Marketing and the Public Service

Dr Franco Curmi

What is Marketing, and what relevance does it have in Public Service? To answer this question, we need to understand Marketing, Public Service, and their intersection.

What is Marketing? Every year at the start of the academic year, I ask this question to freshers, enthusiastic about taking Marketing as their major. The hands-up responses are always insightful. "The ability to get people to click on ads" is a typical response; "understanding consumers to create more saleable products" or "the ability to find a product that satisfies peoples' needs", to name a familiar few. Many consider marketing as the ability to sell more for increased profitability. However, Marketing is more encompassing than this. The American Marketing Association (AMA) defines marketing as "the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners and society at large" (AMA, 2017).

A look at academic literature shows that marketing has a broad spectrum of interdisciplinary relations, from leading consumer protection research to antitrust legislation. This includes protecting vulnerable groups, research supporting the need for detailed product and nutrition labelling, legislation on dangerous goods, public health campaigns and the monitoring of mergers and business practices (Andrews et al., 2022), among endless other areas that have little if any to do with direct selling products and services. All of these create a strong positive impact on people's lives, communities, and nations.

Andrews et al. (2022) suggest that marketing in public service influences four areas 1. the effect of public service on marketing firms, 2. the impact on consumers and society, 3. the influence of marketing practices on the service for society, and 4. the meta-implications on theory and study around public service itself.

In recent years, new approaches and theories have emerged, creating much debate and discussion in the marketing and public service discourse, such as

co-production and co-creation, service-dominant logic (SDL), public service-dominant logic (PSDL), and PSL (Petrescu, 2019). Co-creation in public services presupposes cooperation between service providers and service recipients (Osborn, 2013) which new technologies have facilitated. A review of public services websites, including servizz.gov, show numerous opportunities for customers to engage with entities, give feedback and, in some cases, actively design policies and services. Technology has opened the ability to harness the collective intelligence of a nation not only for traditional democratic voting but also for participatory design of policies and decision-

making at scale. This increasingly makes the citizen co-creator of public service processes, products, and value in the service ecosystem (Petrescu, 2019).

Traditional service marketing concepts commonly referred to as the seven P's remain strongly applicable to public service, namely:

1) People: includes the understanding, designing, and supporting of social interactions and relationships.
2) The Physical evidence: includes, for example, the facilities, the look and feel, the signage and the symbols where the service is delivered.

3) The Process: includes service design, standardisation, and process efficiency. For example, the designed process of providing customer support at servizz.gov

4) Promotion: includes essential internal and external marketing, advertising, and communication for a new service.

5) The service Product. This includes aspects such as technology, usefulness, quality of the service, and packaging.

6) The Price or cost of the service, and

7) The Place where the service is provided. This can be online or physical and necessitates different research studies and implementation for access and delivery designs.

Yet there have been radical changes in marketing and public service operations in recent years, including new technologies, automated personalisation of services, new communication channels, and a shift towards customer centricity.

New Technologies

Recently, Hoffman et al. (2022, p. 2) provided a robust definition for new technology in marketing: "scientific knowledge and/or its application in the early adoption cycle for firms and/or consumers with the potential to influence the activity, institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large." Applying Hoffman's framework to the public service context, new technologies define marketing in four ways: i. By creating ways for citizens and government to interact (such as implementing live chat service support); ii. By creating new data and analytic methods; iii. Through operations' innovation (such as using new communication channels and workflows) and iv. Through new relationships with marketing operations (Hoffman et al., 2022).

New technology has revolutionised public service delivery in a short timeframe. For example, many services can now

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be accessed from home, saving customers much travelling time and easier access. However, if the digitisation of public service and online accessibility was cutting-edge innovation two decades ago, this is today an expected basic service. International standards and customers' exposure to globalised online services have increased quality expectations, where it is not enough that a service is accessible online. It is expected to be efficient, searchable, rapid, and intuitive. The latter means the service needs no new learning over the existing customers' knowledge built over other online services. In this context, information accessibility is expected as a fundamental provision. In other words, it would not excite customers if it were there, but it would make them frustrated if it were not there, or were difficult to access. On the other hand, satisfaction is more than ever dependent on the simplicity of the designed customer journey.

Automated Personalisation of Service

New technology and data processing possibilities allow marketers to make sense of existing customer behaviour patterns, and increasingly predict customer behaviour. This allows, mainly, services marketing to anticipate user needs, thus removing what would otherwise have been irrelevant information that adds noise, increases cognitive load, and frustrates the customer, who in turn could feel misunderstood. It also allows customising and personalising services within set parameters. For example, telecom companies can today reliably predict when a customer will churn. Most successful online fashion retailers predict each customers needs through real-time online behaviour analytics to propose uniquely tailored product offerings. Within the public service, such personalisation can, for example, use the Citizen Twins' concept (Dingli, 2021), where historical data,

trends and patterns are used to predict what a customer needs with a reasonable degree of accuracy (Dingli, 2021). Such predictions could result in a simplified list of menu items proposed to the user, simple notifications about when to apply for a relevant service at the right time or more complex personalisation of health-related solutions. In this regard, a broad corpus of literature exists around differentiated contexts that make personalisation intrusive versus applications that create intense, long-lasting positive experiences (Lee and Cranage, 2011; De Battista et al., 2021).

As consumers are increasingly exposed to aggressive personalisation of products and services in private industry, this expectation is projected to become normalised. For example, promotional emails from leading retailers are often personalised with products and offers that the recipient is most likely to value. In consequence, it is likely that customers will increasingly expect personalisation from public service providers. Arguably, much like information accessibility was a decade or two ago, the absence of seamless personalisation might eventually trigger negative experiences, and its presence becomes an expectation.

New communication channels driving an increased necessity for efficiency

One of the major changes in marketing over the last two decades has been the proliferation of new communication channels. New channels include a plethora of social media channels, searchable content, static and video advertisements across multiple ad delivery networks (ADN), email campaigns, instant notifications, blogs, and apps, among many others, all of which afford interactivity, immediacy, personalisation and targeting at scale (Parise et al., 2016). This has

drastically increased communication effectiveness and lowered the cost of communicating, as more communication channels become available in addition to traditional channels such as print, television and radio.

On the other hand, the need for efficiency in purchasing advertising space for the public good has increased. It is known that public purchasing should be done wisely, because the common good funds it. However, in addition, most of the new communication channels, such as digital advertising, operate as an ecosystem, much like stock markets, where each advert increases the cost of advertising for every other advertiser on the same network, whether the advertiser is a public, non-governmental, or commercial entity. Over the last decade, online advertising networks such as Google and Facebook based most of their advertising space-buying through bidding. This means that every advert

on the platform competes with every other advert for space and cost, with advertising prices varying based on real-time demand and supply. In other words, while advertising a full page in a traditional newspaper has a fixed cost and does not directly increase the cost of private industry advertising on the same paper, each new advertiser on an online advertising network increases the cost of advertising on the same network. This raises the new risk threshold, whereby a public entity enters, knowingly or unknowingly, into competition with the industry. In this context, efficiency in advertising is more paramount than ever, not only in terms of costs but also in terms of advertising value. In this light, one might ask, what is worth communicating? What is the scale of advertising required? From a citizen-centric perspective, does this advertising value justify the space it absorbs in contrast with every other public and private advert that the same space affords?

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Customer Centricity

Customer centricity has received substantial attention in recent years, and public services must strive to be customer-centric. Thus, more than ever, the need is to design services with the customer journey in mind. This, directly and indirectly, eliminates cases where services are provided in a 'stand-alone' context, or journeys that are not seamless across multiple platforms, relevant content that is difficult to find, or services information on an interface that is sorted by the level of importance for the service provider rather than the customer. This approach would necessitate serious research based on historical customer behaviour data, qualitative usability testing, and continuous optimisation of online customer journeys. Multiple studies have shown that shifting the focus to a customer-centric approach positively impacts the customer experience of the service (Fornell et al., 2020).
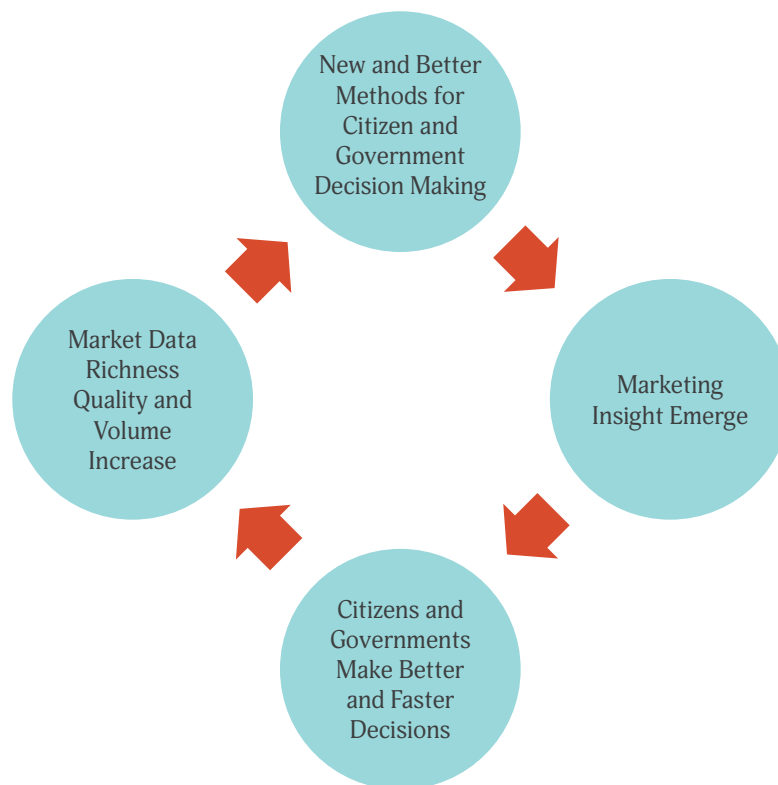

Figure 1. Effect of new technology on marketing in public service: Adapted from Hoffman et al., 2022.

Figure 1 shows how new technology is influencing marketing in public service. New tools are providing methods for citizens and governments to take better decisions. These include not only the examples around AI and personalisation mentioned earlier, but also the ability to harness large amounts of structured and unstructured data, crowdsourcing within a decision-making framework, advanced customer relationship management tools from which to orchestrate experiences, and the ability to appreciate the needs of the individual within noisy crowds through advanced segmentation tools. These provide marketing insights that were impossible to harness just a decade ago, not only in terms of scale but, more importantly, in terms of richness and quality (Hoffman et al., 2022).

Conclusion

Over the years, there have been stellar advances in digitising public services in Malta to support all seven marketing Ps.

Each service needs a continuous improvement process. It is essential to continue pushing and be at the forefront of cutting-edge radical innovations, such as new services based on big data, artificial intelligence, metaverse and what is next to come.

However, while such innovations naturally generate excitement among stakeholders, it is also essential to continue improving the basic elements of the services, for example, by improving user interfaces for accessing services to make them more intuitive. In many cases, actions for improving ease of use within customer services require no technological breakthroughs, yet small changes driven by usability research could significantly impact customer experience. Questions such usability research typically asks may include: How long does it take a citizen to find a specific form? How intuitive is each step of the journey? What is the cognitive load at each touchpoint in the customer journey? What percentage of customers start and complete a journey? Such research, among others, often identifies low-hanging fruit with immediate returns that decrease service costs while improving customer satisfaction for the benefit of customers, citizens, and society.

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