaches, such as economic perspective, business perspective, client perspective and social perspective.

In comparison with the purpose of private sector marketing, that consists of obtaining customer value and satisfaction, the public sector targets citizen value and satisfaction. [5]

Public marketing has some final objectives, which consist of:

- „- understanding the aims of public organizations, the way to measure them and how the marketing can contribute to them.

- understanding the public marketing policies under the political, economic, legal, social and technological circumstances of the public organizations.

- the analysis of the possibilities of organizational behavior directed towards the established objectives.

- the design of public marketing policies and strategies for the public organization.” [1]

As mentioned before, the public sector generates changes in the private sector, by using different instruments, but more and more partnerships appear and the private component is emerged in most of the public services, underlining the importance of the public marketing. Although, marketing is a daily activity in a wide variety of countries its use is rarely encouraged or even considered as normal.[3]

4. NECESSITY, COLLABORATION AND MARKETING MIX

4.1. Research method

The survey was made on a group of 384 subjects. The questionnaire was focused on marketing, in general and more specific on the necessity of marketing in public sector, collaboration with other departments and citizens, marketing mix, the need of specialists in public marketing, marketers' characteristics, the changes needed in public sector in order to obtain better public services. This paper presents the results about: (1) the necessity of marketing activities in public sector, (2) private-public collaboration by knowing the citizens needs, (3) the marketing mix components' importance.

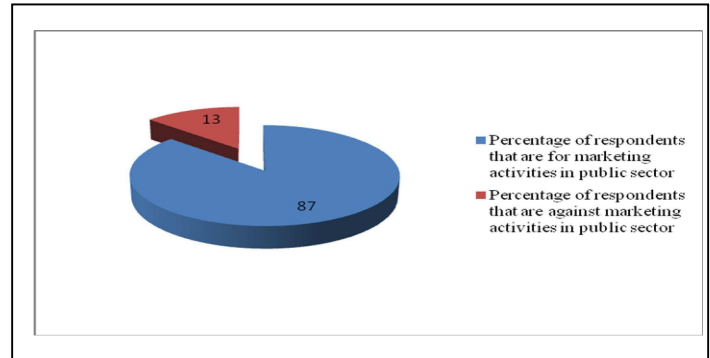
Among the respondents, persons that have their age between 20 and 40 years accounted for 60% and on the second place with a 33% are placed persons that have between 40-60 years old. Regarding the highest educational qualifications obtained, 49% had university degrees and approximately 26% had postgraduate studies.

4.2. Data analyses, results and discussion

(1) Starting with the question that reveals *the necessity of marketing activities* in was analyzed the question „Do you think that the public sector and the public interest services should carry out and develop marketing activities?“, where the respondents had to answer with yes or not, from the total of 384 questionnaires, 329 registered a positive answer, 50 respondents negated the need for marketing activities and 5 questionnaires were eliminated at this question, because they did not marked a choice. From the total of 379 valid questionnaires, on one hand, 87% persons

sustain the development of marketing activities in public sector and on the other hand, there is a small percentage of 13% persons that do not encourage the presence of marketing activities within the public sector. (figure 3)

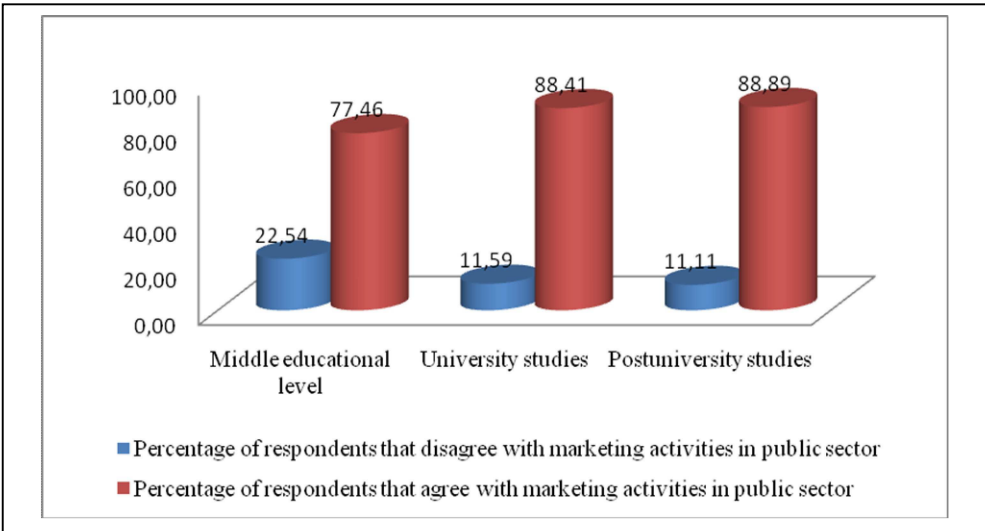
FIGURE 3
The percentage of respondents that are for or against marketing activities in the public sector (percentage)



In the following (figure 4) there are presented the percentages of respondents that agree or disagree with the necessity of marketing activities in public sector, structured into three categories by their level of education (middle educational level, university studies and postgraduate studies). The highest percentage of the respondents that disagree with the development of marketing activities in public sector is registered at the category of persons with a middle educational level, 22,54%, compared with approximately 11% for each category of respondents that have university studies or postgraduate studies. As a suggestion, the marketing benefits should be known by all the employees, especially when concerning a public institution, where the citizens should be the main central point.

(2) The following question makes *the connection between marketing activities and future collaboration with citizens* and it is formulated like this: “Do you think that the knowing of citizens' needs and expectations could improve the relationship between public and private sector?”. The necessity to know the citizens needs and expectation, registered a very high percentage (97%) of positive answers towards the identification of contributors' needs and expectations.

FIGURE 4
The percentage of respondents that agree or disagree with the marketing activities in public sector, divided by their level of education



Employees of Romanian public institutions are aware of the fact that the needs and expectations of the citizens should be on a very important place, because when the citizens' opinions are taken into consideration it generates satisfaction among them, thus meeting the main purpose of the public sector.

(3) Regarding the question about *the marketing elements that should be taken into consideration by the marketing specialists when making an offer*, the asked subjects had to hierarchy components, such as product, price, distribution and promotion (the 4 P of marketing mix), human resources, process (ecological technologies and others) and the organization good-will. (table 1)

From the hierarchy of marketing mix components, it can be seen that the respondents put on the first places the fundamental elements of the marketing mix. On the first place, with a majority of 199 options, is placed the product, followed by the price, which occupies the second place with a number of 141 options. The distribution and promotion register the most frequently options for the third place, but the promotion has a higher number of registers than the distribution, so that the latter occupies the fourth place. Respondents put little accent on good will and process so they place them on the following places. The human resources component has the most numerous options in order to be placed on the last position. The

TABLE 1
The hierarchy of marketing components when specialists have to make an offer

Making the offer	Position	Product	Price	Distribution	Promotion	Human resources	Process	Good-will
	1	199	35	4	73	10	28	38
	2	52	141	22	61	24	34	28
	3	46	58	66	79	28	30	36
	4	28	49	50	59	45	44	42
	5	7	27	58	31	68	47	38
	6	8	16	61	29	36	49	53
	7	7	17	34	10	72	51	52

Source: from the applied questionnaires with 384 respondents

respondents are focused on the main components of the marketing mix by putting them on the top and place the other three elements on the last positions.

5. CONCLUSIONS

A limitation of this study is that presents part of the survey and it was focus mainly on public administration from central and local levels. Cultural, national and institutional diversity would be relevant factors [7]. Applying this questionnaire and mainly the specific questions that are detailed in the paper, in other European would be very much strengthen this study's findings or even make comparisons. In addition further improvements of the questionnaire will bring into attention the interdependence between the public and the private sector, through marketing activities.

5.2. Implications and future research

Summing up, marketing should become a base building block of the Romanian public sector and this fact is sustained by the majority positive answers of the respondents (87%), when asked about its necessity. All most everybody (97%) agree that the improvement of the public administration services is related with citizens' needs and expectation. Knowing them could be better provided. The survey results reaffirm the importance of the marketing mix elements. Unfortunately the classic 4 P (product, price, distribution and promotion) was highlighted in the answers; less importance was given to personnel even if all agreed that it is very important for building a good relationship.

For a future research it has to be considered to find out if this result was obtain due to the analogy with the private sector marketing, less knowledge of public marketing, commodity in answer or is the real quotation the subjects are given to the marketing elements.

Other issue to be taken into consideration is the relationship between public and private sector (business community and citizens) in order to find out the current situation of the marketing importance/impact and what improvements can be made for further cooperation.

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