

ENTREPRENEURIAL GOVERNANCE – THE ROLE OF MARKETING IN GOVERNMENT

Prateek Jain, Indian Institute of Management Jammu
Akshat Jain, Indian Institute of Technology Delhi
Anshul Yadav, Indian Institute of Technology Delhi

ABSTRACT

The government in most of the countries exhibits traits more of an administrator and regulator rather than of an entrepreneur, more so in the developing and emerging regions across the globe. Also it is a known fact that the role of Marketing in Private sector and commercial business activities is very prominent. In recent times 'broadening' of Marketing is taking place and it is being realised that the principles of Marketing are universal and can be applied not only to purely private business activities but to all walks of life. In this article an effort has been made to explore the entrepreneurial characteristics of the government and the relevance of Marketing in Government. An attempt has been made to find out why Government requires the help of principles of Entrepreneurship and Marketing for its proper functioning and how can Marketing contribute in making Government more equitable, effective and efficient. Government has an important role to play in the building of a Nation and at the same time impacts an individual's life in many ways through its Policies and legislations. With the changing times, the nature of governance and Government is changing at very fast pace and it has to keep up with best practices in line with well-developed and global economies. We have to keep in mind that the core objective of Government and Private sector is ultimately the same – to serve people. But in view of the difference in procedures and processes being followed in Government and Private sector, it is acknowledged that all the principles of Entrepreneurship and Marketing cannot be applied as it is to Government sector. They have to be adapted suitably in order to bring best results. The need of entrepreneurial traits and Marketing in Government has been highlighted in this article and the challenges in implementing them have also been discussed. Potential use of some of the Marketing principles in Government has been also discussed. Lastly it has been stressed that a little has already happened and still a lot needs to be done to implement the spirit of entrepreneurship and Marketing in Government in order to make Governments more enterprising.

Keywords: Entrepreneurship, Marketing, Government, Citizens, Customers, Private sector, Public Policy, Governance.

INTRODUCTION

The main purpose of formation and functioning of any Government is to serve its Citizens. It is the sole reason for existence of any Government. Citizens select their Government by casting their votes and the Government serves its citizens through its various organisations & institutions. Government organisations and institutions exist at all levels - the centre level, at the federal state level as well as at the local level. The main purpose of any business say in Private sector is to make Profits. This is the very reason of existence of any business. Without generating

enough profit no business can survive for long. To survive and be in profits, business has to be customer focussed and has to apply suitable Marketing tools and techniques to keep its customers satisfied. We have been seeing that most of the Governments, especially in developing and emerging countries do not approach their Customers, that is, on their Citizens with an entrepreneurial spirit. Although the processes followed by Government and Business in their day to day functioning may not be exactly the same, but the ultimate objective of both of them is same – to serve people Andreasen (1994).

Sociologist G.D. Wiebe (1951-52) had posed a question before Marketers and the Marketing fraternity many years ago, "Why can't you sell brotherhood like you sell soap?" This is very relevant in today's time when we feel that the need of implementation of Marketing in Government sector is increasing day by day. Of course it has to be understood that Marketing approach and tools which are used widely in Private sector cannot be applied as it is to the Government sector. They have to be adapted in order to suit the processes and procedures being followed in the Government sector.

Entrepreneurship and Marketing in Government

There is not much literature available on entrepreneurial role of government and also Marketing in the context of Government. Especially taking reference of developing countries and emerging countries like India, not much of literature is available. Most of the available literature focuses on entrepreneurship with regards to private business and Marketing with reference to the Private sector or purely commercial business activities.

Link & Link (2009) had stressed that considering the government as entrepreneur is like seeing government and its policies and actions through a unique lens. They had underscored the intent of the government and its ability to act in innovative and new ways, and its desire and willingness to take steps and actions which have uncertain outcomes. Viewing the government's actions and policies behind it through an entrepreneurial lens can be classified in two main dimensions. Firstly, viewing specific policy actions by the government as entrepreneurial highlights the visionary and forward looking orientation of policy formulators as well as the need for evaluating the social outcomes of their actions in terms of broad spillover effect. Secondly, government acting as an entrepreneur equivalents to the phenomenon that occurs in the private sector. Six specific U.S public policy examples had been illustrated by Link & Link (2009) in their work.

Weiss & Mitchell (2014) had stressed that the idea of "Public entrepreneurship" might sound like oxymoron, but actually it isn't. Public entrepreneurs all over the world are improvising the lives of people by finding new ways to serve the public. As a matter of fact, without more of public entrepreneurship, it will not only be hard to meet the public challenges but also to make the full use of private innovation Walsh (1994) & Walsh (1991). But the issue which needs attention is that still today future public leaders are mostly trained to be public administrators and not public entrepreneurs.

Oxborne & Gaebler (1995) have stressed that the government in developing and emerging countries has to resort to new style of doing public's business, if true development has to take place. Their study focuses on ten fundamental principles of entrepreneurship with regards to the government and highlights that in a dynamic, information rich and knowledge driven society the government needs to reinvent itself by using the principles of entrepreneurship.

Bellone & Goerl (1992) in their study had reviewed if public sector entrepreneurship could be aligned and reconciled with the democratic values of government administration Buurma (2001).

They studied the seemingly contrary aspects of each role, where on one hand entrepreneurship calls for autonomy and risk taking behaviour while administration entails mass citizen participation and policy formulation processes with assured outcomes. They believe that these two varied perspectives could be abridged through a "*civic regarding entrepreneurship*" which builds on a "*strong theory of citizenship*."

Link & Scott (2010) by way of a case studied the government's intent and ability to act in innovative manner and willingness to make policies and perform actions having uncertain outcomes. Such actions by the government are subject to the entrepreneurial risk, that is, the uncertainty. In fact they had stressed that government accepts a large range of entrepreneurial risk not only in Policy making but also in execution of Projects whose probability of being non-successful covers almost the complete range from 0 to 1.

Regarding the role of Marketing, Theodore Levitt was perhaps the first proponent of broadening or expanding the territory of Marketing when he wrote the classic article of 'Marketing Myopia' in 1960 in Harvard Business Review. In this article he stressed upon the point that the scope of Marketing should not be looked as a narrow approach. There is a need to look at Marketing in a much broader way and in a bigger context Yorke (1993).

In 1969, Renowned Marketing guru Philip Kotler stated, "*Marketing is an all pervasive societal activity that extends considerably much beyond the selling of soap, toothpaste and steel. . . . [An] increasing magnitude of society's work is being performed by organizations other than the business firms . . . [and] every organization performs marketing-like activities whether or not they are recognized as such*" (Kotler and Levy, 1969).

Kotler and Zaltman (1971) highlighted the application of principles of Marketing to other areas beyond private sector and commercial business activities. They used a term called social marketing and suggested that social marketing is, '*The designing, executing and controlling of programs calculated to influence the acceptability of social ideas and involving considerations of planning, distribution, pricing, communication, and marketing research.*' It clearly highlights that principles of Marketing are universal and can be applied to a broad range of activities.

Kotler (1979) reviewed the relevance of Marketing in a broader context and described how an increasing number of non-profit organizations, specifically social service bodies, hospitals, schools, colleges and cultural organizations are applying the concepts of marketing and its techniques to enhance the marketing of their offerings.

Similarities between Government and Business

In case of Business, people to be served are its customers who pay money for availing a product; either a good or a service from the business. Similarly in case of Government, people to be served are its citizens who pay taxes in want of some goods and services from their Government. In case of Business, people can select with whom they wish to transact and have a choice to select their service provider, similarly in case of Government people do have a choice to select their public services provider when they select their Government representatives Cousins (1990).

In earlier times there was a clear demarcation between those who used to govern and those who were being governed. Speaking in the Indian context it was one of the offshoots of India being slave of another Country for a very long period of time. The system of absolute power with the Government in which citizens did not have not much say suited perfectly the rulers in order to maintain their might over people. But after Independence, the things started changing and people were allowed to participate in the working of the Government and its Organisations

because of the advent of democracy. Still we have long way to go to achieve the objective of people running their Government in a true spirit and form.

Changes in the Functioning of Government

With the recent changes and introduction of legislations like introduction of Right to information Act (RTI), there has been a change taking place in the relationship between Government and people, that is, the service providers and users. The Government has become more accountable to people who can know about the working of the Government on any matter they wish to. Also the recent activism in Media has contributed a lot towards people becoming aware of their rights and questioning the Government on matters related to governance.

With the opening up of the Indian economy, Government cannot afford to keep aloof of the changes and developments happening in the global economy. If a Nation has to keep pace with the developments taking place in the world, the government has to take measures to function as an Enterprise with clear goals and well defined path.

Need for Marketing in Government

The role of Government in development of a Nation or individual is tremendous. Without good governance it is not possible for any Nation or individual to progress and to achieve good standards of living and well-being. But we find that Governments are often gripped by issues of inefficiency and ineffectiveness due to problems in its political and bureaucratic structures. It is the need of the day that Government should function like professional enterprise and applies modern Marketing strategies in order to serve its citizens in a better way. Also due to fast increasing population and availability of limited resources, Government has to device methods in order to ensure equitable distribution leading to satisfaction of people. In order to meet its revenue generation targets, Government cannot entirely depend upon taxes, it also has to generate suitable profits through its Organisations. Many Public sector undertakings in India now run on lines of private sector and are achieving quite a good success in meeting their objectives. Some of the Navratna and Maharatna companies stand testimony to this fact. To take a step further, Government is now actively forging alliances with private sector and forming Public-Private Partnerships(PPP) in which Government is forming joint venture Companies with Private sector.

Government has to face similar Challenges as Business, whether it is meeting its targets of revenue generation, making optimum utilisation of available resources or managing the manpower. It is being argued that Government should actively shift its working to a Managerial, businesslike approach through the adaptation of principles of Marketing. The successful adoption of approaches practiced in private sector to the public service organizations in many developed economies has already taken place.

Marketing can prove to be an important tool to the Government for improving relationship with its customers, citizens. Marketing tools and methodology can help the Government to provide equitable, effective and efficient service to its citizens. Marketing can play a very important role in delivery of Public Services by the Government. Government agencies can apply marketing strategies to such causes like family planning, healthcare, energy saving and conservation, food and nutrition, tobacco smoking, drug abuse and alcohol prevention, safer driving, and many such other social issues. If we notice we will discover that Government has

already been using Marketing and its tools and strategies since long. Right from the time of elections till functioning of the Government, Marketing plays a very important role at all stages.

Changing Role of Marketing

At the heart of the philosophy of Marketing is the idea of creation of consumer satisfaction and delight. Consumer satisfaction and delight, along with the various other ways in which it has to be achieved, has emerged as a central theme in what marketing is all about. Profit alone can no longer be the only underlying objectives of any business enterprise. The core purpose of Marketing is to create Value. An Enterprise has to create Value, not only for its Customers but all the stakeholders. Some years back, a World Marketing Summit was convened at Dhaka, Bangladesh which talked about creating a ‘better World through Marketing’. In this summit, detailed deliberations were held about the changing role of Marketing and its extension to all walks of life. Marketing can be used widely in all type of Organisations like Government, Political Parties, Religious institutions, non profit organisations, etc.

Potential of using Principles of Marketing in Government

A very important aspect of Marketing is communication. Communication is not what is said, but what is heard. Communication can be made effective and impactful only with proper use of Marketing tools. Without proper communication no organisation can survive. Setting up proper Communication mechanism helps the organisations to establish dialogue with its stakeholders Fox et al. (1980).

Now a days increasing number of government organizations are striving to tailor their goods and services to suit their target groups with particular needs and interests, which is nothing but a market segmentation approach. Government organisations use the concept of 4 P’s exhaustively in their day to day functioning. However Pricing is one of the most challenging issues in case of Marketing in Government Organisations. Since the sole reason for existence of Government is not profit generation, other factors like public welfare also play a significant role in decisions like Pricing. This is evident in case of agricultural subsidies and administered pricing mechanisms like Railways and other public goods and services. Positioning the public services provided by the Government in people’s minds and enhancing their attractiveness to market segments entails effective formulation of the marketing mix on Government’s part. All the participating elements have to be brought in together and interrelated in such a manner as to convey the message that the service will deliver the value desired by the stakeholders Kaplan et al., (2009).

Many Government organisations have been successfully using the concept of Marketing in their functioning. Promotion of tourism and tourists related services is one such example. Promotion of domestic tourism not only allows citizens to explore the diversity of their country, but it is also an significant source of earning valuable foreign exchange. The campaign of ‘*Incredible India*’ was highly successful in highlighting India on the global tourism map. Talking about the states, Kerala has established a brand of its own in tourism industry by positioning Kerala as ‘*God’s own country*’. Goa is not left behind with ‘*365 days on holiday*’ campaign, and now Gujarat is making waves by aggressively promoting tourism in Gujarat with the help of brand ambassador Amitabh Bachhan , the famous film star.

When India’s numerous Life Insurance company LIC faced stiff competition from private companies, especially from foreign life insurance giants, it changed its identity from a traditional

company to a contemporary company. As a result of implementing latest marketing tools and techniques, LIC has been successful in evading competition and maintaining its numero-uno position in the life insurance sector. If we take the automobile industry, an erstwhile Government joint venture company Maruti was successful in changing the face of the personal transportation sector in India. Maruti used the technology from Suzuki and efficiently used the Marketing techniques to make the dream of owning a world class car true for the Indian people.

A very interesting example of successful implementation of Marketing by Government is in case of Government Banks. With the arrival of Foreign Banks in India it was doubted whether Government run banks will be able to survive in view of the stiff competition from these giants. But we see that many of the Government run Banks transformed themselves and did a complete make-over of their brand image and identity Voeth & Herbst (2008).

Most of the state-run Oil and gas companies are running on professional lines and following latest Marketing methodologies. Similarly in higher education sector, in spite of availability of so many private colleges and universities, still the Government run institutions are the first choice of students Graham (1994).

Some of the Government schemes have been highly successful due to adoption of Marketing techniques. One such example was the success of National Rural Employment Generation Act (NREGA) launched some time back by the Government of India. By effective use of Marketing techniques Government was successful in spreading awareness about this scheme to its target audience. Now a days Citizen's Charter is fixed in most of the Government offices. The Citizen Charter is based upon the premise that all types of public services are paid for by the citizens, either directly or indirectly through the taxes they pay. So the citizens are entitled to receive good quality services, which are responsive to their requirements and are delivered efficiently at reasonable costs Osborne (1993).

Challenges ahead

Government Organisations and their employees usually do not have a Marketing Orientation. They do not receive any formal training in Marketing. Most of the Government Organisations do not have Marketing departments. Some Government organisations have departments called as Customer Care, Consumer cell, grievance cell, vigilance cell, etc. Some of the Public Sector Undertakings (PSU's) now have opened Marketing departments because they co-exist with Private sector and they face due competition from Private sector.

Still today many Government Institutions think of Marketing as hard-selling or just limited to advertising. They are of the opinion that Marketing may mean manipulation and tend to relate Marketing with 'Push approach' rather than 'Pull approach'. This mind set needs to be changed.

Conclusion

A trickle-down approach has still not happened in entrepreneurial orientation and Marketing in the Government sector. A lot still needs to be done. It is required to formulate plans with clearcut objectives, time and cost estimates and measurable results. Marketing training, education and research has to be conducted in Government organisations, using the principles and tenets of entrepreneurship. Gone are the days of monopoly position enjoyed by the Government organisations as it used to be in the days of controls and licensing. Now Government has to earn the confidence and respect of people by proper use of Marketing tools. Government also has limitations of resources. Also gone are the days when Government could

afford to use the traditional model of ‘*More resources, more success*’. Now Government has to rely upon latest and smarter Marketing techniques to keep itself updated and reinvented. The concept of public policy marketing can enable the governments to ‘*sell*’ their policies to the citizens in a better way. Use of Marketing and its tools and techniques can enable the Government to function in a better way and take the Nation and people on the path of progress.

On similar lines, Entrepreneurial governance implies that government governs and administers with an entrepreneurial mindset, that is, giving due consideration to factors like quick actions, provision of quality services, caring for its citizens and having a proactive approach. It does not mean that government itself starts indulging itself in undertaking business activities. Rather it implies that government provides services to citizens with an entrepreneurial mind-set and is responsive to their needs.

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