Local government marketing model

Michael Gardiner QPMR CPM
B. Bus BCAE

Submitted in fulfilment of the degree

Master of Business - Marketing
Department of Marketing and Tourism
Faculty of Business
University of Southern Queensland
2005
Abstract

Local government is one of three tiers of government that operate in Australia. This research investigates how marketing can be applied to local government in a holistic manner. To achieve this goal, theory needed to be reviewed and developed with one particular outcome being a model outlining the components of the marketing environments that need understanding prior to the application of marketing practice.

Local government was selected as the context of this study as much is written about the marketing of not-for-profit, social and public sector organisations but the literature on the integration of these practices in a holistic approach for local government is very limited. Further local government has a major economic impact on the viability and longevity of many rural and semi-rural areas of Australia. Equally in the metropolitan areas, local government accounts for a considerable proportion of the employment and impact on growth and development of these regions.

Traditional marketing theory has been found wanting in the local government area, as traditional marketing practices is being applied in a piecemeal approach. This practice has caused local governments to have conflicting messages and product offerings to the community. However the review of marketing derivatives theory shows that no one derivative addressed the scope of products and activities managed by local government. Reviewing these derivatives show that marketing core concepts are relevant to local government, but the complexity lies in the application of marketing where the components of added complexity were derived from the organisational focus, structure and target market definitions.

The theoretical process to develop this understanding of local government marketing and to develop a proposed model for the application of local government marketing was derived from the literature relating to the core traditional marketing concepts and the marketing derivatives of public, not-for-profit and social marketing. This review of the literature aided in defining the complexities of local government marketing and helped found the preliminary local government marketing model.

With the use of case analysis three local government cases were explored. The first case, a metropolitan local government, used convergent interviewing to determine
the factors relevant to the development of the holistic local government marketing model. Confirmatory case analysis was used for the remaining two cases, one semi-rural and one rural, to refine the developing model.

Ultimately, the model was confirmed in principle but minor changes were required to make the model robust across the three cases. From a theoretical perspective the research identified that the marketing derivatives used in the development of the local government marketing model were relevant and further sets local government apart from but integrated with the three derivatives studied. From a practical perspective the development of the local government marketing model goes some way to developing practices that are coordinated and integrated across the local government organisation, thus providing local government with the advantages of having an integrated local government marketing approach.
Table of Contents

Local Government Marketing Model .......................................................... 1

Abstract ................................................................................................................ I

Table of Contents .................................................................................................. III

List of Tables ........................................................................................................... V

List of Figures .......................................................................................................... VI

Statement of Original Authorship ........................................................................ VII

Publications Produced in Conjunction with This Thesis ................................ VIII

Acknowledgment ................................................................................................... IX

Chapter 1 - Introduction ......................................................................................... 1
  1.1 Background ........................................................................................................ 1
  1.2 Research Problem and Propositions ................................................................. 3
  1.3 Justification for this Research ......................................................................... 4
  1.4 Nomenclature ................................................................................................... 6
  1.5 Research Design ............................................................................................... 7
  1.6 Outline of Thesis .............................................................................................. 8
  1.7 Delimitations of Scope .................................................................................... 9
  1.8 Conclusion ....................................................................................................... 10

Chapter 2 - Literature Review ............................................................................. 11
  2.1 Introduction ....................................................................................................... 11
  2.2 Phase One: Marketing Exchange and Target Markets .................................... 12
  2.2.1 Marketing Exchange ................................................................................... 12
  2.2.2 Target Customers and Target Markets ....................................................... 18
  2.2.3 Public Sector Marketing ............................................................................. 23
  2.2.4 Not-for Profit Marketing ............................................................................ 24
  2.2.5 Social Marketing ......................................................................................... 24
  2.2.6 Identifying Local Government Marketing Model Elements from the Non-Traditional Marketing Derivatives .... 25
  2.3 Key Components Considered for the Local Government Marketing Model ......... 40
  2.4 Explanation and Expansion of the Model’s Components ................................... 41
  2.5 Phase Three: Implementation Strategy ............................................................ 42
  2.5.1 Customer - Citizen Service Theory .............................................................. 42
  2.5.2 Chorn’s Strategic Alignment .................................................................... 45
  2.6 The Local Government Marketing Application Model ..................................... 47
  2.7 Conclusions ..................................................................................................... 50

Chapter 3 - Research Strategy ............................................................................ 51
  3.1 Introduction ....................................................................................................... 51
  3.2 Justification for the Research Paradigm ........................................................... 51
  3.3 Justification for the Research Methodology .................................................... 56
  3.4 Justification for the Research Techniques ....................................................... 58
  3.5 Data Collection Process .................................................................................. 61
  3.5.1 Protocol and Procedures ........................................................................... 63
  3.5.2 Confirmability, Transferability, Dependability and Credibility ................. 67
  3.5.3 Case Study Analysis Procedures ................................................................. 69
List of tables

Table 1.1 - Research objectives and propositions .................................. 4
Table 2.1 - The marketing exchange paradigm as developed by Bagozzi ........ 14
Table 2.2 - Factors that define an exchange ........................................... 15
Table 2.3 - Grouping of authors by research themes differing from traditional marketing, in public, not-for-profit and social marketing ...... 26
Table 2.5 - Customer service components ............................................. 43
Table 2.10 - Chorn's four market logic types ......................................... 46
Figure 2.8 – Identified components of the local government marketing interface ............................................................................. 48
Table 3.1 - Alternative research paradigms .............................................. 53
Table 3.2 - Conditions for choice of different research methodologies ....... 56
Table 3.3 - Table of case study types ..................................................... 59
Table 3.4 - Table showing the selection of interviewees ......................... 63
Table 3.5 - A summary of research objectives and the corresponding interview questions .......................................................... 66
Table 3.6 - Research validity and reliability ............................................. 68
Table 3.7 - Limitations of case study research ......................................... 70
Table 4.1 - Codes used to maintain anonymity of interviewees ............... 74
Table 4.2 - Summary of findings from the interview with respondents ...... 82
Table 4.3 - Research objectives and associated propositions ................. 86
List of figures

Figure 1.1 - conceptual outline for the thesis ................................................................. 9
Figure 2.1 - outline of the literature review chapter ...................................................... 12
Figure 2.2 - basic model of exchange .......................................................................... 13
Figure 2.3 - Kotler's view of the main players and the marketing activities for an organisation .................................................................................................................. 20
Figure 2.4 - local government exchange model .................................................................. 21
Figure 2.5 - parties to the not-for-profit marketing activities ........................................ 37
Figure 2.6 - placing local government with other marketing derivatives ....................... 39
Figure 2.7 - the marketing elements for a local government application model ............. 41
Figure 3.1 - diagram showing the chapter's structure ..................................................... 51
Figure 3.2 - combining paradigm selection and theory .................................................... 54
Figure 3.4 - theory development and falsification using case studies ............................. 60
Figure 3.5 - framework for comparison and contrast of local government .................... 62
Figure 4.1 - diagram showing the chapter's structure ..................................................... 73
Figure 4.2 - stages of research analysis .......................................................................... 75
Figure 4.3 - local government marketing exchange model ............................................ 102
Figure 4.4 - local government marketing model version 1 ........................................... 105
Figure 4.5 - the local government marketing model version 2 ....................................... 106
Figure 4.6 - local government marketing model final version ........................................ 108
Figure 5.1 - outline for chapter five .............................................................................. 112
Statement of original authorship

The work in this thesis has not been submitted for a degree or diploma at another higher education institution. To the best of my knowledge and belief, the thesis contains no material previously published or written by another person except where due reference is made.

Signed of Candidate: __________________________

Date: __________________________

ENDORSEMENT

Signed by principal supervisor: _______________

Date: __________________________
Publications produced in conjunction with this thesis

Acknowledgment

This thesis has benefited from the input of many people and I am grateful for their contributions and support. Notably I wish to acknowledge my principal supervisors Dr Jane Summers and Dr Meredith Lawley, for providing the drive and direction in completing this dissertation.

My thanks also go to my colleagues from the Marketing and Tourism Department, University of Southern Queensland. Finally I must acknowledge my parents and Wai Sue for their encouragement to finish this thesis.