JOHN L. CROMPTON
CHARLES W. LAMB, Jr.

MARKETING GOVERNMENT AND SOCIAL SERVICES

WILEY SERIES ON
MARKETING MANAGEMENT

Marketing Government and Social Services

JOHN L. CROMPTON
CHARLES W. LAMB, Jr.

JOHN WILEY & SONS
New York • Chichester • Brisbane • Toronto • Singapore

Copyright © 1986 by John Wiley & Sons, Inc.

All rights reserved. Published simultaneously in Canada.

Reproduction or translation of any part of this work beyond that permitted by Section 107 or 108 of the 1976 United States Copyright Act without the permission of the copyright owner is unlawful. Requests for permission or further information should be addressed to the Permissions Department, John Wiley & Sons, Inc.

This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional service. If legal advice or other expert assistance is required, the services of a competent professional person should be sought. *From a Declaration of Principles jointly adopted by a Committee of the American Bar Association and a Committee of Publishers.*

Library of Congress Cataloging in Publication Data:
Crompton, John L.
Marketing government and social services.

(Wiley series on marketing management,)
ISSN 0275-875X)
Includes index.
1. Marketing—Management. 2. Government publicity. 3. Social service—Marketing.
I. Lamb, Charles W. II. Title. III. Series.

HF5415.13.L32 1986 658.8 85-12459
ISBN 0-471-09365-3

Printed in the United States of America

10 9 8 7 6 5 4 3 2 1

To Liz and Sharon

Acknowledgments

Many academic and professional colleagues, friends, and predecessors have directly and indirectly contributed to the development of this book. While it is not possible to recognize most of the contributions, we would like to acknowledge the comments, criticisms, suggestions, and examples provided by our colleagues at Texas A&M University and Texas Christian University. We would particularly like to thank Leslie Reid, former Head of the Department of Recreation and Parks at Texas A&M and Edward A. Johnson, Dean of the M.J. Neeley School of Business at TCU for their encouragement and support.

Our work has also been influenced by many professional managers and university students who have participated in our workshops and classes during the years since this project began in 1980. Their insight and feedback have stimulated us to reexamine, reorganize, revise, and clarify many of our ideas, illustrations, and examples. Former graduate assistants Cheryl Black, Elizabeth Sypien, Cindy Kennedy, Donna Legg, Kathy Rubin, Renuka Arunkumar, Sheila Backman, and Kari Knox were particularly helpful in gathering reference materials, proofreading, and copyediting.

We are grateful to many people whose contributions are referenced throughout the book. We would particularly like to recognize Professor Philip Kotler of Northwestern University whose work has substantially influenced our thinking.

Special thanks are due Nancy Robbins and Pat Townsend for their diligent work in preparing the manuscript, keeping track of countless details, and helping out in various other aspects of the project.

Finally, our deepest thanks go to our wives Liz and Sharon, and our daughters Christine and Joanne Crompton and Christine and Jennifer Lamb. Without their support, encouragement, sacrifices, and tolerance the book could not have been written.

JOHN L. CROMPTON
CHARLES W. LAMB

试读结束：需要全本请在线购买： www.ertongbook.com

Preface

This is the first comprehensive book to focus exclusively upon the marketing activities performed by government and social service agencies. Its purpose is to demonstrate how the concepts and techniques of marketing relate to the delivery of government and social services.

The authors brought complementary backgrounds and perspectives to the preparation of this book. John Crompton brought knowledge of government and social service agencies gleaned from 20 years of work experience and academic interest in that arena. Charles Lamb is the M.J. Neeley Professor of Marketing at Texas Christian University. His expertise in marketing for non-profit organizations is widely recognized.

It is normal practice when two people collaborate on a book for them to divide the work so that each takes primary responsibility for a predetermined number of chapters. Because of the different perspectives of its authors, this book did not develop in that way. Each chapter was a source of creative conflict and went through a series of iterations. The debate, argument, and long gestation period facilitated the development of insight. As a result, the five-year period during which the book was written has been a time of intellectual adventure and an exciting learning experience for both of us.

In the past seven years, more than 10,000 practitioners have participated in over 100 workshops which the authors have conducted either independently or together. We are pleased with whatever benefit they may have derived from exposure to the developing ideas for this book, but we are most grateful to them for their feedback and input. They have been tolerant of our occasional naivete, forthright in their criticism, and generous in sharing their ideas and illustrations. Hence the content of this book has been repeatedly revised and thoroughly tested. We are convinced that its conceptual foundations are well-rooted, but believe its major contribution is its pragmatic approach. The book is intended to be primarily a "hands-on" reference guide for administrators. It has also been well-received by students in our university classes who have also provided us with useful feedback.

Given the eclectic nature of government and social services, it is not possible to tailor each example to the reader's particular type of agency. The examples should be regarded as being generic, rather than being illustrative only of the service and situation cited. The reader has to make the transition from cited illustrations to the context of his or her own agency.

We anticipate managers will receive three major benefits from reading this book:

1. *A general orientation to the field of marketing.* Few public sector managers have received any formal training in marketing because marketing's relevance to government and social service agencies has been recognized only recently.
2. *New ideas for solving problems.* The marketing perspective used here is likely to be new to many. Management in many public services has historically been inbred. The majority of police, recreation, and library managers, for example, have spent their entire working lives in a single area. Such narrow exposure restricts a manager from sharing the experience of his or her peers in other service areas who may have faced similar situations. In this "hands-on" book, concepts are explained; but the emphasis is on application of these concepts in a large number of practical illustrations and case studies from a variety of services.
3. *A frame of reference within which to view all service delivery decisions.* Marketing doesn't consist of isolated activities, but rather of orchestrated efforts that integrate a number of related activities. Managers will recognize seemingly independent decisions are related when seen in the context of the total set of marketing activities.

Often the biggest obstacle to introducing marketing into an agency is the word "marketing" itself, which can carry negative connotations associated with hucksterism. Though a gross misrepresentation, the semantic problem cannot be ignored. We suggest that ideas from the book be introduced gradually without any reference to marketing. In this way techniques can be implemented quickly without resistance from personnel who would react negatively or feel overwhelmed by "marketing." Once the innovations are successful, you can announce that marketing is in fact being practiced and practiced well.

The cost of government in the United States has become the biggest single item in the family budget—more than housing, food, or health care. The consistent increase in the size of government between 1949 and 1982 is shown in Figure 1. Together federal, state, and local governments collect revenues that amount to more than one-third of the U.S. gross national product and employ nearly one out of five nonagricultural civilian workers. As the size of government has increased, so has the public's criticism of its efficiency, effectiveness, and equity. Marketing is not a panacea for all the financial, service delivery, and accountability problems confronting agencies, but it can definitely help alleviate those problems.

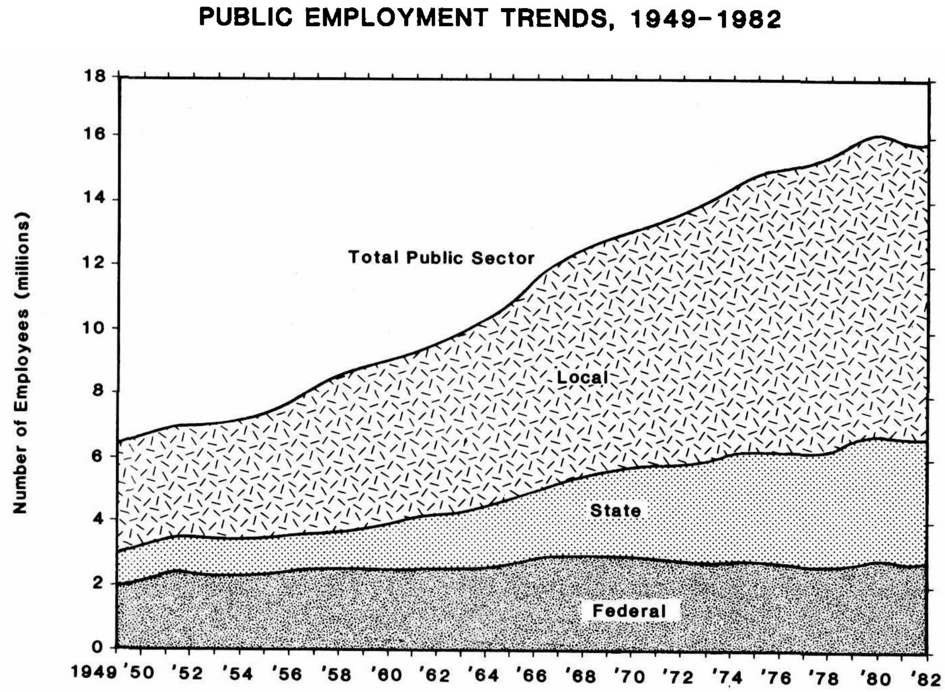

Figure 1. Public Employment Trends, 1949–1982. (*Source:* Bureau of the Census, U.S. Department of Commerce. Government Employment G.E. 82. No. 1 Public Employment.)

This book is directed to managers at all levels of government with responsibility for all sizes of jurisdictions. Government and social services are not part of a homogeneous sector. Instead the sector delivers a myriad of diverse services. Although there are differences in the environments within which each manager operates, the principles discussed in this book are broadly applicable across the public sector spectrum. Most agencies identify the client groups whom they serve; develop and eliminate services; decide upon the appropriate prices to charge; schedule and locate their programs and services at several locations; and promote or communicate their availability through brochures, announcements, or public contact. The large number of application examples from many different service areas will assist readers in making the transition from principle to application in their own field.

John L. Crompton
Charles W. Lamb

College Station, Texas
Fort Worth, Texas
December 1985

Contents

1. What Is Marketing? 1

Evolution of the Marketing Concept 1
  Product Era, 2
  Sales Era, 2
  Marketing Era, 3
Fundamentals of a Marketing Orientation 6
Contrasting Selling and Marketing Orientations 7
  Organization's Focus, 8
  What Business Are You In? 9
  To Whom Is the Service Directed? 14
  What Is Your Primary Goal? 14
  What Tools Do You Use to Achieve Your Goal? 16
A Definition of Marketing 16
  Nature of Exchange, 18
The Set of Marketing Activities 20
  Marketing Intelligence, 20
  Agency Mission, 21
  Targeting, 21
  Objectives, 22
  Marketing Mix, 22
  Evaluation, 24
Demarketing 25
Summary 26

2. Relevance of Marketing to Government and Social Service Agencies 31

Growth of Agency Interest in Marketing 32

Relevance of Marketing for Government and Social Service Agencies 33

Concept of Publics 34

Differences Between Public and Private Sector Marketing 36

Environmental and Organizational Differences, 37

Profit and Nonprofit Orientations, 39

Distinctions Between Goods and Services, 40

Summary 41

3. Developing a Marketing Plan 43

Emergence of Marketing Planning 43

Importance of Planning 46

Objectives of the Planning Process 47

Timeframe of Plans 48

Steps in Preparing a Marketing Plan 48

Environmental Analysis, 48

Needs Assessment, 52

Mission, 53

Establishing Objectives, 54

Strategy, 60

Action Programs, 64

Implementation, 67

Evaluation, 68

Summary 68

4. Evaluating Marketing Efforts 73

Marketing Audit 74

Marketing Audit Procedure, 74

Postaudit Tasks, 76

Program Evaluation 77

Reasons for the Growth of Program Evaluation, 77

Scope of a Program Evaluation, 78

Defining What to Evaluate, 80

Why Evaluation Findings Are Not Used, 92

Motives for Undertaking a Program Evaluation, 92

Problem of Resources, 94

Summary 95

Appendix: A Marketing Audit Outline 98

5. Identifying Potential Target Markets 111

What Is a Target Market? 111
Rationale for Delineating Potential Target Markets 112
Requirements for Effective Segmentation 115
Two Alternative Approaches to Segmentation 116
Some Common Descriptors Used to Delineate Segments 118
Geographic Descriptors, 120
Sociodemographic Descriptors, 121
Behavioral Descriptors, 121
Summary 128

6. Selecting Target Markets and Identifying Sources of Unresponsiveness 131

Three Strategies for Selecting Target Markets 132
Undifferentiated Strategy, 132
Differentiated Strategy, 132
Concentrated Strategy, 135
Selecting a Target Marketing Strategy 136
Market Grid Analysis 136
Concept of Market Positioning 139
Prioritizing Target Markets 141
Major Constraints Contributing to Unresponsiveness 143
Summary 146

7. Allocation Decisions: The Equity Issue 149

Relationship Between Target Market and Allocation Decisions 150
Emerging Concern with Allocation Decisions 151
Scarcity of Resources, 151
Influence of the Courts, 153
Who Are the Winners and Losers? 154
Concept of Equity 155
Alternative Models of Equity, 156
Horizontal Equity, 160
Which Equity Model Should Be Selected? 161
Who Determines What Is Equitable? 164
Factors Limiting the Influence of Elected Officials, 165
Role of Administrators, 166
Role of Street-Level Bureaucrats, 167
How Does Equity Relate to Other Marketing Tasks? 169
Summary 171

试读结束：需要全本请在线购买： www.ertongbook.com

8. **Strategic Distribution of Services** 177

Implications of Dependence on Facilities 177
Overview of the Distribution Decision Process Model 178
Evaluating Distribution Patterns 180
  Units of Analysis, 181
  Types of Equity Evaluation Indicators, 181
  Comparison of Equity Distribution of Different Services, 185
Establishing Distribution Objectives 186
Developing a Distribution Strategy Plan 188
Operational Components 188
  Channel of Distribution, 188
  Intensity of Distribution, 193
  Selecting Locations, 197
  Scheduling Services, 200
Summary 200
Appendix: Operationalization of a Compensatory Equity Model 204

9. **Program Management** 209

Dimensions of a Service 209
  The Program, 210
  Facilities, 210
  Personnel, 212
  Image, 213
  Program Name, 216
Program Life Cycle 218
  Characteristics of the Stages, 220
  Core and Fringe Participants, 223
  Implications for Managing Programs, 224
  Implications for Assigning Management Resources, 228
  Limitations of the Life Cycle Concept, 231
Summary 233

10. **New Program Development** 237

Sources of Stimuli for Developing New Programs 239
  Reaction to External Pressure, 239
  Internal Recognition of Performance Gaps, 240
Characteristics of a Facilitative Agency Climate 242
  Organizational Structure, 242
  Availability of Organizational Slack, 244

Personnel Treatment, 245
Support from Elected Officials, 246
Support of the Agency Head, 246
Organizing for New Program Development 247
Establishing a New Program Committee, 248
New Program Development Process 248
Generating New Program Ideas, 250
Evaluating New Program Ideas, 254
Launching, 258
Summary 260

11. Diffusion of New Services 263

General Model 264
Relationship of the Diffusion Model to the Program Life Cycle Concept, 264
Factors Influencing the Effectiveness and Speed of Diffusion 266
Perceived Attributes of a New Program, 268
Interpersonal Communication Pathways, 269
Opinion Leaders and Their Identification 274
Techniques for Identifying Opinion Leaders, 274
Integrating Identification Techniques, 279
Implications of Opinion Leaders' Influence, 280
Summary 281

12. Program Retrenchment 285

A Model of the Retrenchment Process 286
Internal Recognition of Retrenchment Advantages 287
Concentration of Resources on the Most Important Offerings, 287
Alleviation of Managerial Overload, 288
Improvement of the Success Rate of New Services, 289
Strengthening an Agency's Future, 289
External Conditions that Stimulate Retrenchment 289
Environmental Entropy, 290
Competition, 290
Problem Resolution, 290
Plant Obsolescence, 291
Barriers to Retrenchment 291
Internal Personnel Barriers, 292
External Barriers, 294

Product-Oriented Approaches to Retrenchment 296
Across-the-Board Cuts, 297
Voluntary Attrition, 297
Expenditure Deferment, 297
A Marketing Approach to Retrenchment 298
Identifying Candidates for Retrenchment, 298
Evaluating Retrenchment Candidates, 301
Retrenchment Implementation Strategies, 303
Facilitating the Implementation Decision, 305
Summary 308

13. Objectives of Pricing 313

Political Considerations 314
Nature of Price 314
Opportunity Cost of Time, 315
Embarrassment Costs, 317
Effort Costs, 318
Recent Trends 318
Enterprise Funds, 318
Objectives of Pricing 320
Income Redistribution, 321
Equity, 323
Efficiency, 329
Revenue Production, 336
Summary 339

14. Establishing a Price 343

Stage 1: Determining the Proportion of Costs That the Price Should Recover 343
Critical Role of Cost Accounting, 343
Positioning Services on the Cost Recovery Continuum, 347
Stage 2: Determining the Going Rate Price 354
Stage 3: Examining the Appropriateness of Differential Pricing 355
Participant Price Differentials, 356
Product Price Differentials, 358
Place Price Differentials, 359
Time Price Differentials, 360
Price Differentials Based on Quantity of Use, 360
Price Differentials as Incentives, 362

Stage 4: Considering Psychological Dimensions of Pricing 363
Psychological Considerations in Initial Price Decisions, 363
Psychological Considerations in Price Revision Decisions, 368
Summary 373

15. **Promotion: An Overview** **377**

Role of Promotion 378
Marketing: Synonymous with Promotion, 379
Effective Promotion: Wasteful or Misleading, 379
Program Adoption Process 382
Communication Process 384
Conditions for Successful Communication, 386
Promotion Mix 390
Coordinating the Promotion Mix 392
Promotion Objectives, 392
Characteristics of the Target Market, 393
Stage in the Program Life Cycle, 394
Financial Resources Available, 394
Prohibitions, 394
Establishing a Promotion Budget 395
Arbitrary Approach, 395
Percentage Approach, 395
Service Participation or Use Approach, 396
Objective and Task Approach, 398
Summary 398

16. **Advertising and Public Service Announcements** **401**

Advertising 401
Common Uses of Advertising, 402
Developing the Advertising Campaign, 406
Who Develops an Advertising Campaign? 426
Public Service Advertising 428
Background of PSAs, 428
Broadcast PSAs, 430
Print PSAs, 430
Billboard PSAs, 433
Marketing PSAs, 433
Summary 435

17. Personal Selling **439**

Common Uses of Personal Selling 440

Recruiting and Retaining Clients, 440

Fundraising, 441

Lobbying, 442

Other Activities, 442

Prospecting and Targeting 442

Developing a List of Prospects, 443

Targeting, 444

Preparation 444

What's in It for Them? 445

Who Should Be Contacted? 449

Presentation 451

Stimulus-Response Approach, 451

Formula Approach, 452

Need Satisfaction Approach, 452

Guidelines for Improving the Effectiveness of a Presentation, 453

Handling Objections 455

Closing 456

Follow-Up 457

Summary 459

18. Publicity and Incentives **463**

Publicity Incentives 463

Distinguishing Between Publicity and Advertising, 463

Developing Relationships with Media Personnel, 464

Press Releases, 466

Publicity Campaign, 467

Cable Television, 467

Incentives 473

Purposes of Incentives, 473

Strengths and Limitations of Incentives, 474

Planning and Coordinating Incentive Programs, 475

Summary 477

Index **479**

ONE

What Is Marketing?

Many people think the term *marketing* connotes an activity that is only appropriate in commercial profit-seeking enterprises. They do not distinguish marketing from hard selling and envision both as crass exploitation, the foisting of unwanted goods and services on unsuspecting people, the superficial glitter of billboards and neon signs, commercials on television, and aggressive high-pressure sales people. Seen in this light, marketing is considered unprofessional and unethical for government and social service agencies (see Figure 1.1).

Such negative associations reflect an inaccurate view of marketing. Marketing is two things. First, it is a philosophy, an attitude, and a perspective. Second, it is the set of activities used to implement that philosophy. Acceptance of the philosophy is a prerequisite for successful implementation of the activities.

This chapter is intended to remove any misunderstanding of the nature of marketing and to explain why marketing is relevant to government and social service agency administrators. First is an exploration of the philosophy of marketing in which the so-called marketing concept is introduced and its evolution traced. Because of its importance to all government and social service agency marketing efforts, the basics of a marketing orientation are outlined and then contrasted with an alternative orientation that agencies often adopt. Next, we define the term *marketing* and explore the concept of exchange that underlies all marketing actions. Following that is an introduction to the set of activities that comprise marketing. Relationships between these activities are illustrated by a family planning service example. The final section of the chapter briefly reviews the use of marketing to discourage, rather than encourage, service usage.

EVOLUTION OF THE MARKETING CONCEPT

The philosophy of marketing is simple and intuitively appealing: the social and economic justification for an organization's existence is the satisfaction of cus-

试读结束：需要全本请在线购买： www.ertongbook.com