# Philip Kotler

# Marketing IN THE **PUBLIC SECTOR**

## **GOALS MARKETING CAN SUPPORT**

Marketing thinking, principles and processes can help your agency by:

- Increasing revenues
- Increasing service utilization
- Increasing purchases of products
- Increasing compliance with laws
- Improving public health and safety
- Increasing citizen behaviors to protect the environment
- Decreasing costs for service delivery
- Improving customer satisfaction
- Engendering citizen support

## THE MARKETING MINDSET

Five earmarks of a successful marketing mindset include:

- #1 Adopt a Customer-Centered Focus
- #2 Segment and Target Markets Identify the Competition #3
- Utilize All 4Ps in the Marketing Mix: Product, Price, Place and #4
- Promotion
- #5. Monitor Efforts and Make Adjustments

## **MARKETING PLAN OUTLINE**



**OUICK** REFERENCE

GUIDE

#### 1. Executive Summary

Highlight marketing objectives and goals, target audiences, desired positioning, marketing mix strategies and evaluation, budget and implementation plans.

## 2. Situation Analysis

Provide background information and plan purpose. Conduct a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis. Identify the competition. Describe past or similar efforts to learn from.

## 3. Marketing Objectives and Goals

Marketing objectives are stated in terms of desired behaviors or actions, changes in brand image or increased knowledge you want to achieve. Marketing goals are quantifiable and measurable expressions of your marketing objectives.

## 4. Target Audience

First segment the market and evaluate segments. Then select and describe one or more as the focal point for positioning and marketing mix strategies.

## 5. Positioning

Describe how you want your offer to be viewed by target audiences. 6. Marketing Mix (The 4Ps): Product, Price, Place and Promotion

- Strategies 7. Evaluation Plan
- 8. Budget
- 9. Implementation Plan

Although these steps appear linear in theory, they are actually spiral in reality with each step subject to revision as the process unfolds.

## **MARKETING'S 4P TOOLS**

## PRODUCT

Product refers to anything that can be offered to a market by an organization or individual to satisfy a need or want and includes eight types:

- Physical goods
- Services
- **Events**
- People
- Places
- Organizations
- Information
- Ideas

Traditional marketing theory identifies three levels of a product:

## Augmented Product Actual Produc Core Product Benefit

## PRICE

tools an agency can use to achieve marketing objectives, as it is often the major factor that influences a buyer's decision.

Marketing pricing strategies include setting prices for products, programs and services (e.g., classes at a community center), as well as incentives and disincentives.

bonuses for military recruits)

Monetary Disincentives (e.g., charging more for plastic bags)

Nonmonetary Incentives (e.g., ecolabeling programs that acknowledge sustainable business practices)

Nonmonetary Disincentives (e.g., having to register as a sex offender)

## PLACE

Place, also referred to as distribution channels, are the means you use to deliver your offerings, with decisions regarding where, how, and when citizens will access your offer and how pleasant the experience will be

Options for delivery include:

- Physical locations
- Phone
- Fax
- Mail
- Mobile units
- Drive-thrus
- Internet
- e-governance
- Videos
- Home delivery/House calls Where citizens currently shop,
- dine, or hang or
- **Kiosks**
- Vending machines

## **PROMOTION**

Promotions are persuasive communications designed to ensure your target audience knows about your agency's offer, believe they will experience the benefits you promise, and are inspired to act

Developing these communications has three components that require strategic decision-making:

Messages are what you want to communicate

Messengers include any spokespersons, sponsors, partners, and actors used to deliver messages.

Communication channels refer to where promotional messages will appear. Major channels include advertising, public relations, special events, direct marketing, printed materials, special promotional items, signage & displays, personal communications and popular media.

SOURCE: Marketing in the Public Sector: A Roadmap for Improved Performance Philip Kotler and Nancy R. Lee (Wharton School Publishing 2007) Contact: Nancy Lee at www.socialmarketingservice.com Copyright Social Marketing Services Inc. 2008

Price is one of the more powerful

Monetary Incentives (e.g., sign on

## **ADDITIONAL MARKETING TOOLS FOR PUBLIC AGENCIES**

## **BRANDING**

Brand Identity is how you want consumers to think, feel, and act with respect to your brand.

Brand Image is how consumers actually do think, feel, and act with respect to the brand.

Branding is the process of developing an intended brand identity.

Six steps are proposed to create a strong brand image.

- Establish brand purpose.
- Identify target audiences for the 2 brand
- 3 Articulate your desired brand identity.
- Craft the brand promise. 4
- Determine the brand's position 5 relative to the competition.
- Select brand elements: name, 6. slogan, logo, colors, graphics.

## **PARTNERSHIPS**

Partnerships are often with other governmental agencies (e.g., Department of Licensing and Department of Transportation for a litter prevention campaign).

Partnerships are also common with nonprofit organizations (e.g., Department of Homeland Security and the American Red Cross for emergency preparedness).

Partnerships with the **private sector** can be very appealing, with contributions from a variety of corporate resources including cash, expertise, access to distribution channels, inkind services and merchandise.

A marketing approach will assist you to find, negotiate and win with partners, approaching and treating potential partners with a customer mindset.

## SOCIAL MARKETING

Social Marketing is the use of marketing principles and techniques to influence a target audience to voluntarily accept, reject, modify or abandon a behavior for the benefit of individuals, groups, or society as a whole. Its intent is to improve the quality of life. The term was coined in the early 70s in a pioneering article by Philip Kotler and Gerald Zaltman. Most social marketing efforts are applied to improving public health (e.g. HIV/AIDS, tobacco use, obesity, teen pregnancy, tuberculosis), preventing injuries (e.g., traffic collisions, domestic violence, senior falls, drowning), protecting the environment (e.g., water quality, air quality, water supply, habitat protection), and contributing to communities (e.g., voting, spaying and neutering pets, volunteering, crime prevention).

Twelve principles for success include:

- #1. Take advantage of prior and existing successful campaigns.
- #2 Target markets most ready for action.
- #3. Promote single, simple, doable behaviors - one at a time.
- #4. Identify and remove barriers to behavior change.
- #5. Bring real benefits into the present.
- Highlight costs of competing behaviors. #6
- #7. Promote a tangible object or service to help target audiences perform the behavior.
- #8. Consider non-monetary incentives in the form of recognition or appreciation.
- **#9**. Have a little fun with messages.
- #10. Use media channels at the point of decision making.
- #11. Get commitments and pledges.
- #12. Use prompts for sustainability.

## **MARKET RESEARCH**

Marketing research in the public sector most often involves *collecting data* on citizen behaviors and profiles, surveying citizens for input when developing the marketing mix (4Ps), and seeking feedback from citizens for program improvement and campaign evaluation.

Steps in developing and conducting a research project include the following nine:

- Determine purpose for the research. Why are you doing this? What 1. decisions will this help you make?
- Identify informational objectives, what you need to know to make 2 decisions.
- Determine audience for the research. Who do you need the information 3 from to answer the questions?
- 4 Select research technique, which may include:
  - Observation research •
  - Ethnographic studies
  - Experimental approaches •
  - Behavioral data collection
  - Focus groups
  - Mail surveys
  - Telephone surveys .
  - Online/Internet surveys •
  - In-person interviews •
  - Intercept interviews •
  - Mystery shopping
- 5. Develop a plan for sampling, addressing the number of respondents you will be surveying, where you will get the names, how you will select your sample so that results are representative.
- Pretest draft instruments. 6 7
  - Conduct the research. Analyze the data.
- 8.
  - Write a report and present recommendations.

## **MEASURING MARKETING PERFORMANCE**

Measuring marketing performance is one of the most complex of all marketing tasks. Components of an evaluation plan include answers to the following:

Why are you conducting this measurement and for whom? Options include:

- To fulfill an expectation for reporting on campaign outcomes
- To fulfill funding or grant applications
- To make changes mid-curse or before a campaign rollout •
- To do better next time
- To get more or continued funding

What will you measure? All three categories are worthy of consideration.

Output measures, usually available in records and databases include: numbers of materials distributed, reach and frequency of advertising, and numbers of special events. Output measures say nothing about customer or citizen response, only reporting on levels of activity.

Outcome measures report on citizen response to your efforts and include: campaign awareness, changes in knowledge, attitudes, or beliefs; changes in behavior or behavior intent; creating partners or campaign contributions; and increases in customer satisfaction.

Impact measures report on the actual impact citizen actions had on social, economic, and/or environmental conditions and include: return on investment, lives saved, increases in net revenues, funding and levies approved, diseases prevented, water quality improved and the like.

### Other evaluation plan components answer the questions:

- How will you conduct this measurement?
- When will these measurements be taken?
- How much will it cost?