A revolution has been taking place over the past few years in an area most marketing practitioners and students seldom give a second thought to, the public sector.

**THE Quiet REVOLUTION**

It is an undeniable fact that marketing has its pedigree in the private sector, where concepts such as market share and competitive positioning are king. The public sector is another type of animal, one that at first glance would not seem like the normal stomping ground for marketers. Developments of the past few years however, have forced a shift in the view of the relevance of marketing in the public sector.

The spate of corporatisations, privatizations and adopting of private sector principles in the public sector, has created a need for marketers and marketing, in an up to now dormant giant of a sector. I use the words giant intentionally because the public sector has been, until recently, an untapped area in need of marketing applications – it is also filled with opportunities for innovation and growth for the marketing practitioner.

**BRAND new days**

Several public sector institutions have seen the light and have decided to seize the day. Eskom is one such institution. Eskom realized in the late eighties that they needed to change the way that they were approaching their business and decided to adopt a marketing orientation. One might think that Eskom would have no need to adopt a marketing orientation since they have no obvious competitors. They however saw it differently. If one looks at their business more broadly than is normally done, one realizes that they, in fact, have several competitors, in traditional marketing parlance, this would be taking a non-myopic view of the business and its markets. Eskom identified that they were not in the electricity business as would commonly be thought, but they were in fact in the energy business. Defining their business in this way suddenly brings the competitors into sharp relief. Eskom has several competitors, it competes for example with BP. They both supply energy to power commercial equipment, for example, Eskom supplies the energy as raw electricity, BP supplies it a diesel for an electrical generator. Eskom also competes with the likes of Mobil, who supply the oil that ultimately makes candle wax in the consumer market. These competitors would have remained outside of Eskom’s field of vision had Eskom not adopted a marketing approach to their business.

**POWERFUL vision**

Eskom has not only succeeded in gaining a better understanding of their business through marketing but has used marketing to build one of the most recognizable brands in the country, as proved by a recent survey conducted by Markinor. The power of the brand is such that it makes it easier for them to operate in their markets and allows them to compete more successfully. Had they not chosen to adopt a marketing approach, who can say how much of their potential market would have been lost to alternative sources of energy, or how much more difficult it would have been to raise funding in the world financial markets.

**REFRAMING and reality checking**

Several other public sector institutions have adopted a marketing orientation to their business. Rand Water is one
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example. They have recently embarked on a campaign to build the Rand Water brand in their market. They too operate in a market that at first seems to have no competition. Similarly to Eskom however, closer inspection reveals that they too have several competitors – in the consumer market for example. Rand Water spends millions of rands purifying water for consumption. Rand Water’s competitors spend millions of rands convincing consumers to drink their products, products such as Liqui-Fruit (and other fruit juices and soft drinks) or a more directly competing product such as bottled water. Rand Water’s competitors have invested substantially in building their brands and if Rand Water is to succeed against them it will also need a strong brand and to this end its marketing drive. It is a public sector institution that is fighting the private sector, for space in the consumers mind.

BEING SEEN IN A POSITIVE LIGHT

Competition is not the only reason the public sector has turned to marketing as a strategy for dealing with the changing environment. That is only half the picture. The other half is even more exciting from a marketing development and opportunity point of view. Who would have imagined that an institution as secretive as the Department of Intelligence would run a radio campaign, and yet they have. Who would have thought that an institution such as SARS would care what its stakeholders think of it, and yet its recent advertising and public relations drives show that it does care and in fact wants them to see it positively.

The question that jumps out at you is why would these types of institutions bother with branding, if they hold all the cards. Once again marketing provides the answers, this time in the form of consumer’s psychology. The logic goes like this ‘If people like you, they are more likely to work with you, or help you to achieve a goal, even if what you are trying to achieve is to get money out of their pockets into yours.’ The logic is simple, if people believe that their are ‘happy’ to pay their taxes or more correctly, to use the terminology of the advert, to invest.

The Department of Intelligence also gets similar benefits from being perceived positively, people are more willing to provide it with information, if they believe that the information is being used to the benefit of the country and contribute to their safety. A positive brand image also makes it easier for the department to get funding. Thus its advertising campaign is focused on the results that the department has achieved in fighting “urban terrorism”, taxi violence etc. Who knows, perhaps in a few years time the Department of Intelligence may have one of the most recognized and loved brands.

SEISMIC SHIFTS IN THE PUBLIC SECTOR

It is clear that there is a seismic shift occurring in the adoption of marketing in the public sector. This shift is irreversible and its impact will be far reaching. The challenge to marketers is improve the way that marketing is perceived, both by the public sector institutions who still have to see the opportunity that marketing presents and those who have made the leap. The perception of marketing in most public sector institutions, including some parts of institutions such as Eskom, is that marketing is not something they need to bother with. Marketers therefore have to continue to demonstrate the value that marketing can bring to the public sector. They also have to dispel the myth that marketing is about advertising and parties.

EARLY DAYS YET

The revolution is underway, but victory is nevertheless not certain. Marketing has made great strides in the public sector, but for it to continue to do so will require that both marketing students and practitioners sharpen their pencils and get to work on showing how marketing can be of value to public sector institutions, all the way from the cloak and dagger world of the Intelligence services to simple services such as water provision. So, whilst some public sector institutions have already seen the light, there are hundreds more who are still stumbling in the dark, losing opportunities to create strong brands built on customer service and a culture of citizen pride.

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