free-up time for the higher paid, professional interior designers to concentrate their efforts on the actual design, rather than just gathering basic information.

**SUMMARY**

This article has presented a generalizable conceptual framework for services and has discussed how this framework relates to the concept of positioning and managing the marketing mix elements through concrete examples drawn from the interior design industry. All the elements of the marketing mix must be in harmony with the desired market position of the firm to achieve customer satisfaction with the final design solution.

**REFERENCES**


Contrasting Marketing and Selling Orientations in Government Organizations

Charles W. Lamb, Jr.
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The burgeoning interest of public administrators in marketing was stimulated in the mid to late 1970s by a number of factors including dramatic reductions in tax support, decreasing client satisfaction, and vocal criticism from taxpayers, lawmakers, bureaucrats, consumerists, and other interested groups. These environmental changes provoked many administrators to explore the potential of marketing and to conclude that it offered a promising framework for the planning and implementation of service delivery. Administrators from all levels of government are now attending marketing workshops and seminars, hiring marketing consultants, reading books and articles on marketing, and discussing marketing topics and experiences with their colleagues.

Unfortunately, many public administrators do not understand or appreciate the implication of the philosophy of marketing and confuse it with selling. The so-called “marketing concept” holds that the social and economic justification for an organization’s existence is the satisfaction of customer wants. It entails establishing a way for the organization to learn about customer wants, and to use that information internally to develop services that will satisfy targeted clientele.

Central to the concept of marketing is the attitude “produce what you should sell” rather than “sell what you can produce.” As Peter Drucker has noted:

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that the product or service fits him and sells itself. Ideally, marketing should result in a customer who is ready to buy. All that should be needed then is to make the product available, i.e., logistics rather than salesmanship, and statistical distribution rather than promotion.¹

Figure 1 compares and contrasts selling and marketing orientations under five headings.

THE ORGANIZATION'S FOCUS

Selling oriented agencies and organizations are normally characterized as being highly bureaucratic. Divisions function as separate entities more concerned with defending their status, budget allocation, or role within the agency than with how to best serve potential client groups. There is a presumption that it is "our agency" rather than a recognition that it is the public’s agency. Personnel tend to be "inward-looking," concerned with "building their own empires" and satisfying their own immediate short term needs rather than being concerned with serving people:

Bureaucrats are not concerned with innovation, with problems outside their specific authority, or with qualifying human factors. They will serve people as long as their problems fall within the limits of their jurisdiction. People’s problems are defined in terms of how the bureaucratic organization is set up rather than having the organization set up to respond to people’s problems.²

Marketing oriented agencies recognize that client groups direct the activities of the agency, and this is reflected in their internal organization and coordination efforts. They recognize that the attitude and actions of each employee must be client oriented. Any single employee may be the only contact a particular client has with an agency. Hence, in that client’s mind, the employee represents the agency. A single person, division or department that is not client oriented weakens the positive contribution of everyone else. For example, if the person answering the telephone is abrupt or discourteous, that contact is taken by the potential client as being representative of the agency’s orientation.
The most difficult marketing task is to establish a mentality in an agency in which all personnel focus their efforts on satisfying the wants of actual or potential clientele, rather than on actual or potential programs or their own immediate personal well-being. For this outward-looking approach to be successfully implemented, it has to be enthusiastically embraced by senior managers who have the critical task of encouraging its dissemination throughout the organization.

What Business Are You In?

As Figure 1 illustrates, a selling oriented agency defines its business in terms of programs and services while a marketing oriented agency defines its business in terms of benefits its client groups want. The most important question a public administrator has to ask is “What business are we in?” The answer to this question guides all marketing actions.

People spend their money, time, and energy resources with the expectation of receiving benefits, not for the delivery of services themselves. Citizens don’t buy programs or services, they buy the expectation of benefits. Programs themselves are not marketable. Only their benefits have a value to client groups. The service or program itself is simply a vehicle for the user benefits that it conveys. This distinction has enormous implications for the way in which agencies define their business.

If an agency defines its business in terms of specific programs, it is likely that it will miss opportunities to serve its clientele, for there are often a very wide range of programs through which people’s wants may be met. Instead of specific programs, the starting point should be meeting client group wants. This may be achieved through a wide variety of programs and services. For example, one of the primary benefits people seek from using libraries is to broaden their general knowledge. This benefit can be facilitated through a wide variety of programs and services including books, movies, lectures, discussion groups, trips, and many other “benefit vehicles.” It is not the book that is important, rather it is the general knowledge benefit derived from reading that the consumer seeks. By offering other services in addition to books, libraries are able to reach more clientele and to better satisfy their existing clientele.

In defining the business you are in, the key question is not, “What is the best way that benefits can be facilitated through the traditional services we have offered given the resources available?” Rather the appropriate question to ask is, “What is the best way that sought benefits can be facilitated, given the resources available?”

Answering the question “What business are you in?” in terms of the benefits client groups seek has at least four important advantages compared to defining it in terms of programs or services:

— It ensures that an agency retains its focus on client groups and does not become preoccupied with programs, services, or the agency’s internal needs.

— It encourages innovation and creativity of programs and services by suggesting that there are many ways to service similar client groups wants.

— It stimulates an awareness of changes in client group wants as they occur, and hence services are more likely to remain relevant.

— It will probably lead to a broader definition of the role of the agency and thus contribute toward keeping its services abreast of society’s wants.

Interpreting and Mediating Clientele Preferences

The answer to the question “What Business Are You In?” will not necessarily result in client groups receiving the specific services which they request. Obviously, the cost of offering a service is a concern. However, there are two additional reasons why a marketing oriented agency may amend or reject client groups’ requests.

First, preferences articulated by client groups must be mediated by sound professional judgement as to how sought benefits may be facilitated. There is a well-known adage which suggests that “People don’t know what they want—they only want what they know.” Consumers have a limited set of experiences and are unlikely to assertively request anything beyond those experiences because they are not aware of benefits which may accrue from other potential offerings. For example, before the automobile was invented people knew they wanted transportation but could not articulate these sought benefits in terms of a motorized vehicle. The introduction of various outreach programs such as meals-on-wheels and home health services probably resulted from client groups identifying needs, and professionals developing the services which met those needs.
In some areas, such as preventive health care, professionals are charged with changing people's behavior. Instead of offering services which people like and want, the professional judgment of agency personnel often leads them to offer services that are inherently unpleasant, inconvenient, humiliating, and painful; they disrupt old, accustomed living habits; and they necessitate deprivation of things individuals want. Moreover, there is often little that can be done to fit the product to the consumer's tastes or to package it attractively. It is the health professionals who determine what is produced or offered.3

Complete disregard of the potential for professional insight to improve service delivery options means a very substantial resource in which the public has invested would be ignored. The distinction is subtle between a selling orientation and discounting overt popular preference in favor of professional judgment. The essential difference is that the latter approach focuses on the long term needs of the consumer, while the former approach exhibits no genuine effort to be responsive to consumers' behavior or needs.

The challenge is to study client groups, listen to them, observe them, and then to intelligently interpret their input and behavior. It is probably inappropriate to literally implement what consumers ask for on every occasion because this usurps the opportunity to take advantage of professional expertise.

The second reason why a marketing oriented agency may amend or reject a client group request is because it is perceived not to be in the long term interests of the community. Government agencies have a responsibility to consider the impact a service may have on non-users, and if there are adverse effects, then a client group's request may be rejected. This important refinement of the marketing concept has been termed the "societal marketing concept." It states: The justification for an agency's existence is the satisfaction of clients' wants and the preservation or enhancement of the community's well-being.4

Zoning illustrates the implementation of the societal marketing concept. If individuals were permitted to pursue their own preferences and build what they like, where they like, presumably they would be well satisfied. However, their satisfaction and benefits may be acquired at the expense and cost of the rest of the community. The intent of zoning is to prevent this from happening and to safeguard the interests of all citizens in the community.

Consider the following issues:

- Should smoking be permitted in public buildings?
- Should nude bathing be permitted at public beaches?
- Should off-road vehicles be permitted on ecologically fragile areas?
- Should video games be made available in public facilities?
- Should beer be offered for sale at public recreation facilities?

In each of these instances the benefits sought by a client group could be well satisfied. However, since it is owned by, and responsible to, all citizens, an agency has to decide whether these actions would meet with the approval of a majority, and preserve and enhance the community's well-being.

To Whom Is the Service Directed?

A selling oriented agency targets each of its services at "everybody" or "the average user," while a marketing oriented agency aims at "specific somebodies," that is, targeted groups of people (Figure 1). Historically, many agencies have offered their constituents standardized services. This may be termed "the lowest common denominator" approach to service delivery. It seeks to satisfy the maximum number of people at some minimal level.

The fallacy of developing services which are directed at the "average user" is that there are likely to be relatively few average users. Typically, populations are characterized by their diversity. An average simply represents a mid-point on some set of characteristics. Most of the potential clientele consists of groups on either side of the mid-point who have very little in common. These very different potential client groups are unlikely to be interested in an average offering.

A marketing oriented agency recognizes that different client groups have different wants which may justify the development of different services and/or marketing programs to expedite the agency's exchanges with them. Thus, efforts are made to group together those people whose desires are similar and to develop unique offerings for each group. In effect, a number of smaller markets emerge instead of one large market. The only difference—and it is a crucial difference—is that whereas the total market is a heterogeneous conglomeration of sub-groups, each of the smaller markets constitutes a relatively homogeneous group.

Consider, for example, the market for programs and services of-
ndered by community colleges. A selling oriented administration may well adopt the lowest common denominator approach and aim at "everybody" in its efforts to stimulate enrollment. A marketing oriented administration will recognize that its market is composed of full-time and part-time students, academic and vocationally oriented individuals, recent high school graduates, and people who have been out of high school for several years (the so-called "adult market"). One study of the adult market for community college services concluded that it consisted of the following sub-groups who were all prospective clientele: (1) social improvement learners; (2) career learners; (3) leisure learners; (4) submissive learners; and (5) ambivalent learners. Each group sought different benefits that required different programs, scheduling, pricing and promotional appeals to attract them to the campus.5

What Is Your Primary Goal?

The ultimate goal of a marketing oriented agency is to satisfy client group wants (Figure 1). This is a qualitative rather than a quantitative goal. The emphasis is not on how many are served, but rather on providing those who are served with a satisfying experience. This difference is extremely important because the primary goal substantially influences an agency's organization, business definition, target clientele, and the means employed to achieve its goals.

A primary goal of numbers through the door will likely lead to an inward-looking bureaucratic organization that focuses on programs and services, targeted at the average user, and relying heavily upon promotion to convince people to participate. Alternatively, a primary goal of customer satisfaction tends to lead to an integrated outward-looking organization, that focuses on the wants and preferences of selected groups, and coordinated use of all the marketing tools to produce that customer satisfaction.

Numbers per se are not only incompatible with a marketing orientation, but are also likely to lead to erroneous conclusions if the numbers are interpreted as being synonymous with satisfaction. Client satisfaction may result in large attendance, but large attendance is not necessarily an indication that a service is providing high levels of client satisfaction.

Some agency managers may contend that quantity of participation is synonymous with a satisfactory experience, arguing that participants would not return or encourage their friends to participate if it were not. However, there are two factors which frequently cause this comforting contention to be false.

The first fallacy in the numbers argument is that if no similar service is conveniently available elsewhere then the agency is a monopolist. If the public recreation and park agency owns the only swimming pool in a community, then on a 95 degree day in the summer, a large attendance is likely, no matter how poorly the pool is operated. People will participate even though the experience may be considered less than satisfactory because it is the only offering available.

Substantial subsidy is the source of the second major fallacy in the argument that numbers through the door are indicative of client satisfaction. Many government and social service programs are heavily subsidized. Any service, no matter how inadequate or inappropriate, will attract clients if it is subsidized deeply enough. At some level of subsidy, benefits accruing to an individual are likely to exceed the costs.

How Do You Seek to Achieve Your Goal?

The selling oriented agency seeks to generate maximum use primarily through intensive promotion activities such as advertising and personal selling. The overriding concern seems to be convincing people that they need what the agency has to offer.

In contrast, a marketing oriented agency recognizes that customer satisfaction can best be achieved by first identifying and analyzing potential client group wants. It is likely that this process will reveal a wide range of benefits that potential clients would like to have. Recognizing that resources are limited and that the agency will probably not be able to meet everyone's wants, priorities have to be established. The agency has to identify exactly which wants, and which sections of the community possessing these wants, the agency is going to serve. This process is called the selection of target markets and is a critical decision because it guides all of the subsequent marketing decisions that the agency must make. Citizens and potential client groups also provide input and direction which enables a marketing oriented agency to define marketing objectives which are consistent with the benefits sought by selected target markets.

Finally, after identifying and analyzing one or more target markets and selecting marketing objectives, the marketing oriented
agency develops an integrated marketing program consisting of (1) the services to be offered, (2) the prices to be charged, (3) the distribution approach to be followed, and (4) the promotion program to be adopted. In contrast to trying to convince people that they need what the agency has to offer, the marketing oriented agency seeks to offer selected groups those benefits which they seek.

CONCLUDING OBSERVATIONS

Historically, private sector companies tried two other approaches before the superiority of a marketing orientation was recognized. Initially, they focused their efforts on producing good products with maximum efficiency. There was relatively little interest in trying to learn what customers wanted them to produce. When competition became more intensive, companies recognized a need to stimulate and arouse demand for their products. Emphasis then changed from producing the product to selling the product. Ultimately some companies began to realize that a sale was not dependent predominantly upon an aggressive salesforce, but rather was dependent upon a consumer’s decision to purchase or not to purchase. This complete acceptance of the centrality of the consumer to an organization’s operation is the essence of a marketing orientation and represents the climax of this evolutionary process.

The evolution of a marketing orientation in public agencies has mirrored its evolution in the private sector. Before the mid 1970s many public agencies practiced “minimal marketing.” They did not consciously perform marketing functions, and assumed that demand for a service would grow simply because they were offering it, and offering it well. Their thinking was, “why should we have to sell a worthwhile service?” All their efforts were focused on producing the services.

In the late 1970s when resources were no longer as plentiful, some agencies adopted a more aggressive posture and started to promote their services so as to increase usage and provide better justification for retention of their budgets. This selling orientation is now fairly prevalent. The intent of this paper is to point out the limitations of this approach and to encourage more public administrators to move one step further up the evolutionary ladder and embrace a marketing orientation.

A marketing orientation may appear to be more expensive be-cause it requires an investment in time, money and personnel to find out what a clientele wants. However, in the long term it is likely to be less expensive than a selling orientation because it enables an agency to act responsively and minimize ineffective allocations of resources. A marketing orientation is more troublesome, more bother, and more difficult, but it is also likely to be more rewarding because of the greater success that will emerge.

Commitment to a marketing orientation offers public administrators three major benefits. First, because marketing is a systematic process and offers a framework for decision-making, relationships between actions previously regarded as independent are likely to become more apparent. Intuitively, good public administrators will already be implementing at least some of the approaches characteristic of a marketing orientation. However, the formal framework offered here is likely to assist in conceptualizing interrelationships and integrating actions.

A second benefit is that some of the concepts and techniques used by marketers in their decision processes may be unfamiliar to public administrators. Because it is only in recent years that the central relevancy of marketing for government agencies has been recognized, it has not been part of the formal training of many public administrators. Familiarity with marketing concepts may lead to improvements in decision making. Finally, a commitment to a marketing orientation is likely to lead to better citizen and more legislative support. To the extent that a marketing orientation improves the satisfaction levels of client groups, an agency is likely to receive improved support of its activities from legislators.

REFERENCES

4. Adapted from Kotler, op cit, p. 23.