

# **MARKETING IN THAI PUBLIC SERVICES REVISITED**

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**A Dissertation Submitted in Partial  
Fulfillment of the Requirements for the Degree of  
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# MARKETING IN THAI PUBLIC SERVICES REVISITED

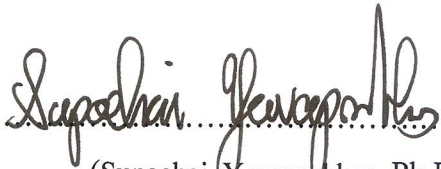
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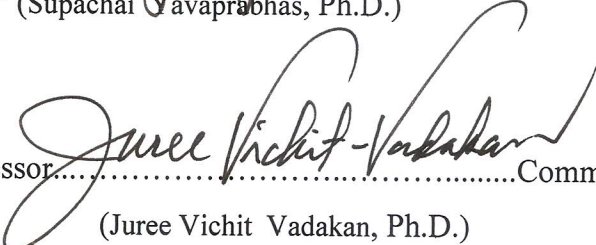
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## ABSTRACT

<b>Title of Dissertation</b>	Marketing in Thai Public Services Revisited
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Under the concept of New Public Management (NPM), the Office of the Public Sector Development Commission (OPDC) attempted to push forward the use of marketing concepts in public service delivery in Thai government agencies in order to enhance quality and performance in public service delivery. But there has been no study on the way those concepts have been used by government agencies or the suitability and consistency of marketing concepts in the context of the Thai public sector. The objectives of this study are to study and investigate the use of marketing concepts in Thai public services, compare the use of marketing concepts in government agencies, explore factors affecting the use of marketing concepts in Thai public services, and suggest policy propositions concerning public service improvement to meet and satisfy citizen's needs and wants.

It is qualitative research based on case studies of four selected government departments, namely the Department of Land Transport, Land Department, Cooperative Promotion Department, and Department of Health Service Support. Data was mainly collected from interviews with executives of the government agencies, and also employs secondary data review in order to verify and confirm the accuracy of data obtained from the interviews.

The results of the study concluded that government agencies' public service delivery centered on citizens' benefits, but does not stem from the intention to use marketing concepts in public service delivery. Rather, it has been implemented in accordance with Section 3/1 of the State Administrative Act B.E. 2545 (2002), the Royal Decree on Criteria and Procedures for Good Governance B.E. 2546 (2003) and Public Sector Management Quality Award (PMQA). Marketing concepts have been

incorporated in working procedures of these agencies and can be further inferred that it have been automatically used by government agencies. Analyzing the principles and philosophy of marketing concepts and their application in the context of the Thai public sector, was found that application of these concepts in the Thai public sector has some limitations. Public service delivery is of a monopolistic nature, driven by laws, and social regulation oriented. It is not based on voluntary exchange. Delivery of service is for public benefit without consideration of cost of service or profit seeking. Citizens are not considered as customers of government agencies but as tax payers or are as government owners.

This study, however, does not reject the use of marketing concepts in the public sector. Even though some of its principles and philosophy may be unsuitable in the context of Thai public sector, the application of marketing concepts in terms of procedures, methodologies and activities may still improve the quality and performance of public service delivery. This could be implemented by proper adoption of customer centered management of services, taking into account possible conflicts in the context of public service delivery, particularly the direct service to citizens at government service points.

Factors influencing the quality improvement of public service delivery consist of “personal factors” and “factors related to government agencies’ administration and public service delivery. All these factors mutually affect one another and are interrelated.

Policy recommendations in regards to public service delivery are as follows:

- 1) The OPDC should realize the importance of knowledge sharing, understanding and acceptance of principles, methods and scopes of marketing concepts used in the public sector by personnel in government agencies.
- 2) The OPDC and government agencies should have human resource development strategies to provide their personnel with the knowledge, skills and attitudes that correspond to changing formats, methods, tools, and regulations in working environments based on people’s benefits.
- 3) Government agencies should improve their services and service supporting systems as the tools facilitating decision making and speed of service as well as minimizing human errors.
- 4) The OPDC and government agencies should develop their incentive measures to motivate officials to provide good services.
- 5) The OPDC and government agencies should consider their people as citizens in need of public services rather than as their customers.

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# **CHAPTER 1**

## **INTRODUCTION**

### **1.1 Background of the Study**

Organization administrators are currently recognizing rapid organisational change. Globalization is making the world become a borderless society. The existence of organizations truly depends on the development and management of products and services. Customers and users have more choices in products and services provided in open markets. Exchange of products and services can be anytime and anywhere. The products and services themselves have been less significant for suppliers. Instead, customers matter for them. Moreover, this also applies to organizations in the public sector in Thailand.

Since the 1980s, the paradigm, forms, and procedures of public management in the traditional bureaucratic model have changed due to the phenomenon of globalization, international emulation, economic crises, growth and strength of private and civil society, corruption, and inefficiency of government and bureaucracy. The economy as a whole is becoming service oriented and quality of provided products or services is not entirely dependent on product quality itself but also on service quality (Chakrapani, 1998: 3). The influence of New Public Management (NPM) has shifted traditional public administration to public management and administration with emphasis on accountability and responsiveness to citizens' needs.

Consequently, a part of the transition has been achieved through the utilization of marketing with the aim of increasing the quality of public services, by which satisfying and responding to public needs are the desired outcomes. The success of bureaucratic reforms and marketing-based concept implementation in public services in the United Kingdom, Sweden, France, Australia, and the USA represent the application of the New Public Administration Model (NPM), which has become a significant catalyst for change in public administration in other countries, including

Thailand (Bongkoch Sutad NaAyuthaya, 2010). The term of citizen-focused, citizen-centered government, citizen's satisfaction, or responding to citizens' needs and wants have been widely accepted and practiced by public administrators around the world as well as in Thailand.

The basic reason why a public organization should be interested in formal marketing principles is that they will enable the organization to be more effective in achieving their objectives (Kotler, 1975: 9). In the past, marketing might have been viewed as a strictly for-profit business function, but this is no longer true. Marketing has become an activity that a public organization can use in managing its operation (Johnson, 1993: 714-715). In addition, the business heritage of marketing provides a useful set of concepts for guiding all organizations whether they are profit oriented or not. The choice faced by managers in non-business organizations is not whether to use marketing or not, but whether they can use it "well or poorly" (Kotler & Levy, 1996 quoted in Graham, 1995: 35-47). The more an organization knows about its customers, the better decisions the organization will make on how to serve them. The organization has to move from a "we need" philosophy to a "they need and we can provide" philosophy (Greenfield, 2001: 34). Moreover, Kotler and Lee (2007: 11) also state that marketing turns out to be the best planning platform for a public agency that wants to meet citizens' needs and deliver real value by producing outcomes that the market appreciates. For these reasons, marketing has become a significant activity for public organizations and has important contributions to make to overall public service quality improvement. However, while the concept of marketing in the public sector has been accepted by many scholars, there are arguments concerning the differences in administrative philosophy between those in the public and private sectors.

In Thailand, the influence of globalization and New Public Management (NPM) has pushed reform in Thai public administration. Since the 1980s, the reform of Thai public administration, especially under the responsibility of the Office of the Public Sector Development Commission (OPDC), has focused on both bureaucratic structure and government officer's working values and attitudes. Marketing has also been employed as a modern management tool to enhance the quality of Thai public services, associated with service facilities, service promptness, up-to-date public

services, etc. Moreover, working values and attitudes of government officers at all levels, concerning responsive public services, have been improved through training.

The changes in Thai public administration since the 1980s have shown that the quality of public services of several government agencies has continuously improved due to the utilization of marketing. Public services are more responsive to the needs and wants of the people. A moderately increasing percentage of citizen satisfaction on public services has demonstrated the success of the government in improving its public services.

However, every government authority has not been performing well. Government agencies and their performance in providing public services have continued to be criticized by citizens and the media. Corruption and many kinds of misconduct of government officers, poor public services, complex orders, rules, procedures, and documents relating to public service delivery, inequality of service providing such as queue-jumping, impoliteness and unwillingness of government officers to provide services, poor manners to their citizens, inadequate and incorrect information provided to citizens, as well as low communication skills of government officers can still be seen (Committee on Administration and Justice, The Senate, 1997). Furthermore, the inertia of public administration and its functional incapacity to respond to citizens' requirements have created a situation which can be described as a trust deficit between the public sector and citizens, both in terms of their reciprocal relationship and service delivery (Nikos, 2000: 39-41). As a result, public services have not met public expectations (Cohen & Eimicke, 2002: 2-3).

Triggered by the afore mentioned circumstances of Thai public administration and public services, some issues related to the utilization of marketing concepts in Thai public services have been raised and these led to systematic and intensive academic studies.

Firstly, throughout the present public administration reforms in Thailand, following the model of NPM, the concept of Marketing has been accepted and utilized as part of the development and enhancement of the quality of public services with the objective of making them more responsive. Such reforms have put into effect not only a change in public administration paradigms, but also changes in public organization structures and operations. However, while the study of Thai public administration

reform has been continuously conducted, there is no academic research concerning the success, failure, or even appropriateness of NPM conducted through the utilization of marketing concepts in Thai public services. Issues that should be taken into considerations in this field of research are, for example, what Thai public organizations have to do if the utilization of marketing in their public services is found to be ineffective, what public administrators have to do when problems or obstacles occur while employing marketing concepts in Thai public services, and factors and contexts that support or obstruct the success of utilizing marketing concepts in the Thai bureaucratic system. Therefore, the public administration reform policy proposals concerning the Thai bureaucratic context need to be supported by systematic academic research. The contributions of the research will be useful for building and encouraging an appropriate and responsive public service policy.

Secondly, while the Office of Public Sector Development Committee (OPDC) has been pushing forward responsive public services from government agencies through marketing concepts, the body of knowledge and academic studies relating to NPM and marketing in the Thai public sector remain deficient. Furthermore, according to the fact that Marketing is one of the fields that has been most overlooked and misunderstood by public sector personnel (Kotler & Lee, 2007: 10), it could be possible that Marketing is an unacceptable management tool and also misunderstood by Thai public service officials. At the same time, the implementation of marketing concepts in Thai public service has never been revised. No one knows or questions whether the Marketing concepts work or not in the Thai public service system. Likewise, the OPDC does not realize whether Marketing, which has been pushed forward, becomes part of the mindset of Thai public service officials. One possible question that can be raised may be “Is there any other concept or management tool that could be better implemented than Marketing?”. Thus, the use of marketing concepts in Thai public administration and its public services needs to be revisited. A systematic and academic investigation on the use of marketing concepts is significant in assessing the workability of the concept for Thai public service. The contributions of the research will be further developed and lead to the fulfillment of NPM as well as the implementation of marketing concepts and theories that are especially relevant to the Thai public sector, thereby leading to practical guidelines and discovering any

clear linkage between responsiveness to citizens' needs and improvement of agency performance.

Thirdly, the enormous scope of roles and responsibilities of government agencies make an application of marketing in public services more complicated than in the private sector. While the exchange in private sector is voluntary trade-offs; i.e., one obtains something from someone by offering something in return and each one is free to accept or reject the other's offers, the exchange of government agencies, on the other hand, might not only be a voluntary trade-offs but sometimes compulsorily prescribed by laws and regulations and might deal with many other parties. As a result, a general marketing application might not be in accordance with the uniqueness of government agencies' activities. Therefore, factors and contexts concerning the use of marketing in the Thai public sector need to be studied academically and systematically.

## **1.2 Objectives of the Study**

According to the three considerations mentioned above, there are academic challenges that led to this research. An in-depth study on marketing concepts in Thai public services is definitely needed. The research objectives which correspond to the afore mentioned issues are shown below.

- 1) To study and investigate the use of marketing concepts in Thai public services.
- 2) To investigate and compare the use of marketing concepts in government agencies.
- 3) To investigate and explore factors affecting to the use of marketing concepts in Thai public services.
- 4) To suggest policy propositions concerning public service improvement that will support Thai public administrators in improving Thai public service performance to meet and satisfy citizen's needs and wants.



### 1.3 Research Questions

To reach its objectives this study is guided by four research questions as follows:

- 1) How have marketing concepts been used by Thai public services?
- 2) What are the differences or similarities among Thai government agencies in applying marketing concepts used in public service delivery?
- 3) What are the administrative factors that enable or obstruct the use of marketing concepts in Thai public services?
- 4) What are the policy propositions concerning public service improvement that will support Thai public administrators in improving Thai public service performance to meet and satisfy citizen's needs and wants?

### 1.4 Scope of the Study

This study focuses on public services delivered by public agencies. Due to the large number of these agencies and their different categories and levels, namely 140 departments, 19 ministries, 58 state-owned enterprises (SOEs) and a number of public organizations and independent regulatory agencies, as well as the time and resource constraints, the application of marketing concepts in cannot be analyzed in every agency. Therefore, the scope of this study is as follows:

- 1) This study focuses on “departmental level government agencies” according to Section 5 of the Act Amending Ministry, Sub-Ministry and Department B.E. 2545, which have missions and duties as mentioned in the Ministerial Regulation on the organization of these departments, and excludes other government agencies within the supervision of the Executive, public organizations, autonomous organizations, independent regulatory agencies and local administrative organizations.
- 2) This is an in-depth study on selected government agencies, focusing on the application of marketing concepts in public services which is considered as the “government service” delivered from units of these “government agencies” to the public. Other roles and duties irrelevant to service delivery are beyond the scope of this study.

3) This study explores the marketing concepts applied to service delivery of selected government agencies only from the points of view of these agencies as service providers and the Office of the Public Sector Development Commission (OPDC) as supporter of this concept. Points of view from service recipients and other stakeholders are excluded from this study.

### **1.5 Limitations of the Study**

1) Public sector reform under the New Public Administration Model (NPM) has led to extensive modification of public administration systems, including paradigm shifts, restructuring of the public sector, regulatory and legislative reforms, application of new methods and techniques in public administration and public service delivery as well as changes of values, ideas, beliefs and mindsets of government officials in performing their duties, which are beyond the scope of this study. Therefore, the results of this study are not sufficiently complete to be applied to build up the stock of knowledge in public sector reform. Rather, they help the further development in the application of marketing concepts in the Thai government agencies' public service delivery.

2) Due to limited time and resource constraints as well as the researcher's capacity, this study was conducted by relying only on data collected from the Office of the Public Sector Development Commission (OPDC) as supporter of the application of marketing concepts in public service delivery and government agencies that directly deliver services to the general public, both of which are public sector-related. Data in terms of views, ideas and opinions were not collected from the general public as service recipients. Consequently, the results of the study solely reflect points of view of government agencies as service providers. The study thus limits the reflection of points of view from different stakeholders such as the service recipients and other types of government agencies.

3) Since the scope of the study is limited to public service delivery from selected government agencies, the study can provide a broad picture of the application of marketing concepts in public service delivery at a certain level. The

results of the study cannot be used to explain the entirety of the Thai public sector's application of marketing concepts in public service delivery.

## **1.6 Significance of the Study**

Marketing academics such as Kotler (1975) and Johnson (1993) support the application of marketing concepts in public service delivery as they believe that marketing can enhance the efficiency in the public sector and be a tool for the government to deliver services to the public in a responsive manner. In Thailand, the marketing concept as a tool in modern public administration has been pushed forward by the OPDC with the aim to support public sector development under the New Public Management (NPM) model. Nevertheless, the appropriateness of applying marketing concepts in public service delivery in the context of the Thai public sector has not been systematically studied. This study, even though conducted on selected government agencies, is considered as a first step in the revision of marketing concepts in public service delivery. The study is expected to provide outcomes as follows:

- 1) This study is a first step in the systematic revision of marketing concept application in public service delivery, leading to more comprehensive knowledge of patterns, methods, and procedures of marketing concept application in the context of the Thai public sector.

- 2) The outcomes from the study can be utilized as guidelines for studies on marketing concept application in public service delivery in the case of other government agencies. This will be useful in terms of more extensive coverage of study results and more comprehensive knowledge regarding marketing concepts in public service delivery such as the procedures of applying these concepts and factors influencing the success of applying these concepts targeted at the well-being of the general public, and following the citizen-centered approach.

- 3) The implications of the study can serve as guidelines for the government, particularly the OPDC in the formulation of policy, and improvement of public management in order that missions and duties of each government agency can be achieved and public service can be delivered to the general public for their well-being, following the citizen-centered approach.

## **1.7 Contents of the Dissertation**

The dissertation is divided into seven chapters. The First Chapter is an introduction which provides the background of the study, containing statements of problems which imply research interest and how challenging the topic was to study. This chapter also contains the objectives of the study, research questions, scope of the study, limitations of the study, and significance of the study. The Second Chapter provides an overview of public sector reform in Thailand which has been developed for more than 700 years and its recent reform through the concept of NPM. Furthermore, public sector reforms in developed countries through the concept of NPM, such as the USA, UK, Australia, and Singapore are also reviewed. The Third Chapter provides a comprehensive review focusing on the concept of New Public Management (NPM), the criticism of NPM, and alternative points of view on public administration such as New Public Service (NPS). Furthermore, this chapter reviews Marketing in the public sector, the concept of 4Ps and 4Cs of the marketing mix, exchange theory, and experiences of other countries successfully implementing Marketing in their public services. The end of the chapter also provides an initial conceptual framework of the study which has been used as a guideline. The Fourth Chapter details the research methodology of the study. It includes the research approach (qualitative research), research methods (case study), data collection, and data analysis, and concerns over the validity and reliability of the research. The Fifth Chapter provides information on the governmental departments which were selected as case studies. It describes processes and procedures of Marketing implementation in public services on a case-by-case basis, and opinions and perceptions of public service officers relating to the practice of Marketing in public sector. The Sixth Chapter provides data analysis and detailed discussions focusing on marketing management and activities in the process of public service delivery. Empirical data was analyzed in order to find out supportive and obstructive factors that affect the use of marketing in Thai public services.. This chapter also compares similarities and differences in the use of marketing management and activities in public service delivery process among government agencies. The last Chapter provides the conclusions of the study and policy recommendations with the aim of improving the performance of Thai public services to meet and satisfy citizen's needs and wants.

## **CHAPTER 2**

### **THAILAND'S PUBLIC SECTOR REFORM AND INTERNATIONAL EXPERIENCES**

Globalization is an important pressure that pushes the reform of public and private organizations. The Thai public administration and bureaucratic system is not exempt from the influence of globalization. The reform of the Thai public administration and bureaucratic system is not new. After the establishment of the state more than 700 years ago, from the Sukhothai to the Ayuthaya and Ratanakosin Kingdoms, Thailand has implemented both major and minor public administration reforms many times, following changes in economic, social, and political conditions.

This chapter provides not only a chronological overview of Thailand's political and public administrative reforms but also the best practices of public sector reform in some developed countries. Details of public sector reforms are divided into two parts. First is Thailand's public sector reform from 1932 to present and second are the examples of best practices of public sector reform in some successful developed countries through the concept of NPM.

#### **2.1 Thailand's Public Sector Reform from B.E. 1300 to the Present**

##### **2.1.1 Thailand's Public Sector Reform before the Siamese Revolution B.E. 2475 (1932)**

Traditional Thai historians considered the foundation of the Sukhothai Kingdom as the beginning of the nation. In the political and administrative system at that time the King ruled the State as the citizens' father, the so called "Po Khun". This system was used to rule the State for a century. The first reform of the political and administrative system began during the reign of King Ramatibodi I of the Ayuttaya Kingdom, B.E. 1857-1912 (1351-1369) in order to respond to the expanded power of

the Kingdom. The four pillars of state (Cha-tu-sa-dom) propagated from the Indian political system were adopted instead of the “Po Khun” system. King Trailokanat of Ayutthaya, B.C.1991-2031 (1448-1488) reformed the Siamese bureaucracy once again by separating civil and military officials. “Sa-mu-ha-na-yok” was the Head of the Civil Office which took responsibility for civil duties, and “Sa-mu-ha-ka-la-hom” was the Head of the Military Office responsible for military duties. In his reign, the hierarchies of the nobility were first codified. Officials had titular ranks and feudal ranks called “Sakdi na”. He also adopted a palatinate law in order to re-categorize the cities of Ayutthaya by class, the hierarchy of cities ranging from the Inner Cities and Outer Cities to Colonies.

The Thai political and public administration system of the King Trailokanat had the main objective of categorizing cities of the State in order to rule and control rather than to provide public services. The power of the State was centralized. The Kings were the supreme head of State as absolute monarchy was the political system. The Kings were not only the ruler but also God. Thus, political and public administration reforms were based on rulers not the people. This system continued until the public sector reform of King Chulalongkorn at the end of the 19th century.

The Thai bureaucratic system was reformed once again in the reign of King Chulalongkorn or King Rama V of the Rattanakosin Kingdom in B.E. 2435 (1892). The old tradition of the four pillars of state system was replaced. The Thai bureaucratic system and structure of state administration were entirely overhauled. King Chulalongkorn introduced many new reforms and innovations to the country, not only public administration reform, but also laws, politics, education and medicine, commercialism, and so on. These demonstrated the desire of the king to modernize the infrastructure and other institutions of the country. The Thai public administration and its structure were adopted in the form of Ministries, Government Bureaus and Departments and the state administration was divided into three levels of central, provincial, and local. This form of bureaucratic system and structure of state administration continued until B.E. 2475 (1932) and has provided the foundation of the present Thai bureaucratic system.

### **2.1.2 From the Siamese Revolution B.E. 2475 (1932) to B.E. 2543 (2000)**

A crucial turning point in the Thai political system and public administration was the Siamese Revolution or the Siamese Coup d'état in B.E. 2475 (1932). It was a bloodless transition in which the system of government was changed from an absolute monarchy to a constitutional monarchy. The revolution resulted in the people of Siam being granted their first Constitution, which began by announcing that “the highest power in the land belongs to all people”. The Constitution basically stripped the King of all of his ancient powers for ruling the country. The Thai political system exists within a framework of a parliamentary representative democracy and constitutional monarchy, whereby the King is the Head of State, the Prime Minister is the head of government, and there is a multi-party system. Executive power is exercised by the government. Legislative power is vested in both the government and the two chambers of parliament—The House of Representatives and The Senate. The Judiciary is independent of the executive and the legislature. However, although this transition was vital, the government administrative structure and public administration paradigm of the government designed by King Chulalongkorn was not much revised. The revisions of administrative structure of the government were merely the sub-structure of the systems.

A significant change in paradigm, form, and public management procedures of the traditional bureaucratic model began again in 1980s, associated with the phenomenon of globalization, international emulation, economic crisis, growth and strength of private and civil society, corruption, and inefficiency of government and bureaucracy. The beginning of public sector reform was in B.E. 2532 (1989) when the term “Good Governance” was introduced by the World Bank and has been used to refer to good management of government mechanisms in administering social and economic resources for a country's development. The term “good governance” has been accepted as meaning that public participation, honesty, transparency, accountability, political legitimacy, fair legal framework, predictability, efficiency, and effectiveness are assured. The movement of Good Governance has pushed for the reform of development mechanisms in countries which ask for assistance from the Bank. Thus, in order to fulfill the World Bank's conditions, there was also a need for the Royal Thai Government to reform its administration (Pasuk Phongpaichit, 2001).

Three years later, while “good governance” was widely accepted in the Thai public sector, “Black May” (Phruetsapha Thamin) – a common name for the 17-20 May B.E. 2535 (1992) popular protest in Bangkok against the government of General Suchinda Kraproyoon, led to a major demand to re-write the constitution which was completed in 1997 (Pasuk Phongpaichit, 2001: 1). The promulgation of The Constitution of the Kingdom of Thailand B.E. 2540 (1997) was called a “revolution in Thai politics”. The constitution showed a bold attempt at conferring greater power to the Thai people and decentralizing government. After that, laws and regulations relating to the reform and restructuring of government were continuously promulgated.

When General Chaovalit Yongjaiyuth was the Prime Minister of Thailand, the Master Plan of the Public Sector Reform B.C. 2540-2545 (1997-2001) was introduced to the Thai public sector. Based on the concept of “good governance”, the Plan was to strengthen the bureaucracy to be an efficient mechanism in developing economic, social, and political systems by reforming the functions and sizes of public organizations, and improving the operating systems of public organizations. The plan proposed to change the principle philosophy of governing the country from centralization to decentralization. The two principles of the plan concerned the reform of functions and size and relating to the improvement of operating systems in public organizations with the aim to develop public management and its service delivery in terms of efficiency, equity, and fairness (The National Bureaucratic Reform Committee, 1997). As a result, the Plan was the starting point of the present Thai public administration reforms.

### **2.1.3 Thailand’s Public Sector Reform through the Concept of NPM**

The movement of implementing the Master Plan of Public Sector Reform B.C. 2540-2545 (1997-2001) and the success of bureaucratic reforms in the United Kingdom, Sweden, France, Australia, and the USA which represented the application of the New Public Administration Model (NPM) has become a significant catalyst for change in the Thai public sector (Bongkoch Sutad NaAyuthaya, 2010). Consequently, Thai public administration reform was pushed forward and made significant progress in the period that Taksin Shinnawatra was the Prime Minister of Thailand.



In order to achieve public sector reform, the State Administration Act (No.5) B.E. 2545 (2002) and the Act on Reorganization of Ministries, Ministerial Bureaus and Departments, B.E. 2545 (2002) have been promulgated as the framework of Thai bureaucratic reform. These two Acts led to the creation of twenty Ministries and Sub-Ministries. The Acts provided the adjustment of the authority of government agencies and also changed the administrative system by restructuring agencies with related tasks into a group so as to enable the objectives and direction of related agencies to jointly and efficiently work without unnecessary cost due to overlap. In addition, the Office of the Public Sector Development Commission (OPDC) was established in B.E. 2545 (2002) as the main driver in the development of Good Governance and NPM in the Thai public sector.

The OPDC has pushed reform of the public sector through the implementation of Thai Public Sector Development Strategic Plan B.E. 2546-2550 (2003-2007) and B.E. 2551-2555 (2008-2012). The concept of the New Public Administration Model (NPM) has been used to reform the Thai bureaucracy. The main objectives have been better service quality, appropriate governmental size, high performance, and democratic governance (Bongkoch Sutad NaAyuthaya, 2010). Also the Thai public sector will emphasize and adhere to the following principles (Office of the Public Sector Development Commission, 2010):

- 1) Focus on “citizen-centered approach”, improving public services and delivering high value outcomes to the citizens.
- 2) Revise the roles of the public sector to those of a supporter and facilitator, cutting unnecessary functions, and streamlining work processes with better utilization of public resources.
- 3) Maintain proper relationships with political administrators, providing neutral and impartial advice based on professional standards.
- 4) Build networks and cooperate with other sectors in society as well as integrate or link government activities at all levels.
- 5) Enhancing managerial capabilities and abilities to execute major programs, becoming more creative to cope with new challenges and response quickly to unexpected changes.

6) Put good internal control systems in place, complying with legal requirements and keeping bureaucratic discretions within boundaries, as well as becoming more proactive in social responsibilities and environmental concerns.

7) Strive for performance excellence, ensuring high quality standards, and applying advanced technology to deliver world-class public service.

8) Seek new talent, knowledgeable and competent staff, promote ethical behavior and fight against corruption as well as encouraging paradigm shifts and changing the attitudes of existing public servants.

According to the main objectives and the principles of the plans, a set of strategies are shown in Table 2.1

**Table 2.1** Strategies of Thai Public Sector Development Strategic Plan B.E. 2546-2550 and B.E. 2551-2555

<b>Thai Public Sector Development Strategic Plan (B.E. 2546 – 2550)</b>	<b>Thai Public Sector Development Strategic Plan (B.E. 2551 – 2555)</b>
1. Re-engineer work processes	1. Response to change—levering service and performance to match complex, diversified and changing environment and needs of the citizen.
2. Restructure the framework and administration of public organizations	2. Participation—building networks with private sector and civil society organizations, empowering people in governance process and connecting government efforts at all level.
3. Reform financial and budgetary system	3. Smart—moving towards a high performance organization, excellent performance with forward looking, agility, and creativity.
4. Review the human resource management and compensation system	4. Perfect—creating an effective self-control system to ensure transparency, accountability, and ethical behavior as

**Table 2.1** (Continued)

<b>Thai Public Sector Development Strategic Plan (B.E. 2546 – 2550)</b>	<b>Thai Public Sector Development Strategic Plan (B.E. 2551 – 2555)</b>
<p>5. Change management paradigms, and cultural norms and values</p> <p>6. Modernize the public sector through e-government system development</p> <p>7. Enlist public participation in the work of the government system</p>	<p>well as to restore public trust and confidence.</p>

Moreover, by virtue of Section 3/1 of the State Administration Act (No.5), B.E. 2545 (2002), OPDC has pushed forward the promulgation of The Royal Decree on Criteria and Procedures for Good Governance B.E. 2546 (2003) in May, 19, 2003, to set criteria and management directions for government agencies to ensure that the public receives a better standard of service and the government functions are equivalent to international standards. The Decree incorporates the following 7 principles (Office of the Public Sector Development Commission, 2003: 107):

- 1) Responsive public administration.
- 2) Results-based management.
- 3) Effectiveness and value for money.
- 4) Lessening unnecessary steps of work.
- 5) Reviewing mission to meet changing situations.
- 6) Providing convenient and favorable services.
- 7) Regular evaluation.

To achieve these goals, each government authority has been assigned a systematic results based management system by which its performance will be monitored and evaluated. Therefore, the enactment and enforcement of Section 3/1 of the State Administrative Act (No.5) B.E. 2545 (2002), The Royal Decree on Criteria and Procedures for Good Governance B.E. 2546 (2003), the Thai Public Sector

Development Strategy B.E. 2546-2550 (2003-2007), and the approval of The Cabinet Solution on 19<sup>th</sup> May, B.E. 2546 (2003), led to the creation of the Four Perspectives of Performance Measurement and Evaluation. By these four perspectives, performance indicators relating to each perspective were designed. Every Thai government authority has been obliged to measure and evaluate its performance against those performance measurement indicators and an annual performance measurement report of each agency has to be conducted and overall performances have to be examined and reported to the Cabinet and the Parliament at the end of each fiscal year. The four perspectives consist of:

- 1) Mission Effectiveness each government authority has to demonstrate the achievement and outcome of its operations along with the allocated budget in order to benefit the Thai people.
- 2) Performance Efficiency each government authority has to demonstrate the capabilities in its practices to reach its desired outcomes.
- 3) Service Quality each government authority has to demonstrate the importance of citizens, quality of public service, and citizen satisfaction.
- 4) Organization Development each government authority has to demonstrate its capabilities in developing its quality of public administration.

Under the guidance of these four perspectives, each government authority has to declare to the cabinet its strategic plan, desired results and goals, and performance indicators relating to the results and goals. These procedures are to ensure that government's activities and operations are performed in line with the strategic plan and achieve the desired outcome. This new concept has been practiced since the beginning of the fiscal year of B.E. 2546 (2003), instead of the old version of the performance declaration annual report which described only what a government authority did and what was done each year, which was sometimes written in an imprecise way which could distort the facts.

A Cabinet Resolution on May 19, 2003, also approved the OPDC proposal on work processes reduction by which every government authority was expected to reduce its work processes. At the beginning government agencies selected some prior public service providing processes that had the greatest impact and received the greatest number of complaints. Then reductions of all work processes were expected

to be accomplished by B.E. 2550 (2007). To reach the expectation, the OPDC had to cooperate with government bodies to reduce not only service time, but also to facilitate service delivery to the public through the formation of a one-stop service center.

Furthermore, in accordance with the criteria and procedure of the Royal Decree on Good Governance administration at the ministerial, provincial and district level had to establish a service link to facilitate the public. All citizens should be able to contact, inquire for information, and apply for permission or approval as a one stop service. Thus, Service Link was initially implemented in B.E. 2547 (2004). Service Link has been implemented in many forms such as: Service link for fundamental infrastructure, Service link for small enterprises, Ministerial service link, and the most well-known the Government Counter Service (GCS). In order to provide more channels for citizens to access public service and information, the Government Counter Service (GCS) in the form of public service Mobile Units and the Government Contact Center (GCC: 1111) have also been initiated. Furthermore, E-Service is another public service channel that many government agencies and OPDC have been continuously developing in order to provide twenty-four seven public service to its citizens. (Office of the Public Sector Development Commission, 2003 and 2004)

In addition, to promote quality of public services, the Thai Public Service Quality Award was introduced in B.E. 2546 (2003). At the beginning the focus of assessment was on results-based and process-based performance appraisals with the aim to promote all government agencies in streamlining and reducing the time efficiency of their service providing processes. A year later, an additional assessment on citizen satisfaction with government authorities' public services was introduced as the ultimate measure of the Award. Any government authority can voluntarily propose its service for gaining the Award which has been categorized into four types as follows:

- 1) The Award for a particular service in a service unit.
- 2) The Award for an overall process of a particular service within a government's Department.

3) The Award for a particular service which its process must cooperate with other government agencies.

4) The Award for service innovation.

The criteria for assessing service quality focus on both quantitative and qualitative dimensions. Quantitative criteria focus on percentages of citizens satisfied with a service, convenience for citizens getting a service, shortening of waiting times for service delivery, and numbers of public service users within a service unit per day. Qualitative criteria center on streamlining of service providing processes and their usage time, service facilitations, citizen-focused services, and promoting officers' comprehensive knowledge related to their jobs. Since the Award was introduced in 2003, these have been continuously implemented in the Thai public sector until the present. Some evaluation criteria might be modified according to changing circumstances. From the beginning of the Award until the present, the number of services voluntarily put forward for it have increased continuously. (Office of the Public Sector Development Commission, 2007b: 4-15)

Furthermore, since B.E. 2546 (2003) OPDC have considered strategies and guidelines to develop adherence by public officials to a core set of values, grouped under the acronym "I AM READY" – Integrity, Activeness, Morality, Relevancy, Efficiency, Accountability, Democracy, and Yield, with the aim to facilitate change in cultural norms, values, and attitudes of public officials to bring about more effective performance in the public sector, improvement of work methods, a focus on honesty, diligence, patience, responsibility, and determination to achieve desired results (Office of the Public Sector Development Commission, 2003: 117). In addition, the change in cultural norms, values, and attitudes of public officials, and the change management developments for public sector administrators have been considered as well. Public sector administrators have also been trained to be change leaders, able to effectively manage change, and to create change management innovation in their organizations. The "Blue Print for Change" has been formed as a guide for change management in government authorities. Efficiency improvement, quality development, and strengthening government officials' competencies were proposals of the Blue print for Change.

Under the principles and intentions of The Royal Decree on Criteria and Procedures for Good Governance B.E. 2546 (2003) to create responsive public administration with citizens at the center of government activities, the OPDC published the New Public Management Techniques and Methods Handbook: Citizen-centered Approach to Public Administration in B.E. 2549 (2006), which has been used as an operational handbook for responding to and satisfying the needs and wants of citizens. This handbook proposes a paradigm shift in public service. Traditional public services that prioritize the input permeated with rules and regulations in order to guarantee the legitimacy, accuracy, and equitability of public services have been transformed to objective achievement, output, outcome, and value for money of public services, including service quality and customer satisfaction. The handbook describes five procedures of Citizen-centered public service which are customer and stakeholder identification, public service identification, customers' or stakeholders' needs and wants surveys, administrative resource identification, and public service quality improvement. (Office of the Public Sector Development Commission, 2006c)

Furthermore, along with the Thai Public Sector Development Strategy B.E. 2546-2550 (2003-2007), it requires all government agencies to transform their working processes and procedures. The OPDC with the cooperation of the Thailand Productivity Institute has designed and implemented the Public Sector Management Quality Award (PMQA) – based on the Malcolm Baldrige National Award. The three objectives of PMQA are to enhance the working ability of government agencies in line with the Royal Decree on Criteria and Procedures for Good Governance B.E. 2546 (2003), to enhance working abilities corresponding with international working quality standards, and create a framework for evaluating and following up the quality of public administration and administrative performance of government agencies. (Office of the Public Sector Development Commission, 2006a: 3-6)

PMQA itself is based upon a rigorous set of criteria, the so called “Criteria for Performance Excellence”, which consist of seven categories. One of those categories that directly relates to this area of study is “Category 3 – Customer and Market Focus” which examines how an organization determines requirements, expectations, and preferences of customers and markets, and how the organization builds relationships with customers and determines the key factors that lead to customer

acquisition, satisfaction, loyalty and retention, and to business expansion. (Evans, 2005: 63-65)

In conclusion, from the past until the present the Thai public sector has made efforts to reform the bureaucratic system, by many means, in different periods of time, and in diverse situations. The reform in the past aimed to rule, control, and maintain the ruler's power rather than to provide citizens fundamental public services. The basic format of the Thai political system, its form of government, and public administration system was originally copied from that of India which was long established, and also influenced the normal life of Thais and society. The status of people depended on their class which is an example of feudalism in Thai society. The implementation of centralization has harmonized with Thais' way of life and society. This can be seen today in Thai society, especially in rural areas of the country. Throughout the past the Thai bureaucratic system and public administration, bureaucratic culture and top-down courses of action have been widely accepted by civil officers. Public services have been provided by the government's needs, not by citizens'.

During the past couple decades, the Thai bureaucratic paradigm has been changed by the influence of good governance, NPM, and the utilization of private sector management tools. Public services have been provided not only for government's necessities but also citizens' wants and needs. Public service users are customers and citizens of the state rather than clients or constituents who always need government support. Citizen-centered government has been the new paradigm of government officials and public administration, instead of the traditional bureaucratic system.

However, the performance of the public sector has not been widely studied. The application of NPM and Marketing in the Thai bureaucratic system has not led to sufficient responsiveness to citizens' requirements. There are not many systematic or academic studies on theories and practices relating to NPM and Marketing. This study attempts to fill this gap.



## **2.2 Public Sector Reform in International Context**

### **2.2.1 Public Sector Reform in The United Kingdom**

The most important public sector reform in the United Kingdom took place in 1970s, when Ms. Margaret Thatcher was Prime Minister, with the application of the following sequence of procedures (Office of Permanent Secretary for Interior, 2005: 45-51).

1) In 1979, an organization called the Efficient Unit was established to monitor, supervise and examine the efficiency of the public sector's performance, with the focus on cost saving, as recognized and agreed by the organization's Chief Executive Officers (CEO). The procedures applied consisted of size-reduction of organizations in the public sector and privatization of state enterprises.

2) In 1982, the Financial Management Initiatives (FMI) project was conducted to cut costs in the public sector and to use the budget to measure the efficiency of the public sector. The administrators at all levels needed to work with clear objectives and achievement indicators, which authorized and built up the chief officers' deft budget arrangements.

3) In 1988, the Next Step Initiative project was conducted to develop the efficiency and effectiveness of public administration, with the focus on the fiscal value of resources and quality of services. Moreover, the size of organizations was also adjusted along with their performance, with self-management authority. For example, each ministry was asked to consider arranging their own autonomous agencies to do specific activities. The administration also imitated the business administration with autonomy in defining the organizational structures and compensation system, with self-support through income and service charges. However, the performance and services had to meet the same requirements as the private sector, with the preparation of officers for good service through training.

4) In 1991, the Citizen's Charter project was carried out, aiming to develop the services the government organizations provided for the public and to allow the public to complain about the services these organizations provided. In doing this, the public sector had to announce the prevailing standards of services, provide some information and news, offer alternative access to services, provide

services with courtesy, and with amendments and explanations in case of any misconduct.

5) In 1998, the British government launched the Modernizing Government Reform Programme, having the organizations in the public sector consider their performance in meeting the customers' requirements as their priority. This was in order to help the customers gain the services the public sector provided more easily, and also to improve the services and develop the service quality, via E-Government, development of performance and joined-up service provision across the boundaries between organizations or departments, and sharing best practice.

In brief, the public Sector reforms carried out according to the Modernizing Government Reform Programme led to the following changes (Best Practices: Public Administration Reform, 2013)

- 1) Service-led organizations turned into customer-led organizations.
- 2) The focus on inputs was shifted to outputs and results.
- 3) The traditional professional bureaucratic culture was changed into a more corporate culture.
- 4) The role of providing services turned into facilitating and enabling services.
- 5) The performance focus on the minimum standard was shifted to the efficiency and effectiveness of service costs.
- 6) The working culture with no competition became more competitive.

### **2.2.2 Public Sector Reform in The United States of America**

Public sector reform in the United States of America has been applied in different periods, but with the same purpose to improve administrative efficiency. The contemporary American public sector reform (1993 – Present) was called the public sector reform of reinventing Government. This reform adapted the concept of public sector reengineering proposed by David Osborne and Ted Gaebler into the public sector reform, with serious action taken from Bill Clinton's period onwards. The organization called the National Performance Review (NPR) was established to study and present some guidelines and standards of public sector reform, which led to

a report called *From Red Tape to Results: Creating a Government that Works Better & Costs Less*. The NPR recommended the Government change the administration ofh “Bureaucratic Government” into an administration of “Entrepreneurial Government”. In doing this, the government organizations have to eliminate administrative inefficiency and wastefulness, so as to make this meet the public or customer’s requirements, as well as adjusting the human resource system, corporate culture and developing the government officers’ competency and decision-making skills.

The development of efficiency in the American bureaucratic system consists of the following methods (Office of Permanent Secretary for Interior, 2005: 37-45):

1) The red tape was cut to focus more on the outcomes than to strictly follow the regulations. So, the procedure the American government applied includes:

(1) Adjustment of the budget process, such as top-down policies, budget arrangement regarding the priority of policy importance and budget allocation according to organizational tasks, budget arrangement and approval in two-year periods, cancellation of budget reimbursements at different times, and specification of description and objectives of expenses.

(2) Decentralization of personnel administration for recruiting and selecting employees for all positions, adjusting the position classification and compensation systems, evaluating performance and discharging officers for misconduct and loss of working ability.

(3) Streamlining procurement for deftness and rapidity, authorization of procurement of information technology as appropriate for the organizations’ size, with no bids in cases of budgets not exceeding US\$100,000.

(4) Reorientation of the Inspector General’s roles, by assigning additional roles and developing the monitoring system to put more emphasis on outcome-based administration.

(5) Elimination of regulatory overkill by being less strict with the internal control or cutting unnecessary expenses.

(6) Increasing the federal and state governments’ authority by amending some regulations or laws which hampered the governments’ performance

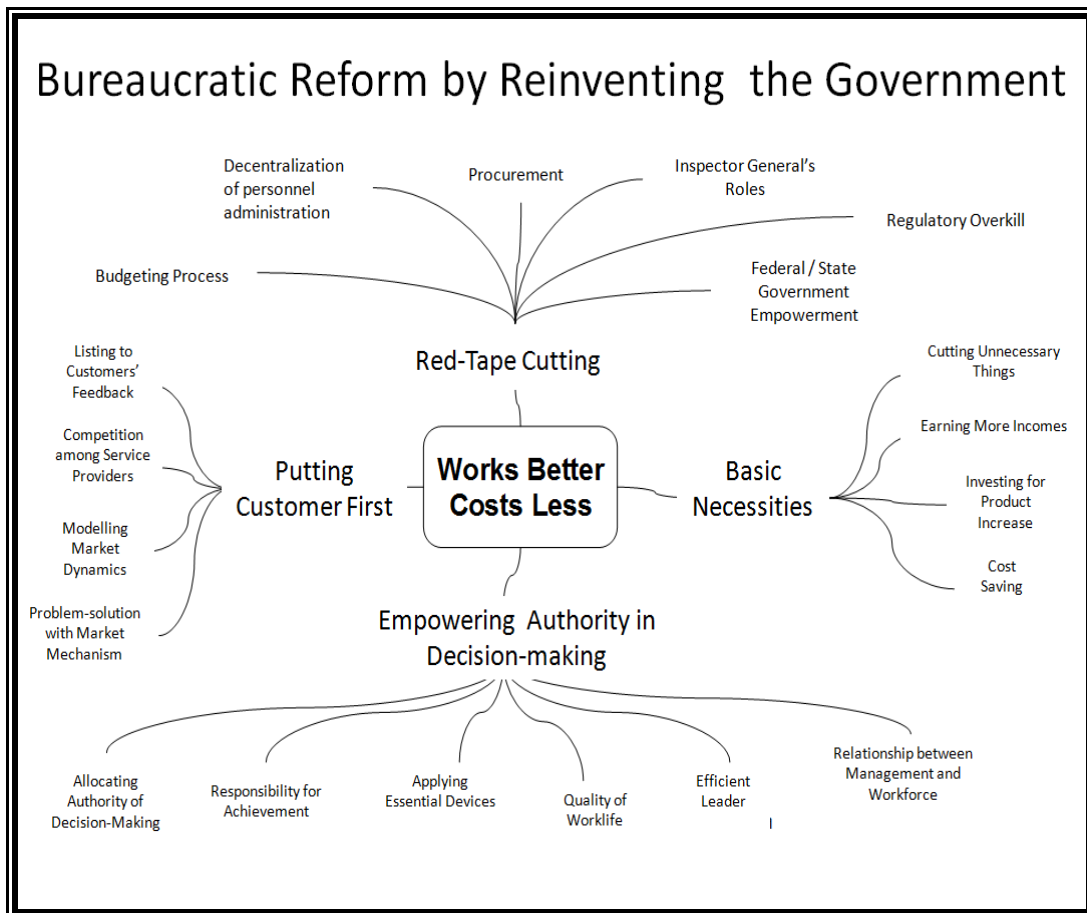
and assigning the governments to manage small-sized projects with budgets not exceeding US\$10 million.

2) The customer was considered the priority, with specification of standards of service, adjustment of services to be fast and complete at one point, evaluation of customer satisfaction, eliminating service monopoly by the public sector, bringing other organizations into competition in service provision, allowing the organizations to be self-supporting and assigning private organizations to provide some services instead.

3) The employees were empowered to get better results, by empowering the government officers' authority in decision-making and cutting some monitoring steps. The government officers have to be responsible for the achievement of performance by accurately defining objectives and goals, providing the officers with essential knowledge and devices to perform their duty, developing the tools to promote performance efficiency and quality of work.

4) The concept of Cutting to Basic was used to produce better government for less. Unnecessary steps were removed, such revision to terminate redundant or currently useless projects or organizations, focusing on earning more income and collecting debts for performance development, outsourcing some assignments to the private sector with some benefits to get the private sector involved, and emphasizing investment to increase products etc.

The overall image of the American public sector reform of reinventing government can be shown in the following figure 2.1.



**Figure 2.1** Public Sector Reform by Reinventing the Government

**Source:** Office of Permanent Secretary for Interior, 2005: 45.

### 2.2.3 Public Sector Reform in Australia

The public sector reforms in Australia aimed to update the government's performance, and to develop performance processes rather than performance outcomes. This reform officially started in 1983, with the following public Sector reform procedures (Office of Permanent Secretary for Interior, 2005: 52-56):

1) Structural Reform: With organization restructure through streamlining work processes and promoting business-like organizational performance, allocating top-down authority of decision-making related to personnel and finance and decentralizing authority to other related government offices.

2) Industrial Reform: Adjusting government officials' payment and fringe benefits to be compatible with the private sector; promoting security and career progress and developing performance flexibility with part time work.

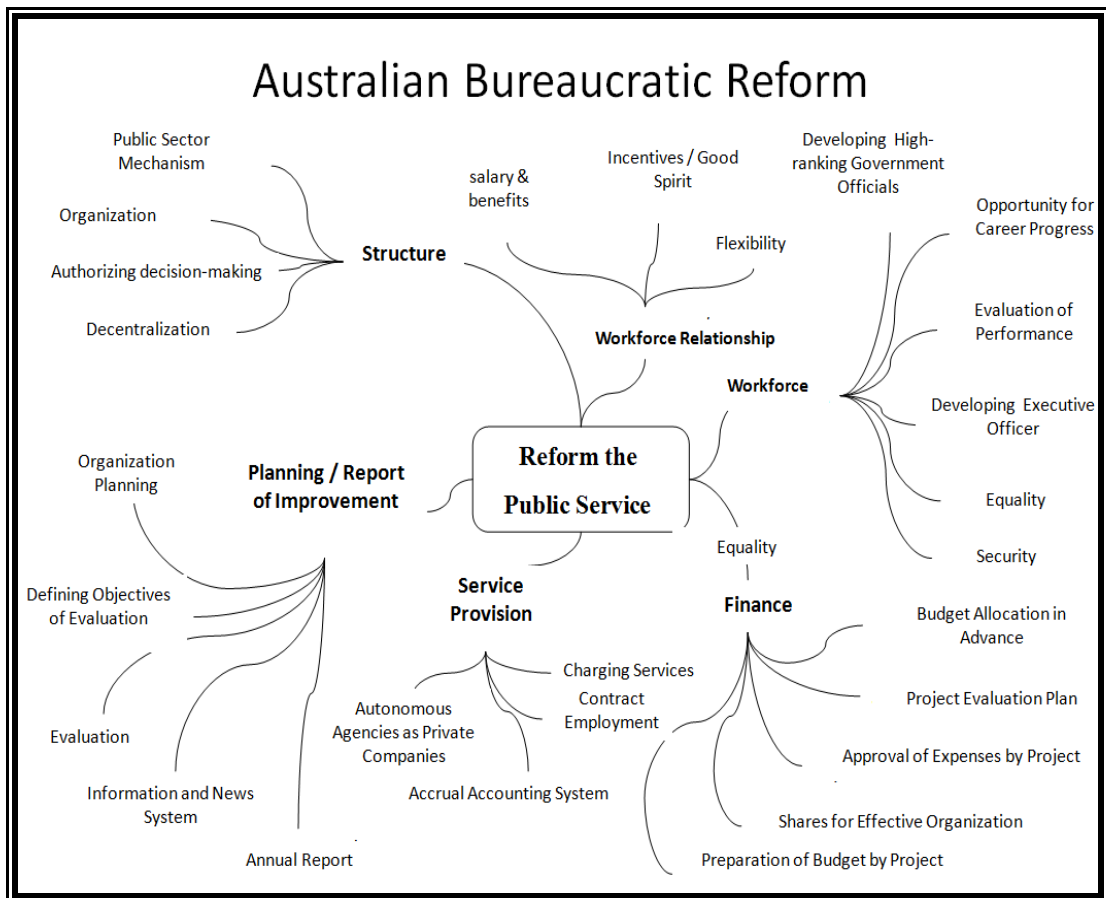
3) Human Resource Management Reform: Developing high-ranking government officials by providing administrative and specialist training, developing executive officials by providing training related to change management, promoting progress on women's and native's equality and applying performance appraisals to evaluate and compensate personnel.

4) Financial Reform: Assigning government offices to allocate budget project by project and approving budget for operational expenses project by project with evaluation based on performance outcomes regarding project aims and efficiency, rather than cost saving alone, and approving additional benefits for the government units which can save costs due to performance efficiency.

5) Commercial reform with use of charges. This follows the concept that the customers are responsible for all or some expenses arising from services. The contracting out system was introduced, privatization of state enterprises or autonomous agencies in the form of private companies was promoted, together with application of the accounting system which could compare related incomes and payments.

6) Planning and reporting reform: Assigning all government units to set up organization planning with objectives, important details of operation and clear evaluation. Each government unit must specify the period of project evaluation, with the focus on evaluating outcomes. Each unit must arrange the management system with correct and updated information, for the follow-up of performance and resource use, and also the annual performance report.

The Australian public Sector reform can be shown in Figure 2.2



**Figure 2.2** Australian Public Sector Reform

**Source:** Office of Permanent Secretary for Interior, 2005: 45.

### 2.2.4 Public Sector Reform in Singapore

Since 1980, the concept of public administration with Market-oriented management has convinced the Singaporean government of the necessity of public sector reform, which led to the announcement of the guidelines for bureaucratic development called “Public Service for the 21<sup>st</sup> Century (PS21)”. This guideline developed the bureaucracy by applying the administrative principles and concepts of the private sector involving service provision to the public (Sarker, 2006: 185. New public management in developing countries: An analysis of success and failure with particular reference to Singapore and Bangladesh, *The International Journal of Public Sector Management*; 19 (2), 2006). The focus of the Singaporean public administration was on productivity development in the civil service system, by establishing the

National Productivity Board in 1972 to develop productivity in the public sector (Office of Permanent Secretary for Interior, 2005: 56)

However, Sarker (2006: 185-187) summarized the format and methods of the Singaporean public Sector reform, as follows: The systematic Singaporean public Sector reform subject to the concept of New Public Management (NPM) started in 1989, by announcing the Block Vote Budget Allocation System, which authorized ministers to manage the budgets and transfer capital and personnel between government organizations. Also, the Singapore Government Management Accounting System (SIGMA) was also established as the data base for the administrators in the public sector to monitor and analyze service costs, productivity or other activities in the public sector, as well as indicating the efficiency of budget use in each organization.

In 1994, Budgeting for Results was also introduced requiring the public sector to clearly define the objectives and performance indicators which had to correspond to the budget the public sector needed and the products the public sector would gain from activities. Moreover, the Auditor General's Office was also established to investigate inefficiency, wastefulness and unproductive activities within the Singaporean public administration system.

In 1996, the Singaporean government started structural reform in the public sector by establishing autonomous agencies (AAs) to build up autonomy and deftness in the administration of finance, other management resources and public service provision. Nowadays, most offices in the Singaporean public sector have become autonomous agencies, except the Ministry of Defense and the Internal Security Department, which are still in the public sector. Moreover, there was also privatization, with transfer of some tasks in the public sector to private agencies, elimination of unnecessary regulations, laws, steps or operational processes and application of different administrative techniques.

Besides, the Singaporean public Sector reform according to NPM has also included human resource management in the public sector, by transferring the Civil Service Commission's authority of recruitment and consideration of promotion to organizations at the ministerial level. This has allowed the public sector to recruit qualified personnel from the private sector to work in the public sector.



## 2.3 Conclusion

The examples of public sector reforms above reveal a variety of formats and methods in public sector reforms, which were summarized by Pollitt and Bouckaert (2000 quoted Best Practices: Public Administration Reform, 2013) into four common principles:

- 1) To tighten up the existing controls by cutting the budget, limiting the number of officials in the public sector or reducing the amount of waste.
- 2) To modernize the government system by applying the administration of the private sector or using organizational design which is flexible and suitable for change.
- 3) To introduce the concept of the market mechanism in order to stimulate competition between the public and the private sectors or within the public sector.
- 4) To streamline the public sector's roles by increasing the private sector's role through contracting out.

## **CHAPTER 3**

### **LITERATURE REVIEW**

According to the research topic and research objectives, this study focuses on investigating processes of public service from the initial stage until the stage where public services are delivered to citizens. The perspectives of public officers concerning the concept of marketing in public services expressed by words, actions, and behaviors are also in the scope of this study. Therefore, a comprehensive literature review of research covering theories and concepts relating to NPM and marketing in public services was undertaken. An understanding of the theories and the concepts provided a guideline for the in-depth study of the research.

This chapter reviews and briefly discusses the emergence of a new approach to public administration, the concept of New Public Management (NPM) and its criticisms, the concept of Marketing in the Public Sector, the concept of the 4Ps and 4Cs of marketing, and the concept of Exchange, etc. The end of the chapter also provides the initial conceptual framework which is used as a guideline for the in-depth study of the research.

### **3.1 New Public Management (NPM)**

#### **3.1.1 The Emergence of a New Approach of Public Administration**

By the late 1970s through to 2000, public administration in the global context was characterized by the triumph of market forces, policies of reorganization, programmes of privatization, and by projects of deregulation and liberalization (Nikos, 2000: 39-41). Important transitions that have influenced many existing habits and have had an impact on the structure of public administration and on the position of the public sector have been taking place. The global context has seen change from an industrial society to a technological society, from national economies to a global economy, from short-term planning to long-term planning, from centralism to

decentralization, from institutional support to self-help, from representative democracy to participative democracy, from hierarchy to networks, from quantitative products to quality, and from mono-structures of production to diversity of products (Strategy of public administration reform in the Slovak Republic, 1999: 6-7). These transitions represent fundamental changes in both the theory and practice of public administration.

A field of administrative reform currently receiving attention is the relationship between state and society or between public services and citizens. Public administrations in countries all over the world are being changed or reinvented, presumably in order to improve the capacity of public sector organizations to cope with a turbulent environment effectively and efficiently (Nikos, 2000). Reform programs which are undertaken have generally had the dual aim of ensuring that public service has the right people, structure, and organization to develop and deliver the right policies and services, and of ensuring that public services are operated as efficiently and effectively as possible (Strategic Management in the Irish Civil Services, Administration, 1995: 6 quoted in Nikos, 2000: 39).

The needs and wants of citizens are supposed to be the key criteria for decisions in public administration and the customer of any services offered is now typically seen as the fundamental arbiter of the service provider. Citizens, who were viewed as playing a merely passive role when the process of administrative modernization was launched, are now considered to be fully-fledged social actors who are the central focus of the current thinking on policies of administrative reform (Nikos, 2000: 41). Member states of the EU (European Union), for example, consider their citizens not only as voters or taxpayers, but also public service customers with demands and expectations. The interface between citizens and public services is not prescribed any more by a bureaucratic logic, but by a managerial one in which serving the customer is a fundamental element. Bureaucratic culture is being modified into a culture based on satisfaction of the needs and expectations of citizens (Nikos, 2000: 43). Table 3.1 shows the citizen-focused public services of the EU's member states.

**Table 3.1** Summary of Citizen-Focus of some EU's Member States

Objectives	Member States
The accessibility of high quality services by citizens	UK
The improvement of public service in order to serve public interest	Belgium
Improving the relationship between administrative services and the users of the services	France
The consideration of quality in public administration and generating confidence in the system of public administration	Portugal
Improving service quality and relationships between citizens and administrations	Italy
Improving public service standards	Ireland
Introducing public policy based on customer-centred approach in order to develop the quality of public services	Finland

**Source:** Nikos, 2000.

As a result, public sector management is increasingly seen as more than just modernizing state institutions and reducing civil service costs. It is also about fostering dynamic partnerships with civil society and the private sector, improving the quality of service delivery, enhancing social responsibilities, and ensuring the broad participation of citizens in decision-making and feedback on public service performance. Citizens themselves not only expect state institutions to be efficient in the use of public resources and effective in delivering public goods, but also to be strong and capable of standing up to powerful global forces. Citizens also want the state and its public administration to act as a social and economic promoter, capable of ensuring equitable distribution of opportunities, sustainable management of resources and equitable access to political, economic, social, and cultural opportunities. Therefore, these characteristics of a new approach of public administration are called “New Public Administration” or “NPM”.

### **3.1.2 The Concept of New Public Management (NPM)**

New Public Management (NPM) is a new paradigm of public administration that has been widely used in order to describe a spectrum of administrative changes and reform programs (Ferlie, Pettigrew, Lynn, & Louise, 1996: 10). The traditional public administration paradigm expressed by the Wilsonian in “Dichotomy Politics and Administration”, by the Weberian in the “Ideal Type of Bureaucracy”, and finally by the Taylorian in the “Idea of One Best Way is Dead” no longer applies (Miller and Fox, 1995: 3). Public administration could be described as being transformed from public bureaucracy to a model of administration that is “business-like” but is not the same as a business (Nikos, 2000: 40).

Although, NPM is the term broadly used, there has been no (clear) consensus or definition of what new public administration is. Not only is there controversy about what is, or what is in the process of becoming, but also what ought to be (Ferlie, Pettigrew, Lynn, & Louise, 1996: 10). Nikos (2000) has noted controversial terms for new public management proposed by many scholars such as: “managerialism” (Pollitt); “a transition to transfigured administration – from a monocratic administration through market-type mechanisms” (Belloubet-Frier & Timist); “a new market-based public administration” (Lan & Rosenbloom); and “entrepreneurial government” (Osborne & Gaebler).

NPM is a type of public administration from a citizen’s point of view. An operative assumption of NPM appears to be that the best or even the only way to obtain better results from public sector organizations is to adopt some sort of market-based mechanisms to replace the traditional bureaucracy (Peter, 1996: 21). Within the new paradigm of public administration (NPM), there is, in fact, not only one model of reforming public administration, but several. Table 3.2 provides a brief summary of the main concepts of NPM models, proposed by public administration scholars.

However, while the models provide new perspectives on public administration, all models are not entirely the same. NPM of OECD and as proposed by Hood and Owen emphasise the roles of managers, whereas Osborne and Gaebler’s Reinventing Government focuses on transforming an organization and its systems (Ocampo, 1998: 249-250). From the various perspectives of NPM, Pollitt (2001 quoted in Sarker, 2006) puts together these various perspectives and identifies a number of general elements of the new public administration model as follows:

- 1) A shift in the focus on management systems and management effort from input and process to output and outcome.
- 2) A shift towards greater measurement, manifesting itself in the appearance of performance indicators and standards.
- 3) A preference for more specialized, lean, flat, and autonomous organizational forms rather than large, multi-purpose, hierarchical bureaucracies.
- 4) A widespread substitution of hierarchical relationships with contract or contract-like relationships.
- 5) A much wider than hitherto use of market or market-like mechanisms for the delivery of public services.
- 6) A broadening and blurring of the “frontier” between the public and private sector, characterized by the growth of public/private partnerships of various kinds and the apparent proliferation of hybrid organizations.
- 7) A shift in value priorities away from universalism, equity, security and resilience and towards efficiency and individualism.

**Table 3.2** The Main Concepts of NPM Models

<b>NPM in the Reform Agendas of OECD Countries</b>	<b>Reinventing Government (Osborne &amp; Gaebler, 1993)</b>	<b>The Key Principles of the New Style of Public Administration (Hood &amp; Jackson, 1991)</b>
1. Strengthening steering functions at the centre.	1. Most entrepreneurial governments promote competition between service providers.	1. Hands-on professional management.
2. Devolving authority and providing flexibility.	2. They empower citizens by pushing control out of the bureaucracy, into the community.	2. Explicit standards and measures of performance.
3. Ensuring performance, control, and accountability.	3. They measure the performance of their agencies, focusing not on inputs but on outcomes.	3. Emphasis on output controls and entrepreneurial management

**Table 3.2** (Continued)

<b>NPM in the Reform Agendas of OECD Countries</b>	<b>Reinventing Government (Osborne &amp; Gaebler, 1993)</b>	<b>The Key Principles of the New Style of Public Administration (Hood &amp; Jackson, 1991)</b>
4. Improving the management of human resources.	4. They are driven by their goals — their missions — not by their rules and regulations.	4. Disaggregation of units.
5. Optimizing information technology.	5. They redefine their clients as customers and offer them choices.	5. Competition in public service.
6. Developing competition and choice.	6. They prevent problems before they emerge, rather than simply offering services afterward.	6. Stress on private sector styles of management practice.
7. Improving the quality of regulation.	7. They put their energies into earning money, not simply spending it.	7. Greater stress on discipline and parsimony.
8. Providing responsive services.	8. They decentralize authority, embracing participatory management. 9. They prefer market mechanisms to bureaucratic mechanisms. 10. They focus not simply on providing public services, but on catalyzing all sectors — public, private, and voluntary — into action to solve their communities' problems.	

However, it should be mentioned that the NPM models are not necessarily anything more than a guideline for public administrators to develop their own way of managing public organizations within the context of each environment and culture of organizations or countries. The success of implementing NPM depends on some preconditions. If these preconditions have not been fulfilled, the success in

implementing NPM would be limited (Grindle, 1996; Wallis & Dollery, 2001; quoted in Sarker, 2006).

Firstly, the bureaucratic system must have and be conversant with basic management processes or management fundamental rights, which are meritocracy, solid institutional frameworks, rule of law, proper control structures, checks and balances and accountability in the public administration system (Sarker, 2006).

Secondly, the commitment of political leadership to either meritocracy or corruption-free administration is a high priority.

Thirdly, the state must have the ability to uphold the authority of government, to legislate and implement laws, and to hold public officials accountable in terms of those laws – Institutional Capacity (Wallis & Dollery, 2001: 251 quoted in Sarker, 2006).

Fourthly, the key decision-making bodies manned by qualified people must be insulated from the pressures of unproductive clientele groups – Technical Capacity (Wallis & Dollery, 2001: 251 quoted in Sarker, 2006).

Fifthly, states must have the ability to undertake basic administrative functions and provide basic human services. If there's an absence of the state's efficient role in discharging the minimal functions such as provision of public goods and services, economic infrastructure, law and order, and judiciary they will fail to implement any kind of public administration reform – Administrative Capacity (Wallis & Dollery, 2001: 251 quoted in Sarker, 2006).

Sixthly, the state must have the ability to mediate conflict, respond to citizens' demands, allow for representation of interests, and provide opportunities for effective political participation at different levels, including the promotion of political stability and the enhancement of the basic legitimacy of the state – Political Capacity (Grindle, 1996: 44 quoted in Sarker, 2006).

And finally, any implementation of NPM initiatives is very difficult where there is social and cultural inertia and the civil society has not been able to put enough pressure on state apparatus to implement reform (Sozen & Shaw, 2002). The socio-culture of each country is the other obstacle in reforming administrative systems according to the NPM model.



### **3.1.3 Criticisms of the Concept of New Public Management (NPM)**

While NPM has been widely accepted and practiced, NPM has also been criticized. The NPM way to reform public sector does not lend itself to clear or unambiguous solutions (Chhibber, 1997: 17). NPM is not a panacea for all problems in the public sector and many limitations of NPM have been discussed (Larbi, 1999: 33-35).

At first, the quality of service provision may fall as inspirational professional standards are increasingly replaced by minimalist, economizing managerial standards. With too much emphasis on cost reduction, NPM may encourage the pursuit of efficiency in policies with short-term gains, undermining the capacity of the state to take a long-term perspective on issues such as education, technology, health and the environment (Le Grand & Barlett, 1993 quoted in Larbi, 1999). Secondly, NPM might lead to increasing inequality. Market-type mechanisms of NPM produce market niche-seeking behavior in public service providers. Primary care doctors, for example, might seek to avoid those socio-economic groups most prone to illness, or good secondary schools might bias their entry procedures toward the children of parents of higher socio-economic groups (Pollitt, 1994 quoted in Larbi, 1999). These may create conditions of social exclusion (Mackintosh, 1997 quoted in Larbi, 1999). Thirdly, NPM may promote self-interest and corruption as policy makers and senior bureaucrats opt for privatization and contracting out because of increased opportunities for rent-seeking and other forms of misdemeanor. NPM may also lead to falling ethical standards in public life with increasing incidence of greed, favoritism or conflicting interests, especially in developing countries where patronage systems are more prevalent and accountability mechanisms are weak. Therefore, the adoption of NPM may lead to more abuses and arbitrary use of discretion (Dunleavy & Hood, 1994 quoted in Larbi, 1999). And finally, NPM techniques may work better in some contexts than others. The public service sector covers a wide variety of activities, some of which have high technological content (e.g., telecommunications) and others low. Some are person-centered (e.g., health and education) and some not, some are competitive, some very hard to remold into a competitive format. Therefore, it is important to bear these differences in mind, because they increase or decrease the chances of NPM being a “good fit” in crisis states (Pollitt, 1994 quoted in Larbi, 1999).

### **3.1.4 The Concept of New Public Service (NPS)**

The New Public Service (NPS) begins with the concept of public service intertwining with the responsibilities of democratic citizenship (Denhardt & Denhardt, 2006: 25). The Traditional or Old Public Administration was a normative model for conducting public agencies based on a particular description of the public administrator's role in relation to the political or policy processes and the choices in efficiency, featuring a single controlling executive, having substantial authority, and operating in a top-down fashion. People who are on the receiving end were generally referred to as "clients", "dependents" or "followers", who were seen as in need of help, and government made efforts to provide the help that was needed through the administration of public programs (Denhardt & Denhardt, 2006: 59). The mainstream version of the Old Public Administration was described by scholars who argued for greater discretion, greater responsiveness, and greater openness in the administrative process.

The NPM has been presented as an alternative to the traditional bureaucratic way of conducting public sector business. Market mechanisms should be employed wherever possible so that citizens will be presented with choices among service delivery options (Denhardt & Denhardt, 2006: 25-26). It views the relationship between those in government and those served or regulated by government based on economic theories of democracy which explains political behavior in terms of economic competition. Citizens are then viewed as "customers" or "consumers" who can make decisions based on their efforts to maximize their own utility. The relationship between public administrators and citizens are conceived as the recipients of government services which leads to customer service orientation or customer-driven government which is superior to the traditional bureaucratic government (Denhardt & Denhardt, 2006: 57-58).

However, while improving the quality of governmental services is an idea no one would dispute, using the approach of customer service has both practical and theoretical difficulties. Many services provided by government are services that the specific recipient may not want, such as receiving a speeding ticket, being held in jail, and so on. Moreover, identifying the customer of government services can also be problematic. All the customers of government seem to have different interests. Some

government services themselves do not connect with individual customers. Once they are provided, they are provided for all, whether you want them or not. The most important objection to customer orientation has to do with accountability. In government, citizens are not only customers but also owners. Customers choose between products presented in the market whereas citizens decide what is so important that the government will do it at public expense. The interest of customers and owners do not always coincide. Governments must be accountable to the larger public interest not merely the self-interests of individual customers or consumers.

The New Public Service (NPS) recognizes that those who interact with government are not simply customers but rather citizens. The critical difference between citizen, customer, and client are; “citizens” can be described as bearers of rights and duties within the context of the wider community, “customers” are different in that they do not share common purposes but rather seek to optimize their own individual benefits, and “clients” are someone who gets professional services which are rendered by government. Furthermore, there are actually several types of relationships that citizens have with government. Someone engages in a direct transaction with government such as buying a lottery ticket might indeed be considered as a customer. Someone receiving a professional service from government such as education might more appropriately be called a client. Citizens are also subjects of government, required to pay taxes, respect regulations, obey the laws, and so on.

Janet V. Denhardt and Robert B. Denhardt (2006: 42-43) propose seven principles of the NPS which are important for public administrators when delivering public services.

Firstly, Serve rather than Steer which means that public servants have to use shared, value-based leadership in helping citizens articulate and meet their shared interests rather than attempting to control or steer society in new directions.

Secondly, Seek the Public Interest. Public administrators must contribute to building a collective and shared notion of public interest. The goal is not to find quick solutions driven by individual choices rather, it is the creation of shared interests and responsibilities.

Thirdly, Think Strategically, Act Democratically. This means that policies and programs meeting public needs can be most effectively achieved through collective efforts and collaborative processes.

Fourthly, Serve Citizens, Not Customers. It is important to realize that the public interest is the result of a dialogue about shared values rather than the aggregation of individual self-interests. Therefore, public servants do not merely respond to the demands of “customers”, but rather focus on building relationships of trust and collaboration with and among citizens.

Fifthly, Recognize that accountability Isn’t Simple. Public servants should be attentive to more than the market. They should also attend to statutory and constitutional laws, community values, political norms, professional standards, and citizen interests.

Sixthly, Value People, Not Just Productivity. Public organizations and the networks in which they participate are more likely to be successful in the long run if they are operated through processes of collaboration and shared leadership based on respect for all people.

And the last, Value Citizenship over Entrepreneurship means that the public interest is better advanced by public servants and citizens committed to making meaningful contributions to society than by entrepreneurial managers acting as if public money was their own.

It has been found that from the traditional public administration to New Public Management (NPM) and New Public Service (NPS), there are many differences. Table 3.3 summarizes the differences of the three perspectives of public administration.

**Table 3.3** Perspectives of Public Administration: Traditional Public Administration, New Public Management, and New Public Service

	<b>Traditional Public Administration</b>	<b>New Public Management</b>	<b>New Public Service</b>
<b>Concept of the public interest</b>	Public interest is politically defined and expressed in law	Public interest represents the aggregation of individual interests	Public interest is the result of a dialogue about shared values
<b>To whom are public servants responsive</b>	Clients and constituents	Customers	Citizens
<b>Role of government</b>	Rowing (designing and implementing policies focusing on a single politically defined objective)	Steering (acting as a catalyst to unleash market forces)	Serving (negotiating and brokering interests among citizens and community groups, creating shared values)
<b>Mechanisms for achieving policy objectives</b>	Administering programs through existing government agencies	Creating mechanisms and incentive structures to achieve policy objectives through private and nonprofit agencies	Building coalitions of public, nonprofit, and private agencies to meet mutually agreed objectives
<b>Approach to accountability</b>	Hierarchical – Administrators are responsible to democratically elected political leaders	Market-driven – The accumulation of self-interest will result in outcomes desired by broad groups of citizens (or customers)	Multifaceted – Public servants must attend to law, community values, political norms, professional standards, and citizen interests
<b>Administrative discretion</b>	Limited discretion allowed administrative officials	Wide latitude to meet entrepreneurial goals	Discretion needed but constrained and accountable
<b>Assumed organizational structure</b>	Bureaucratic organizations marked by top-down authority within agencies and control or regulation of clients	Decentralized public organizations with primary control remaining within the agency	Collaborative structures with leadership shared internally and externally
<b>Assumed motivational basics of public servants and administrators</b>	Pay and benefits, civil-service protections	Entrepreneurial spirit, ideological desire to reduce size of government	Public service, desire to contribute to society

**Source:** Denhardt & Denhardt, 2007.

### **3.1.5 Concept of Purchaser-Provider Split**

The purchaser-provider split was first formulated by Alain Enthoven in the 1970s as a reform option in the context of the United States' health system. The model aims to introduce market incentives into publicly managed systems and assigns managerial responsibility for functions of demand and supply in distinct institutions (Street, 1994). The purchaser-provider split also clarifies the roles of different units of government, increasing accountability, efficiency, and effectiveness. Splitting policy functions from service delivery creates incentives for governments to become more discriminating consumers by looking beyond government monopolist providers to a wide range of public and private providers (Eggers, 1998: 28). Subsequently, agents delivering a service are distanced from policy, and service delivery outcomes are defined and made transparent in contracts or service agreements (Ryan, Parker, & Brown, 2000: 4). Therefore, the purchaser-provider split can be defined as an arrangement where "the purchaser" is the agent who decides what will be produced and "the provider" is the agent who delivers the agreed outputs and outcomes (Ryan, Parker, & Brown, 2000: 4).

The fundamentals of purchaser-provider split are conducted through the process of competitive tendering, or contracting, designed to encourage competition among providers (Street, 1994). The purchasing authority invites providers to submit tenders for contracts which specify the type and amount of service to be supplied, the quality of the service, the contractual period, and so on. Provider who is able to submit the lowest bid will normally win the contract.

However, purchasers are not consumers. They are purchasing authorities established to buy public services. Purchasing authorities are commissioned to secure improvements in public services for defined populations, and do so by assessing populations' needs, determining the most cost-effective means of meeting these needs, and contracting with providers to supply the services required (Street, 1994). Moreover, the government as purchaser sets clear performance standards and objectives and buys the best-quality service at the lowest-cost regardless of whether the provider is public or private (Eggers, 1998: 29). This also allows government units that actually deliver services to concentrate on increasing their productivity and

service quality. The separation is also meant to reduce the conflicting objectives that arise when the same agency is involved in service delivery and regulation.

As a result, the production of services becomes the concern of provider bodies, which no longer hold a budget and decide how it should be spent. Rather, providers depend for their revenue on contracts from purchasers. Government itself doesn't need to play a major part in the day to day running of the service system. The government can restrict itself to the financial and performance audit of purchasers. The audit of providers can be left to the purchasing authorities with whom they have entered into contractual agreements (Street, 1994).

However, the purchaser-provider split has been implemented differently from country to country and sector to sector (Street, 1994). In the UK, for instance, the public health system was subject to considerable bureaucratic regulation and national directives passing down a single chain of administration and limiting local autonomy. Government budgets were allocated to District Health Authorities or DHAs, who were directly responsible for service provision in their locality, through Regional Health Authorities or RHAs. After the purchaser-provider split was introduced by 1989, DHAs were no longer responsible for administering the provision of care within their locality. Instead, they could concentrate on assessing the needs of their resident population and contracting with hospitals and other providers for the health services required to satisfy these needs.

Unlike in the UK, RHAs in New Zealand have been introduced to act as purchasing authorities responsible only for the purchase of hospital and some community services. Population-focused public health activities are the responsibility of a newly established Public Health Commission. Area Health Boards, or AHBs, which used to be responsible for hospitals and community health services, are now charged with overseeing services provided by contractual hospitals. Relations between RHAs and provider units are mediated through contractual arrangements.

In Sweden the purchaser-provider split in Swedish health care system consists of three organizational units: financiers, purchasers, and providers (Siverbo, 2004). Firstly, county councils, governed by directly elected politicians who sit on the county council board, are financiers. They are able to make decisions about taxes, organization, and management control systems of purchasers and providers. Secondly,

the purchasers are made up of political committees, manned by politicians elected by the county councilors. The purchaser gets the resources from the financier and has to make sure that providers actually provide the services that the public demand. The purchaser has to find out who the competing providers are, specify what they want to purchase, and evaluate how well things have worked. And thirdly, the providers are made up of hospitals and health care centers that sign contracts with the purchaser and have to provide services to the citizens.

## **3.2 Marketing in the Public Sector**

### **3.2.1 Definition of Marketing in Public Sector**

Administrators in public organizations are becoming increasingly aware of the potential relevance of the marketing discipline to solve their organizations' problems. But the use of marketing in public organizations has probably been met with some skepticism because of the image of being a tool for use in commercial business (Kotler, 1975). However, marketing has become an activity that public organizations can use in managing their operations and has provided a useful set of concepts for guiding all organizations whether profit oriented or not (Johnson, 1993: 714-715).

The American Marketing Association defines "marketing" as "the process of planning and executing the concept, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives" (Bennett, 1988: 115).

Wilbur, Finn, and Freeland (1994: 93-94) define marketing as "a management process directed at satisfying customer needs and wants through an exchange process".

Stanton, Etzel, and Walker (1991: 5-6) define marketing as a total system of business activities designed to plan, price, promote, and distribute want-satisfying products to target markets to achieve organizational objectives.

In addition, "marketing" can be defined as a managerial process involving analysis, planning, implementation, and control to bring about voluntary exchange of values and to achieve organizational objectives, operating by the selection of target markets and designing the organization's offerings in terms of the target market's needs and wants by utilizing and blending a set of the Marketing Mix (Kotler, 1975: 6).



According to these definitions of marketing, a major plank of marketing is “putting the customer first” in everything the organization does and organizing all activities around the basic objective of delivering superior value (Chen, Yu, Yang, & Chang, 2004). Organizations should be more customer-oriented if they are to deliver better service quality and to enhance customer satisfaction (Hartline, 2000: 35-50). Satisfaction of customer needs must be a high-level organizational objective (Oakland, 1993; Price, 1991 quoted in Chen, Yu, Yang, & Chang, 2004).

Marketing itself is both a concept and a function (Jirawan Komolmasratana 2002). At a conceptual level, marketing represents an approach that places customers at the center of everything that an organization does. At a functional level, it is regarded as a part of organization which gathers research, designs new services, prices them, distributes them, and ultimately promotes them to satisfy the consumers.

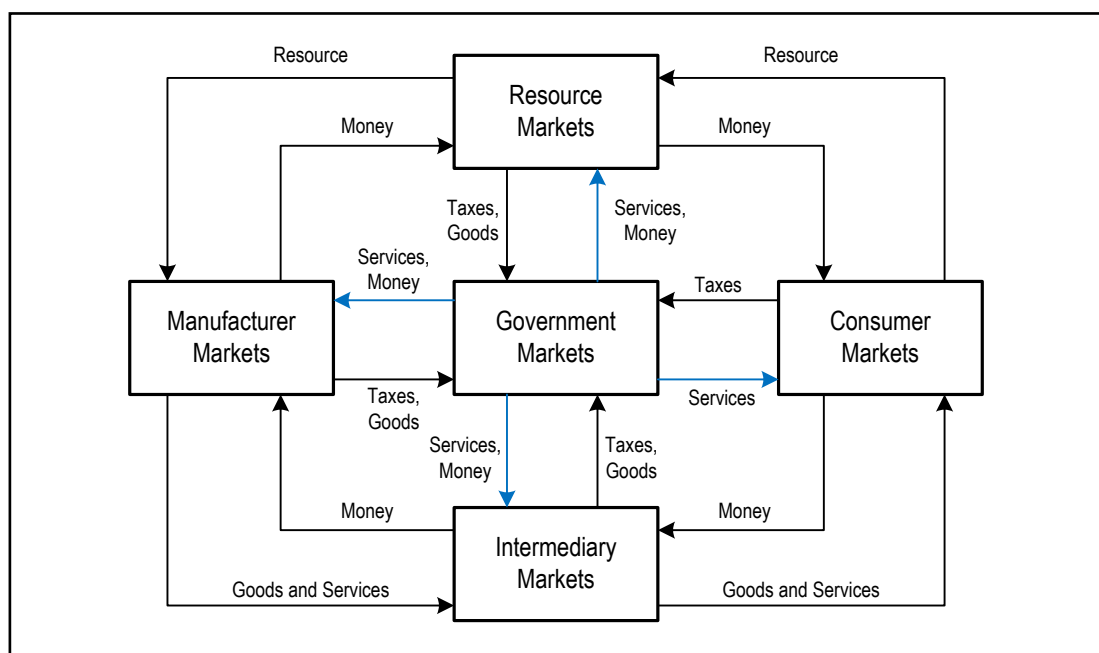
### **3.2.2 The Concept of Exchange**

“Exchange” has been basically accepted by marketing scholars as the core concept of marketing (Greenfield, 2001: 37). “Exchange”, in general, is voluntary trade-offs which one obtains something from someone by offering something in return and each one is free to accept or reject the other’s offers. Thus, in each case of an exchange, there is a mental calculation of trade-off to be made (Kotler & Andreasen, 1996: 111).

Kotler (1984: 8) identifies the five conditions necessary for a potential exchange as: at least two parties must participate. Each party has something that might be of value to offer to the other party. Each party must be able to make the offer available and deliver it. Each party must be free to accept or reject the other’s offer it must be a voluntary exchange and each party believes it is appropriate or desirable to deal with the other party.

However, exchanges of government agencies have some differences and it is more complicated than those conducted in the private sector because there are many stakeholders involved in the exchange process. Kotler (2003: 10) identifies five basic markets and their connecting flows as shown in Figure 3.1. The circle of exchange activities in the private sector may start from manufacturers to resource markets (raw material markets, labor markets, money markets). Manufacturers buy resources and

turn them into goods and services, and then sells finished products to intermediaries, who sell them to customers. Customers sell their labor and receive money in which they pay for goods and services. On the other side, the government comes to interact in the exchange by collecting tax revenues to buy goods from resource, manufacturer, and intermediary markets and uses these goods and services to provide public services in return. Thus, studying the exchange in public sector will be useful for guiding the empirical study of the research.



**Figure 3.1** Structure of Flows in a Modern Exchange Economy

**Source:** Kotler, 2003.

### 3.2.3 Marketing Mix in Public Sector

The marketing mix and its four basic elements—the 4Ps; Product, Place, Promotion, and Price, was first introduced in the 1960s and has been referred to by many scholars in the marketing management field. Kotler et al, (2001: 97) define the marketing mix as the set of controllable tactical marketing tools that the organization blends to produce the response it wants in the target market. Gilmore (2003 quoted in Proctor, 2007: 9) also describes the marketing mix as the set of tools and activities available to an organization to shape the nature of its offers to customers. Hence, the

marketing mix is a planned package of elements that makes up the product or service offered by the organization to the market with the aim of supporting an organization to reach target markets and specified objectives. It is an integral part of marketing planning, and depends on environmental scanning, market research, understanding customers and users, and offering responsive products and services to customers. In addition, all elements of the marketing mix should be connected, none is more important than the others, each element affects the other, and they are all dynamic (Proctor, 2007: 8).

In fact, the 4Ps represent the seller's view of the marketing tools available for influencing buyers (Lauterborn, 1990: 26). From a customer viewpoint, on the other hand, the seller's paradigm of the 4Ps should become the 4Cs of a buyer's or customer's mix. However, some have argued that the transformation of 4Ps to 4Cs is a mere play on words which does not portray a massive shift in marketing management thinking, philosophy, and strategy. But, in fact, the issue of this shift is not what the words are but what the best way to offer value to the customer or user is or customer satisfaction as a priority (Elliott de Sáez, 2002: 54). In a customer-oriented marketing mix, product becomes value to the client or user (customer value), price becomes cost to the customer and includes time and energy cost, place for the customer is convenience and promotion becomes communication. Table 3.4 aligns the 4Ps and 4Cs of the marketing mix.

**Table 3.4** The Transformation of 4Ps to 4Cs of Marketing Mix

<b>Four Ps</b>	<b>Four Cs</b>
<b>Product</b> – developing the right product for the right target market	<b>Customer needs and wants or customer value</b> – Products and services offered to the target market must be presented not only in terms of tangible or intangible characteristics of the products and services themselves but also in terms of their value to the customers, over and above actual cost.
<b>Price</b> – setting and deciding the right price	<b>Cost to the customer</b> – Price does not necessarily imply cash value. The price paid could be in terms of time, energy, or other opportunities that users or customers use and invest in order to get the existing products or services.
<b>Place</b> – placing the right product to the target market through a channel of distribution	<b>Convenience of customer</b> – Where and How the product or service is made available for the users and customers. “Convenience” is the key word, which covers the “where” as well as the “when”, of users and customers to access products and services as easily as possible.
<b>Promotion</b> – telling the target market about the right products available in the market	<b>Communication</b> – A two-way communication process concerning both providing and getting information to and from customers at the same time.

In conclusion, the traditional 4Ps of the marketing mix and its current development of the 4Cs is a key concept of marketing. Any application of marketing concepts in the public sector must incorporate these concepts. Ignoring customer's needs and wants and using an inappropriate blend of the marketing mix would cause unsuccessful performance in the public sector. (Kotler, Armstrong, Saunders, & Wong, 2001)

### **3.2.4 Marketing Implementation in Public Sector**

The public organizations are not only important because of their size but also because they touch everybody's lives. People cannot avoid using the services of the public sector, whether provided by a government department, local authority, or another public agency (Hannagan, 1992: 1-2). At present, it is no longer true that marketing is viewed as strictly only for commercial business (Johnson, 1993: 714-715). Like in commercial business, the use of marketing in the public sector must move towards "the marketing mind-set", in which organizations must put customers, or clients, at the centre of everything the organizations do. It requires the organization to systematically study customer's needs, wants, perceptions, preferences, and satisfaction by using surveys, focus groups, and other means. (Kotler & Andreasen, 1996: 41)

Johnson (1993: 718-720) states that the success of applying marketing to a public organization is based on three major propositions. Firstly, to establish client orientation or a shift from an internal organizational perspective to a client's viewpoint. Secondly, coordination of all elements of the marketing program known as the "marketing mix" and thirdly, goal direction by satisfying the needs and wants of organizations' clients, customers, or constituents.

Chen et al. (2004: 416) reviewed the utilization of marketing concepts in public service in developed countries, which put customers or citizens at the center of organizations' activities. For example, in 1993, the US President signed an executive order that required the federal government to promote standards that served the American people in the following way. Identify the customers, survey customer-needs, indentify required service standards and measure the results, benchmark customer service against best practice, survey frontline employees, provide customers

with choice, make systems easily accessible and provide means of addressing complaints.

Moreover, Jiang and Chen (2002 quoted in Chen, Yu, Yang, & Chang, 2004) classified a five-stage sequence of marketing system design and management for the public sector for promoting customer-oriented public services which include customer identification, customer-needs surveys, service-system design, service-delivery and service recovery which provide an effective mechanism to deal with customer complaints. In addition, Chen et al. (2004) propose three layers of organizational culture which public administrators need to recognize when implementing customer-oriented public services, i.e. the public employees' recognition of the importance of public services. The acceptance of the provision of high-quality public services throughout the organization and the establishment of organizational structure, system, regulation, standard operational processes, and other behaviours.

The basic marketing activities that public sector administrators need to take into consideration when implementing marketing in public organizations are summarized in Table 3.5.

**Table 3.5** The Summary of Basic Marketing Management and Activities

<b>Marketing Core Concepts</b>			
<b>“Marketing Management”</b> Philip Kotler (2003)	<b>“Marketing Strategy”</b> O.C. Ferrell, Michael D. Hartline, George H. Lucas, Jr., and David Luck (1999)	<b>“Marketing for Nonprofit Organization”</b> Philip Kotler (1975)	<b>Marketing in the Public Sector</b> Philip Kotler and Nancy Lee (2007)
1. Target Market and Segmentation	<b>Market Segmentation and Target Marketing Decisions</b>	<b>Market Structure Analysis</b>	<b>Fundamental Marketing Theories—Marketing Mindset</b>
2. Marketplace, Market space, and Meta-Market	1. Mass Marketing	1. Market Definition	1. Adopt a Customer-Centered Focus
3. Marketers and Prospects	2. Market Segmentation—market segmentation approach	2. Market Segmentation	2. Segment and Target Markets
4. Needs, Wants, and Demands	3. Niche Marketing	3. Market Positioning	3. Identify the Competition
5. Products, Offerings, and Brand	4. Customized Marketing	4. Market Orchestration	4. Utilize All 4Ps Available in the Marketing Mix
6. Value and Satisfaction	<b>Developing the Marketing Mix</b>	<b>Consumer Analysis</b>	5. Monitor Efforts and Make Adjustments
7. Exchange and Transaction	1. Product Decision	1. Needs	
	2. Price Decision	2. Perceptions	
	3. Place and Distribution Decision	3. Preferences	
		4. Satisfaction	
		<b>Marketing Mix</b>	
		1. Product Decision	
		2. Price Decision	

**Table 3.5** (Continued)

<b>Marketing Core Concepts</b>			
<b>“Marketing Management”</b> Philip Kotler (2003)	<b>“Marketing Strategy”</b> O.C. Ferrell, Michael D. Hartline, George H. Lucas, Jr., and David Luck (1999)	<b>“Marketing for Nonprofit Organization”</b> Philip Kotler (1975)	<b>Marketing in the Public Sector</b> Philip Kotler and Nancy Lee (2007)
8. Relationships and Networks	4. Promotion and Promotion Decisions	3. Place and Distribution Decisions	
9. Marketing Channels	1. <b>Differentiation and Positioning</b>	4. Promotion and Promotion Decisions	
10. Supply Chain			
11. Competition			
12. Marketing Environment			
<b>Marketing Program—marketing mix (the mix of marketing tools)</b>			

The implementation of marketing concepts mostly emphasises service operation management rather than on service-system design. A change in organizational culture is one of the most difficult tasks to achieve (Chen, Yu, Yang, & Chang, 2004: 416). Furthermore, there are some differences between marketing in the private and public sector that public sector administrators should take into consideration. Proctor (2007: 7-8) proposes some considerations when marketing is applied in public organizations. Firstly, respecting the customer’s wishes at all times might not be right, because many public sector organizations provide services for the public good which are often restrictive and controlling in nature. Secondly, public services themselves do not depend on individual users for organizations’ survival but many public services are in place due to legislation, government policies, and so on. And, thirdly, public services are often provided by monopolist providers and customers have no choice but to accept the services on offer even if they do not fully meet customer requirements or even if they do not want them. Therefore, considerations on service operation management, service system design, organizational culture, and differences in marketing in the private and public sector are important considerations for the achievement of the objectives of this research.

Furthermore, being a responsive public organization depends on the level of organizational responsiveness. For analytical purposes, Kotler (1975: 40-43) classifies public organizations into four groups according to their level of organizational responsiveness. The Unresponsive Organization is an organization that does nothing to measure the needs, perceptions, preferences, or satisfaction of its constituent public and is not open for the public to place their inquiries, complaints, suggestion, or opinions. The Casually Responsive Organization shows an interest in learning about customer needs, perceptions, preferences, and satisfaction. It encourages customers or constituent public participation, but in a very informal way to submit inquiries, complaints, suggestions, and opinions. As a result, it will be slow to react or may not react to any problems. The Highly Responsive Organization is the one that shows a keen interest in learning about the needs, perceptions, preferences, and satisfaction of its constituents and relies on systematic information-collection procedures. It encourages its constituents to submit their inquiries, complaints, suggestions, and opinions and creates a formal system to manage such information in order to adjust products, services, organizational policies, and procedures. The Fully Responsive Organization formally audits at regular intervals the needs, perceptions, preferences, and satisfaction of its constituent public, encourages them to participate actively in the affairs of the organization and to express their complaints, suggestions, and opinions through formal and informal systems. The products or services of the organization will be constantly adjusted to serve the changing interests and needs of the constituents.

### **3.3 Defining Service and Public Service**

In General, the distinction between goods and services is not always perfectly clear. While “goods” can be defined as objects, devices, or things, “services” can be defined as deeds, efforts, or performances (Hoffman & Bateson, 2006: 5). Services are a more or less subjectively experienced process where production and consumption activities take place simultaneously. Actually, the definition of service has been much debated by many scholars, ranging from personal service to service as a product or offering. Some of the definitions are as follows:

1) Service can be defined as “any primary or complementary activity that does not directly produce a physical product”. It is the transaction of non-goods products between buyers (customer) and sellers (provider) (Evans, 2005: 13).

2) Any activity or benefit that one party can give to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product (Kotler, 1986 quoted in Hollins & Shinkins, 2006: 8).

3) Service is all economic activities whose output is not a physical product or construction. It is generally consumed at the time it is produced, and provides added value in forms, such as convenience, amusement, timeliness, comfort, or health, that are essentially intangible concerns of their first purchasers. (Quinn et al., 1987 quoted in Fitzsimmons & Fitzsimmons, 2004: 4)

4) A service is a time-perishable experience performed for a customer acting in the role of co-producer. (Fitzsimmons & Fitzsimmons, 2004: 4)

However, while the definition of service has been defined, the ultimate definition of service has not been agreed upon. Among them, the definition of service proposed by Grönroos (2007: 52) seems to be the best one to provide a sound starting point to develop an understanding of service. He defines a service as a process consisting of a series of more or less intangible activities that normally, but not necessary always, take place in interactions between the customer and service employees and/or physical resources or goods and/or systems of service provider, which are provided as solutions to customer problems.

In the public sector, public services are normally monopolistic services. Most of them are fundamental services, generated by laws, which government agencies have to organize and provide to the public. They are activities undertaken by the government with a view to serving the public interest, mostly provided free of charge.

However, public service might be generally divided into seven categories depending on sector and the responsibility of Ministries, Institutions, or Government Agents (Cambodia Government, 2007) as follows:

A: Services relating to the State Sovereignty. These services are the exclusive responsibility of the State and are provided by the state agencies or legal entities to which, under public laws, the State has delegated the power to implement



them. The services include Permits, Licences, Civil Status Certificates, Birth Certificates, Citizens Identity Cards, Family Registration, etc.

B: Services relating to Security, Public Order, and Social Safety. These are services relating to security, order, and safety of society, including services relating to public accommodation, travel, and communication. These services are important in fostering peoples' happiness and tranquillity and preventing any controversies or muddles in society or country. They may be provided by the police and armed forces, for instance.

C: Services Relating to Justice and Arbitration. These are services relating to justice and arbitration of conflicts between citizens, citizens and the civil service, or citizens and the private sector, within the private sector, or the civil service and private sector etc.

D: Services Relating to Trade, Investment, and the Economy. These services are concerned with promoting, supporting, developing trade and investments of the country, including enhancing competitive capabilities in all parts of the economic system affecting the country's economic health.

E: Services Relating to Social Affairs and Culture. These services include the education service, health and sanitation services, social Services such as services provided to protect orphans, vulnerable children and persons, and the handicapped, social security services, as well as services that assist in reducing poverty and services that relate to an improvement in the quality of civic life.

F: Services Relating to Physical Infrastructure. These services are about public transportation systems, water and irrigation supply, electricity and energy, and post and telecommunications. Note that most of these services are provided by state enterprises.

G: Services Relating to Government Revenue. These services relate to all kinds of tax collecting such as income tax, business tax, custom duties, import-export duties, and excise duties, and so on.

Furthermore, public service can also be classified by the basic purpose of government as Compulsory or Voluntary Services.

A: Compulsory services have been prepared and made available to serve the public at large. These services have been assigned by laws with some

specific purpose. Government agencies provide compulsory services because they want to control something in order to make sure that everyone in society lives together peacefully and happily. Therefore, people are forced to act as the laws have stated.

B: Voluntary services have also been prepared and made available to serve the public. These services are additional services which are offered to the public, and public users or customers can decide whether or not to use such services.

As the result, The Office of the Public Sector Development Commission (2007b: 7) defines public service as any tasks provisioned by laws and regulations of government agencies in order to provide services to its citizens and other government agencies, including both direct and indirect services. Thus, public services are the end products of the government's service providing process.

In conclusion, public service usually means services provided by a government to its citizens and should be available to all as long as they are citizens of the country, regardless of their income, race, language, gender, age, physical disabilities, economic and social conditions, religion and political beliefs, and so on. They are services for the public at large, not specifically for a particular individual, regardless of whether requested by individuals such as receiving a speeding ticket and being held in jail.

### **3.4 Definition of Terms**

Government Agency means any government agency at the "Departmental Level" which has been established by The Act on Reorganization of Ministries, Ministerial Bureaus, and Departments B.E. 2545 (2002) and executed their public service according to the Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546 (2003).

Public services mean services which have been provisioned by government agencies' laws and regulations and made available for all, with the aim of the benefit and happiness of the public at large, not specifically for a particular individual. Public services also include some services which have been specified for anyone who breaks or violates laws and regulations.

Marketing concepts in Thai public services means public service providing processes and activities which put citizens at the center of those activities the government does, in order to deliver better service quality and to enhance public satisfaction, and respond to public needs.

### **3.5 Initial Conceptual Framework**

According to the review of the theories and concepts of NPM and marketing in the public sector, an initial conceptual framework has been developed as a research guideline. Due to the deficiency of specific theories, concepts, and models of marketing in Thai public services, the framework has been initiated by comparable marketing theories, concepts and models.

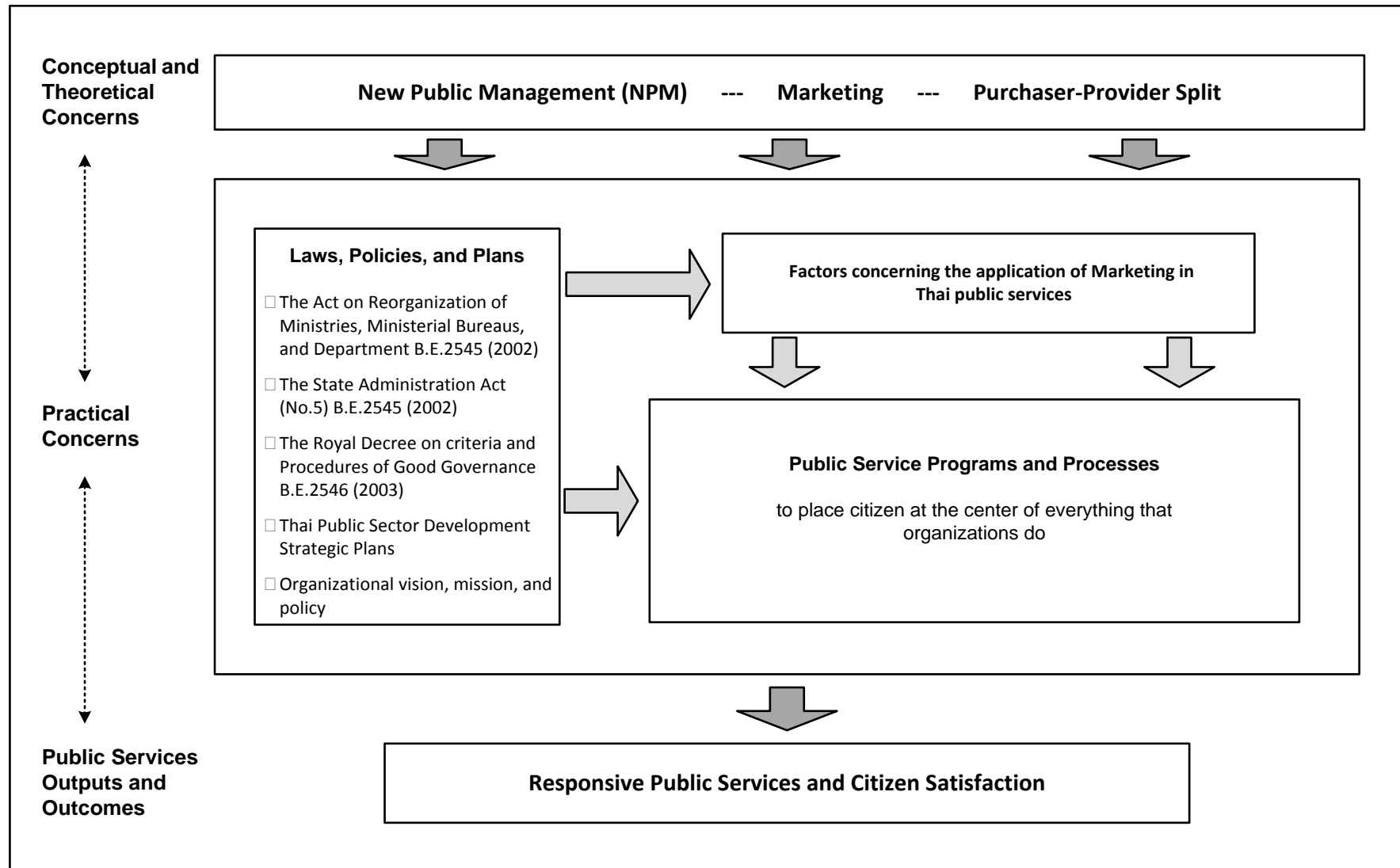
All components of the framework have provided directions to the researcher, not only in terms of what should be studied, but also the prevention of being misled when dealing with complex data and information. However, the framework did not confine the researcher to a restricted study, but helped keep the research on track. The framework itself has not been perfected yet. It needs empirical study and rearrangement or changes based on facts and information gathered from field study.

Nevertheless, the most important part of the study is the in-depth research on the public service programs and processes of Thai public service agencies. The research will focus on the application of 5 stages of marketing management: customer identification, customer-needs surveys, service system design, service delivery, and service recovery, as proposed by Jiang and Chen (2002 quoted in Chen, Yu, Yang, & Chang, 2004). The research also focuses on the application of the 4Ps and 4Cs of the Marketing Mix. The purpose of the research in this area is to examine how marketing management and activities have been executed in Thai public service agencies.

To achieve the research objectives, the research considers both conceptual (and theoretical) and practical concerns. The main concepts of the New Public Management (NPM), marketing in the public sector, and the Purchaser-Provider Split are reviewed and utilized as theoretical bases for empirical analysis. Next an exploration of marketing management in Thai public services focused on points related to the initiation of Thai public services, characteristics of public organizations

related to public services, supportive and obstructive factors influencing the use of marketing in Thai public services, public organizations' law enforcement, public organizations' structure, organization's mechanisms for managing responsive public services, the level of organizational responsiveness to citizen's needs and wants, working culture, values, and attitudes of public officers and so on, were the practical concerns of the research.

The incorporation of conceptual and theoretical concerns into the real practices of public service delivery process will reveal responsive public services as the preferable public service outputs and outcomes.



### **3.6 Conclusion**

The review of literature was a consolidation of essential fundamental knowledge enabling the identification of the background and key principles of the New Public Management concept, which has been used as a framework for public sector reforms as well as in developments of knowledge in the area of public management under the Purchaser-Provider Split and New Public Service (NPS) concepts.

The basic concept of this study relies on the use of marketing in the public sector consisting of marketing management in the public sector, marketing activities in the public sector and the concept of Exchange, all of which have been studied and adopted as guidelines in data collection and analysis.

The initial conceptual framework as well as the predetermined definitions will be used in the study of the application of marketing concepts in the public service delivery of Thai government agencies. This involved the study of methods and procedures in public service delivery management as well as factors influencing the use of marketing concepts in public service delivery so as to satisfy their citizens by responding to their needs and wants.

## **CHAPTER 4**

### **RESEARCH METHODOLOGY**

There are not many empirical studies that support the application of marketing in Thai public services. The OPDC as the main driver of public administration reform in the Thai public sector has never systematically and academically revised the suitability of NPM and marketing, including the context and factors concerning the success or failure of their application. Therefore, this chapter identifies the research methodology concerning the application of marketing in Thai public services. It provides the details and scientific support of the selection of research approach, research method, case studies, data collection methods, and data analysis.

#### **4.1 Selection of Research Approach**

The study utilizes inductive methods and a qualitative research approach that provide more possibility to achieve the research objectives than a quantitative approach which emphasises empirical verification of phenomena. This approach matches the aim of the study that emphasizes reasoned explanation rather than causal explanation, as well as interpreting and understanding phenomena rather than verifying phenomena empirically (Maxwell, 2005: 22-25).

Furthermore, several interconnected themes of qualitative inquiry, proposed by Patton (1990: 39-63), provide the study with strong theoretical support for the use of a qualitative research approach. First, Naturalistic inquiry –priority is given to the study of real-world situations and is opened to whatever phenomenon emerges. Therefore, Thai public services operating within the Thai bureaucratic context are studied, without any manipulative and controlled conduct. The study will examine empirical data naturally as much as possible. Second, the study requires immersion in the detail and specifics of the data to enable discovery of important categories, dimensions, and interrelationships among variables within the phenomena of Thai

public services rather than testing theoretically derived hypotheses (inductive analysis). The study needs a comprehensive study on facts and information relating to the application of marketing and surrounding contexts of selected government agencies. The particular facts and information have been carefully analyzed to provide research results and conclusions. Thirdly, the study concerns any variables, conditions, dynamics, and other activities or processes relating to public services, both in holistic and specific view. So, a holistic perspective matches the requirements of this research. As a result, studying only some parts of public service delivery process is inadequate to meet research results. Fourth, public services are varied depending on the extent of roles and responsibilities of each government authority. Personal contact and insight matches the research requirements because it allows the researcher to have direct contact with and get closer to key persons and complicated situations and information. Fifth, due to the size of public organizations, variety of public services, and limited time and resources of the research, the scope of the study needs to be limited. Grouping public service government agencies and selecting one representative case for each group based on its uniqueness is a more appropriate research approach than investigating the public services of all government agencies. A unique case orientation, therefore, fits the purpose of the study. And, sixth, due to the fact that qualitative research is fundamentally interpretive, analyzing empirical data, and interpreting and drawing conclusions on the meaning of phenomenon must be based on the context of what is being studied. Context sensitivity, therefore, illustrates and supports the use of the qualitative approach in this study.

## **4.2 Selection of Research Methods**

The study employs a case study research method because this offers a rich ground for critical analysis of the studied phenomenon (Gummesson, 2000). The decision on which research method should be selected is based on the three interconnected conditions of Yin's Relevant Situation for Different Research Strategies as shown in Table 4.1, which are: type of research questions, extent of control over behavioral events and degree of focus on contemporary events (Yin, 2003: 2-3).



**Table 4.1** Relevant Situation for Different Research Strategies

Strategy	Form of Research Question	Require Control of Behavioral Events?	Focuses on Contemporary Events?
Experiment	How, Why?	Yes	Yes
Survey	Who, What, Where, How many, How much?	No	Yes
History	How, Why?	No	No
Case study	How, Why?	No	Yes

**Source:** Yin, 2003: 5.

Linking the first condition of Yin with the research objectives which aim to explore and investigate the application of marketing in Thai public services, the purpose of the research is to answer the question, “How has marketing been applied in Thai public services?”. Therefore, the research question focuses on answering the question of “How?” rather than “What?” or “Why?” To support the first condition, the study needs direct observation of the actual phenomena being studied and in-depth study with key informants involved in Thai public services. The events do not need any manipulated artifacts, neither within the working environmental context nor in relation to variable control. Therefore, any control over behavioral events is not required. Moreover, following the third condition, the research focuses on empirical data of contemporary phenomena. What is happening in the actual events being studied and their surrounding circumstances is intended to be examined. Therefore, the blend of these interconnected conditions determines that “case studies” are the most appropriate research method. The cascading relationship among research objectives, research questions, and research methods are shown in Table 4.2

**Table 4.2** The Linkage between Research Objectives, Research Questions, and Research Methods

Research Objectives	Research Questions	Research Methods
1. To study and investigate the use of marketing concepts in Thai public services.	1. How have marketing concepts been used by Thai public services?	Case study –study in-depth the ways and procedures in which marketing has been applied within Thai public services, with the aim to gain a clear understanding of the application of marketing in Thai public services.
2. To investigate and compare the use of marketing concepts in government agencies.	2. What are the differences or similarities among Thai government agencies in applying marketing concepts used in public service delivery?	Case study in-depth study of the use of marketing in Thai public services among government agencies in order to identify and compare the similarities and differences of marketing of their public services.
3. To investigate and explore factors affecting to the use of marketing concepts in Thai public services.	4. What are the administrative factors that enable or obstruct the use of marketing concepts in Thai public services?	Case study –in-depth study of the use of marketing in Thai public services in order to explore and identify the contexts and factors that support or obstruct the use of marketing in Thai public services.
4. To suggest policy propositions concerning public service improvement that will support Thai public administrators in improving Thai public service performance to meet and satisfy citizen's needs and wants.	5. What are the policy propositions concerning public service improvement that will support Thai public administrators in improving Thai public service performance to meet and satisfy citizen's needs and wants?	Empirical data analysis and synthesis – to analyze and synthesize empirical data relating to the use of marketing in Thai public services, which would lead to the proposition of marketing that fits Thai public services.

### 4.3 Selection of Case Study

Due to the limitation in time and resources to study public services in all government agencies, the “multiple-case study” provides more feasibility to achieve the research objectives (Yin, 2003) because it is often considered more compelling and the overall study is regarded as being more robust than using a single case study (Herrriott & Firestone, 1983 quoted in Yin, 2003: 46). Comparing studied phenomena among representative case studies can provide a researcher with a much better understanding of the cases.

To achieve research results, a government authority at “departmental level” is selected as a case study and to be a unit of analysis. The selection of case studies is based on two principles: studied subjects should include critical and crucial cases, and studied subjects should include typical and representative cases (Markus, 1989 quoted in Chen, Yu, Yang, & Chang, 2004: 418). Therefore, the selection of case studies begins with exploring Thai government Departments within 19 Ministries, as shown in Table 4.3. And then, all departments are categorized into 3 groups according to their involvement in the Thai Public Service Quality Award. From 140 government’s Departments, there are only 51 focal Departments, 45 from Group I and 6 from Group II, which are qualified for being case studies as they take part in the Award.

Based on the Thai Public Service Award, 4 Departments were purposively selected from the 51 Departments which submit their public services to the Public Service Quality Award contest. The first two representative cases are selected from the list of departments that have won the Award – Group I, and the other two are from the list of Departments that have taken part in the Award but have not won any prizes – Group II. Context of public services of the 4 selected case studies were investigated, compared, and analyzed on a case-by-case and group-by-group basis.

**Table 4.3** Category and Grouping of Government Agencies

Categories of Government Authority		
Group I Authorities that have won the Award	Group II Authorities that have taken part but did not win any Awards	Group III Authorities that have never taken part in the Award
<b>1. Office of Prime Minister</b>		1. Office of The Permanent Secretary 2. Public Relations Department 3. Office of Consumer Protection 4. Secretariat of The Prime Minister 5. Cabinet Secretariat 6. National Intelligence Agency 7. Bureau of The Budget 8. Secretariat of The National Security Council 9. Office of The Juridical Council

**Table 4.3** (Continued)

<b>Categories of Government Authority</b>		
<b>Group I</b> Authorities that have won the Award	<b>Group II</b> Authorities that have taken part but did not win any Awards	<b>Group III</b> Authorities that have never taken part in the Award
		10. Office of The Civil Service Commission 11. Office of The National Economic and Social Development Board 12. Office of Public Sector Development Commission
		13. Office of The Permanent Sectary
		15. National Statistical Office Thailand
<b>2. Ministry of Information and Communication Technology</b>		
14. Thai Meteorological Department		
<b>3. Ministry of Public Health</b>		
16. Office of The Permanent Sectary 17. Department of Medical Services 18. Department of Disease Control	Department of Disease Control	19. Department for Development of Thai Traditional and Alternative Medicine
20. Department of Medical Sciences	Department of Medical Sciences 21. Department of Health Service Support	
22. Department of Mental Health 23. Department of Health 24. Food and Drug Administration	Department of Mental Health Department of Health	
<b>4. Ministry of Justice</b>		
27. Rights and Liberties Protection Department	Rights and Liberties Protection Department	25. Office of The Permanent Secretary 26. Department of Probation
29. Department of Correction		28. Legal Execution Department 30. Department of Special Investigation

**Table 4.3** (Continued)

<b>Categories of Government Authority</b>		
<b>Group I</b> Authorities that have won the Award	<b>Group II</b> Authorities that have taken part but did not win any Awards	<b>Group III</b> Authorities that have never taken part in the Award
		31. Central Institute of Forensic Science
		32. Office of the Narcotics Control Board
		33. Office of Justice Affairs
34. Department Of Juvenile Observation and Protection		35. Office of Public Sector Anti-Corruption Commission
<b>5. Ministry of Foreign Affairs</b>		36. Office of the Permanent Secretary
37. Department of Consular Affairs		38. Department of Protocol
		39. Department of European Affairs
		40. Department of International Economic Affairs
		41. Department of Treaties and Legal Affairs
		42. Department of Information
		43. Department of International Organizations
		44. Department of American and South Pacific Affairs
		45. Department of ASEAN Affairs
		46. Department of East Asia
		47. Department of South Asia, Middle East and Africa
<b>6. Ministry of Interior</b>		48. Office of the Permanent Secretary
49. Department of Provincial Administration	Department of Provincial Administration	
50. Community Development Department		
51. Land Department	Land Department	
	52. Department of Disaster Prevention and Mitigation	
		53. Department of Public Works and Town & Country Planning
		54. The Department of Local Administration

**Table 4.3** (Continued)

<b>Categories of Government Authority</b>		
<b>Group I</b> Authorities that have won the Award	<b>Group II</b> Authorities that have taken part but did not win any Awards	<b>Group III</b> Authorities that have never taken part in the Award
<b>7. Ministry of Finance</b>		
55. Office of The Permanent Secretary		56. The Treasury Department
	57. The Comptroller General's Department	
58. The Customs Department	The Customs Department	
60. The Revenue Department	The Revenue Department	59. The Excise Department
		61. The State Enterprise Policy Office
		62. Public Debt Management Office
		63. Fiscal Policy Office
<b>8. Ministry of Transport</b>		
65. Marine Department		64. Office of The Permanent Secretary
66. Department of Land Transport	Department of Land Transport	
		67. Department of Civil Aviation
69. Department of Rural Roads		68. Department of Highways
70. Office of Transport and Traffic Policy and Planning		
<b>9. Ministry of Science and Technology</b>		
		71. Office of The Permanent Secretary
		72. Department of Science Service
		73. Office of Atoms for Peace
<b>10. Ministry of Education</b>		
74. Office of The Permanent Secretary		
		75. Office of the Education Council
		76. Office of The Basic Education Commission
77. Office of The Vocational Education Commission		
		78. Office of The Higher Education Commission

**Table 4.3** (Continued)

<b>Categories of Government Authority</b>		
<b>Group I</b> Authorities that have won the Award	<b>Group II</b> Authorities that have taken part but did not win any Awards	<b>Group III</b> Authorities that have never taken part in the Award
<b>11. Ministry of Social Development and Human Security</b>		
		79. Office of The Permanent Secretary
80. Department of Social Development and Welfare	Department of Social Development and Welfare	
		81. Office of Women 's Affairs and Family Development
82. Office of Welfare Promotion, Protection and Empowerment of Vulnerable Groups		
83. National Office for Empowerment of Persons with Disability	National Office for Empowerment of Persons with Disability	
<b>12. Ministry of Natural Resources and Environment</b>		
84. Office of The Permanent Sectary		
		85. Pollution Control Department
		86. Department of Marine and Coastal Resources
		87. Department of Mineral Resources
		88. Department of Water Resources
		89. Royal Forest Department
	90. Department of Groundwater Resources	
		91. Department of Environmental Quality Promotion
		92. Department of National Park, Wildlife and Plant Conservation
		93. Office of Natural Resources And Environmental Policy and Planning
<b>13. Ministry of Labor</b>		
		94. Office of the Permanent Secretary
95. Department of Employment		
		96. Department of Skill Development
		97. Department Of Labor Protection and Welfare
98. Social Security Office	Social Security Office	

**Table 4.3** (Continued)

<b>Categories of Government Authority</b>		
<b>Group I</b> Authorities that have won the Award	<b>Group II</b> Authorities that have taken part but did not win any Awards	<b>Group III</b> Authorities that have never taken part in the Award
<b>14. Ministry of Agriculture and Cooperatives</b>		
		99. Office of The Permanent Sectary
100. Royal Irrigation Department		
101. Cooperative Auditing Department	Cooperative Auditing Department	
102. Department of Fisheries	Department of Fisheries	
103. Department of Livestock Development	Department of Livestock Development	
105. Department of Agriculture		104. Land Development Department
		106. Department of Agriculture Extension
	107. Cooperative Promotion Department	
108. Agricultural Land Reform Office		109. National Bureau of Agricultural Commodity and Food Standards
		110. Office of Agricultural Economics
		111. Rice Department
<b>15. Ministry of Energy</b>		
		112. Office of the Permanent Secretary
		113. Department of Mineral Fuels
114. Department of Energy Business		115. Department of Alternative Energy Development and Efficiency
		116. Energy Policy and Planning Office
<b>16. Ministry of Tourism and Sport</b>		
		117. Office of The Permanent Sectary ,Tourism and Sports
		118. Office of Sports and Recreation Development
		119. Office of Tourism Development



**Table 4.3** (Continued)

<b>Categories of Government Authority</b>		
<b>Group I</b> Authorities that have won the Award	<b>Group II</b> Authorities that have taken part but did not win any Awards	<b>Group III</b> Authorities that have never taken part in the Award
<b>17. Ministry of Industry</b>		
121. Department of Industrial Works	123. Department of Primary Industrial Mines	120. Office of the Permanent Secretary  122. Department of Industrial Promotion  124. Department of The Cane and Sugar Board 125. Thai Industrial Standards Institute 126. Office of Industrial Economics
127. The Board of Investment of Thailand	The Board of Investment of Thailand	
<b>18. Ministry of Commerce</b>		
128. Office of the Permanent Secretary	Office of the Permanent Secretary	
129. Department of Foreign Trade		
130. The Department of Internal Trade	The Department of Internal Trade	131. Department of Trade Negotiations
132. Department of Intellectual Property		
133. Department of Business Development		
134. Department of Export Promotion		135. Department of Insurance
<b>19. Ministry of Culture</b>		
		136. Office of The Permanent Secretary 137. Department of Religious Affairs 138. The Fine Arts Department 139. Department of Cultural Promotion 140. Office of Contemporary Art And Culture

**Source:** Adapted from the OPDC's List of Government Agencies Taking Part in the Thai Public Service Quality Award Since 2003-2010 (Unpublished).

Here, the primary criteria for selecting the case study are that the focal departments must have direct roles, missions, and responsibilities relating to the provision of public services for the public at large, their various public services have been submitted to various types of award contest, and the focal department must be willing to provide the necessary data and information relating to the topic of the research.

As a result, the Land Department, the Ministry of interior, the Department of Land Transport, and the Ministry of Transport are the representatives of the government departments in Group I; and the Department of Health Service Support, the Ministry of Public Health, the Cooperative Promotion Department, and the Ministry of Agriculture and Cooperatives are representatives of the government departments in Group II. Table 4.4 and 4.5 show the categories of government authority, the criteria for selecting case studies, the selected case studies, and the focal departments.

**Table 4.4** Summary of the Categories of Government Authority, the Criteria for Selecting Case Studies, and the Selected Government Agencies

Criteria for Selecting Case Study	Category of Government Authority	
	Group I	Group II
- The focal Departments must have direct roles, missions, and responsibilities relating to the provision of public services for the public at large.	<b>Case I:</b> The Land Department, the Ministry of Interior	<b>Case III:</b> Department of Health Service Support, the Ministry of Public Health
- Various public services of the focal department have been submitted to various types of award contest.	<b>Case II:</b> Department of Land Transport, the Ministry of Transport	<b>Case IV:</b> Cooperative Promotion Department, The Ministry of Agriculture and Cooperatives
- The focal Department must be willing to provide necessary data and information relating to the topic of the research.		

**Table 4.5** The Focal Departments and Sub-Departments/Offices

<b>Department of Land Transport</b>	<b>Land Department</b>	<b>Cooperative Promotion Department</b>	<b>Department of Health Service Support</b>
1. Public Sector Development Group	1. Public Sector Development Group	1. Public Sector Development Group	1. Public Sector Development Group
2. Vehicle Registration and Tax Bureau	2. Real Estate Business Promotion Bureau	2. Cooperative Business Development Office	2. Bureau of Sanatorium and Art of Healing
3. The Office of Safe Roads Fund	3. Cadastral Survey Administration and Promotion Bureau	3. Cooperative Technology Transfer and Development Office	3. Primary Health Care Division
4. Automotive Engineering Bureau	4. Land Registry Standard Bureau	4. Cooperative Promotion Office Area 1	4. Medical Engineering Division
5. Office of Passenger Transport	5. Bureau of Land Document Issuance Standard	5. Funds Management Office	5. Office of Health Business Promotion
6. Office of Transport Security	6. Bangkok Metropolitan Land Office	6. Experts on Cooperative Business Development	6. Health Education Division
7. Office of Freight			7. Design and Construction Division
8. Transport Inspectorate			8. The International Health Division
9. Bangkok Metropolitan Transportation Office Area 5			9. Bureau of Information and Public Relations

#### 4.4 Data Collection Methods

Research data and information sources disperse anywhere and are different in their nature. Reliability and creditability of research results partly relies on data collecting tools and methods. Varieties of data collecting tools can facilitate the investigation of phenomena in more dimensions. Therefore, this research needs multiple data collecting tools to achieve reliable and credible research results.

The data collection of this research began with the review of the secondary data and related documents of the four case studies. The necessary information and background of each case study were reviewed before the field studies began. Field research combined varieties of qualitative research techniques as follows:

1) In-depth interview was the main method of data collection, where one person (an interviewer) asks another person (an interviewee) some questions. (Babbie, 2008: 291). It is both an art and science to exchange in-depth information because it can provide the most elaborate information of the case studies. This research method utilizes a combination of formal and informal in-depth interviews with key informants of selected government agencies. The interviews are done individually or in a group, if necessary. The key informants were:

- (1) Head of Department, Office, Bureau, Division, or Section.
- (2) Working level officers in the front office who have to directly contact people and officers who work in back office as front office support.
- (3) Citizens who are service recipients from selected government agencies.
- (4) Executives and personnel of the Office of Public Sector Development Commission (OPDC), as the main organization responsible for reforms in Thai public sector.
- (5) Scholars with experience in the field of public administration and marketing in the public sector.

The interviews aimed at reflecting attitudes, points of view and understanding of stakeholders involved in public services. Their feelings, attitudes, understanding, and reflections on the utilization of NPM and marketing concepts in

public services, as well as problems and obstacles concerning the use of marketing in Thai public services were also investigated.

However, as the key informants are divided into 4 groups, interview questions were differently constructed depending on the groups. Consequently, there are 4 sets of interview questions constructed for government officials as public service providers, citizens as public service users, OPDC officials as key persons responsible for Thai public sector reform, and public administration and marketing scholars as academic experts in the fields.

Table 4.6 shows the interrelationship of research questions and interview questions, classified by groups of key informants.

**Table 4.6** The Interrelationship of Research Questions and Interview Questions, Classified by Groups of Interviewees

Research Questions	Government Officials	OPDC's Officials	PA and Marketing Scholars
<ol style="list-style-type: none"> <li>How have marketing concepts been used by Thai public services?</li> <li>What are the differences or similarities among Thai government agencies in applying marketing concepts used in public service delivery?</li> </ol>	<ol style="list-style-type: none"> <li>What are the roles, missions and duties of your organization? What is their scope? And where do these roles, missions and duties come from?</li> <li>What is your opinion toward the use of marketing concepts in Thai government agencies' public service delivery? <ul style="list-style-type: none"> <li>How much has it been used?</li> <li>In what ways or forms has it been used?</li> </ul> </li> <li>How much does your organization put an emphasis on the principle "Public service delivery should be carried out to maximize citizens' benefits and respond to citizens' needs"? <ul style="list-style-type: none"> <li>What is the evidence supporting your judgment? (According to Section 3/1 of the State Administrative Act (No.5) B.E.2545 (2002) and The Royal Decree on Criteria and Procedures for Good Governance B.E.2546 (2003))</li> </ul> </li> <li>According to the aforementioned roles, missions and duties, what are the public services delivered from your organization? And what are the determinants of these public services?</li> <li>Who are the customers or service</li> </ol>	<ol style="list-style-type: none"> <li>What are the OPDC's ways of thinking and principles in applying marketing concepts in public service delivery? <ul style="list-style-type: none"> <li>How does the OPDC anticipate?</li> <li>Are there any other concepts used in the improvement of public services so as to achieve bureaucratic missions and respond to people's needs?</li> </ul> </li> <li>How does the OPDC apply marketing concepts in public service delivery?</li> <li>What do you think about the forms and methods of marketing concepts that are applied by government agencies in public service delivery?</li> <li>Are there any changes after marketing concepts have been applied in public service delivery? (Before and after comparison).</li> <li>What are the indicators differentiating organizations with and without particular emphasis on delivering public services in order to maximize people's benefits and respond to people's needs?</li> <li>Under the Thai bureaucratic system, what has the OPDC done in terms of pushing, supporting and solving</li> </ol>	<ol style="list-style-type: none"> <li>What is your opinion regarding the use of marketing concepts in public service delivery? (Suitable or unsuitable? How?)</li> <li>How does the different nature of the public and private sector lead to differences in the use of marketing concepts in public service delivery from use in the private sector?</li> <li>According to the statement of Section 3/1 of the State Administrative Act (No.5) B.E.2545 (2002) and The Royal Decree on Criteria and Procedures for Good Governance B.E.2546 (2003) that "public services should be provided to benefit people and respond to people's needs." Do you think these two laws correspond to marketing concepts and how?</li> <li>What is your opinion regarding the ways and forms of marketing concepts used in public service delivery by government agencies?</li> </ol>

**Table 4.6** (Continued)

Research Questions	Government Officials	OPDC's Officials	PA and Marketing Scholars
	recipients of your organization? How are these customers or service recipients identified or categorized?	problems in the application of marketing concepts in public service delivery?	
6. How does your organization realize the variety of service recipients' needs and how are these needs managed?		7. problems in the application of marketing concepts in public service delivery? What should the public sector do to make public services beneficial to people, and respond to people's needs while maintaining the role as a public service provider?	
For item 6-7, how much has the 4Ps Principle been used?			
Product	Customer needs & wants		
Price	Cost to customer		
Place	Convenient of customer		
Promotion	Communication		
7. How does your organization work to achieve both the targets of the bureaucratic mission as well as public service delivery geared at maximizing people's benefits and responding to people's needs in aspects such as:			
- Determination of strategies			
- Work process design (under bureaucratic rules and regulations)			
- Change in work attitude			
- Creation of innovation			
8. How does your organization respond to claims and suggestions from people regarding to your public			

**Table 4.6 (Continued)**

Research Questions	Government Officials	OPDC's Officials	PA and Marketing Scholars
	service delivery? What does your organization do to ensure personnel's understanding, acceptance, value appreciation and enthusiasm in delivering public service so as to respond to people's needs?		
3. What are the administrative factors that enable or obstruct the use of marketing concepts in Thai public services?	9. How does your organization evaluate the achievements of its missions and people's satisfaction in its public services? 10. What are the factors that should be considered to make your organization achieve its missions and also respond to people's needs? 11. What are the important contexts that support or obstruct the concept of public service delivery to maximize people's benefits and respond to people's needs?	8. How does the application of marketing concepts in the public sector differ from that in the private sector? 9. Under the Thai bureaucratic system and society: - What are the problems/obstacles of applying marketing concept in Thai public service delivery? - What are the supporting factors contributing to the success of marketing concept application in Thai public service delivery?	5. What are the factors or conditions making Thai public services truly beneficial and responsive to people's needs? Can Government agencies balance its roles as an organization in the public sector as well as a service provider to people? 6. What is the linkage or relationship between these factors or conditions? 7. According to the mentioned factors and conditions, what does the public sector do to make public services truly beneficial to people and correspond to the Royal Decree on Criteria and Procedures for Good Governance B.E.2546 (2003)?
4. What are the policy propositions concerning public service improvement that will support Thai public administrators in improving Thai public	12. How should marketing concepts be applied by government agencies to achieve their missions and respond to people's needs? 13. In what forms or characteristics should government agencies be in order to be able to achieve their	10. How does the OPDC assess the application of marketing concepts in terms of its effectiveness in the context of the Thai public sector? 11. In what ways should the government agencies delivering public services apply marketing	8. Apart from marketing concepts, are there any other concepts that can be used in the development of public services so as to be truly beneficial to people? Compared to marketing concepts, what are the advantages and disadvantages?



**Table 4.6** (Continued)

Research Questions	Government Officials	OPDC's Officials	PA and Marketing Scholars
service performance to meet and satisfy citizen's needs and wants?	missions as well as respond to people's needs?	<p>concepts so as to achieve the bureaucratic missions as well as respond to people's needs?</p> <p>12. Unless marketing concepts are effective under the Thai bureaucratic system, what will the OPDC do? Are there any models that correspond to the Thai bureaucratic system?</p>	<p>9. What do you think the OPDC, as the key organization in public sector reform, should do to make public services and government agencies truly responsive?</p> <p>10. In what way should government agencies apply marketing concepts in order to achieve bureaucratic missions as well as responsive public services?</p>

2) Secondary Data review is employed to collect related data and information from documents and any other evidence such as government authority's annual reports, minutes, training papers, performance evaluation reports, etc. Secondary data review not only supports and fulfills data and information collection from in-depth interview, but is also used to cross-check and verify field data and information.

3) Non-participatory observation is also a method of data collection, which is employed for studying social behaviour without affecting it. It allows researchers to study social phenomenon from afar. Content analysis, the analysis of existing statistics, and comparative and historical analysis are types of this kind of research method. (Babbie, 2008: 349) Furthermore, the data collected and processed by one researcher is also reanalysed through Secondary Data Analysis (Babbie, 2008: 304). These two approaches aim to support and confirm whether the empirical data got from the interviews is credible. Thus, any previous documents, research, or related materials of public services within the context of Thailand have been investigated and analysed.

4) Focus group discussion is a minor method of data collection which automatically combines the method of one-to-one interview and participative observation in itself (Morgan, 1997). This method is not a group interview or brain storming but group discussion with the aim to encourage discussion and the expression of differing opinions and points of view among focus group participants (Shay, 2007: 221), by assuming that an individual's attitude and beliefs do not form in a vacuum. Instead, people often need to listen to others' opinions and understanding to form their own (Marshall & Rossman, 2006: 114).

The number of focus group discussion participants was limited to 4 to 10 people. Key informants and specialists in the area of public service and public marketing were invited to join the focus group discussion. Ideas, opinions, and points of view among participants provide a high validity of empirical data and information which would support, confirm, and verify the accuracy of the research results.

Table 4.7 shows the field research study activities, their objectives, and data collecting tools which were employed in this study. While empirical data has been collected in the field study, some principles proposed by Goetz and Lecompte were

also utilized as much as possible in order to increase the reliability and validity of the empirical study (Goetz & Lecompte, 1984 quoted in Chen, Yu, Yang, & Chang, 2004: 419):

- 1) Research subjects are chosen in accordance with the research objectives.
- 2) Two interviewers participate in the interview data analysis.
- 3) The interview data is encoded and checked through multiple sources.
- 4) The research objectives are well understood by the interviewee.
- 5) The interviewer keeps a neutral stance during the interview.
- 6) Data is from analysis of facts only.

**Table 4.7** Summary of Data Collection Tools Used in Field Study Activities

Field Study Activities	Objectives	Data Collecting Tools
1. Selection of case studies	To determine which government Departments should be selected as case studies (four case studies).	Documentary review.
2. Gathering data, evidence, and background information relating to selected case studies (four case studies).	To provide background information of selected case studies, which are used to design and determine where the useful research data and information are and which data collecting tool must be employed.	Documentary review.
3. In-depth exchange of data and information with stakeholders of selected case studies.	To reach in-depth exchange of research data and information of the four case studies, which are a very important part of research study and results.	In-depth interview, and Non-participatory observation
4. Studying social phenomenon and behavior of related persons regarding public service delivery processes of each selected case study from afar.	To support and strengthen empirical data and information gathering from in-depth interviews, and other related documents from organizations' reports of the four case studies.	Non-participatory observation.
5. Collecting data by using one-to-one interview and participative observation techniques among selected participants.	To gather more related data, information, ideas, and opinions from participants involved in the four case studies, and to triangulate and verify empirical data and information which have been collected by the mentioned data collecting tools and organizations.	Focus group discussion.

## 4.5 Data Analysis

This study involved a systematic analysis of empirical data. The words of interviewees were transcribed. Secondary data and information was reviewed along with data from interviews. Data reduction, data display, drawing conclusions and verifying data are interactive activities. The two steps of data analysis consisted of:

1) Verification of data was carried out through the triangulation method. Data analysis was planned to take place concurrently with the data collection process and to be continued until the completion of data collection. Verification of data of this study was carried out through the triangulation method by making use of multiple and different sources, methods, investigators, and theories to provide corroborating evidence (Creswell, 2007: 208).

To prove the validity of empirical data from field study, these procedures were used:

(1) Examination of accuracy of time, place, and participants as source of data (data triangulation).

(2) Verification that different researchers get the same information from the same informants (investigator triangulation) in order to assure that researcher and his or her team work in a proper way and empirical data is reliable.

(3) Methodology triangulation was carried out, in order to ensure that the validity of the same information is proved by using different sources of data.

2) Qualitative data analysis was conducted using Creswell's Data Analysis Spiral (2007: 150), which is in line with the statement of Huberman and Miles that data analysis is not off-the-shelf, rather, it is custom-built, revised, and choreographed. The processes of data collection, data analysis, and report writing included several steps in the process.

To analyze qualitative data, this study engaged in the process of moving analytic circle rather than using a fixed linear approach. Thus, this study pursues the steps of the Data Analysis Spiral, proposed by Creswell (2007: 150-155) as follows:

(1) Data management is the first loop in the spiral. Once field data is collected, this data must be organized into file folders, index cards, computer files, and so on.

(2) Data reading and creating memos is the next spiral of data analysis. Researchers continue analysis by getting a sense of the whole database. By doing this, researchers must examine all the data several times. They need attention to detail, trying to get a sense of the interview as a whole before breaking the data into parts. Writing memos in the margins of field notes or transcripts or under photographs can help in this initial process of exploring a database.

(3) Next is the movement from the reading and creation of memos loop in the spiral to the describing, classifying, and interpreting loop. In this loop, describing in detail, developing themes or dimensions through some classification system, and providing an interpretation in the light of researcher's view are conducted.

(4) The final phase of the spiral is to present the data—a packaging of what was found in text, tabular, or figure form.

Therefore, the triangulation method and data analysis spiral will ensure the reliability, credibility, and verification of this study.

## **4.6 Conclusion**

Since the objective of the study is to investigate the application of marketing concepts in Thai public service delivery, qualitative research was suitable for this study. This study was conducted via case studies where “government departments” are the units of analysis. Four government departments, namely the Department of Land Transport, Land Department, Department of Health Service Support and Cooperative Promotion Department were selected as case studies.

Data was collected both from in-depth interviews with executive government officials in government agencies that are relevant to public service delivery according to their bureaucratic missions and from secondary sources. Emphasis is on the study and analysis of approaches and procedures in delivering services to the public, the application of marketing concepts in public services, and the investigation of factors influencing the use of marketing in public service delivery.

## **CHAPTER 5**

### **MARKETING IN PUBLIC SERVICES IN 4 STUDIED GOVERNMENT AUTHORITIES**

Chapter 5 explains the marketing concept in public services of the Thai public sector as defined by the Office of the Public Sector Development Commission (OPDC), the key organization driving the implementation of the aforementioned concept in public services. This chapter also details the marketing and implementation of the studied government authorities which were the Department of Land Transport, the Department of Lands, the Department of Health Service Support and the Cooperative Promotion Department. Their principles, implementation and use of marketing concepts in public services are described accordingly.

#### **5.1 Promotion of Marketing in Public Services of Government Authorities**

As the key organization in public sector development, the OPDC has made efforts to apply modern knowledge and public administrative techniques to develop and improve the quality of public services. Marketing in the public sector was initiated as one of the modern public administrative techniques disseminated and promoted by the OPDC. Government authorities were expected to implement such concepts in their operations.

An executive of the OPDC stated that marketing was a customer-centered concept in which the customer was the starting point of the operation. Goods and services should then satisfy customer and user needs. Kotler and Nancy (2010: 26, in Thai) explained that marketing in the public sector was a public effort to create value and people satisfaction. With this principle, the OPDC made an effort to apply marketing concepts in the public sector. These marketing concepts were a tool for improving and developing public services to meet and satisfy people needs the same as private services.

From interviews and a literature review, it was found that the OPDC effort on marketing in the public sector resulted in a document named “Marketing in the public sector”, published in February 2009. This document was a part of the modern management set developed by the OPDC. The marketing principles were disseminated to the public sector. This document also covered examples of marketing in the public sector of several government authorities in Thailand. Later, the OPDC held workshop training named “Marketing in the public sector” in the middle of 2009. The OPDC invited representatives of government authorities across the country to participate in the training. About 200 officials attended the training on 16 July 2009 at the Asia Hotel, Assoc. Prof. Jiraprapa Akkarabavorn was the training lecturer.

However, no more marketing training or concepts were promoted by the OPDC or other government authorities. In addition, the executive interviews revealed that the OPDC did not monitor whether government authorities continued to implement marketing concepts. She also stated the reason why the implementation of the marketing concepts was suspended. Before the introduction of marketing in the public sector, the OPDC had promoted and encouraged government authorities to provide public services under the “People Happiness and Responsiveness” principle mentioned in the provisions of Section 3/1 of the State Administrative Act (No.5), B.E. 2545 (2002) and the Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546 (2003). The principles of government operation by “People Happiness and Responsiveness, and Providing Convenient and Favorable Service” have been stipulated in such laws. The OPDC also introduced and applied the Public Sector Management Quality Award (PMQA) approved by a resolution of the Cabinet on 28 June 2005. As the framework for the development of public sector management, the aforementioned principles, especially Section 3 (the Importance of Customers and Stakeholders), have been observed. Therefore, government authorities should follow the “People Happiness and Responsiveness, and Providing Convenient and Favorable Service” principle as they should observe laws and resolutions of the Cabinet. On the other hand, no legal measure was set to drive marketing concepts in the public sector. This concept has been used as a management tool of government authorities to provide customer-centered services.

Comparing principles of marketing concepts and the aforementioned laws, both are consistent and emphasize on customers or people (customer-centered principles). Accordingly, an executive of the OPDC explained about the issue mentioned above as follows, “The OPDC compared the marketing concepts and the legal provisions. Basically, work and service improvement of government authorities were not based on the market concept only. Another factor was their effort to create citizen centric government in line with the provisions of Section 3/1 of the State Administrative Act (No.5), B.E. 2545 (2002) and the Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546 (2003)”.

In addition, the study of the OPDC’s Public Sector Development Strategic Plans 2008 – 2013 confirmed that changes in public services after 2002 were designed to improve and develop under the provisions of the State Administrative Act (No.5), B.E. 2545 (2002), the Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546 (2003) and PMQA, rather than through marketing concepts. One of the development strategies emphasized the importance of public services satisfying people needs and expectations in order to ensure customer satisfaction and key performance indicators (KPI) were set. However, the implementation of marketing concepts was not mentioned in this strategy. The implementation depended on the decisions of each government authority. Details of the implementation of marketing concepts will be explained in the next topic.

An executive of the OPDC believed that public relations, strategic planning, service improvement, office improvement, uniform improvement or image improvement, including development of service quality to satisfy customers were forms of marketing concepts. They may not be as solidly implemented as in the private sector and no public marketing department was established. An executive of the OPDC confirmed that “marketing in the public sector was applied naturally, not formally. Presently, the government authorities have improved their operation to meet customer expectation. They did not initiate any action beyond people’s expectations. As a result, marketing in the public sector was not comprehensively developed.”

As mentioned in the “Marketing in the public sector” document, basic activities which have been used to explain marketing concepts in the public sector were 4Ps and 4Cs of the Marketing Mix (comprising Product and Customer needs



and wants, Price and Cost to the customer, Place and Convenience to the customer, and Promotion and Communication). This issue was explained by an executive of the OPDC as follows.

Products of government authorities were clearly set by authorities stipulated in Ministerial Regulations. Customer needs and wants were recognized. To improve their services, government authorities were studying customer needs. For price matters, government fees were fairly low. However, only government costs were considered, not customer costs.

In terms of place, the OPDC believed that government authorities improved their places. In term of convenience, government authorities developed service channels to ensure convenience. Service places and channels were improving. In term of promotion, only some authorities actively applied this strategy. OPDC believed that communication of government authorities was moderately poor.

Even though the OPDC believed that government authorities naturally implemented marketing concepts, there was no obvious evidence proving formal and consistent implementation. Existing evidence is the “Marketing in the public sector” document and the workshop training on “Marketing in the public sector”. However, a very small number of officials participated in the aforementioned workshop, compared to the total number of officials. To verify data obtained from the OPDC, facts on the implementation of marketing concepts in public services are discussed in the next topic.

## **5.2 Marketing and Public Services of the Department of Land Transport**

### **5.2.1 General Information**

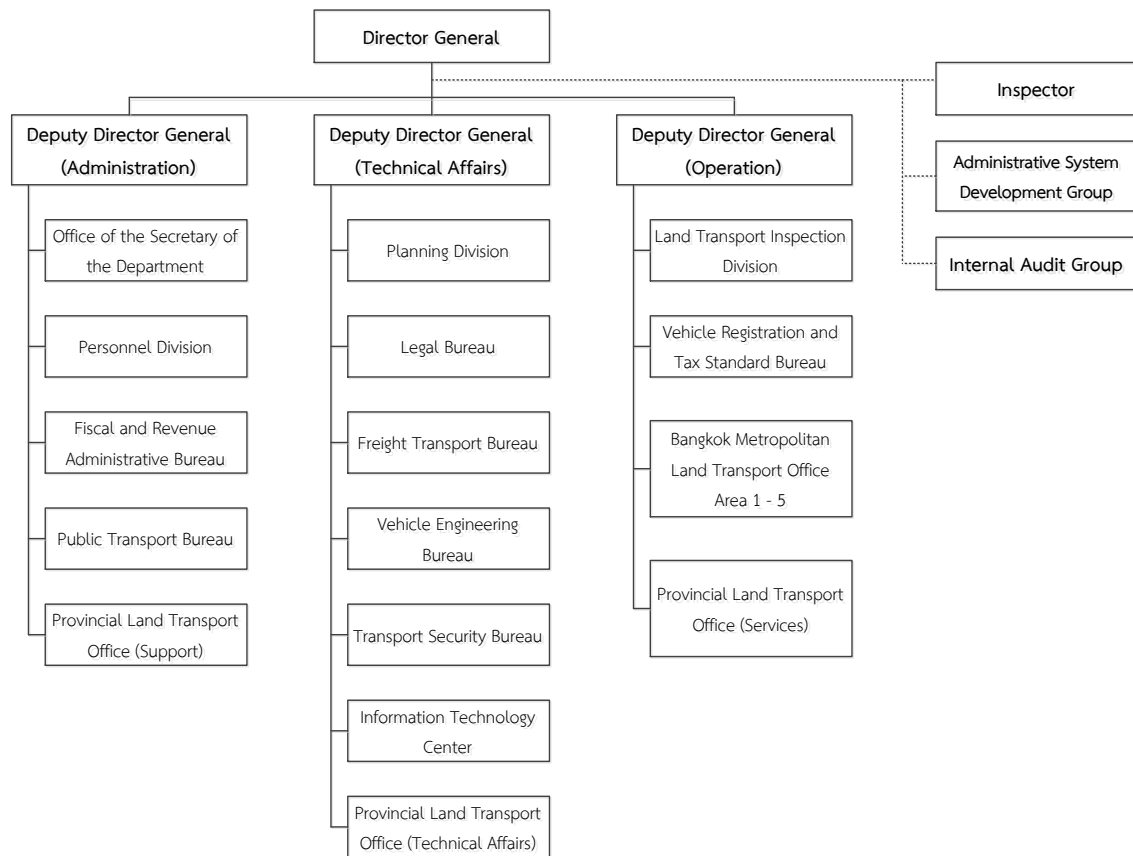
By the virtue of the Siam Administration Act B.E. 2476 (1933), the Department of Land Transport was established as a government authority in 1933. Its former name was “the Department of Transport”. As a function of the Ministry of

Economic Affairs, it was responsible for national economy and transport. Later, in 1941, when Field Marshal Plaek Phibunsongkhram was the Prime Minister of Thailand, the Government Agencies Act B.E. 2484 (1941) was announced. The Department of Land Transport has been a function of the Ministry of Land Transport since then. (Department of Land Transport, 2013a)

Presently, the Department of Land Transport's missions, authorities and organizations have been determined by the Ministerial Regulation on Organization of the Department of Land Transport, Ministry of Transport, B.E. 2552 (2009). Its responsibilities are to supervise, examine and inspect compliance with laws, rules and regulations on land transport, automobiles, and other relevant laws, to set land transport systems and regulations, and to promote and develop land transport networks to ensure convenient, fast, comprehensive and safe land transport systems (Department of Land Transport, 2013b: 17).

Accordingly, according to the Ministerial Regulation on the Organization of the Department of Land Transport, Ministry of Transport, B.E. 2552 (2009), the Department of Land Transport comprises central authorities and regional authorities. The central authorities are divided into 3 groups i.e. Administration, Technical Affairs and Operation, a total of 17 bureaus, divisions and centers. The regional authorities comprise provincial transport offices. All authorities are responsible for land transport in the country. The organizational structure of the Department of Land Transport is presented in Figure 5.1.

Presently, the Department of Land Transport's manpower is 5,886 (as of 1 September 2010), comprising 3,988 officials (67.75%), 1,381 government employees (23.47%), and 517 permanent employees (8.78%) (Department of Land Transport, 2013b: 19).



**Figure 5.1** Organizational Structure of Department of Land Transport (Modified According to then Report on Development of Public Administration Quality, Fiscal Year 2011, the Department of Land Transport)

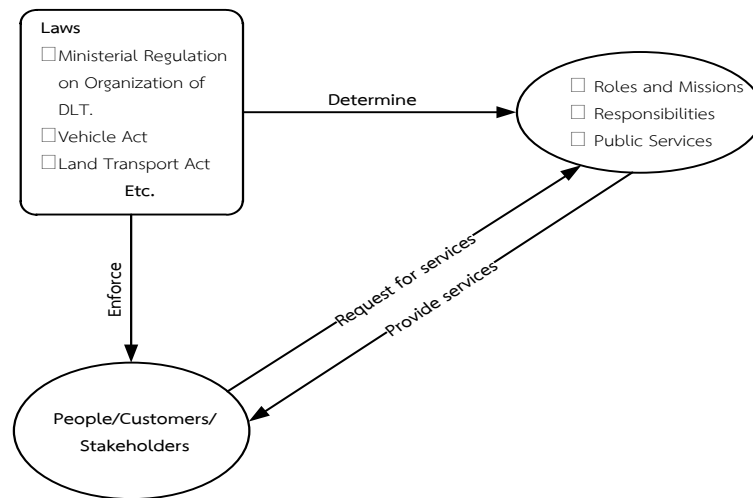
With regard to the central administration, key authorities comprise the Public Transport Bureau, Goods Transport Bureau, Engineering Bureau, Land Transport Inspection Division, Land Transport Welfare Bureau, and Vehicle Registration and Tax Standard Bureau. The aforementioned functions are responsible for determining standards and safety for vehicles and land transport, including providing services to people directly. The central service functions are Transport Office Supervision Area 1 serving people in the Bangkok Metropolis and the regional service functions are Provincial Transport Offices. Examples of key public services are transport license issue, approval and renewal of bus station establishments, vehicle registration and tax, approval and renewal of vehicle inspection station establishments, driving license issue, vehicle approval, approval of gas vehicle installers, inspectors and testers,

control of vehicle and engine registration, and driving schools. They also provide other services such as developing land transport, controlling and inspecting vehicle and road usage, issuing rules, regulations and notifications, developing driving license issue systems, holding safety training and seminars, holding safety promotion activities, and considering safety projects plans, etc.

As the government authority, the Department has duties to achieve its missions as stipulated by the ministerial regulations. To serve people correctly and fairly, laws are required as working tools. Key applicable laws include the Land Transport Act B.E. 2522 (1979), the Vehicle Act B.E. 2522 (1979), the Land Traffic Act B.E. 2522 (1979), the Highway Act B.E. 2535 (1992) and the Road Accident Victim Protection Act B.E. 2535 (1992) (Department of Land Transport, 2011a: 7).

The Department's public services are classified under 2 roles, namely, the service operator role (providing public services) and the transport regulator role (controlling and supervising land transport). Compared by importance, weight and workload, the transport regulator role is more important and has more weight, but the service operator role has more workload, is more outstanding and is widely accepted. Opinions of all informants (executives) also confirm that the Department's roles, missions and services are much more likely to be the transport regulator role. However, the Department has to act as the service operator to serve a large number of people. People have to use its services as "the legal requirements", not their actual needs and wants.

For example, car owners are required to register their cars and car drivers are required to have driving licenses. People then have to contact the Department to make driving licenses. Figure 5.2 presents relationships between laws, the Department's missions and public services.



**Figure 5.2** Relationships between Laws, the Department of Land Transport’s Missions and Public Services

Different services under both roles are summarized below.

1) Under the service operator role, the Department provides direct services to people. Its service functions are classified into 2 types as follows.

(1) General services which are informally called “pure services”. Convenience and fastness are emphasized for this one-stop service. Direct beneficiaries are individual customers. An example is vehicle registration and tax services.

(2) Quality and safety-related services. Even though the Department provides services to individual customers, service quality and consequences are related to public safety (land transport). For example, even though a driving license is to the benefit of an applicant, the Department will issue driving licenses to capable persons only. Another example is car inspection. In addition to service quality, cars inspected should have full features stipulated by law. Quality of personnel and cars are required for such services because they are related to public safety and land transport benefit.

Both services are short processes and involve legal requirements. The Department has the sole authority so such services do not depend on or are not related to any external functions. The Department has the authority to change or revise related processes internally. Clearly initiated, such services will be routine jobs.

2) The transport-regulator roles are controlling and supervising land transport. Accordingly, no similar function provides these kinds of services. The Department is responsible for issuing rules, regulations and standards for car drivers, car manufacturers and transport enterprises. This is to ensure transport entrepreneurs' good services and standards. These services have no direct effect but indirect effect on people through good services of transport entrepreneurs. An executive explained that the Department's services under the transport regulator role were worse than those under the service operator role.

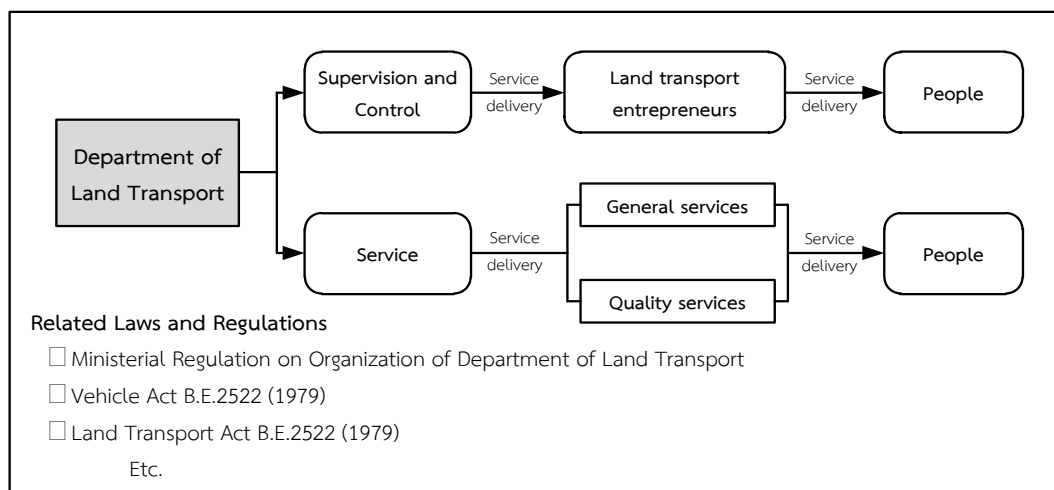
The transport-regulator services have several limitations because of external factors. Amendments of laws, rules, regulations or standards on cars and car usage supervision and control have a wide effect on entrepreneurs or stakeholders. They also affect other laws or operations of other relevant organizations. As a result, it is difficult to control and manage this role internally and operations take a long period of time. For example, changes in car standards affect car manufacturers. They have to change production plans or processes and additional investments may be required. Therefore, as the government authority, the Department has to ensure their understanding and give them transition periods to observe new legal conditions. Assistant measures may be launched to help related parties.

For the aforementioned reasons, the transport-regulator role is different from the service operator role. An executive gave an opinion that "If any change caused additional costs to people or entrepreneurs, understanding should be enhanced and the Department should wait for proper periods. The Government may have assistance and support measures. It should be changed gradually." "If the Government forces entrepreneurs to change, changing process or mechanism should be set with assistance.

However, both roles and services aim for public benefit, not individual benefit. The Department's performance does not end when services finish but it affects public benefit as well. With this special characteristic, the Department's public services are different from the private sector's services.

In summary, the Ministerial Regulation on the Organization of the Department of Land Transport, Ministry of Transport, B.E. 2552 (2009), has determined the Department's roles, missions and responsibilities and resulted in the

Department's services. Laws and regulations are operating tools such as the Land Transport Act B.E.2522 (1979) and the Vehicle Act B.E.2522 (1979), etc. Public benefit is the final outcome of the Department's operation. All of the services are a part of the Department's transport-regulator role. The Department's public services are summarized in Figure 5.3.



**Figure 5.3** Public Services of the Department of Land Transport

### 5.2.2 Marketing in Perspective of the Department of Land Transport

When the Department's marketing is mentioned, questions of the Department's officers are "What are marketing concepts in the public sector?", "Is it possible to apply marketing in the public sector?" Government authorities often understand that marketing is not suitable for the public sector. Unlike the private sector, the public sector does not emphasize income or profit. An executive explained that some officers did not agree that "people were customers" because they believed that "government services were not selling goods". The Department's efforts in public service development are to achieve its legal missions. The Department therefore has to perform such duties at its best.

However, the Director of the Administrative Development Group explained the Department's overall public services as operations under the principles and provisions of Section 3/1 of the State Administrative Act (No.5), B.E. 2545 (2002) and the Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546 (2003)

and PMQA, rather than marketing concepts. The provisions of laws and PMQA are the compulsory sections which the Department should observe. Set by the OPDC, the KPIs have determined processes and behaviors of government authorities and officers. So bureaucratic characteristics have been maintained by officers who are not aware whether marketing concepts are applicable to their operations. In fact, market concepts have been naturally applied to work mechanisms and processes because the public sector is forced to satisfy people's needs. This situation is in line with another director's opinion that "With the development of service quality under PMQA, officers' attitudes were inconsistent with the marketing concepts, especially outcomes and people satisfaction."

An executive believed that the Department's service improvement and development were in line with marketing concepts. Another executive additionally explained that even though the Department's public services were in line with marketing concepts, maximum benefits of government authorities and people were the first priority. It should not be used to seek profits. He was also concerned that the Department's effort was to follow service principles to ensure fast and convenient services only. Generally, public operation aimed to achieve legal missions rather than marketing strategies. He said that "the service development and improvement followed the service principle more than the marketing principle. Operation was to observe legal missions rather than marketing strategies."

In addition, a Bureau Director stated that the Department applied marketing concepts in service improvement and development to satisfy people's needs. However, only some parts were performed well and admired by the public. To apply marketing concepts efficiently, the Department should control or motivate people and stakeholders to believe and act in the same way as the private sector to successfully motivate consumers to purchase services and goods. In his opinion, the Department was unable to do so. The Departments' performance was passive action and service improvement only. To successfully implement marketing concepts, the Department should notify people and society what should occur in the future and how to motivate people to believe and act in the same way.

However, all informants (executives) agreed that a public service driven by marketing concepts was the "Road Safety Fund", especially the auction of car license



plate numbers. The funds from the auction have been used to promote road safety. Funding from the private sector was spent for public benefits, provided that “car license plate numbers” (bidding numbers specified by laws) are products.

The director responsible for the auction of car license plate numbers gave an explanation, “If the Department made advertisement and jobs were done when people join in the auction.” was not the implementation of the marketing concept. The Fund’s operation covered planning and setting strategies and work processes to motivate a number of people to join in the auction and gain as much revenue as possible. Bidder satisfaction was also taken into consideration. Therefore, marketing concepts was used. The director affirmed that, “the Department and the Fund have never treated the auction as a government job but a marketing one.” Examples of marketing concepts applied in the auction of car license plate numbers are summarized as follows:

- 1) Related officers will approach target customers. They will analyze which groups are target groups?; who should be motivated?; which motivate strategies should be used?; what advertisements should be selected?; and how to satisfy bidders?. Such concepts are examples of understanding and confirming bidder needs.

- 2) Selected from statistics of popular numbers, car license plate numbers, a total of 301, will be bided. Other market-popular numbers are excluded so they are considered competing numbers. The Department is not entitled to include such competing numbers in the auction so the Department should have competitive strategies. The Department should create values and added values, including reliability, in the auction. The Department should also develop a secondary market for bided numbers such as registration of number ownerships, registration of ownership changes, etc. Legal authority is the Department’s strength, as the government authority, while the private sector is unable to do so. This concept is an example of competitor analysis and product development to respond to market needs, especially any monopoly services.

- 3) Regarding debt collection, the Fund’s objectives are not only collecting all debts but offering bidders alternatives such as installment payment, re-sales, etc. The Fund’s officers have been trained in terms of debt collection techniques

and methods ensuring debtors' impression, etc.”This concept is an example of creating customer satisfaction, not pressure or negative attitudes.

4) To ensure the auction's efficiency, the Fund has assigned an expert (the private sector) to hold the auction and profits are shared.”This concept is an example of creating business partners and networks.

5) The Fund communicates and provides knowledge and information on safe land transport to listeners through radio channel FM 101 daily after the morning news of The Government Public Relations Department”This concept is an example of public relations and communication.

In summary, for concepts and principles of general services of the Department, the aforementioned facts prove that its basic concepts and principles are based on legal compliance to achieve legal missions and to observe the provisions of Section 3/1 of the State Administrative Act (No.5), B.E. 2545 (2002) and the Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546 (2003) and PMQA, rather than marketing concepts. However, marketing concepts have played an important role in the implementation and accomplishments of the Road Safety Fund.

### **5.2.3 Public Service Management**

In terms of the Department's public service management, the process started when bureaus and divisions analyzed their legal missions and roles, and determined public services and service users and customers. Key issues to be analyzed included what and which functions did its legal missions involved? Which rules, regulations and conditions were applied? Who were the customers, service users and stakeholders? And what were the work impacts? After clarifying their stakeholders, bureaus and divisions studied and analyzed stakeholder needs. To satisfy stakeholder needs, work process were designed or improved based on results of analysis. A director mentioned the importance of mission and role analysis that “If a function was unable to analyze its missions, it would not able to correctly determine its customers and service users.”

The principles used in the design of work processes and services comprised key components i.e. “related laws and regulations, financial regulations, work flow, documentation, delegation of authority and information technology systems”,

including “understanding people needs”. A director clarified that, from the service survey, people’s needs covered “convenient, fast, correct and complete services”. Correctness and completeness were compulsory sections. Convenience and fastness were related to service time. “Time was a condition of work development.” An executive said that “the Department’s services were law enforcement but people should obtain convenient services.” An example of convenient and fast services was Drive Thru for Tax Service. The Department successfully delivered this service to meet with people’s needs for convenient and fast services. To reduce process and time, work processes were redesigned and related regulations were amended.

Under its legal missions and authorities, the Department’s public services composed of office services and field services. It was found that the Department developed, revised and improved various service processes. The development aimed to facilitate customers to access services fast and rapidly; and strengthen work capabilities. This was to support an increasing number of customers and vehicles while the number of personnel and officers was reduced. With the factors mentioned above, the Department had to change mind sets and work methods in public services.

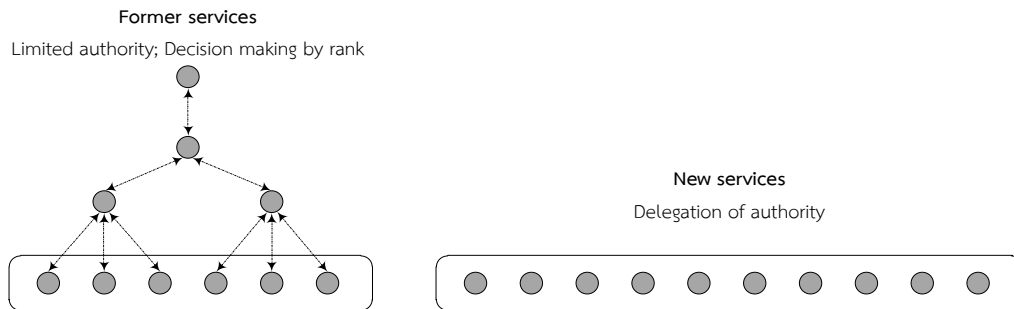
The first guideline on service development was “services for which people do not have to travel to the Department’s offices.” Any possible services would be transferred to the private sector. A director explained that job transfer to the private sector was considered partnership establishment. The Department would supervise, control and support the private sector on work capabilities or standards. Expected outcomes were “easier access to services, reduction of time and transportation costs (costs of customers under the marketing principle). Service providers gained service fees and charges while the Department successfully provided broad services to people. The Department had outcomes without service burdens. All stakeholders gained benefits from this solution.” Private vehicle inspection stations were one of the examples. Car inspection was delegated to the private sector. The Department had no capability in terms of staff or places to serve the number of vehicles inspected.

The second guideline on service development was that of “new service channels” so that people could access public services more easily. Various services have been developed such as one-stop service, etc. An example was vehicle registration and tax services. People were able to pay taxes via post, pay points and

counter services at department stores, 7-11 shops, the Internet, Drive Thru for Tax or Shop Thru for Tax. In addition, the Department had E-exam mobile cars to facilitate theoretical and practical examinations of driving license issue, etc. Work was delegated to the private sector while service channels to the public were added.

The third guideline on service development was “authority in delegation to operational officers” to shorten work processes. With former work processes, an officer had limited authority and responsibility towards only parts of the entire process. Any assignments beyond these authorities had to be referred to supervisors. In case of errors, all officers in the function would share responsibility. With delegation of authority, an officer was assigned to handle several or all processes. Work processes were reduced and operational officers had more authority and responsibilities. However, this created pressure at work. To ensure correct judgment and decision of officers and servicing an increasing number of customers by existing officers, the authority delegation to operational officers was needed.

An executive explained the design phase as follows. Responsible bureaus and divisions invited all stakeholders to discuss how to reduce work processes and what regulations would be amended as well as what tools and equipment were required. To create knowledge sharing, the Department held “Want-to-see want-to-know activities” to create questions and answers and conclude solutions for each case. A key tool reducing work redundancy and processes was the development of information technology systems for better decision making by officers. The delegation of authority shifted the former pyramid process to a flat process (Figure 5.4).



**Figure 5.4** Former and New Authorities of Public Services

In addition, the forth guideline on service development was “setting of personnel and office standards”. Personnel competency was determined. To develop and improve operation and service, officers were encouraged to propose work innovations for further development. For office standards, if any office improved and achieved standards of a “Standard Office”, it would be rewarded by the Department. If the development exceeded expectations, such office would be upgraded to “Model Offices”. Any office not reaching the required standards would make an improvement agreement with the Department and the chief of the office would be trained. Such measures had both positive and negative impacts.

Accordingly, the roots of customer-based services were work attitudes of personnel and chief officers of the Department. They gave priority to people who willingly improved operations to ensure the public interest was met. Even though government authorities had to observe government rules and public services should be in compliance with legal frameworks, all informants (executives) believed that applicable laws did not impede public services. Laws not supporting public services could be amended, provided that the Department was able to achieve its legal missions. The statements reflecting such opinions can be summarized as follows.

The Department’s operation should be supported by laws.  
The Department should perform duties permitted by laws.  
Otherwise, the Department should consider work adjustments  
because they are easier than law amendments.

Laws were just paper but they were sanctity. Out-of-date laws should be amended in line with actual situations. Hence, laws may be amended for use only.

If you used laws to protect yourself, it would end. On the other hand, if you are concerned about public interest and the country, we should try to amend laws to make things possible. This would result in actual benefits to the country and people.

Under former government systems, authorities operated businesses stipulated by laws only. Under the new systems, authorities may do any work not restricted by laws; any prohibition should be clarified.

Further to the legal prospective, some executives declared efforts to change work attitudes and habits. To ensure customer satisfaction, small details were taken into consideration. Formal images of public services were also eliminated. Some words and opinions reflecting the effort to change work attitudes and habits were noted as follows:

The Department tried to eliminate bureaucratic images. Officers did not wear official uniforms. Offices were renovated according to private sector images. Officers had to serve the people.

Officers should be concerned how to facilitate people first, not work problems. Then, they should try to find out resolutions.

People were forced by laws to contact the Department or it was their duty. The Department should find out how to make people happy. It should have public relations functions to provide public information. It should make difficult things easy. It should consider how to reduce waiting times and increasing activities or services. People should acknowledge place to contact and time to spend.

When contacting government authorities, the first concern was speed and convenience. The Department determined that air conditioning temperature of the first floor should be cooler than that of other floors because people walked pass the first floor.

With the work concepts and methods mentioned above, the Department has been developing the quality of public services and obtained winner and consolation awards as described in Taber 5.1 (2007 until present).

**Tables 5.1** Summary of Winner and Consolation Awards on Public Services of Department of Land Transport (2007-2011)

Year	Service Innovation	Public Service Awards		
		Overall Work Process	Inter-function Process	Process
2007	- Electronic driving test (theoretical section) (E-exam)	-	-	- Car in-out registration - Change in driving license according to Vehicle Act B.E. 2522 (1979)
2008	- payment via Internet - Electronic car license plate application	-	-	- Fuel change to CNG or LPG - Penalty payment by inspector order - Car transfer under vehicle laws - Annual car tax payment under Vehicle Act B.E. 2522 (1979)
2009	- Annual car tax payment at department stores - IT development of Public Transport Passenger Protection Center (Call 1584) - Safe driving training to renew driving license via Internet (E-training) - SMS to remind about car tax payment via mobile phones	- Annual car tax payment under Vehicle Act B.E. 2522 (1979) (Drive Thru) - Change in driving license according to Vehicle Act B.E. 2522 (1979)	-	- Replacement and amendment of car driving license under Vehicle Act B.E. 2522 (1979) - Car registration under Vehicle Act B.E. 2522 (1979)
2010	- Service upgrade of Provincial Transport Offices - E-driving test	-	-	- Change in car under Vehicle Act B.E. 2522 (1979) at drive thru service points

**Tables 5.1** (Continued)

Year	Service Innovation	Public Service Awards		
		Overall Work Process	Inter-function Process	Process
	under Vehicle Act B.E. 2522 (1979)			<ul style="list-style-type: none"> <li>- Change in car under Vehicle Act B.E. 2522 (1979) at one-stop service points</li> <li>- Mobile services of car registration and driving license</li> <li>- New car registration (Drive Thru)</li> </ul>
2011	<ul style="list-style-type: none"> <li>- E-physical test</li> <li>- Data transmission of car registration between offices within Prachubkirikhan Province via Intranet System of Department of Land Transport</li> </ul>	<ul style="list-style-type: none"> <li>- Car in-out registration under Vehicle Act</li> </ul>	-	-

In summary, the Department's service management started from mission analysis, determination of services and customers, as well as design of service processes and systems. Service convenience, fastness, accuracy and completeness have been emphasized.

The key concepts for service development comprised various external points of services, new service channels, delegation of authority and setting of personnel and office standards. Customer satisfaction and service care were included as well. Even though marketing concepts were not formally involved, several improvements proved consistent with such concepts.

### **5.3 Marketing and Public Services in the Department of Lands**

#### **5.3.1 General Information**

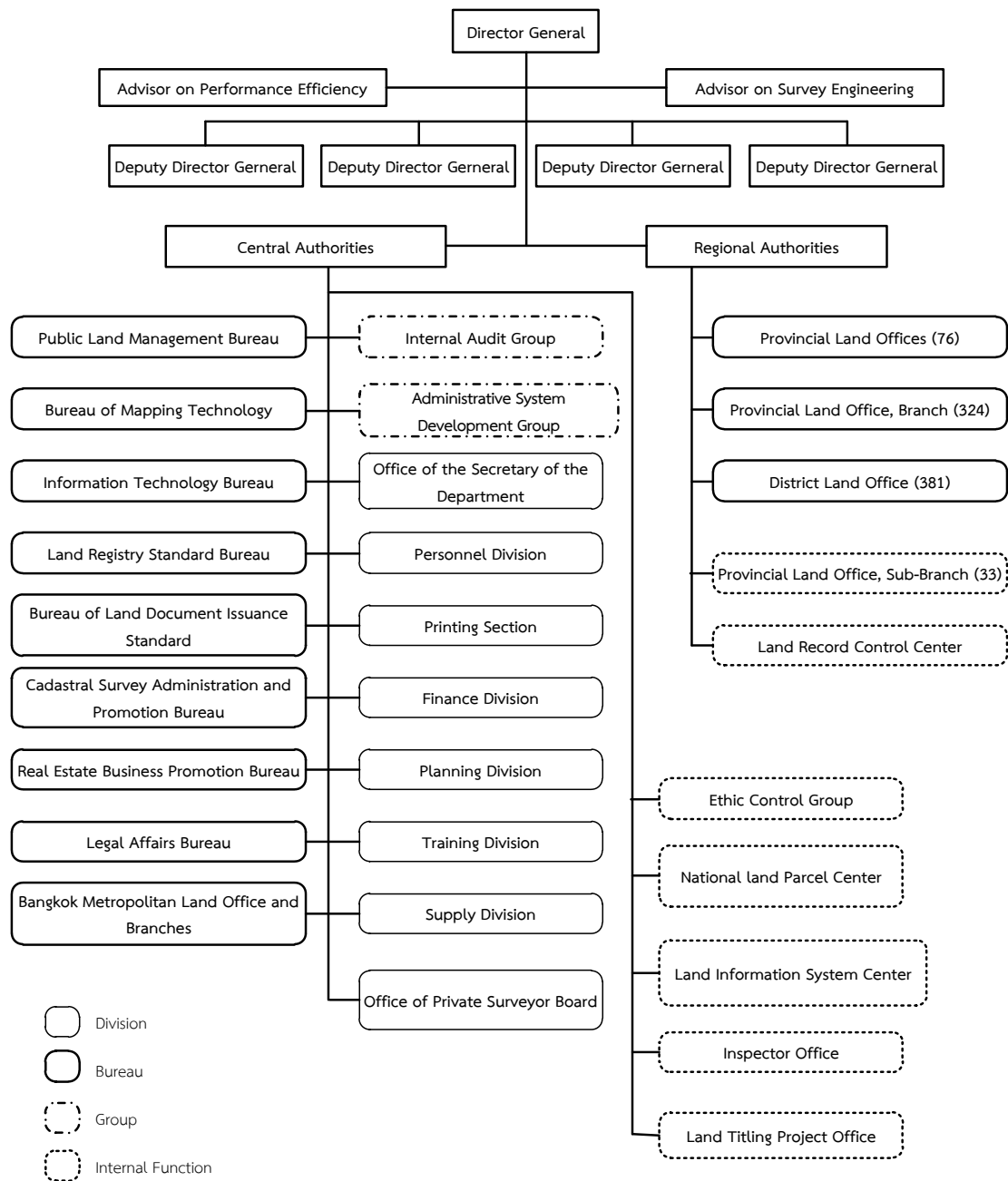
His Majesty King Chulalongkorn established the Department of Lands as a government authority on 17 February 1901. Its initial name was "the Department of Land Registration", as a function of the Ministry of Agriculture. Later, it was transferred to the Ministry of Interior where it has remained until the present.



Presently, the Department of Lands has missions, authorities and organizations in line with the ministerial regulations on the organization of the Department of Lands, Ministry of Interior B.E. 2553 (2010). The Department is responsible for protecting private land rights and public land administration. Services are land survey, mapping, issues of land ownership rights, registration of property rights and contracts, promotion of the property business and information management. As a result, people will be confident of holding land and being served efficiently. Public land will be managed efficiently and provide maximum benefits. Missions of the 4-year operating plans (2012-2016) comprised 1) land-related services to fairly and correctly protect people's rights; 2) land and map data management to support all functions' implementation; 3) and public land management to maximize benefits. The operations are in compliance with principles of good governance.

According to the administrative structure of the Department of Land under the ministerial regulations on the organization of the Ministry of Land B.E. 2553 (2010), the central authorities comprise 9 Bureaus, 8 Divisions and 2 Groups, respectively. The regional authorities cover provincial land offices and district land offices. To efficiently support special or new assignments, the central functions were internally set and totaled 5. The provincial functions (provincial, branch, sub-branch and district land offices, totaled 831) are serving people directly. Provincial, branch, and sub-branch land offices are responsible for land issued by both land title deeds and utilization certificates. District land offices are responsible for land issued by utilization certificates only. The central authorities, at the bureau and division levels, determine rules, regulations and standards for the Department's operation. They are the back offices of provincial and district land offices (Department of Land, 2013: 2-4).

The organizational structure of the Department of Lands comprises the functions as described in Figure 5.5. Presently, the number of personnel is 12,019, classified into 10,684 officials (88.90%), 1,381 government employees 316 (2.62%), and 1,019 permanent employees (8.48%) (Department of Land, 2013).



**Figure 5.5** Organizational Structure of Department of Lands

**Source:** Department of Land, 2013.

The Department's key public services can be divided into 2 parts. The first part is services by the provincial and district land offices, comprising land registration and survey, issues of land allocation license, including land registration and map data. The second one is services by the central authorities established for special purposes.

Examples are projects on walking surveys for land title deed issues, issues of private surveyor license, issues of private surveyor office establishment, map benchmark data, projection lines, and satellite benchmark marks, including cadastral maps and aerial photography interpretation, land allocation to the poor, land allocation of security areas and self-defense border villages, land survey to issue land title deeds and examination of public land certificates etc.

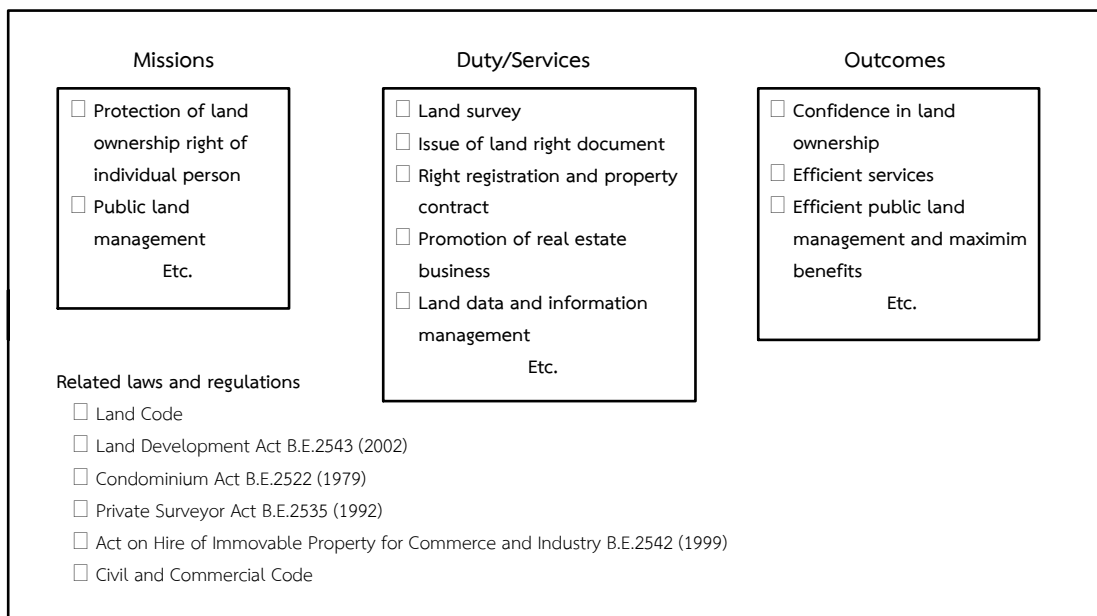
To achieve missions and deliver public services, the Department depends on land and land right laws as reference tools for its operations, and assertion tools of parties. The objective is to protect people's land rights correctly and fairly. Key laws include the Land Code, the Land Development Act B.E. 2543 (2002), the Condominium Act B.E. 2522 (1979), the Private Surveyors Act B.E. 2535 (1992), the Act on Hire of Immovable Property for Commerce and Industry B.E. 2542 (1999), and the Civil and Commercial Code. Under its roles and mission, the Department provides both simple and complicated services, which are categorized into 2 groups as follows:

- 1) Single-data job means jobs related to information and conditions of an individual person and not involving or affecting others. It is a simple task and officers do not need time for consideration. Officers are able to finish assignments rapidly. An example is redemption and land sales which are related to mortgager and mortgagee or seller and buyer. In this case, officers are able to handle applications rapidly without complicated judgments or processes.

- 2) Complicated-data job means jobs related to information and conditions, and rights and duties of several parties. Officers must consider and make judgment according to laws and issues are related to several parties. In some cases, it is difficult to control operations. Complicated processes are required for these kinds of time-consuming jobs. An example is the issue of land title deed. Officers should check whether an applicant has land rights and whether the lands overlap with the lands of other persons or restricted areas. This process is related to several parties. Officers have to analyze information and evidence, prove rights and make judgments based on legal conditions. This job has several conditions and is very complicated.

Accordingly, the Department has different administrations to provide the various services. The Department's roles, missions, jobs, services and outcomes are

summarized in Figure 5.6. The interfaces between roles, missions, jobs, services and outcomes are presented. Its services have been determined by ministerial regulations. Related laws are the Department's tools to perform its duties to achieve its missions and determine work processes, affirm accuracy, and settle land disputes (if any). It aims to provide efficient public services so that people will be confident in land ownership and public land management.



**Figure 5.6** Interface between Roles, Missions, Jobs, Services and Outcomes of Department of Lands and Related Laws

### 5.3.2 Marketing in Perspective of the Department of Lands

An initial point driving the Department's attention to customer-centered concepts was not recognition of marketing concepts but work to improve and develop clearly stipulated in the 4-year operating plan (2012-2016). It was stated that the Department's public services should be in compliance with the provisions of Section 3/1 of the State Administrative Act (No.5), B.E. 2545 (2002) and the Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546 (2003), including the Public Sector Management Quality Award (PMQA). A key provision was Section 3 which emphasized the importance of customers and service users, provided that the OPDC allowed government authorities to do so.

As a result, the Department started reviewing its operation to determine customers, know their needs, and serve them efficiently. The aforementioned methods were in line with marketing concepts. An executive of the Department said that “the Department of Lands unnoticeably applied the marketing concept at work through PMQA.”

Several executives agreed that the Department could apply marketing concepts in its operation. However, implementation by the public sector may be different from implementation by the private sector due to different objectives. The Department did not apply marketing concepts to acquire new customers but to improve and develop public services. The Department’s objectives were to satisfy people’s needs, and help people assess services more easily and conveniently. With quality and standards of services, people would gain maximum benefits and the Department would achieve its mission at the same time. This situation was consistent with an executive’s opinion that “the implementation of marketing concepts in the public sector was a good idea but objectives should be considered.”

The Department has not aimed to increase the number of customers because this may affect its operation. Due to the reduction of manpower in the public sector the resources of government authorities have been limited. The number of officers is not consistent with current workloads. If the number of customers of the Department increases due to marketing concepts but the Department has a limited number of personnel, the Department may be unable to handle all customers as it should. High workloads will affect service quality and overall customer satisfaction.

Even though the Department improved and developed its services and some elements of marketing concepts were applied, several executives believed that “the Department’s performance was not good enough.” The Department had no marketing strategy or measures to motivate people to follow its policy or direction. Its strategies were just maintaining public relations. Importantly, the Department did not fully apply marketing concepts because it did not apply such concepts to motivate people to follow its direction.

On one side, the Department made efforts to develop public services and follow customer-centered concepts of marketing or PMQA. However, some officers and personnel have adhered to bureaucratic styles. They believe that people have to

contact the Department because there is no substitute organization. They also believe that government services are legal duties only. In this case, an executive gave an example that “the Department did not complete other functions; finally people had to contact us.”

The relationships between the Department and the 4Ps and 4Cs of the Marketing Mix can be summarized as follows:

1) The Department’s perspective on product is that “the right documents and services on land registration and land survey are products or services to be delivered to customers under legal requirements.” The Department could apply marketing concepts. It should listen to and study people’s and customer needs. Information is input for service development and improvement. (Products are solidly set by laws but work processes may be revised to satisfy customer needs).

2) The Department’s perspective on price is that, as the government authority, service fees have been stipulated by its regulations. Fees may not cover operating costs but the lowest expense for people is a key concern.

3) The Department’s perspective on place is that it not only improves land offices directly serving people to reach standards, it also gives priority to development and adds service channels. People and customers will be able to access its services more conveniently.

4) The Department’s perspective on promotion is that this issue is the least concerned. The Department has not intended to promote its services to increase the number of customers. The Department has emphasized communication, knowledge dissemination, and understanding of people and customers.

In summary, the Department believes that the implementation of marketing concepts has been accepted and depends on work objectives. As a result, the Department needs people to access its services easily, conveniently, and fast and the Department has achieved its goals. The initial purpose of applying marketing concepts was driven by its compliance with the provisions of the Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546 (2003) and PMQA. Marketing concepts have therefore been applied automatically.

### 5.3.3 Public Service Management

An executive described the former public service management of the Department. A former belief was that people relied on the Department's services so services were passively provided. Officers just performed their duties. The Department had not classified customer groups, service users were the general public which was too broad. Job characteristics and land services were subject to several laws and related to benefits because land was a high-price asset with high economic value. The Department's jobs could not be substituted by services of other functions or organizations so people had no alternative. For the reasons mentioned above, officers often believed in "inevitable services for which people had to contact the Department". In the past the Department was ranked as one of the fifth poorest authorities in terms of services.

The Director of the Administrative Development Group explained that after the restructuring of the Thai Public Administrative System in 2002 and the announcement of the Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546 (2003) and PMQA, government officers, including the Department's officers, started to shift and change their mind sets and work methods. At the beginning stage, public hearing activities were held by provinces or districts. The Department partially joined activities in terms of land business advices. Afterwards, the Department became involved in several aspects such as brochure distribution, public relations boards (land advices and knowledge), and fairs with information and models. Such activities aimed to enhance people's understanding of channels to contact the Department. The Department also studied customer service satisfaction and the results provided the input for service quality development and improvement.

Presently, the Department administration has been initially determined by relevant laws. Then, the Department has created jobs and services (legal contracts related to land) to be delivered to customers, sets and types of services, legal contracts involving parties (and their statuses) and classification of customer groups. Service procedures were set to satisfy customer needs. Accordingly, characteristics of the Department of Land (2013: 60-63) mention customer groups classified by service types. For example, customers of land registration and survey are people, juristic persons, banks or financial institutions and government authorities. Land owners are

customers of land surveys in issues of land title deeds. Entrepreneurs and developers are customers of issues of land development licenses and private surveyors are customers of issues of land surveyor licenses. With customer classification, the Department successfully determines service details to meet customer expectations.

Accordingly, guidelines on service development of the Department are comprised of the following:

1) Priority to work measures and services. Land has high economic value and is related to people's rights and benefits. Accuracy and standards of services is a must to create trust. The Department has to give priority to developing laws, rules and regulations. This aims to ensure the standards, accuracy, transparency and reliability of the Department's operation and performance.

2) The Department concentrates resources on development of work systems of Provincial Land Offices and Branches as its front offices providing services directly to customers. The back offices are responsible for setting work regulations in order to increase capability and handle more workloads. Since land trading and investment are growing, related transactions have increased but the number of the Department's personnel and officers is restricted under a policy of reducing the manpower of the public sector.

3) Service development and improvement via people's complaints. The Director of the Administrative Development Group said that, from data collection and processing of satisfaction surveys, it was found that Land Offices should provide "fast", "convenient" and "accurate" services (service improvement under marketing concepts).

4) Work innovation and service by "model project". Good functions are selected to be the Department's best practices and role models for other functions. The Department gives an opportunity to all functions to develop or initiate work innovations. Inspectors will visit Land Offices to inspect innovation, assess and select good ones. Later, the Department will disseminate such innovations to Land Offices across the nation. Outstanding innovations will be proposed to compete in service competitions of the OPDC and the United Nations. (The improvement and development concept is similar to that of the Department of Land Transport.)



To design work processes and services, as well as problem solving, all stakeholders are encouraged to participate in thinking, planning and resolutions. “Memorandums of understanding” will be prepared if work process and services are related to external parties. For internal issues, the Administrative Development Group will be the host coordinating team. Experts in each related bureau, division and group are invited to meetings for brainstorming and designing work processes. This aims to reduce operating time and ensure transparent work processes and smooth operation. New processes will be published to provincial land offices, branches and district land offices. On the other hand, if any provincial land offices or branches face operating difficulties, they will be able to consult central provincial land offices and branches. Later, conclusions will be circulated to ensure consistent operation. Any out-of-date rules and laws will be revised and amended to be in line with current situations and changing social contexts.

Presently, the Department has divided its services into 2 key categories (Figure 5.7):

1) Services of Land Offices such as land registration and survey. Subject to contract types and data types (single or complicated), each service has different procedures. Therefore, the Department classifies the services of Land Offices into 2 groups as follows:

(1) One-day simple services for which no time condition is stipulated by law. If a customer submits all documentary evidence and has full qualifications, a land office may provide services within a day. However, service periods depend on required steps, time and the complication of service types and contract types. Simple service is divided into 2 sub-types:

(1.1) Simple service where complicated judgment is not required and will be provided immediately. A “fast service lane” is provided to serve customers.

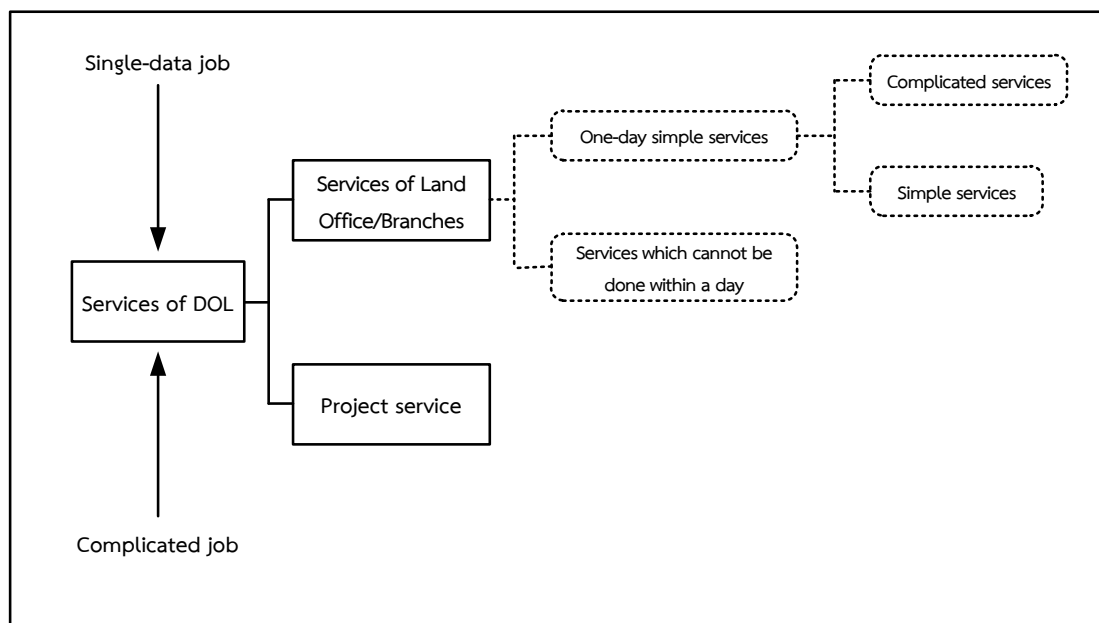
(1.2) Complicated services which should be done by skilled officers. This service requires more steps and time than “simple service.”

(2) Services which cannot be done within a day and where time conditions are stipulated by law. Legal procedures are set to ensure accuracy and services may involve several parties. For land surveys, the period to provide notice to

neighboring land owners is legally set. Officers can conduct a survey after such a period. If neighboring land owners do not present a survey, laws determine steps and the time to perform those steps. In the case of land heritage, a notice should be affixed at a land office for a certain period of time. After such a period, land officers can make legal contracts related to such land.

An executive explained that the reasons for service classification were to separate time consuming tasks from non-time consuming ones. This would reduce waiting times for people. During the past a lot of people had waited for the services of land offices for a whole day. They said that the Department's services were too slow. After reengineering work processes, simple services have been provided faster and customer satisfaction has increased.

2) Project services such as a project surveys for land title deed issues, etc. Land officers will survey and measure the actual sites of the project. They have to facilitate people's understanding and collaboration in border checking so that they can obtain data for land title deed issues.



**Figure 5.7** Service Classification of Department of Lands

Accordingly, the Department's solid effort on service development and improvement in terms of speed, convenience and accuracy can be summarized as follows:

1) Computer systems and information technology have been applied for upstream to downstream services such as public relations, queuing, land and land registration filing and searching, investigation and examination, payment and receipt issues including data sharing between land offices.

With the system application, the Department is able to provide other-locality services at some offices. For example, land owners and buyers may sell or buy land at any land office and are not limited to the office where such land is located (more time may be required for this)<sup>1</sup>. However, other-locality services are limited. Tasks with notification steps (land surveys or heritage) cannot be provided. In this case, an executive concluded that "we provided convenience to people as much as we can under legal requirements."

2) Delegation of authority to operating officers. They have authority to provide services to people at service points to ensure fast operation.

However, subject to laws, short process and time cannot be applied to all cases. In some cases, the timeframe is determined by laws such as land survey. Periods to notify neighboring land owners to check land borders is set so land surveys cannot be done immediately. In term of fast services, the Department adheres to "the fastest services under legal conditions." As a result, legal conditions affect the operating and service period of each step.

3) Separation of time consuming and non-time consuming services. A "fast lane" has been set at each land office to support simple applications which officers can operate rapidly as mentioned earlier.

4) Request of proxy photos to prevent any fraud and arrogation, and to ensure transparency and verifiability of land offices.

5) Information via e-mail, SMS or other online communications, especially if service periods are longer than one day. Customers then acknowledge service progress periodically.

6) Financial facilities. Land offices accept payments through 2 commercial banks (at some Land Offices only), namely, "Kasikorn Bank" (P-Card,

ATM Card or Credit Cards of all banks (at Bangkok Land Office only), and “Krung Thai Bank” (ATM Card or Credit Card of all banks (at Bangkok Land Office only). With this option, customers are able to pay fees and taxes more easily and do not have to have cash on hand or buy any cashier checks.

Since the year 2007, the Department has submitted its service innovations to the OPDC and obtained winner and consolation awards as described in Tables 5.2.

**Tables 5.2** Summary of Winner and Consolation Awards for Public Services of the Department of Lands (2007-2011)

Year	Service Innovation	Public Service Awards		
		Overall Work Process	Inter-function Process	Process
2007	-	- Sales registration	-	5) Land price appraisal
2008	6) Land price information by e-media	-	7) Land survey to divide and combine land rights documents 8) Issue of land rights documents for individual applicants	
2009	9) Asset examination within Bangkok Metropolis	-	10) Withdrawal of public land to be used by authorities for government benefit	11) Certification letters of price appraisal (each plot) 12) Mortgage registration
2010	13) Payment of rights and contract fee by K-Corporate Payment Card 14) Land measure	-	15) Application on use of public land under Section 9 of Land Code	16) Registration of heritage rights and contracts, replacement and housing
2011	17) Land photo search by Internet 18) Performance evaluation of walk survey officer by computer system, KPI 19) Upgrade to excellent service 20) IT development and database interface for Identification Card (Smart Card)	-	-	-

However, an executive made the conclusion that public services should be developed and improved continuously subject to changing conditions. There was no best service as stated “excellent services were changing; services were considered good in this year but some errors may occur next year.” This statement reflects the fact that even though the Department is a government authority enforcing laws, it should be ready for changes. Its services will be suitable for a changing environment.

In conclusion, the Department’s services should adhere to legal conditions to ensure correct and fair land services to customers. The Department has put effort into service development and improvement. It aims to satisfy customer needs in terms of convenience, speed, and accuracy, provided that customer benefit is a key consideration. It may be concluded that the Department’s operation emphasizes people benefit which is moderately in line with marketing concepts.

## **5.4 Marketing and Public Services of the Department of Health Service Support**

### **5.4.1 General Information**

As a function of the Ministry of Public Health, the Department of Health Service Support was established by the Act on Amending Ministries, Bureaus and Departments B.E. 2545 (2002) announced in the Royal Gazette on 2 October 2002, and by virtue of Section 8-6 of the State Administrative Act B.E. 2545 (2002) as amended by the State Administrative Act (No. 4) B.E. 2543 (2003), and the Ministerial Regulations on 9 October 2002 by the Minister of Public Health. The Department has responsibilities and duties on health services and support.

The objectives of the Department’s establishment were to gather missions related to support, promotion, service, technology management, standards on health service providers (both public and private ones) and missions related to public health. The operation and support jobs of 7 Divisions of the Office of the Permanent Secretary of the Ministry of Public Health, i.e. the Provincial Hospital Division, the Provincial Health Division, the Medical Registration Division, the Health Educational Division, the Office of the Primary Health Care, the Division of Design and Construction and the Planning Division, were combined. The combination would

enhance and strengthen the efficient operation of the Office of Primary Health Care. (Department of Health Service Support, 2006: 11-12)

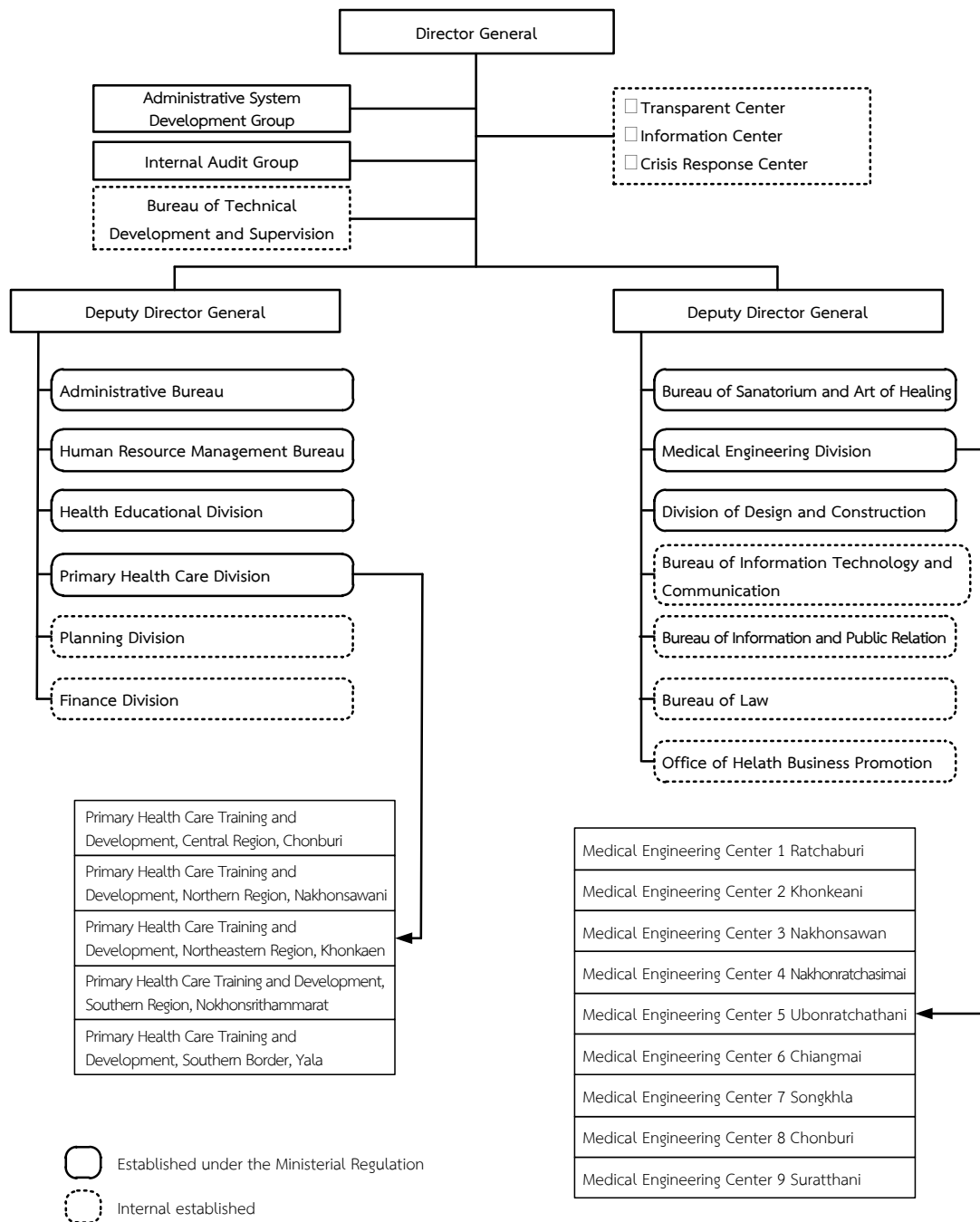
Later, the Ministerial Regulation on Organizational Structure of the Department of Health Service Support B.E. 2545 (2002) was repealed and replaced with the Ministerial Regulations on Organizational Structure of the Department of Health Service Support B.E. 2552 (2009). Under the new ministerial regulations, the Department has responsibilities at all levels of health service support to promote public health. Public health services have been upgraded and supported. Health business standards have been promoted and developed. Participation of people and private health firms has been enhanced. The mission aims to ensure the good health of people, rights' protection and access to qualified health services. Accordingly, the Department has roles and authorities as follows:

The Department's missions (the Department of Health Service Support, 2011: 46) cover promotion, supervision and control of the practice of the art of healing, private clinic operation and health business operation, standards of clinical buildings and medical devices, including promotion of the hygienic condition of people. Accordingly, 2 key laws are 1) the Sanatorium Act B.E. 2541 (1998) (No. 2) B.E. 2547 (2004), including ministerial regulations and notifications issued by the Sanatorium Act B.E. 2541 (1998); and 2) the Practice of the Art of Healing Act B.E. 2542 (1999) (No. 2) B.E. 2547 (2004) (No. 3) B.E. 2550 (2007), including the Royal Decree, ministerial regulations, notifications, rules and notifications of professional committees issued by the Practice of the Art of Healing Act B.E. 2542 (1999). The first law covers control of the sanatorium business i.e. license issue, termination, relocation, closing, withdrawal, as well as advertising, determination of official authority, licensee roles and operator roles. The second law covers control of practice of the art of healing in line with professional standards and codes of ethics, including determination of authorities and roles of professional committees and related officers.

The Department of Health Service Support has divided its functions into 2 parts i.e. central authorities and regional authorities. The central authorities comprise 2 bureaus and 6 divisions i.e. the Bureau of Administration, the Bureau of Sanatorium and the Art of Healing, the Health Education Division, the Primary Health Care Division (Primary Health Care Training Centers at each region, a total of 5), the

Design and Construction Division, the Medical Engineering Division, (Medical Engineering Centers at major provinces, a total of 9), the Public Sector Development Group, and the Internal Audit Group. Other 8 bureaus and divisions internally set comprise the Bureau of Technical Development and Supervision, the Bureau of Human Resources Management, the Planning Division, the Finance Division, the Bureau of Information Technology and Communication, the Bureau of Information and Public Relations, the Bureau of Law, and the Office of Health Business Promotion. The regional authorities comprise provincial health offices responsible for the Department's operation under its missions and authorities. The organizational structure of the Department is presented in Figure 5.8. Providing public services and supporting provincial officers, key central bureaus and divisions established under the ministerial regulations are the Bureau of Sanatorium and Art of Healing, the Health Education Division, the Primary Health Care Division, the Planning Division and the Medical Engineering Division. The Office of Health Business Promotion is another key authority internally established.

However, one issue in the Department's organization and operation is that its structure is different from that of other Departments. Other Departments were established to serve the Government's missions so the Departments have been initially set up and, later, their bureaus and divisions were determined to serve their missions. In the case of the Department of Health Service Support, it was set up by combining several functions (bureaus and divisions) formerly attached to the Office of the Permanent Secretary of the Ministry of Public Health. Such functions had their own and separate missions, roles and responsibilities, related to laws and regulations. They already operated efficiently and were well known to the public. Under the same Department, each bureau or division continues to serve its independent mission. Work processes, public services and outcomes of each bureau or division are independent and do not involve others. An executive said that "each bureau or division had no joint product or any overlapping jobs. Their budgets were separately allocated. They did not rely on each other and worked independently to reach their own KPIs." Given the aforementioned characteristics, the work integration of bureaus and divisions is not clear.



**Figure 5.8** Organizational Structure of the Department of Health Service Support

**Source:** Department of Health Service Support, 2011: 82.

With the outstanding roles of each bureau and division, people have always identified their operation rather than the Department's operation. For example, for practice of the art of healing, people will think about the Bureau of Sanatorium and Art of Healing. For medical device standards, people will think about the Medical



Engineering Division. Based on such facts, an executive concluded that “roles of bureaus and divisions were outside those of the Department.” Therefore, the Department’s image is not clear in terms of objectives, missions, work collaborations and direction.

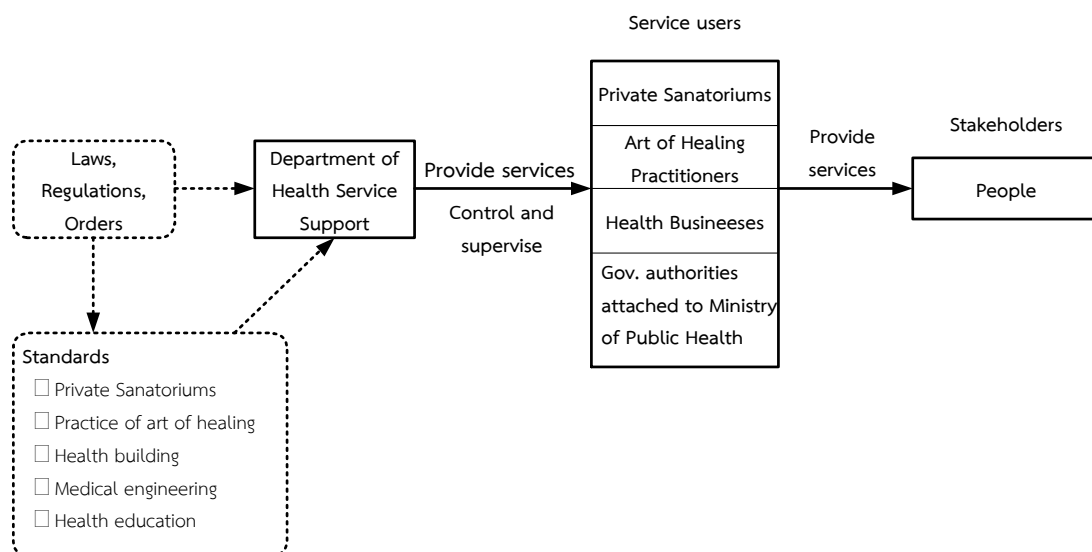
In terms of manpower, the Department of Health Service Support has 1,119 personnel, comprising 788 officials (70.42%) and 331 permanent employees (29.58%) (Department of Health Service Support, 2011: 51).

Key public services of the Department include standards of private sanatorium service (license issue, withdrawal, operation and examination), standards of the art of healing service (license registration and issue), standards of building and health architecture services (certification of sanatorium building), standards of medical engineering services (examination, calibration and certification of medical devices of hospitals), standards of health business services (standard certification), standards of health education services (certification of health education standards including services on knowledge and innovation of health service systems and primary care systems). The Department produces, develops, and transfers knowledge, technology and innovation on health service systems and primary care systems (Department of Health Service Support, 2011: 47-50).

From the key services mentioned above, the Department’s jobs emphasize academic and standards control jobs more than service jobs. The Department has to control standards as an executive concluded that “the Department’s services were operated under the Government’s supervision.”

The Department’s direct target groups are applicants for sanatorium operation licenses, applicants for art of healing licenses, applicants of private sanatorium licenses (private hospitals and clinics), organizations attached to the Ministry of Public Health (center hospitals, general hospitals, and community hospitals), and health businesses. Accordingly, the public are not direct customers or service users. The Department’s roles and authorities are to supervise and control standards of sanatorium operation, practice of the art of healing, health business and primary health care systems. As a result, sanatorium operation, practice of art of healing and health business operation will attain standards and entrepreneurs will deliver qualified services to people. The Department has not provided services to people directly but

people will be impacted by sanatorium or health business's operations. In this case, people are "stakeholders" in the Department's supervision and control. People will be direct customers of the Department if they contact the Department to request health information or advice on sanatorium or health business operation, enterprise registration, etc.



**Figure 5.9** Services of the Department of Health Service Support

Figure 5.9 illustrates the Department's services. Its roles and missions in supervising and controlling standards of private sanatoriums, practitioners of the art of healing and health businesses, have been determined by legal requirements, orders and regulations. Some work processes involve public services of which people are its stakeholders, not its direct customers. Details of the Department's service management are described in the next topic.

#### **5.4.2 Marketing in Perspective of Department of Health Service Support**

With regards to marketing and public services in the Department of Health Service Support, an executive gave an opinion as follows. The public sector avoided using "marketing in public services". In some cases, the Department preferred to use "delivery of public services under the customer-centered concept" which was in line

with the provisions of the Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546 (2003), rather than marketing concepts. On the other hand, the public sector applied good corporate governance from the private sector to improve its operation and services. However, government authorities were unable to shift all operations and services to private standards. Private standards applied by the public sector covered reducing bureaucracy, inconvenient services and enhancing convenience and access for customers. Another executive said that “the public sector was unable to do privatization but able to reduce bureaucrat styles and drive private sector styles.”

Presently, the public service is being developed by emphasis on the customer-centered concept of government authorities, including the Department of Health Service Support, is the result of the provisions of the Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546 (2003) rather than marketing principles. Some officers may not agree with the implementation of marketing concepts due to misunderstandings. After studying opinions of several executives, it may be concluded that some marketing concepts of the private sector may be applied. The application should not aim to generate benefits. Due to their misunderstanding, some personnel and officers resisted such implementation. An executive responsible for the administration development gave information that, in fact, marketing concepts may be applied proactively. The public sector may shift from passive operation (operation stipulated by laws) to active operation. They may create a good image via public relations. He also gave examples of the Department’s efforts on development and improvement. “Examples of the implementation of marketing concepts were short service processes, brand creation by communication and service facilities.” In addition, some actions of the public sector were called “non-expense marketing”. The public sector did not need increased budgets but just changed some work procedures and officers’ perspectives and attitudes, resulting in a better image.

In addition, an executive expressed opinions that the Department may apply marketing concepts in 2 forms i.e. “Market-in” and “Market-out”. The Market-in method involved surveying customer needs, and improving operation and services. The Department already applied this method because surveys of people’s needs and expectations were one of its KPIs stipulated by the OPDC. This method did not

satisfy all needs because it was an initial point only. Hence, the Market-out method, a survey on product and service trends (an active action) needed to be jointly applied.

Even though marketing concepts have been used as an active action, facts show that the Department gives priority to passive actions more than active ones. Products or services are prioritized (product-oriented concept) as they have been clearly stipulated in laws and the Department has the authority to do so. The Department's operation covers surveys of needs, expectations and service satisfaction and findings are analyzed for their improvement.

Even though the OPDC has driven the customer-centered concept in government services (under the provision of the Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546 (2003) or marketing concepts), the bureaucratic culture highly influences officers. An executive explained why the bureaucratic style remained unchanged, "officials were confident that they had authority and were only providing services without a competitor." ;or "Public services was monopolized and competition was limited or under the Government's permission only. So, customers had to use public services." The aforementioned statements reflect his perspective which is in line with another officer's that "officials intended to complete jobs rather than work with service oriented minds."

Even though all executives had the same opinion that marketing concepts could be applied for the Department's service development and improvement, one executive had noticed that the implementation of marketing concepts in the public sector, saying "It was difficult to combine marketing and the public sector." His main reasons were that 1) officials observed supervisors' orders and political orders, and such orders were not always in line with the marketing mechanism; and 2) private firms ranked customers and selected target groups, but government authorities were unable to do so. This opinion reflects the limitations of the implementation of marketing concepts in the public sector.

In summary, the Department believes that it is possible to apply marketing concepts in the public sector, both in passive and active operation and public services. Therefore, the implementation of marketing concepts may be a side effect of compliance with the provisions of the Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546 (2003). However, the implementation of marketing

concepts has some limitations due to the special characteristics and restrictions of the government authorities.

### **5.4.3 Public Service Management**

The overall services of the Department of Health Service Support are based on the fundamental concept that “the Department makes efforts to perform duties in compliance with standards.” The standards mentioned comprise private sanatorium standards, standards of the art of healing, health building standards, standards of medical engineering, standards of health business and standards of health education. Hence, presently, the Department’s public services have emphasized control and supervision whether in operation of sanatoriums, health businesses or the art of healing and all must meet minimum standards. Controlled operation covers service process, output and outcome to be delivered to customers. If entrepreneurial operations pass minimum standards, the entrepreneur will be certified by the Department. The public services of the Department include service standards, control and supervision. An executive concluded that “the Department’s services were under the Government’s supervision and control.” All services were free of charge because service costs were included in budgets of responsible authorities. So, an executive said that “the Department’s services were giving only.”

However, the aforementioned standards were not set by the Department but by the professional committees appointed by the Department. Committee members were selected from professional experts so that standards would be accurate and reliable in line with international standards. Sub-committees, as special experts, jointly worked with officers of responsible bureaus and divisions to supervise, control and certify standards. For example, private sanatorium standards and standards of the art of healing were determined by professional committees in each field. Health building standards were set in line with standards of engineering and architectural professions. Under the standards of medical device and certification, device calibration was done by equipment of the Medical Engineering Division, which passed standards of internationally accepted organizations.

In terms of public service management, an executive analyzed different beliefs and needs of people and the Department. The differences caused misunderstandings

between the public sector and people so public services did not satisfy people's needs. If authorities understood such differences, the public service management would satisfy customer needs. From the perspective of government authorities, their operation aimed to accomplish legal objectives or missions with several work limitations such as legal restrictions, budget or manpower. From the public's perspective, they mainly focused on their rights and benefits obtained from the public sector. The public sector was considered inefficient if it was unable to satisfy all their needs.

Under its legal duties, the Department of Health Service Support acts as the service provider and regulator. No person or function can substitute the Department or provide the same services. Hence, the Department should balance between "supervision and control of standards" and "satisfactory services". An executive gave the opinion that "each element should be set separately." As the regulator, the Department should strictly adhere to the stipulated standards because it may affect customers of sanatoriums, health businesses, or personnel. As the service provider, the Department should provide convenient services to customers. He also stated that "performance was more important than control and supervisory authority. If it delivered good performance, people would accept and would be satisfied. Otherwise, people would not be satisfied by poor performance." This statement reflects that good governance is a must for public services. Fair services will be widely accepted by people.

The study of the public service management revealed that the Department tried to develop and improve public services as stipulated by the OPDC i.e. "to ensure people benefits and satisfy people's needs", under the provisions of the Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546 (2003). The Department's officers and personnel should observe KPIs which were compulsory. Therefore, the OPDC's roles and provisions of the Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546 (2003), stipulated that the Department change its operation more systematically. An executive said that "If it was not compulsory orders, government authorities would not develop as today; even with compulsory orders, the development was done slowly, including that of the Department of Health Service Support." Examples of the service management development which emphasized customers are as follows:

1) Design of work processes, steps and time by brainstorming by related officers and personnel. To ensure efficient work process and customer convenience, conditions and restrictions were taken into consideration. An emphasis on design of work process and service, step and time was clarified by an executive. Even though work processes and services were designed by brainstorming by related officers and personnel and roles, missions and legal conditions were considered, functions, organizations, authorities and office locations of each bureau or division were independent and separate. As a result, design of work process and service was done by each responsible bureau or division. This characteristic was different from that of other government authorities whose central bureaus and divisions jointly acted as academic units setting regulations, methods and work processes to support service functions. The One-stop Service Center mainly provides services of the Bureau of Sanatorium and Art of Healing (as its original affiliation). Other bureaus and divisions use the Center's delivery services only and responsible officers have to contact the Center to process next steps.

2) In the case of the Office of Health Business Promotion (spa business), other than setting spa businesses, the Office and entrepreneurs jointly brainstormed and applied the ISPA standards in setting spa business grades. Grade logos were designed and placed in front of spa shops to present shop standards and motivate entrepreneurs to observe laws. The International Spa Association has been established by spa-related parties. Its aims to set objectives and rules of spa businesses, as well as provide information, and set standards and policies. The Department also determines motivation, assistance and supporting measures. For example, the Department made an agreement with the Excise Department to grant tax exemption to legally registered spa businesses. A spa directory has been developed and distributed to tourist attractions. As one of the marketing channels, this is to promote and support spa businesses.

3) The Primary Health Care Division is responsible for promoting healthcare knowledge. The Division educated officers of Provincial Health Offices and village volunteers so that they can transfer such knowledge to the public. The Division has not contacted people directly so no public service function is established. Training centers have been established to support knowledge transfer to officers of the

Provincial Health Offices and village volunteers. From the Division's perspective, people rely on its operation in terms of knowledge transfer. Another key issue is knowledge transfer applied by officers and village volunteers. The strategies should be interesting and match people's needs. Transfer techniques, methods and tools should be customized by location.

4) The Medical Engineering Division is responsible for examining accuracy of medical devices by calibration process and certifying such medical devices without service charge. If any device does not pass the test, the Division will fine tune it. Currently, the Medical Engineering Division is the best organization on medical device calibration with better services than private firms. Private Firms are unable to calibrate several medical devices and their service fees are high. However, the Division's limitation is the number of officers so the Division is unable to calibrate medical devices of all sanatoriums on an annual basis.

5) The Planning Division is responsible for issuing certificates on health buildings. The Division has authorized the committee on engineering and architecture to consider and issue certificates. The Division has set standards for hospital buildings. Accordingly, the standards may be revised subject to the actual areas, functions and aesthetics of each hospital. This preparation reflects its efforts to control building construction with flexibility and customization.

6) The Bureau of Sanatorium and Art of Healing is responsible for setting and certifying standards, and controlling and supervising standards of sanatoriums, hospitals and clinics. However, an executive explained that the Division had a process to set standards for sanatoriums and the practice of the art of healing, accepted by sanatoriums, hospitals and clinics. A problem was that, unlike international standards such as Hospital Accreditation (HA) or Joint Commission International (JCI), the Division's standards were not generally known and accepted by people. Even though the contents of their standards were not different from those of international standards, the image and reliability of its standards were inferior to HA or JCI. The Division Director described such international standards as "competitive standards". Accordingly, the role of the bureaus are not only developing standards in compliance with professional principles, but also driving standard acceptance at the public, social and international levels.



In summary, the Department's management adheres to standards of private sanatoriums, practices of the art of healing, health buildings, medical devices, health business and health education. The Department's services are a combination of control and supervision (regulator role), and service (service provider role). Process quality, output and outcome (services to people who are sanatoriums' customers) have been prioritized. This is to achieve legal objectives and satisfy customer needs according to the provisions of the Royal Decree on Criteria and Procedures for Good Governance, B.E.2546 (2003). However, marketing concepts have not been applied.

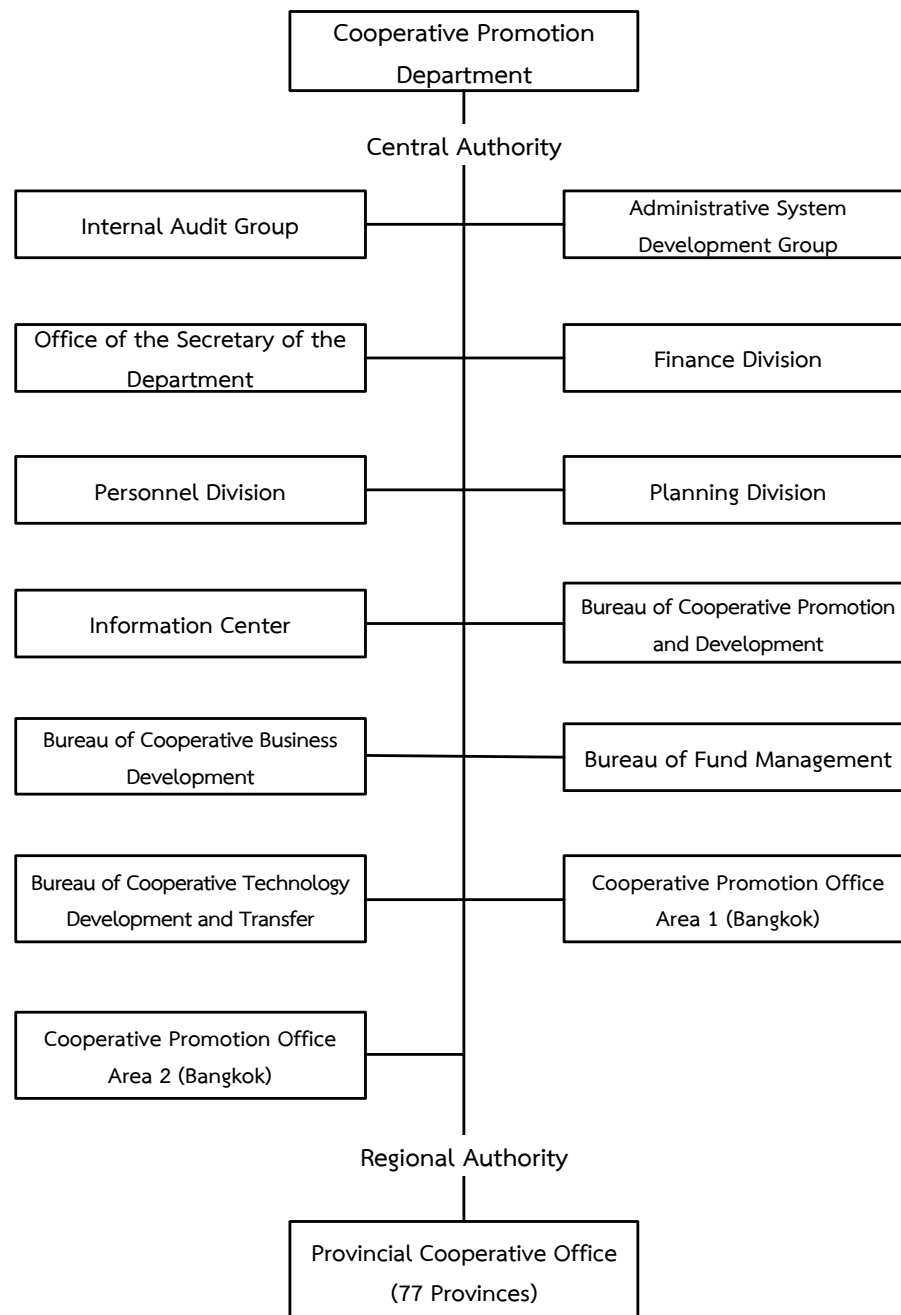
## **5.5 Marketing and Public Services of the Cooperative Promotion Department**

### **5.5.1 General Information**

In Thailand, the cooperative supervisory function was initiated in 1915 under the control of the Cooperative Sub-division, the Commerce and Statistics Division, the Ministry of Finance, and the Treasury. Since its establishment, names, locations and original affiliations of the responsible authorities were revised and changed several times. Currently, the Cooperative Promotion Department has been the function of the Ministry of Agriculture and Cooperatives since 1972.

The Department's current roles, missions, authorities and organizational structures are in compliance with the Ministerial Regulations on the Organization of the Department of the Cooperative Promotion Department, the Ministry of Agriculture and Cooperatives B.E. 2545 (2002). Its roles are promoting, disseminating, and providing knowledge to cooperative personnel, agriculturists and the public. To ensure system strength, its roles also include promoting, supporting, protecting and developing cooperative systems. Learning processes have been developed in line with cooperative laws. Capabilities of cooperative business management have been increased and cooperative business has been brought to an international level. Objectives are to upgrade the quality of living of cooperative members, both in term of economic and social aspects. The Ministry of Agriculture and Cooperatives issued the Ministerial Regulation which came into force on 5 August 2005. Cooperatives had to be registered, controlled and promoted and were classified into 2 groups (7 types).

The first group was the agricultural cooperative and comprised agricultural cooperatives, fishing cooperatives, and land settlement cooperatives. The second group or the non-agricultural cooperative comprised consumer cooperatives, service cooperatives, savings cooperatives and credit union cooperatives. To perform its duties as stipulated in the Ministerial Regulation, the Department was classified into central authorities (11 bureaus, divisions and groups) and provincial authorities (77 provincial cooperative offices and cooperative promotion office areas 1 and 2 (Bangkok Metropolis)). In addition, personnel and officers responsible for cooperative promotion and support at the district level were assigned. The Cooperative Promotion Department's organizational structure is presented in Figure 5.10. Its manpower is 5,699, comprising 2,980 officials (52.29%), 1,347 permanent employees (23.64%) and 1,372 government employees (24.07%) (Cooperative Promotion Department, 2011: 9).



**Figure 5.10** Organizational Structure of Cooperative Promotion Department

Two key laws related to the Department's authorities were the Cooperatives Act B.E. 2542 (1999) and the Land Allotment for Living Act B.E. 2511 (1968). The Cooperatives Act B.E. 2542 (1999) covers cooperative supervision, control and promotion, i.e. cooperative establishment, registration, operation, development funds,

mergers and separation, collaboration, and termination. The Land Allotment for Living Act B.E. 2511 (1968) established the Government's authority to allocate public land for accommodation and vocational purposes. Cooperative estates have been established, controlled and supervised in line with legal requirements.

Under the legal authorities, the Department's public services to be delivered are divided into 2 types as follows:

- 1) Under the role of "the Cooperative Registrar", "cooperative supervisory services" include registration of establishment and termination of cooperatives and agriculturist groups, changes in cooperative regulations, issue of registration certificates of cooperatives and cooperative estate's land occupation, and cooperative examination, etc. Services mentioned above are in compliance with both key laws, the Cooperatives Act B.E. 2542 (1999) and the Land Allotment for Living Act B.E. 2511 (1968). These services are routine works observing processes and conditions stipulated by laws and are provided at offices.

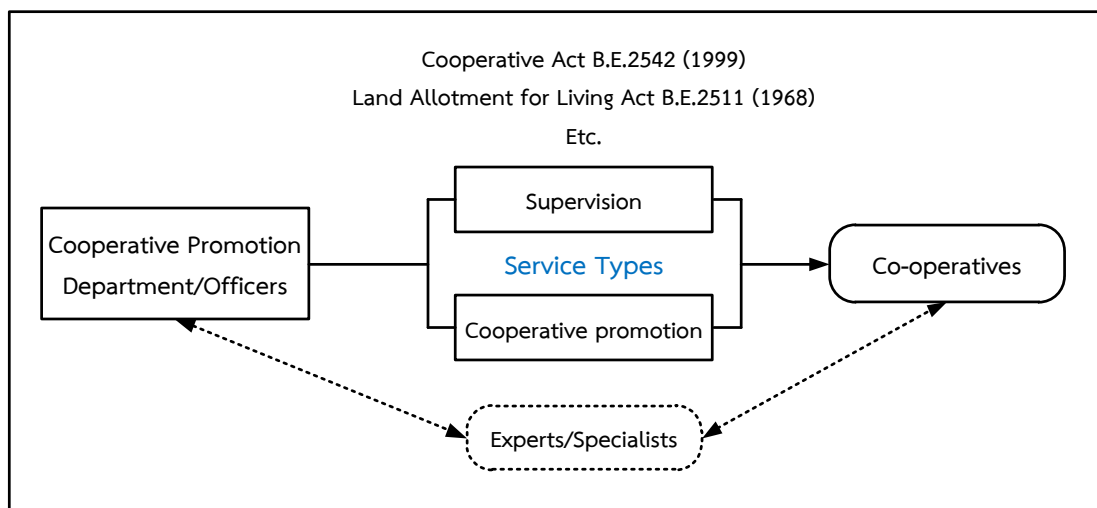
- 2) Under the role of "Cooperative Promotion Officer", "cooperative promotion services" comprise knowledge services, funding support, marketing and product distribution, network support, development plans and business expansion. Services are various and different subject to cooperative types and conditions. Various knowledge and expertise are required. These services need work, dedication and close relationships with cooperatives (Cooperative Promotion Department, 2011: 16) in order to learn and understand cooperative contexts and properly promote each cooperative.

Comparing the weights of "cooperative supervisory services" and "cooperative promotion services", the cooperative supervisory services are the Department's key tasks and duties. The cooperative promotion services are much more varied than those of cooperative supervision. All informants (executives) had mutual opinions that the "workload of office services was lower than that of cooperative promotion services which officers worked closely on with cooperatives".

An issue in the Department's services is that its roles involve cooperative supervision i.e. pre-establishment, operating supervision, business support to ensure business stability, and termination (if any). With such roles and responsibilities, the Department does not provide direct service to the public. The Department's key

customers are cooperatives (7 types) and agriculturist groups, and people who request information or suggestions on cooperatives and cooperative ideology. Hence, direct services to people are a small part of its duties and rarely occur.

Figure 5.11 describes services of the Cooperative Promotion Department, relevant laws and services to be delivered, and includes customers. Workloads of cooperative promotion services are more than those of cooperative supervisory services. Regardless of service types, the Department's key customers are cooperatives established by law. Direct services to the public are a small part of its duties. Details of the Department's service management are discussed in the next topic.



**Figure 5.11** Cooperative Promotion

### 5.5.2 Marketing from Perspective of Cooperative Promotion Department

An executive explained that the basic understanding of the Cooperative Promotion Department about “marketing in public services” was that marketing could be applied by the public sector. However, marketing concepts should be different from those applied by the private sector. The private sector aimed to maximize profits but the public sector aimed to maximize public services. In the private sector, marketing concepts can be used to ensure business growth without limited target areas. Its accomplishment may be measured by increasing profit or sales volume. In

the public sector, especially the cooperative promotion missions, marketing concepts may be used to ensure the growth and strength of cooperatives. Accomplishment may be measured by better quality of living or self-reliance of cooperative members, as well as cooperative stability. The private sector was able to select customer groups, service details, service conditions, and prioritize customer groups so services for each group may be different. On the other hand, the public sector was unable to treat customers differently. Government authorities should protect people rights equally.

The Department's roles are classified into 2 key parts i.e. the cooperative registrar role and the cooperative promotion role. Therefore, the implementation of marketing concepts by the Department is divided into 2 parts as follows:

- 1) As the Cooperative Registrar, the Department controls cooperative operation. Even though its services cover registration of establishment and termination of cooperatives and agriculturist groups, etc., the Department is committed to "customer benefit and satisfaction". This is a compulsory duty of authorities and officials under the provisions of the Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546 (2003). Concepts on shortening waiting times and processes, delegation of authority and development of management quality (PMQA Chapter 3) are ordinary duties of government authorities and officials. The objectives are to satisfy customer needs and create good customer impressions.

From the Department's prospective, the provisions of the Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546 (2003) and PMQA are consistent with marketing concepts. Both have the same directions on "customer benefit and customer-centered". The aforementioned development and improvement are considered automatic implementations of marketing concepts. An executive stated that "service concepts of both principles are coincident and consistent."

- 2) Under the cooperative promotion role, marketing concepts may be applied from upstream to downstream processes. Product development (product), price setting (price), distribution channels (place) and sales promotion (promotion) should be promoted so that cooperative products will satisfy their customers. An executive responsible for cooperative business development explained the implementation of marketing concepts as follows. Pre-production, production, post-production, grade classification, transformation, product and package development,

qualified production, pricing setting, distribution channel, transportation, network creation were all prioritized. Marketing principles, especially the 4Ps of the Marketing Mix, should be applied. However, weak points to be improved were promotion and communication so that people would understand cooperatives, cooperative business, and cooperative products. An example is a dairy cooperative which is a strong cooperative. Its products are not well known due to a lack of marketing promotion skills or expertise. A responsible executive explained that, in Thailand, raw milk was systematically produced, in line with international standards, by dairy cooperatives located across the country. Almost all raw milk was supplied to milk entrepreneurs, by dairy cooperatives. At the same time, some dairy cooperatives have supplied milk products to markets directly. Their products are not well known but entrepreneurial products are much more popular due to advertising and public relations. This example reveals a failure of the implementation of marketing in cooperative business.

In summary, the Cooperative Promotion Department has applied marketing concepts in its public services. The public roles should be taken into consideration. The Department's implementation of the customer-centered concept to satisfy people's needs aims to observe the provisions of the Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546 (2003) and PMQA, rather than marketing concepts. Since both concepts are consistent, the Department then follows such concepts simultaneously, especially in the cooperative registrar's roles. The benefits of marketing concepts are people satisfaction and cooperative business promotion.

### **5.5.3 Public Service Management**

The process of the public service management of the Cooperative Promotion Department is summarized as the follows. Bureaus and divisions analyze legal roles and missions and set work, jobs, procedures and services to be delivered, and service customers. To achieve its legal missions, the Department adheres to key principles (as public service guidelines), namely, "the customer-centered concept emphasizing maximum benefit for people and satisfying people's needs." This concept is in compliance with the principles of the Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546 (2003) and PMQA, the compulsory sections which government authorities should follow. In this case, an executive gave an opinion that "people's needs and satisfaction was the duty of officials."

With its roles and responsibilities, the Department has divided its work processes into 2 types, i.e. supporting processes and value creation processes. For the supporting processes, the relevant authorities are 4 central offices i.e. the Bureau of Cooperative Business Development, the Bureau of Fund Management, the Bureau of Cooperative Promotion and Development and the Bureau of Cooperative Technology Development and Transfer. As the back offices, they are responsible for setting work standards, work regulations, and designing all work processes and methods. They support operation of local service functions and Provincial Cooperative Offices so that services will be delivered to customers based on work standards, processes and methods. The value creation processes involve operation of local functions to deliver services to customers directly. Services to be delivered cover cooperative supervision, cooperative promotion and knowledge transfer to people or interested persons. In this case, customers will acknowledge quality of services and evaluate whether services satisfy their needs.

Regarding “the value creation process”, the Director of the Administrative System Development Group explained that the Department classified customers into 2 groups, i.e. direct customers and indirect customers. Direct customers are customer groups related to several work processes and directly related to the enforcement of the Cooperatives Act B.E. 2542 (1999) and the Land Allotment for Living Act B.E. 2511 (1968). These comprise 7 types of cooperatives involved with several processes from cooperative establishment to cooperative termination. Indirect customers are customer groups seeking knowledge on cooperative principles, ideologies and methods provided by the Department. This group covers the public or interested persons who need knowledge or suggestions on cooperatives.

The customer groups are divided to serve the Department’s 2 key missions and roles stipulated by law, i.e. the supervisory role and the knowledge provider role. The first role is to control and supervise cooperative operation under the Cooperatives Act B.E. 2542 (1999). The other role is to provide knowledge and understanding on cooperative principles, and promote cooperative establishment. The second role has less weight and workload than the first one. However, the Department is responsible for such a role and customer classification makes the service management clearer.



In terms of services for “direct customers” and “indirect customers”, some executives believed that the Department’s work processes started by analyzing laws, strategies, missions and duties. Later, work process, work flow, stakeholders, related functions, coordination and delivery were designed to provide overall operation. Work processes, methods and services were transferred to front offices. The interface between responsible functions and officers was taken into account. (This characteristic was consistent with marketing concepts on internal customers.)

To support clear management and operation, the scope of the Department’s services includes “office services” and “field services”. The office services involve cooperative supervision i.e. application consideration (cooperative establishment and termination, article amendment, borrowing, information distribution, discussions and suggestions, etc.) The field services are on-site services and cooperative promotion so that cooperatives can operate their businesses. To provide both kinds of services, the Department adheres to the service principle “to meet and satisfy people needs”.

However, even though the workload of the office services is lower than that of the cooperative promotion services, customer satisfaction of office services is built by “convenience and speed”. The most important factor is “skillful and experienced officers.” Officers should have knowledge of cooperative principles and ideologies, including related laws and regulations. As stated by an executive, “the Department’s officers should be smart people. Even though they could not provide business recommendations, they should have solid knowledge on laws, rules, and regulations related to cooperatives.” Examples of fast and convenient services are summarized as follows:

- 1) “Shorten service processes and waiting time” Each bureau and division has determined the service time of each step as announced in the Department’s Notification on Work Process and Time B.E. 2553 (2010). Such notification has been published to the public. The Department revises work time periodically to be in line with the contexts of organizations, rules, regulations, laws or changing work conditions.

In addition, the Department also reduces service procedures and waiting time by “delegating authority” to Provincial Cooperative Offices. For example, provincial cooperative offices have the authority to approve credit lines of

up to 3 Million Baht while, in the past, they just accepted and forwarded applications to the central authorities for approval.

2) Online reservation of cooperative names in cases of new establishment or name change. Applicants are able to check and reserve available names online in real time. This development is to facilitate customer convenience and fast services, by waiting time reduction.

For field services, especially cooperative promotion services, promotion guidelines have been switched from the Department's responsibility to each cooperative's (customization). An expert on cooperative business development explained that prior to the restructuring of Thai Public Administrative System in 2002, "cooperative promotion was based on the Department's perspective." Cooperatives' strengths, weaknesses, opportunities and threats (SWOT Analysis) had been analyzed. Completion was concluded and weaknesses resolved. As a result, such cooperative promotion was not inconsistent with the lifestyles and actual living conditions of cooperatives and their members.

Presently, the Cooperative Promotion Department has shifted its promotion direction from "promotion to supporting cooperative contexts". The promotion is consistent with the local lifestyles, habits and professions of cooperative members. The vocational habits and daily lives of cooperative members are key concerns. With regards to the current promotion processes, responsible officers analyzed cooperative supply chains and determined proper cooperative promotion for each stage of cooperation operations. Therefore, methods and approaches to cooperative promotion are varied and different in order to serve the types, contexts and supply chains of each cooperative. From the Department's perspective, "it was a tailor-made promotion based on the needs and perspectives of cooperative members." This new approach satisfies and meets cooperative (customer) needs better than the former. However, cooperative promotion should be operated within legal requirements or approval. An executive said that "the Department would operate businesses permitted by law or businesses not prohibited by laws." This statement reflects that the Department, as the government authority, should observe laws but may perform other actions not prohibited by laws, for public benefit. It can be concluded that the Department has tried to create people benefit as much as possible.

Further than the promotion mentioned above, cooperative promotion also covers funds. The Bureau of Fund Management is responsible for providing financial support to cooperatives. The assistance is distributed through 2 funds, namely, the Cooperative Development Fund and the Agriculturist Assistance Fund. Both funds acts as financial institutions offering facilities to cooperative members.

However, a concern is that the Department's jobs are varied and different according to cooperative contexts. Various skills and knowledge are required but many individual officers do not have such multiple skills. Hence, an important role of cooperative promotion officers is to know experts in each field and act as an intermediary between cooperative needs and experts.

In addition, an executive gave opinions on the responsiveness of government authorities. A key concerns was that, to satisfy people's needs, the public sector would not able to take people's sides because its operation involved various people's needs. So, the public sector should focus on key common issues and treat all people fairly and equally. With this principle, discrimination was not accepted. For the private sector, target groups, service methods and conditions were freely selected and priority was given and based on exchange satisfaction. Therefore, the responsiveness of the public sector "should satisfy needs within legal provisions, not necessarily all needs." Accordingly, the Department's operation should balance between the regulator role and the cooperative promotion role.

In summary, the Cooperative Promotion Department analyzed its legal roles and missions, determined services and customers, and designed work processes and services (based on customer-centered principles and responsiveness). Convenient and fast services are focused and provided by skillful officers. Work processes are divided into supporting processes and value creation processes (related to public services). To set service management clearly customers are classified into direct customers and indirect customers, respectively. Additionally, cooperative promotion has been shifted from by its previous perspective to cooperative contexts so that the promotion will be consistent with the actual needs of each cooperative. However, as the government authority, the Department is unable to satisfy all people's needs, and people's needs not be prohibited by laws.

## 5.6 Conclusion

From the research on the public services of the 4 studied government authorities, and marketing for the OPDC's perspective, the following is the summary:

The implementation of marketing concepts in public services of Thai government authorities has been driven by the OPDC. It is considered that marketing concepts (customer-centered concepts) are consistent with the public service principles under the provisions of Section 3/1 of the State Administrative Act (No.5), B.E. 2545 (2002) and the Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546 (2003). However, OPDC support is irregular.

With regards to organizational structures of government authorities as service providers, their roles, responsibilities, missions and public services have been determined by the Ministerial Regulations on Authority Establishment and applicable laws. As a result, their services are also in line with legal provisions. To satisfy people's needs and expectations, service development and improvement are in compliance with guidelines of PMQA, Section 3, stating that government authorities should operate and provide public services, and give priority to people and stakeholders. Accordingly, all government authorities have similar opinions that marketing concepts may be applied in public services. However, this concept should be customized to the contexts of each government authority.

All government authorities have developed their services to ensure convenience, speed, accuracy, completeness and fairness with the aim to reduce work process and service time, the development covers delegation of authority and service classification (by time, process and complexity). New service channels have been introduced so that people are able to access public services more easily and conveniently. Accordingly, an outstanding and successful organization is the Department of Land Transport. Government authorities have renovated their office buildings and environment and have in place service facilities. Their service processes and methods are in line with regulations and laws. In addition, they make an effort to develop and improve their services under legal conditions. This is to ensure that people and customers will be served accurately, reliably, fairly and legally.

## **CHAPTER 6**

### **ANALYSIS OF FINDINGS AND ISSUES EMERGING IN THE CASE STUDIES**

This chapter presents the analysis of results obtained from the study of marketing concepts in public services of four government departments which provided services to different groups of citizens. The issues that will be presented in this chapter are the results of the analysis on the similarities and dissimilarities of organizational structure, roles and responsibilities, and marketing concepts in providing public services of each government department. The common and uncommon application of marketing concepts and the supporting and hindering factors of marketing concepts applied to public services of the government authorities will also be illustrated. The analysis is based on a conceptual framework that was illustrated in chapter 3 and comprises roles and responsibilities in accordance with government authorities' laws and regulations, important factors which relate to the use of marketing concepts for serving public services, and guidelines and working processes in marketing concepts for public services.

“Marketing concepts in public services” which are used as a framework for analysis are described as the processes and activities which put citizens at the center of activities, in order to deliver better quality service, to enhance public satisfaction, and in response to public needs. Moreover, “public service” is described as services which have been provisioned by government authorities' laws and regulations and made available for all, with the aim of the benefit and happiness of the public at large, not specifically for a particular individual. Public services also include some services which have been specified for anyone who breaks or violates laws and regulations.

## **6.1 An Analysis of the Organizational Structure, Roles and Responsibilities, and Public Services Management of the Four-Studied Government Authorities**

The four-studied government authorities were at department level, established under ministerial regulations. The regulations clearly stated the roles and responsibilities and organizational structure of each department for both central and provincial administrations. Each department has the power to enforce laws such as the acts, Royal Acts, and ministerial regulations to support their duties. The analysis of all issues will be detailed as follows:

### **6.1.1 Organizational Structure of Government Authorities**

The study of the four government authorities found that the organizational structure of the state administration by each department is similar in that the central and provincial administrations are separated. The central administration is operated by the offices, bureaus and divisions and the provincial administration is operated by provincial offices which deliver public services to local people.

The offices in the central administration (back offices) stipulate rules, standards, and work process support as well as clarifying issues relating to the operation of the office in provincial and sub-provincial offices. The offices in the provincial administrations (front offices) are the ones who deliver public services to local people.

In the case of the Department of Land Transport, there are two offices which are the Provincial Transport Office and Bangkok Provincial Land Transport Office for the area 1-5 which provide public services to citizens. In addition, the department has increased access to public services by cooperating with the private sector for tax payment services through post offices, by initiating pay points and counter services in shopping malls and small shops, as well as providing car check-up services by private car inspection centers. For the Departments of Lands, there are provincial offices and district offices which act as a service provider, while the Cooperative Promotion Department provides official public services in its provincial offices.

In the case of the Department of Health Service Support, the organizational structure is different from the other departments aforementioned. The establishment of other departments arises from the need for government to deliver services, for example, to take care of the land transportation system, monitor land allocation and to support cooperative systems. The need to carry out their duties leads to the establishment of government agencies (departmental level) to be responsible for such duties and this narrows down to smaller departments (office level) to support the work. In conclusion, the office level was established after the department level.

Regarding the Department of Health Service Support, the establishment of the Department arose from the appointment of the existing government offices (only offices that are responsible for each specific area and not for general administration of the Office of the Permanent Secretary, Ministry of Public Health) and the tasks for each office have been clearly separated. It could be said that there was an office level in place before the establishment of the Department of Health Service Support. Moreover, as the operation of each office was clearly separated and there was no connection for any working processes between offices, the delivery of services could be operated individually.

In accordance with the ministerial regulations on the organization of the Department of Health Service Support, there was no assignment of its provincial administration. Services of the department must be delivered only by central office, whereas services in provincial area will be delivered by the provincial health office which is under the Permanent Secretary of the Department, Ministry of Public Health. This means the duty to deliver services was only a partial responsibility of provincial health offices.

Although there differences in organizational structure of the studied government authorities, the administrative structure of the four government departments are the same. All of the four departments were appointed under the ministerial regulations regarding the division of government authorities. The division of government authorities was constructed according to the responsible function in which the central administrative offices acted as a supporter and the provincial administrative offices acted as a direct service provider. There was no evidence of any government authorities that has an agency specifically responsible for marketing.

### **6.1.2 Roles and Responsibilities of Government Authorities**

The analysis of roles and responsibilities of the four government departments found that roles, missions, authorities and functions were assigned by law regarding the ministerial regulations of the division of government authorities and the law that each government agency has the authority to enforce. The public services that each government authority had to deliver to the citizens were interpreted from law to assign the type of services and the group of citizens for each type of service. Thus, it could be said that the roles, missions, authorities, functions, and public services of each government authority have been assigned by the same process.

The study of ministerial regulations regarding the division of government authorities of the four government departments and the authority and function in accordance with law such as acts, rules and orders, found that the law often authorized the government authorities to regulate, control, examine, monitor or assign government authorities to operate in accordance with law, and also specify standards, rules and principles. These regulations reflect the goals and services provided by government authorities that “the government emphasizes control”. Although the government authorities are responsible for delivering services to the public, such services are all under the control of the government. In the other words, a part of the control, regulation and monitoring function was a service function. Therefore, citizens would have to contact the government authorities in a specific situation as required by law. The example will be illustrated by the four government authorities.

In the case of Department of Land Transport, the law requires citizens who want to own a car to bring them to register at the department or the car owner would have to bring the car to complete the yearly extended license and tax payment or in the case of cars more than 7 year old, the owner would have to get a check-up before extending the license and paying tax. Therefore, car owners are forced to come and contact the Department of Land Transport. Hence, the services for car registration, tax payment and car check-up etc. are an example of services in the context of the control, regulation and monitoring function which is one of the roles and responsibilities of the Department.

For the Department of Lands the law clearly stated that land owners who engage in activities relating to the Rights and Juristic Act have to register their rights

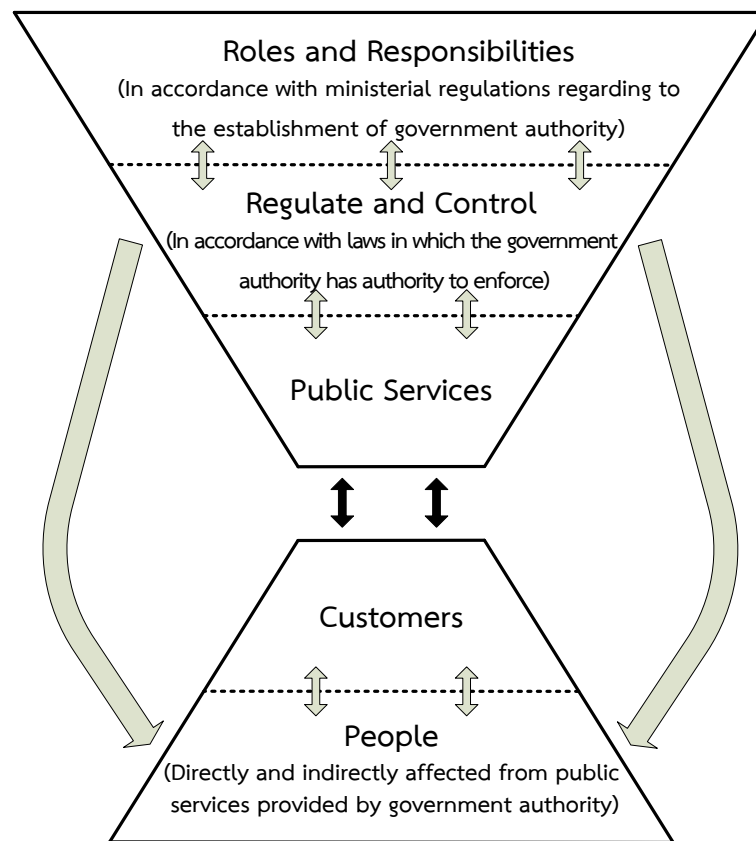


with an officer at a provincial land office, thus forcing the land owner to contact the office to finish the process of correct registration. The correct registration process is a part of the control and examination of land tenure in areas that are allowed by law and to assure the rights of land tenure for the owner. Similarly to the case of the Department of Land Transport, the services are part of the regulation and control function.

For the Department of Health Service Support there are services that involve the control, regulation and monitoring functions. The services derive from the need of the department to ensure good standards of health services, thus, private hospitals, practitioners, and health service centers were required to register or apply for licenses to operate health-related businesses or have a standard checkup in the given time period to ensure that private hospitals were operated accordingly. Thus the services delivered to citizens were for controlling purposes which was part of the roles and responsibilities of the department.

The Cooperative Promotion Department also has the duty to regulate the cooperatives to operate lawfully. An example of services that are a part of the regulation function are the registration of cooperatives, specification of changes in rules and regulations, financial management, money lending and the promotion of cooperatives.

The case studies showed that law and regulation determine the function of the government authorities and at the same time require citizens to come for the services. Thus, the citizens come for the service on an involuntary basis as required by law. Moreover, the government authorities are only concerned with the operational processes required by laws and regulations, thus the services provided by the government authorities seem to have the characteristic that “the citizens or service receivers have to solely rely on the government authorities”. This characteristic is different from the services provided by private firms as they are trying to meet customer expectations and needs by using marketing strategies which will attract the customer to come for the service again in the future. Thus the exchange between customer and private firms occurs on a voluntary basis. The connection between the roles and responsibilities of government authorities and the citizens can be summarized as in figure 6.1



**Figure 6.1** Connections between Government Authority's Public Services and Citizens

One issue relating to the management of public services of government authorities is the determination of the targeted customers that fall within the responsibilities of the government authorities. According to Jiang and Chen's (2002 quoted in Chen, Yu, Yang & Chang, 2004) concept of marketing (2002), the first step is to identify the target group of customers which enables firms to identify their needs and the services that will serve their needs. However, in the case of government authorities, the targeted group of customers is referred to as the people (general public) which applies to all groups of customers, thus it is difficult to deliver services that meet the needs of each group of customers.

The findings of the case study showed that, in reality, customers of the government authorities' services are more specific than the general public and do not cover citizens as a whole. Some types of services were directly delivered to citizens

and some types of services will be delivered through an intermediate party. No matter how the services are delivered, the final the objective of providing services is to benefit citizens as a whole. The examples In the case will be explained later on.

Regarding the Department of Land Transport, customers of the department do not always refer to all citizens. In fact, it depends on the services that the department provides. For example, a customer of the vehicle registration and tax service is a person who owns a car, whereas a customer of the driving license issue unit is a person who intends to have a driving license and meets all the legal requirements. This concept of defining customers could be applied by the service of transport for license issue, approval and renewal, bus station establishment, approval and renewal of a vehicle inspection station establishment, approval of vehicle models, or approval of gas vehicle installers, inspectors, and testers. Hence, the aforementioned services are only for the people who currently exist in the business or have the intention to run transportation businesses including transport stations, private vehicle inspection centers, car manufacturers, and gas vehicle installers, inspectors and testers. Other people will not be considered as customers.

When considering the objectives of either direct services or indirect services through land transport entrepreneurs, the ultimate outcome would result greater safety for people using vehicles and roads.

In the case of Department of Lands, customers of the department refer to people who come for the Department's services, for example, a customer of the land registration and survey is an owner of a land title deed, a customer of the land allocation license issuing service is a land allocation entrepreneur, or customers of projects on walk survey for land title deed issue, land allocation to the poor, and land allocation of security areas and self-defense border villages are only people in such areas. Customers of the service related to land information and cadastral map could include people who are interested in land information. However, whoever the customers are the department's mission is to bring justice and equality to every person who holds land and this would result in overall social and people's benefit.

In the case of the Department of Health Service Support, the services are involved with establishments, license issuance, operation examination and standard guarantee of private sanatoriums and clinics, practice of the art of healing, building

and health architecture services, medical devices and health related businesses (spa businesses). Therefore, the customers are only people with links to hospitals or private clinics, practitioners or health related businesses not ordinary citizens. The general public will receive the impact from the services or operation provided by aforementioned entrepreneurs that obtained license and operated under required standard. Moreover, for the aspect of creating public health standard, although the aim was to promote good health condition to citizens but the services were being provided by village health volunteer, thus in this case every citizen is not always considered as a direct customer of the Department of Health Service Support.

The above example shows that the final impact of all the standards enforced by the department will be on citizens who receive services from sanatoriums, practitioners, and health service entrepreneurs.

Regarding the Cooperative Promotion Department, clients of the Cooperative Promotion Department are limited compared with those in the aforementioned departments. The department's services are only for cooperatives and agricultural groups, and comprise 7 types of cooperatives. The main services of the department are cooperative registration, knowledge and fund support, and cooperative promotion and development. However, clients and customers of the department could also be the general public, especially people who are interested in information related to cooperatives, since the department also provides literacy services, even though the proportion of the work service is relatively small compared with its responsibilities in other aforementioned services.

Considering examples of services of a government authority as mentioned above, each authority has its mandate and knows its client, even if every person is not considered as a client of all departments. It has been ensured that public service must focus on people's benefits. Every government authority has to prepare to provide service and is responsible for the overall outcome. Besides, no matter what public service delivers to each individual directly or provides through any intermediaries, the service shall not stop at each individual client. The ultimate outcome would reflect an overall public benefit, which is mostly different from the responsibility of the private sector's service, which is the responsibility only for an individual's benefit which does not take public benefits into account.

### **6.1.3 Provision of Public Services**

As mentioned before, law and regulations are used by government authorities as tools to control, supervise and monitor operations and services in order to complete all objectives of the role and mission of the authority. In general, most government authorities act as a regulator, including controllers, supervisors, and monitors which is much more than just being a service provider. Thus, providing services to people is a part of all functions which a government authority must provide and prepare so that the service is well delivered and meets people's needs and wants.

According to the study of the services of the Department of Land Transport and the Department of Lands, it was found that service functions of both departments were categorized clearly with a focus on the period of time required to perform a service.

Service convenience, timeliness, accuracy, and completeness were emphasized by the Department of Land Transport (from data derived from the results of people surveyed on quality of services). Services of the department could be categorized into 2 groups with different target customers. These are summarized below:

The first group is the service as the transport-regulator. Customers of the service include transport entrepreneurs, bus station entrepreneurs, car owners or car drivers, car manufacturers or car importers, etc. Operation processes are complicated and take a long period of time for controlling and inspection, and are involved with other functions and laws in the department.

The second group is considered as a service-operator where the department provides services directly to the people. Services are classified into 2 types which are quality services (e.g. driving license issuing services, car inspection services, etc.) and refers to services that provide benefit to individual customers under authorization, quality control and qualifications stipulated by laws. The operation process is more complicated and takes a longer period of time than the other type of services, namely pure services (e.g. vehicle registration and tax service) which emphasize convenience and timeliness in a one-stop service. Beneficiaries of the pure services are individual customers.

Considering both roles of the department, it was found that functions are classified by time spent for the operation of a service and groups of customers. The

reason for the classification is to improve services to customers in terms of convenience and timeliness. Moreover, the department could be more flexible and bring greater customer satisfaction.

Regarding the study of the Department of Lands, it was found that the department, like the Department of Land Transport, emphasized providing fast, accurate, and reliable services. Two groups of service functions, which are classified by time period of operation and complexity of related laws and regulations, are one-day services and services which cannot be done within a day. In the case of one-day services, they can be classified into 2 subgroups including simple services and complicated services. The later subgroup of services is involved more with stakeholders and required longer processes to deliver the completed services than the simple ones.

There are advantages of classifying service functions by separating time consuming tasks from non-time consuming ones. It would reduce waiting times for some customers for services. Uncomplicated services could be taken care of immediately.

In the case of the Cooperative Promotion Department and Department of Health Service Support, it is a different story because both departments do not classify type of service functions using time as the main factor instead they classify their functions in accordance with the departments' missions.

Service functions of the Cooperative Promotion Department are classified into two groups, the registrar of cooperatives function and cooperative promotion officer function.

Services that are provided under the registrar of cooperatives function are services defined under roles and mission in which the department has to control, regulate, and monitor existing cooperatives in order ensure that all cooperatives operate corresponding to legal requirements. As the main role of the department is to promote operation of cooperatives, the registrar of cooperatives function plays a smaller role than the cooperative promotion officer function. The department does not classify the services according to the timeframe of the operation, unlike the department of land transport or the department of land, but the services are specified according to the control, regulation, and monitoring functions instead. Thus the

process and condition of providing services will be conducted under legal requirements. Moreover, the department has published notifications regarding the timeframe of work to be finished for the department for officers and citizens to acknowledge.

For the cooperative promotion officer function, the work involves field work so as to provide a coaching and promotion of cooperatives and to enable and strengthen cooperatives to be operated on their own. Thus, the services provided were differentiated according to each cooperative characteristic and surroundings. Trying to understand the context of each cooperative and deliver the service according to the context has made the services provided by the department different from the others.

In the case of the Department of Health Service Support, all services provided by the department are regulated by the government. Standards of officers, buildings, and sanatorium's medical devices are tools for controlling the standards of private sanatoriums, as are the practice of the art of healing, buildings, medical device, and health services businesses. Therefore, the services of the department, as well as those of the Cooperative Promotion Department, are controlled, regulated, and monitored in order to meet legal and standard requirements.

The Department of Health Service Support emphasizes controlling and monitoring standards of health-related business services rather than providing general services. The department tries to achieve standards in every operational process. Maintaining standards of officers, buildings, and medical devices creates credibility and increases society's confidence in the department's operations.

In the case of the Cooperative Promotion Department and the Department of Health Service Support, it can be concluded that both government authorities determine group of service functions or type of services mainly by considering control, regulation, and monitoring functions in accordance with the missions specified by law. The concept of categorizing is different from that in the Department of Land Transport and the Department of Lands. The latter two departments categorize groups of service functions or types of services by considering the timeframe of proving services which aims to separate the complicated and time-consuming services from the lesser time-consuming ones.

Hence, it can be noted that it is easier to improve working processes of services if services have a short time operation, few laws involved, direct applicable laws, and could be completed within the department. The department can improve working processes including reducing the timeframe of operation or steps to deliver services or even decreasing unnecessarily required documentation.

According to the study, it was also found that the use of law enforcement by government authorities could impact a customer's benefit and the quality of service. This means that if law enforcement is done with integrity for the purpose of public interests, the benefit will reach people. On the other hand, if it is done with dishonesty or unwillingly this will impact the quality of public services as well. Thus, customer satisfaction with public services can be measured by people's acceptance of government authority service performance.

## **6.2 A Comparative Analysis of the Marketing Management and Marketing Activities of the Four-Studied Government Authorities' Public Services**

This topic is comprised of 2 parts which are the comparative analysis of marketing management and the comparative analysis of marketing activities implemented in public service delivery of the four-studied government authorities.

The comparative analysis of marketing management of the studied government authorities will be examined using Jiang and Chen's marketing management process (as mentioned in Chapter 3) that emphasizes "Customer-oriented Public Service". This includes customer identification, customer needs surveys, service-system design, service delivery, and service recovery. Furthermore, the comparative analysis of marketing activities will focus on the principle of the 4Ps and 4Cs of marketing mix. The in-depth analyses are as follow:

### **6.2.1 A Comparative Analysis of Marketing Management**

#### **6.2.1.1 Customer Identification**

According to Jiang and Chen (2002 quoted in Chen, Yu, Yang & Chang, 2004) the first step in marketing management in the government sector is to identify and segment customers. The information about the four-studied government



departments, obtained from the interviews and the paper on the organization profile of the 4 case-studies, demonstrate that the customer identification and segmentation processes were clearly stated in all of the government authorities. During the first process the government authorities firstly analyze their roles and missions as specified under ministerial regulations and laws that the department has the authority to enforce which leads to the determination of the services that need to be delivered by the department. The targeted groups of customers are then classified according to the determined services. As a result, the customers of each government department will depend on the type of services to be delivered according to their roles and mission. Examples of identification of customers from the four-studied government authorities are illustrated as follows:

In the case of the Department of Land Transport, the customer identification process was conducted by examining the roles and mission under the Departments' legal requirements which will enable them to identify the public services which need to be delivered as well as the type of customers to be served. In addition, the government authority itself has to recognize its legal mission, regulations that relate to their work, customers and stakeholders, involved or related parties, and the impact of their works. Then the design or adjustment of working processes can be accomplished. An executive of the Department said that "without a clear mission identification would not be able to identify or segment their customers".

Examples of such service processes are land transport entrepreneurs who are identified as the customers of services relating to transport licensing, motor vehicle inspection center registration and extended license, motor vehicle and motor vehicle model approval. Car owners" are identified as the customers of services relating to licensing and tax and driving licensees and car driving learners are identified as the customers of services relating to car driving license issuing or driving lessons.

For the Department of Lands, the customer identification process starts with the department's duty (regarding law) which specify works and services (legal transactions relating to land) that need to be delivered to customers. In addition, parties involved in services and legal transactions relating to lands as well as their roles will be specified which then enables the department to identify the services needed by each group of customers. As a result, working processes serving those needs will be established to ultimately satisfy customers.

Examples of such processes of the department of lands can be illustrated as the customers of land register and cadastral survey related services who are citizens and corporates that own land and are involved in activities relating to land, the customers of license issuance and land allocation related services who are land developers and customers of private land surveyors licensing and the establishment of private surveyors office services who are citizens or corporates that require licenses.

In the case of the Department of Health Service Support, the delivery of services has emphasized achieving the standards of each health professional association. For example, professional standards for private sanatoriums, professional standards for the art of healing, professional standards for building and architecture for public health, professional standards for medical engineering, professional standards for health services businesses, and professional standards for health education. Thus, the identification of customers of the department will be determined by the groups of customers that were obliged to meet the aforementioned professional standards.

Examples of the customer identification processes of the Department of Health Service Support include customers of services related to professional standards for private sanatoriums, professional standards for the art of healing and professional standards for building and architecture for public health (private sanatoriums), and customers of services related to standards for health service centers (health services entrepreneurs).

Regarding the Cooperative Promotion Department, the customer identification process is conducted by examining the Department's roles and mission in order to specify required working processes as well as services to be delivered and target customers. In addition, the Ministry of Agriculture and Cooperatives issued the ministerial regulations of 29 June 2005 which states that there are 7 types of cooperatives that were allowed to be registered by the Cooperative Promotion Department. Hence, the customer identification process will be based on the ministerial regulations which limit the scope of customers to only 7 specified types of cooperative.

However, it should be noted that the customer identification process of government authorities depends on the types which have been determined by the roles and missions of each department. Furthermore, PMQA has also assigned all government authorities to identify customers as a part of their administrative activities. Therefore, when comparing an implementation of PMQA with Jiang and Chen's (2002 quoted in Chen, Yu, Yang & Chang, 2004) marketing management process in the public sector, which says that a "clear customer identification process" will lead to responsive public services, it is found that PMQA's customer identification process harmonize with Jiang and Chen's.

#### 6.2.1.2 Customer Needs Survey

The second process in marketing management in the public sector as presented by Jiang and Chen (2002 quoted in Chen, Yu, Yang & Chang, 2004) is to study and survey customer needs. The information obtained from interviews and the paper on the organization profile of the four-studied government authorities showed that all departments conducted surveys on customer needs and expectations. The surveys on citizen needs and expectations were carried out in two ways. One was a survey conducted by the department at the point of service and the other a survey conducted by a third party such as a university.

The examples reflected how the government departments place importance on surveys of customer needs and expectations. They linked the customer identification process to the customer needs survey process in order to design the process for providing services that satisfy customer needs as well as achieve their own missions.

In the case of the Department of Land Transport, the process of conducting a survey on customer needs and wants was already in place as it was linked to the customer identification processes. They believe that the ability to identify targeted customers and their needs will enable the department to design or adjust the working process to meet those needs. The results from customer needs surveys showed that, "convenience, rightness, fairness and transparency, and modernized public services" were the needs and expectations of the customers regarding services delivered by the Department. (Department of Land Transport, 2013b). The services system was then designed in line with the survey's result.

For the Department of Lands the procedure was similar to the Department of Land Transport. The Department of Lands segmented customers according to the type of services being delivered and then analyzed the needs of each group of customers. The services system was designed to satisfy those needs. The Organization Profile 2013 of the Department of Lands stated that “providing services with accuracy, expediency, precise, transparency and fairness” were the needs and expectations of the customers regarding the department’s services.

The Department of Health Service Support specifically determined the target group of customers according to professional standards that were used to regulate and control private sanatoriums, practitioners or health service centers. In addition, the Organization Profile 2011 of the Department of Health Service Support specified that the needs and expectations of customers comprised services to be delivered on professional standards, services to be delivered in a timely manner, services to be inclusively and fairly delivered, and services to be delivered which were easy to understand and practical.

In the case of the Cooperative Promotion Department, the services were in the form of both “in-office” and “out-of-office” services. The department segregated customers according to 7 types of cooperatives of which cooperative promotion is the main responsibility. At the same time, the services provided by the department were also to regulate and control the cooperatives so they were operated according to law. For example, the services relating to the permission for the establishment or termination of cooperatives, the adjustment of cooperative rules, approval of loans, education on principles and ideology of cooperatives, and advice on cooperative-related issues, etc. The aforementioned services were considered to be only one part of the department’s responsibilities, thus, the needs of different types of cooperatives as mentioned in “Organization Profile 2011” of the Cooperative Promotion Department were “to be promoted and supported by the cooperatives’ knowledge on management, operation, funding and timely and accurate information” which would ultimately strengthen cooperatives as a whole.

Nonetheless, one issue to be noted was that the Department’s studies and surveys of customer needs were carried out in accordance with key performance indicators which all of the government authorities had to perform within the PMQA

framework. The Office of the Public Sector Development Commission (OPDC) stipulated that the PMQA framework needed to be adopted by government sectors. Thus, the surveys on customer needs were conducted due to the fact that the government authorities were told to do so rather than the realization of its significance in the realm of marketing management. As a result, the attempt to satisfy customer needs of the government authorities was only to meet customer needs but not for development, impression or to deliver services beyond customer expectations.

Another issue to be noted was that the government authorities' customer needs surveys were only carried out after customers received the services, this is known as a "Market-in Operation". The government authorities then seek to improve their services according to customer needs. On the other hand, there was no "Market-out Operation", a passive form of marketing management which involves the survey and study of trends in goods and services in the market and considers those trends when delivering services.

#### 6.2.1.3 Service System Design

The procedure for marketing management in this process involved the service design to serve customer needs. It illustrates how government authorities considered customer needs as a starting point for the design of service delivery. The service system design process of each government authority was specified in "The Department's Strategic Plan" and "the Department's Organization Profile". Details of the service system design of each government authority are illustrated below.

In the case of the Department of Land Transport, service system design was based on two aspects of customer needs. First, was the service system design based on customer needs required services to be convenient, fast, accurate, fair, transparent, and modern. Second, was the system design based on the need to deliver services without having to have the customers come to the department's point of services. Both needs were reflected in the Department of Lands Transport's Strategic Plan 2011-2015, which aims to build customer satisfaction and the credibility of the department as perceived by customers (Department of Land Transport, 2013c: 50-54)

The information obtained from the interview of the department's executives showed that the process of services system design took account of related laws or regulations, public financial regulations, working flow and process,

documentation format, delegation of authority, and information technology systems. Moreover, promoting government unit in the department to innovatively deliver services was another way to promote the service system design.

Hence, the development and improvement of services being delivered, especially services relating to license issuance and car tax, car inspection by private car inspection centers, the development of tax payment channels (Drive Thru for Tax), and providing services through counter services and pay points reflect attempts by the Department to design their public service processes based on the needs and wants of the public. Although the process of providing services was developed in various forms, the main principles of providing services always remain in line with legal requirements.

Regarding the Department of Lands, the service system was designed according to laws that the department has the authority to enforce, in order to provide correct, fast, clear, transparent and fair services and to ensure the Department's credibility. The study on the DOL's Strategic Plan 2012-2015 found that two out of four strategies focused on customers. One strategic issue the development of land rights document issuance processes for the security of occupying land which aimed to certify the right and utility to land by citizens. The other strategic issue emphasized developing the services system in land offices and branches which aimed to assure citizens about the correctness, timeliness, transparency and fairness of the services. These strategies were put into action through the services of all land offices and branches. For example, the initiation and provision of services on a digital map identifier system, the improvement on service centers, the development of land record control systems, the development of land information technology systems and land management, the launching of computerized receipt systems in land offices, and the development of services regarding land registration and cadastral surveys in land offices and branches, etc. These activities and projects reflect the intention of the department to improve the delivery and design of services in order to satisfy customer needs and at the same time achieve the department's mission.

Regarding the Department of Health Service Support, the design service process of each bureau and division of the Department of Health Service Support is totally separated from one another. An executive of the department explained that the

design process of the department is in line with the concept of, “Providing everything to meet standards”. This could be done by establishing a committee which is composed of professionals in various fields of health care. The committee is responsible for setting standards and measures to regulate and control private sanatoriums, practitioners, or healthcare business entrepreneurs.

Brainstorming from personnel and related officials has been used in designing services and working processes, including determining procedures and operating times to provide the greatest convenience for customers.

However, according to the 3 strategies of the 4 year Strategic Plan of the Department of Health Service Support 2012-2015 promoting, supporting, developing, and controlling the health service system to meet qualified health service standards, enhancing people's habits toward better health, and enhancing an efficient health network system are all important. All these tasks emphasize reinforcing, supporting, developing, and controlling in accordance with standards. There is no key success factor that focuses only on customer satisfaction. Therefore, this design service process is different from that of the Department of Land Transport and the Departments of Lands mentioned earlier.

Nevertheless, an executive of the department expressed his view that “It is necessary to maintain balance between managing regulation and controlling standards of service and creating customer satisfaction and impressions”. However, performance of a government authority is an important thing to consider rather than having authorization to control and regulate as written by law. If an authority does good performance, people will admit and satisfied with the use of power by the authority. On the other hand, if they do not have good performance, people will not be satisfied with the authority.

For the Cooperative Promotion Department, the service design process of the department can be classified into two groups the process of registrar of cooperative function and the cooperative promotion function. Even though clients of both groups of services are cooperatives, the cooperative promotion function is considered the main operating function. In order to achieve the mission of the cooperative promotion, environmental and context scanning of cooperatives needs to be done to understand what the cooperatives’ needs really are.

On the other hand, the service design process of the department in the role of registrar of cooperatives is guided by the provisions of the Cooperative Act and the Royal Decree on Criteria and Procedures for Good Governance, B.E.2546 (2003). Thus, the development and improvement of services, as registrar of cooperatives, are common duties that the Department has to do. Reducing operating processes and time wasting, delegation of authority, enhancing convenience to cooperatives, and so on, are compulsory processes and procedures that are enforced by the Royal Decree.

According to the examples of service system design from the studied government authorities, it can be noted that all service system design and processes of government authorities follow the guidance of their laws and regulations and the Royal Decree on Criteria and Procedures for Good Governance, B.E.2546 (2003) which determines the main concept that “public service will need to be done only in the purpose of people’ interests”. Based on customers’ convenience and service flexibility, a government authority needs to understand related services and try to develop and improve laws and service processes in order to successfully design those processes. Delegation of authority so that operating officers can make their own decisions, reducing working processes and time consuming services, or developing products and service channels are examples of how government authorities try to respond to their customers.

However, although the aforementioned design service process undoubtedly follows the provisions of laws, information and evidences in the case studies demonstrate that such rethinking of service design process is in line with the service system design of marketing concepts but varies in each government authority.

#### 6.2.1.4 Service Delivery

The process of marketing management in the public sector involves service delivery methods that government authorities use to fulfill customers’ needs. Regarding information obtained from interviews, the report on “Organization Profile”, strategic plans, and operating plans of the four-studied government departments, they showed that the service delivery of each department varied due to the context of each department. Details are illustrated below.



In the case of the Department of Land Transport, the strategic plans of the Department 2011-2015 had been written with the clear purpose to develop work processes and to deliver the best service to customers. In order to meet customers' needs and create confidence in services, the department will have to improve services to be convenient, fast, and transparent. In addition, not the work process and services will need to be shortened, but they should be accountable. Moreover, innovation development and an increase in service channels will also lead to acceptable services and delivery.

Information technology systems have also been used in service delivery development in order to make service delivery clear and concrete and to ensure that service delivery is convenient, fast, fair, less process driven, transparent, and verifiable. In addition, some services have been developed so that people do not need to come to a service unit but can access services, for example, car owners are able to pay taxes via tax agents such as post offices, pay points, counter services, the internet, and Drive Thru for Tax or Shop Thru for Tax, etc. Regarding these service channels, service delivery can be done inside and outside an office (available for only some services).

Considering the Department of Lands, the purpose of the four-year operating plan 2012-2015 is to create trust and customer satisfaction by delivering fast, accurate, transparent, and fair service to customers. The plan focuses on developing a service system for the land offices which makes them direct service units to customers. Examples of such service delivery development are illustrated below.

The Department of Lands classifies its services by time, which are one-day services and services which cannot be done within a day, and by level of complexity, which are classified as complicated services and simple services. Thus, those customers who come for non-complicated services will need a shorter waiting time and will not have to wait for the same query with customers who come to an office for complicated services.

Another example relating to the service delivery of the department is about delegation of authority to operating officers. They have been delegated authority to make decisions and provide services to people at a service point as much

as possible in order to ensure fast operation in terms of minimizing processes, operation time, and service points. The utilization of information technology has connected all processes from the first step to the last. Moreover, financial facilities are playing more important roles as customers are able to pay fees and taxes via credit cards or debit cards and do not have to use cash for payment as previously.

The Department of Health Service Support uses a concept of “attempting to provide standardized health-related services”. With this concept, all services and service delivery of the Department are done within standards and under the Department’s control and regulation. When considering the Development Strategic Plan of the Department of Health Service Support 2012-2015, it shows that every strategy focuses on having every operation in line with standards which are standards of private sanatoriums, standards in practice of the art of healing, standards of building and architecture of public health, standards of medical engineer, standards of healthcare business building, and standards of health education.

Considering the service delivery channels and service access channels of the Department of Health Service Support, service delivery in central areas are under control of bureaus and divisions of central administration, while provincial public health offices, service unit authorities of the Ministry of Public Health, are responsible for service delivery in regional areas. It was noted that the Department of Health Service Support did not have its own direct authorities in regional areas except in the service delivery of the Medical Engineering Division which had 9 medical engineering centers in regional areas. It was also found that all service delivery was free of charge.

Besides the role of controlling and maintaining standards of health-related service businesses, the Office of Health Business Promotion, with a responsibility of controlling healthcare business buildings, also provides incentives for health-related businesses that meet the department’s standards. For example, the Department cooperates with the Excise Department in waiving taxes of water for legally registered spa businesses.

Regarding the Cooperative Promotion Department, service delivery is divided into 2 groups. One is a service delivery at the department or at a provincial cooperative office as the registrar of cooperatives. The other group is service delivery

as a cooperative promotion officer which is more important than the first one. The service delivery of the department does not aim to facilitate cooperatives for convenience but department's officials must understand cooperatives' contexts and be able to properly promote and support operations of cooperatives in line with the contexts and current circumstances of cooperatives.

As the registrar of cooperatives, the department has to make improvement of the service delivery process in accordance with the Office of the Public Sector Development Commission under the provisions of the Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546 (2003). This compulsory and requires the department to shorten its working processes and time consuming services, as well as rearrange workplaces and their surroundings. Delegation of authority is also required in order to shorten working processes. For example, authority delegated to a provincial cooperative office so that the provincial cooperative office has authority to consider and approve loans for cooperatives if the amount does not exceed 3 million baht, instead of sending the matter to the department for approval.

#### 6.2.1.5 Service Recovery

The last process in marketing management in the public sector is service improvement according to recommendations and complaints from customers, users, or stakeholders. It can be divided into 2 parts including service rectification due to customer complaints and recommendations and service rectification due to personnel and officials in government authorities. Details of marketing management related to service recovery can be explained as follows:

In the Department of Land Transport, recommendations and complaints are collected from 2 sources. The first group of recommendations and complaints is from the department's website – [http://www.dlt.go.th/th/index.php?option=com\\_wrapper&view=wrapper&Itemid=95](http://www.dlt.go.th/th/index.php?option=com_wrapper&view=wrapper&Itemid=95), and Hotline 1584. The other group of information is collected from personnel and officials in the department during “Want to know activities”, launched by the department. The purpose of the activity is to share knowledge of work experience and collectively find solutions to work problems. At the same time, it promotes working processes and service innovation among units and officials in order that efficiency in service takes place. Moreover, the Department also

launches a customer satisfaction, dissatisfaction, or expectation survey so that all the information can be used in service development and improvement.

Regarding service improvement in the Department of Lands, people can express their complaints via the department's website – [http://www.dol.go.th/dol/index.php?option=com\\_dol\\_complain](http://www.dol.go.th/dol/index.php?option=com_dol_complain), and provide their opinions, service satisfaction, dissatisfaction, and expectations on services and department officials via regular customer satisfaction surveys. The results of the surveys are used not only in service development and improvement but also as a reward for the best performing officials nominated by the people.

Considering the Department of Health Service Support, the survey of satisfaction, dissatisfaction, and expectations with regards to the department's services is one of the KPIs of the government authority. Besides the survey, the department also provides a website – [203.157.7.46/complaint/GetAllComplaint](http://203.157.7.46/complaint/GetAllComplaint), as a channel where customers can express their complaints about the working processes and services of the department.

The Cooperative Promotion Department, like other aforementioned authorities, launches a survey of satisfaction, dissatisfaction, and expectations on the department's service as stipulated by the Office of the Public Sector Development Commission.

However, the study on service improvement of each government authority is usually guided by the KPIs stipulated by the OPDC rather than considering the benefits in terms of marketing management. Development and improvement of working processes and services of an authority is limited to only what the department can do to serve the needs of customers.

A summary of the comparison of marketing management of the studied government authorities is shown in table 6.1.

**Table 6.1** The Comparison of Marketing Management in the Studied Government Authorities

Government Departments	Comparison of Marketing Management in the Studied Government Authorities				
	Customer Identification	Customer-Needs Surveys	Service System Design	Service Delivery	Service Improvement
The Department of Land Transport	<ul style="list-style-type: none"> <li>- Determination of services to be delivered originates from an analysis of the Department's roles and missions which consequently determine the Department's customers.</li> <li>- Classification and identification of services and customers have been mentioned in the Department's Organization Profile.</li> <li>- Customers were categorized according to the type of services.</li> </ul>	<ul style="list-style-type: none"> <li>- It is usual operation of the government departments according to the criteria of the Public Sector Management Quality Award (PMQA).</li> <li>- Customer needs and wants have been surveyed, identified, and recorded in the Department's Organization Profile.</li> </ul>	<ul style="list-style-type: none"> <li>- Streamline service providing and time consuming processes by delegation of authority and utilization of information technology systems in support services.</li> <li>- Promote service innovation in all service offices by focusing on management development and service excellence.</li> </ul>	<ul style="list-style-type: none"> <li>- Emphasize convenient, speedy, fair and transparent services.</li> <li>- Increase service channels as much as possible in order to facilitate customers.</li> </ul>	<ul style="list-style-type: none"> <li>- Surveys on customer satisfaction and dissatisfaction toward department's services were carried out.</li> <li>- Provide various channels for customers to leave comments through the Department's website and hotline.</li> <li>- Promote work and service innovation in land transport offices.</li> </ul>

**Table 6.1** (Continued)

Government Departments	Comparison of Marketing Management in the Studied Government Authorities				
	Customer Identification	Customer-Needs Surveys	Service System Design	Service Delivery	Service Improvement
The Department of Lands	<ul style="list-style-type: none"> <li>- Determination of services to be delivered originates from an analysis of the Department's roles and missions which consequently determine the Department's customers.</li> <li>- Classification and identification of services and customers have been mentioned in the Department's Organization Profile.</li> <li>- The types of customer were classified by the type of land-related juristic acts.</li> </ul>	<ul style="list-style-type: none"> <li>- It is usual operation of the government departments according to the criteria of the Public Sector Management Quality Award (PMQA).</li> <li>- Customer needs and wants have been surveyed, identified, and recorded in the Department's Organization Profile.</li> </ul>	<ul style="list-style-type: none"> <li>- Streamline service providing and time consuming processes by delegation of authority and utilization of information technology system in support services.</li> <li>- Promote service development and innovation in land offices.</li> </ul>	<ul style="list-style-type: none"> <li>- Services were only provided in the Department and focus on providing fast, correct, transparent, and fair services.</li> <li>- Classified services by level of complication of services in order to shorten waiting times.</li> </ul>	<ul style="list-style-type: none"> <li>- A survey on customer satisfaction and dissatisfaction regarding the Department's services was carried out.</li> <li>- Provide various channels for customers to leave comments through the Department's website and hotline.</li> <li>- Promote work and service innovation in Land Offices.</li> </ul>

**Table 6.1** (Continued)

Government Departments	Comparison of Marketing Management in the Studied Government Authorities				
	Customer Identification	Customer-Needs Surveys	Service System Design	Service Delivery	Service Improvement
The Department of Health Services Support	<ul style="list-style-type: none"> <li>- Determination of services to be delivered originates from an analysis of the Department's roles and missions which consequently determine the Department's customers.</li> <li>- Classification and identification of services and customers have been mentioned in the Department's Organization Profile.</li> <li>- The types of customer were classified by the Department's health service standards.</li> </ul>	<ul style="list-style-type: none"> <li>- It is usual operation of the government departments according to the criteria of the Public Sector Management Quality Award (PMQA).</li> <li>- Customer needs and wants have been surveyed, identified, and recorded in the Department's Organization Profile.</li> </ul>	<ul style="list-style-type: none"> <li>- Service system design was based on standards that were specified by the Department.</li> <li>- Customer satisfaction derived from straightforward operations and services.</li> </ul>	<ul style="list-style-type: none"> <li>- The delivery of services was in accordance with the process of regulating and controlling standards.</li> <li>- The delivery of services by the central authorities was the responsibility of the Department itself but in regional areas, the delivery of services was the responsibility of provincial public health offices and medical engineering centers.</li> </ul>	<ul style="list-style-type: none"> <li>- A survey on customer satisfaction and dissatisfaction regarding the Department's services was carried out.</li> <li>- There was a channel for customer complaints on services of the Department and health-related business that are under the Department's regulation and control and also channels for monitoring complaints through the Department's website.</li> </ul>

**Table 6.1** (Continued)

Government Departments	Comparison of Marketing Management in the Studied Government Authorities				
	Customer Identification	Customer-Needs Surveys	Service System Design	Service Delivery	Service Improvement
The Cooperative Promotion Department	<ul style="list-style-type: none"> <li>- Determination of services to be delivered originates from an analysis of the Department's roles and missions which consequently determine the Department's customers.</li> <li>- Classification and identification of services and customers have been mentioned in the Department's Organization Profile.</li> <li>- The types of customer were classified by the type of cooperatives that are allowed to be registered by the Cooperative Act.</li> </ul>	<ul style="list-style-type: none"> <li>- It is usual operation of the government departments according to the criteria of the Public Sector Management Quality Award (PMQA).</li> <li>- Customer needs and wants have been surveyed, identified, and recorded in the Department's Organization Profile.</li> </ul>	<ul style="list-style-type: none"> <li>- The methods and processes for promoting cooperatives depended on the type and contexts of those cooperatives.</li> <li>- Services relating to the registrar of cooperatives were provided in accordance with the provision of law but streamlined services and time consuming processes by delegation of authority and utilization of information technology systems to support services.</li> </ul>	<ul style="list-style-type: none"> <li>- Service delivery as a registrar of cooperatives was carried out in Bangkok or provincial offices.</li> <li>- Service delivery by cooperative promotion officers was carried out directly and closely with cooperatives.</li> </ul>	<ul style="list-style-type: none"> <li>- Do survey on customer satisfaction and dissatisfaction regarding the Department's services.</li> </ul>



**Table 6.1** (Continued)

Government Departments	Comparison of Marketing Management in the Studied Government Authorities				
	Customer Identification	Customer-Needs Surveys	Service System Design	Service Delivery	Service Improvement
Note	<ul style="list-style-type: none"> <li>- Customer identification of all government authorities has been carried out in the same way which is in accordance with the criteria of the Public Sector Management Quality Award (PMQA) and which is also in line with customer identification according to marketing management concepts.</li> </ul>	<ul style="list-style-type: none"> <li>- All of the government departments had to carry out this process in the same way which is in accordance with the criteria of the Public Sector Management Quality Award (PMQA)</li> <li>- Government departments considered the survey on customer needs as a part of the PMQA rather than considering the survey as part of marketing management but they were still in line with customer needs surveys according to marketing management concepts.</li> <li>- Customer needs surveys were frequently carried out after the services were delivered.</li> </ul>	<ul style="list-style-type: none"> <li>- The understanding in the service system design and the attempt by the government authorities in developing and improving laws and service provision processes were in line with The Royal Decree on Criteria and Procedures for Good Governance B.E.2546 (2003) but changes in methods and procedures of the government authorities' service management are also in line with marketing management concepts in service system design.</li> </ul>	<ul style="list-style-type: none"> <li>- The government department that has various types of customer tends to develop more various services channels than ones with less as the types of customer were limited.</li> </ul>	<ul style="list-style-type: none"> <li>- All of the government departments operated in the same way in accordance with the criteria of the Public Sector Management Quality Award (PMQA) which required the government authorities to act in this way.</li> </ul>

### **6.2.2 A Comparative Analysis of Marketing Activities and Public Services Provided by the Studied Government Authorities**

The comparison of marketing activities and public services provided by the studied government authorities was analyzed using the concept of the 4Ps and 4Cs of marketing mix, which comprises product and customer solutions, price and cost to customers, place and convenience for customers and promotion and communication.

Information from the studied government authorities showed that the way the government authorities provided services, which focused on customers, and tried to serve customer needs were in accordance with the concept of The Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546 (2003) and government authorities also tried to develop their management processes and services to meet the criteria of the PMQA rather than being concerned with marketing concepts. However, comparing the way in which the government authorities provided services with marketing activities (4Ps and 4Cs of Marketing Mix) would provide more comprehensive understanding of marketing in Thai public services.

Details of the comparative analysis of marketing activities and public services provided by the studied government authorities are illustrated below.

1) Comparisons of product and customer solutions consist of the following considerations. The usefulness and value that a customer receives from services, how public services respond to customer needs or solves customer's problems which could be the main reason that the customer decides to use the service (core product), quality, characteristics, form, design, process, or the way services are being delivered (actual product), the consideration of additional services which increase the value of services beyond customer expectations (augment product), service development (product development), service life cycle and product enhancement.

2) Comparisons on price and cost to customers consist of the following considerations. Service charges, fines, the use of monetary and non-monetary incentives which could encourage suitable behavior, customer's cost of using or reaching public services, product or service pricing of a government authority, assessment of market demand or people's interest in products and services of government authorities, cost of products or services of government authorities,

government authority's effort in analyzing prices of a competitor's product or service, methods of determining price of products or services, decisions on the price of products or services, and the use of monetary and non-monetary incentives to increase or decrease people's interest.

3) Comparisons of place and convenience for customers consist of the consideration of how easily people can access services of a government authority (service channels), time period of using services, (time consumption) and the environment of service areas.

4) Comparisons of promotion and communication consist of the following considerations. Marketing promotion and communication program of government authorities, acknowledgement of people, making people or customers believe and have faith in information provided by the authorities, recognizing the importance of effective format and content of information, messages, and communication methods which are easy to understand, precise, easy to remember, and appropriate, etc., and the selection of messenger and service channels.

#### 6.2.2.1 Product and Customer Solution

For the Department of Land Transport, services of the Department of Land Transport come from its mission which have been determined by the ministerial regulation on the organization of the Department of Land Transport, Ministry of Transport, B.E. 2552 (2009). Its responsibilities are in accordance with the Land Transport Act, the Vehicles Act, the Land Traffic Act, etc. in order to supervise, examine, and inspect the compliance with laws, rules, and regulations, to set up land transport systems, and to promote and develop land transport networks to ensure convenient, fast, comprehensive, and safe land transport systems (Department of Land Transport, 2013b: 17). Thus, core products and services of the Department are the driving license issuing services, vehicle registration and tax services, transport license issue services, approval and renewal of bus station establishments, vehicle approval and approval of vehicle models, approval and renewal of vehicle inspection station establishments, and approval of gas vehicle installers, inspectors, and testers, etc. Every person coming for these services is required by law to do so.

Besides core products and services of the Department as mentioned above, the Department also considers quality, characteristics, design, and processes of

service provision. This is known as “actual product”. The study found that many services were accepted by people because those services had been continuously developed and improved. The Department’s service provision processes gained advantages from delegation of authority from land transport authority officials to service officials, the use of vehicle registration databases and information technology to support officials with working processes and making decisions. Another example is tax payment via tax agents such as post offices, counter services, and pay points in department stores or convenience stores, etc. It was also found that the Department made an effort to develop a more convenient, fast, and reliable service system.

Such aforementioned service developments focus on developing existing services and providing processes which are more convenient and faster rather than creating new products. However, the study of the Department’s services found that, despite the legal requirements in operations of the Department, the Department had to use laws and regulations as a working framework for improving the Department’s working processes, in order to provide better services to people. An executive of the Department said that “under the traditional bureaucratic system, every task needs to follow legal requirements. But in a modern bureaucratic system the department and its officials can do everything unless it is said in law they are not to be able to do so”. He also explained that “the Department chooses and gives priority to tasks that have legal support because it is much more difficult to amend the law to fit the tasks.”

However, in the case of service functions of the Road Safety Fund, the auction of car license plate numbers is a responsive function of the fund. Even though, by law, there are only 301 car license plate numbers which can be used in the auction, other market-popular numbers are excluded and also considered as competing car license plate numbers. Thus, not only should the fund develop plans, including strategies and work processes to motivate a number of people to join the auction and gain as much revenue as possible, but it should also have competitive strategies to deal with competing car license plate numbers. At the same time, bidder satisfaction should also be taken into consideration. For example, the study of the behavior and levels of trust of car license plate number bidders was launched so that the results of the study would be used for creating motivational strategies, etc. The

aforementioned case is an example of applying marketing concepts in the auctions which are a government service.

Regarding the Department of Lands, its missions have been determined by the ministerial regulation on the Organization of the Department of Lands, Ministry of Interior, B.E. 2553 (2010) and depend on the Land Code, the Act of Land Allocations, the Act of Condominiums, the Act of Private Surveyors, the Act of Hire of Immovable Property for Commerce and Industry, and other related laws. Hence, key public services of the Department are related to land registration, land right holdings, and surveys. According to the provisions of the laws, all acts related to land must be enforced only by the Department's officials. Thus, according to this fact, the Department's missions and roles determine the core products or services of the Department.

Considering quality, characteristics, form, and service provision processes of the Department, it was found that all processes are in line with standard legal requirements. Land-related laws and regulations are used as the Department's reference tool to protect people's land rights correctly and fairly. Moreover, the Department has developed and improved working processes in terms of laws and related regulation amendments so as to ensure the standards, accuracy, transparency, and reliability of the Department's operations and services. An executive of the Department mentioned that "accuracy and standard of service will facilitate people's trust". In terms of managing the service processes, the Department classifies its services by less time consuming tasks, which are one-day services, and services which cannot be done within a day, and according to the level of service's complexity, which are classified as complicated services and simple services. Thus, those customers who come for non-complicated services will have a shorter waiting time and will not have to wait in the same queue with customers who come to an office for complicated services.

Furthermore, the Department allows land offices to accept land fees and tax payments through commercial banks or via the ATM cards or debit cards of all commercial banks. Customers are able to pay fees and taxes more easily and do not have to have cash on hand. In addition, computer systems have been used for land registration filing and searching as well as the delegation of authority to operating

officers to shorten working processes and waiting time. However, as the Department of Land Transport, service improvement and development of the Department focuses on existing services rather than creating a new service or product.

In the case of the Department of Health Service Support, its missions have been determined by the ministerial regulation on the Organizational Structure of the Department of Health Service Support, Ministry of Public Health, B.E. 2552 (2009) and depend on the Act of the Practice of the Art of Healing, the Act of Sanatorium, and other related laws. The Department's missions cover promotion, control, and supervision of private sanatoriums, health-related service businesses and their staff in order to meet health service standards. The missions also include promotion of the hygienic condition of people via primary care systems and health service systems. The Department's core products and services are health-related service standards, consisting of standards of private sanatoriums and hospitals, standards of practices of the art of healing, standards of buildings and architecture of health-related businesses, standards of medical engineers, standards of healthcare businesses, standards of healthcare education, and knowledge and innovation of health service systems. All private sanatoriums, health-related service personnel, and healthcare businesses are required to run operations in accordance with the aforementioned standards. Therefore, it is the responsibility of entrepreneurs, private sanatoriums or hospitals, health-related service personnel, and healthcare business entrepreneurs to follow those standards because "every service of the Department is under the supervision and control of the Department".

Considering quality, characteristics, form, and service provision processes, it was found that all services of the Department are in line with health service standards issued by professional committees of specific fields. In the case of controlling standards, the Department will deliver its services at the private sanatoriums, hospitals, or health-related businesses. Unlike in the case of license issue or license renewal of private sanatorium entrepreneurs, healthcare or health business entrepreneurs, who are obliged to come to a service point of the Department.

However, services of the Department are separate as each bureau or division can carry out its mission separately. Its service and service delivery is independent and is not related to others. An executive of the Department said "Each

bureau or division has no joint products or overlapping jobs. Moreover, their budget is also set separately”.

Compared with other departments regarding product development, it was found that the Department of Health Service Support did not put much effort in creating new public services unless it was assigned a new function. For example, the Office of Health Business Promotion, which was a new authority internally established, was created to be responsible specifically for supervision and control of standards of healthcare businesses (Spa businesses).

However, the study of the Department's products and customer solutions found that, in terms of product enhancement, the Department has been developing its services towards quality regarding convenience and rapid services. For example, in the case of the Bureau of Sanatorium and Art of Healing, a one-stop service has been developed. Transferring knowledge on healthcare will be provided harmoniously to various groups of people with different backgrounds. In the case of the Design and Construction Division, although standard designs of a hospital have been determined, these could be changed according to the size and shape of construction site, operational functions, or culture and preferred style of architecture. Thus, these are examples of paying attention to customers' needs.

Regarding the Cooperative Promotion Department, its missions have been determined by the ministerial regulation on the Organizational Structure of the Cooperative Promotion Department, Ministry of Agriculture and Cooperatives, B.E. 2545 (2002) and depend on the Cooperatives Act and other related laws. The department's missions cover promotion, publishing, and knowledge sharing related to cooperative principles, cooperative practices, and cooperative ideology in order to give information on how to establish and regulate a cooperative. The core products of the Department are divided into 2 parts as follows:

The first part involves regulation and operational control, i.e. registration of establishments or closing down of cooperatives, the reregulation of cooperative's rules, and the inspection of cooperatives, etc.

The second part involves cooperative promotion, knowledge sharing on cooperatives, cooperative funds, marketing and product distribution, cooperative network promotion, cooperative development and expansion plans, etc. The objective of all services is to strengthen cooperatives to become self-sufficient.

The first part relates to the role of the Department as cooperatives' regulator and controller. People have to come for services in Bangkok or provincial cooperative offices which are service units of the Department. The quality, characteristics, design, and process of services are monitored according to the Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546 (2003) while the improvement of quality of service administration follows the Public Sector Management Quality Award (PMQA). An enforcement of the Royal Decree and provision of PMQA have put proposed the improvement of the Department's service delivery, for example, streamlining service proving processes and reducing waiting times by delegating authority, improving service units and their surroundings, and using information technology to support services, etc.

However, it was noted that there are no new products and services unless it is stated in the Department's laws. Therefore, there is only product or service enhancement, not product or service development.

The second part relates to the role of the Department as cooperatives' promoter. The study found that marketing activity in terms of products and customer solutions had been used as a tool to support a cooperative's operation. It focused on cooperatives' product and service quality development. Moreover, the Department encourages cooperatives to operate their production in line with international standards such as the Good Agriculture Practice (GAP), and Good Manufacturing Practice (GMP), in order to gain trust in the quality of products and be accepted by people. Thus, the aforementioned were examples which showed that cooperatives were interested in applying product and customer solutions to promote and improve cooperatives' goods, products, and services.

It was also found that the Department has changed the way to promote cooperatives' operations. The Department's cooperative promotion focuses on cooperatives' context, instead of the traditional way of cooperative promotion which was cooperative standard oriented.

#### 6.2.2.2 Price and Cost to Customer

A comparative study on marketing activities regarding price setting and cost to customer concepts (price and cost to customer) of the Department of Land Transport revealed that the rate of fees, taxes and fines collected from customers was



specified by the Department's laws. The Department itself did not specifically set the goal of determining the rate of fees, taxes and fines. The Department neither assesses customer's actual demand for services nor considers the service cost. Thus, determination of the rate of fees, taxes and fines depends on the Department's laws.

In addition, an attempt of the Department to operate various service channels have meant that the Department's customer can access services more conveniently. Cooperation with private business to become tax payment agencies is an example showing that the Department is concerned with customer convenience and cost for customers accessing the Department's services.

Moreover, according to the fact that the Department specified lower tax rates for energy saving cars or imposes fines on late tax payments was an example of positive and negative incentive measures for the customer to behave in a way that the Department desired.

In the case of the Department of Lands, a comparative study on marketing activities regarding price setting and cost to customer concepts (price and cost to customer) revealed that service fees and taxes were charged on any services involving juristic acts regarding lands and were clearly specified by law. The Department itself is not concerned with price setting regarding marketing concepts only performing their duties according to the law.

However, the consideration of service cost to customer shows that the Department of Land has attempted to develop land information systems and databases to support land registration service across land offices, for example, land sale could be conducted in any land office. Customers have no need to go to the land office where the land was located (currently the transaction could be done only in some land offices). This attempt can reduce the service time and travel expenses of the customers. However, regarding this, one executive said that "The Department of Lands tries to facilitate customers' needs to the extent permitted by law". This statement implied that the Department only delivered services as required by law and tried to improve its services as much as the law permitted.

In the case of the Department of Health Service Support, a comparative study of marketing activities regarding price setting and cost to customer concepts (price and cost to customer) of the Department of Health Service Support revealed

that the Department's services were free of charge as each office and bureau plans their own annual budget to cover the expense of service delivery, either in-office or out-office services. Examples of the department's free of charge include services for calibration of medical equipment by the Division of Medical Engineering, services for the standard inspection of sanatoriums' operation and the practice of the art of healing businesses by the Bureau of Sanatorium and Art of Healing, certifying standards or services on the design and adjustment of sanatorium construction blueprints by the Design and Construction Division and services on health literacy and health care by the Health Education Division and Primary Health Care Division, etc.

A comparative study of marketing activities regarding price setting also showed that the Department's marketing activities on price and cost to customer as mentioned above are only conducted according to their roles and responsibilities as required by law, with the objectives to ensure citizens receive good services of health-related service businesses rather than considering marketing interests or benefits.

In the case of the Cooperative Promotion Department, a comparative study of marketing activities regarding price setting and cost to customer concepts (price and cost to customer) of the Cooperative Promotion Department can be separated into two parts.

The first part is the Department's price setting on the role of cooperative regulation and control. The studies showed that the expenses of the registration of the establishment and termination of cooperatives, the reregulation of cooperative rules, and the examination of cooperative operation were very low, were just as specified by the Department's laws. Unlike the price strategies or marketing campaigns of businesses, the purpose of collecting fees was not to motivate or demotivate cooperative registration or persuade citizens to have an interest in cooperatives. The fee collection for services was only to serve legal requirements.

The second part is price setting of the Department in the role of cooperative promoter. The study showed that the Department's cooperative promotions are free of charge. By which provincial cooperative offices have direct duties to promote and encourage registered cooperatives to be well managed. Moreover, the Cooperative Promotion Department and the provincial cooperative offices also acted as cooperative-related knowledge centers and coordinators for expertise in different fields and areas regarding e cooperatives' needs and wants.

### 6.2.2.3 Place and Convenience of Customer

According to the Department of Land Transport, a comparative study of place and convenience for customer concepts showed that the Department of Land Transport has many distinctive service points, especially service channels which enable customers to access services much more easily. Examples of these service channels are vehicle tax payment services through Drive Thru for Tax, tax payment services through post offices, counter services, pay points in shopping malls or convenience stores, online services, or delegation of authority for car inspection services to private firms, etc. The development of service delivery enables customers to access services and not need to access services only at the Department's point of services. Beside service convenience from the alternative channels of service, these would reduce customer's cost, expenses, and time used to access those services as well.

In the case of the Department of Lands, a comparative study of service channels showed that Bangkok Metropolitan and provincial land offices are the Department's service units which are located across the country. The Department attempts to develop and renovate buildings of land offices to be modernized and ready for service. Queuing systems were created to determine the service order of customers in land offices, information systems and land registration databases and records are used and linked in order to support and enhance service quality on juristic acts regarding lands, as well as service fees, taxes, and payment calculations. This results in smoother and faster operation and services in land offices.

Moreover, the Department of Lands facilitated customers in fees and tax payment processes by accepting ATM and debit cards as a mean for fees and tax payments. This can reduce customers' need to carry cash for fees and tax payments at land offices (currently applicable only in Bangkok Metropolitan land offices). Deregulation of service rules regarding land registration services across land offices is also something that the Department has tried to do for its customers, which would reduce customers' costs, expenses, and time to access services, instead of going to the land office where the land is located.

However, there were limitations in facilitating customers regarding an incomplete operation of the land registration database, land record control databases

and so on. If all these operations were to be completed, the facilitation regarding land juristic acts would be carried out much better. One executive of the Department of Lands gave a supportive statement that “the Department’s staff believed that they can provide service excellence, if the development of service support systems was completed.”

In the case of the Department of Health Service Support, a comparative study of channels and places for the Department’s services as well as the convenience in accessing the services demonstrated that provincial public health offices are acting as the Department’s service units in regional areas of the country, whereas, the offices or bureaus of the Department in Central Administration are service units in the Bangkok Metropolitan area. The Department’s service recipients had to directly access services at the Department’s offices and bureaus, except services of the Division of Medical Engineering, which are provided by 9 medical engineering centers located across the country.

In addition, examples of the Department’s service development and improvement in accordance with the OPDC’s guidelines were the streamlining of service processes and time taken to provide those services. The Department also set up one-stop service units, but they have not been operated comprehensively as services of the Department’s offices and bureaus have been provided separately and independently. However, these examples reflect attempts of the Department to develop and provide more service channels. But one issue that should be noted was that the Department’s service channels were specifically determined only by the Department’s service units.

In the case of the Cooperative Promotion Department, a comparative study of channels and places providing services as well as the convenience in accessing those services can be categorized into two parts as follows:

The first part is services related to the role of the Department as cooperatives’ regulator and controller which involves cooperative registration or withdrawal, adjustment of cooperative rules, and the examination of cooperative operations, etc., which are provided only at cooperative offices. The Department also provides information related to cooperatives on the Department’s website – [www.cpd.go.th/cpd/cpdinter/index.html](http://www.cpd.go.th/cpd/cpdinter/index.html). Furthermore, regarding convenience, the

Department has tried to facilitate cooperative founders by initiating a computerized cooperative naming system so as to shorten the process and time required for cooperative registration.

Moreover, the Department has applied delegation of authority of supervisors in the Central Administration to provincial cooperative offices so that the offices have the authority to consider and approve loans for cooperatives if the amount does not exceed 3 million baht, instead of sending the matter to the Central Department for approval. This could also help shorten working processes and time required.

The second part is related to the role of the Department as cooperatives' promoter. There are cooperative promotion officers who normally go to each cooperative to provide a service. At the same time, the Department provides assistance or recommendations by telephone and sends an officer to the field if the cooperative requests.

#### 6.2.2.4 Promotion and Communication

The Department of Land Transport communicates with the public through a radio program called "One minute with the Road Safety Fund" which is on air every workday after the morning news of the Government Public Relations Department. Moreover, the Department also provides relevant land transport knowledge, news, activities, laws and regulations, and information its website – <http://www.dlt.go.th/th/>. However, the Department does not have or use any other channels to communicate with or to acknowledge or provide information or make the public understand or motivate the public to perform as the Department requires.

In the case of The Department of Lands, a comparative study of marketing promotion and communication revealed that providing relevant information via the Department's website, was the most popular. People are able to find information on land valuation through the internet by just providing land title deed number and its location, and may also find the manual on "fees and tax on land registration or juristic acts related to real estate, according to the Land Code". Besides these information channels of communication with the public, the Department does not use any other channel such as radio, television, newspaper, or other media, to provide knowledge, understanding, or information of the Department's operations and services.

Regarding communication of the Department, service information and flow charts are posted at the Department's service units. There are also department officers who provide information and advice. Moreover, in the case of services that are not able to be completed within one-day, the Department will notify its customers of the service progress by E-mail or SMS or other available online service communications. The Department's executives demonstrated their realization of the importance of providing information on service progress by stating that "there is a need to inform operating process to customers and allow them to track service progress. In the case of any problem, service officers must be able to explain what the service is and provide relevant information to the customer".

In the case of the Department of Health Service Support, a comparative study of marketing promotion and communication in the Department revealed that the main communication channels are the Department's website – <http://203.157.7.46/home.jsp> and service units. Other media communication channels are not found in the Department.

In the case of the Office of Health Business Promotion (spa businesses), besides maintaining standards of spa businesses, the Office cooperates with entrepreneurs in brainstorming and applying the ISPA (International Spa Association) standards for grading spa businesses in Thailand. Logos and SPA Grading have been used as certificates to show standard levels and as a motivational tool for entrepreneurs to comply with relevant laws. The Office also provides incentives, assistance, and support for entrepreneurs. For example, there is an agreement with the Excise Department on tax exemption for water that is used by the registered spa businesses for public relations and to promote spa businesses.

However, there are some issues and weaknesses of marketing promotion and communication in the Department of Health Service Support in terms of the image of the Spa business. Even though the standard of Spa businesses imposed by the Department is not significantly different from the international standard, the standard is not yet accepted by Spa business entrepreneurs when compared with the HA (Hospital Accreditation) standard or JCI (The Joint Commission International) standard. People recognize and trust a service that is supported by the HA or JCI standards rather than a service that is supported by the

Department's standards. This fact shows weakness of the Department in promoting an acceptable image of the Department's standards.

In the case of the Cooperative Promotion Department, a comparative study of marketing promotion and communication can be divided into two parts as follows:

The first part is related to the role of the Department as cooperatives' regulator and controller. It was found that there is not much public relations related to these services. Information and knowledge related to cooperative registration and examination are available on the Department's information board in the Department's service units and on their website.

For the second part, as the role of cooperatives' promoter, the Department put an effort into promoting and advertising its operations, goods, and products related to cooperatives, as well as providing recognition and understanding of cooperatives' operations in society. For example, encouraging new market penetration in domestic and foreign markets, launching exhibitions for cooperatives' goods and products, etc. Moreover, the Department publishes periodical journals as a channel to promote operations of the Department and cooperatives. However, the marketing promotion and communication of the Department is likely to be passive rather than active and is done as a routine job rather than a strategic job.

In conclusion, marketing activities that follow the 4Ps and 4Cs of the Marketing Mix have been used for assessing public services provided by the studied government authorities. The results of the study show that the studied government authorities did not intend to apply the 4Ps and 4Cs of the Marketing Mix. What they have done is just to focus on people's interests and try to respond to those people's needs in accordance with the framework of PMQA. However, this implies that the process that government authorities try to serve customer needs match with the 4Ps and 4Cs of the Marketing Mix.

Furthermore, it has been noted that the Department of Land Transport and the Department of Lands which have various groups of customers, have various forms and methods of service improvement, development, and delivery. In contrast, the Department of Health Service Support and the Cooperative Promotion Department have limited groups of customers. Therefore, the diversity in form and method of

service improvement, development, and delivery of the Department of Health Service Support and the Cooperative Promotion Department is less than in the case of the Department of Land Transport and the Department of Lands. It was also found that marketing concept that government authorities have implemented the most is "Product and Customer Solutions" which was clearly specified by the Departments' laws and regulations. The government authorities have also implemented substantial operations with a variety of activities in service providing processes, enhancement of services and faster and more convenient provision of services, which was the result of applying the concept of "Place and Convenience". On the other hand, there are some limitations in applying the concept of "Price and Cost to Customer" due to impropriety in the use of pricing strategies. Rate of service fees, fines, and taxes are defined by laws which government authorities are required to follow. Government authorities have limited independence to manage their revenue and expenditure.

However, whereas the concept of "Price" is improper to the services of government authorities, but the concept of "Cost to customer" provides a positive link to "Place and Convenience", because more channels and convenience to access government authorities' services reduces the cost to customers to get services. The results of the study also demonstrate that marketing activities according to "Promotion and communication" were least implemented. However, government authorities currently attempt to initiate either direct and indirect channels of communication to provide service information, service progress, news, activities, and so on, in order to make people better understand and cooperate with what government authorities do.

A comparison of marketing activities operations of the studied government authorities are shown in Table 6.2.



**Table 6.2** Comparison of Marketing Activities of the Studied Government Authorities

Government Authority	Product and Customer Solutions										
	Core Product/Service	Level of Product/Service						Product/ Service Development	Product/ Service Life Cycle	Product/ Service Enhancement	Packaging
		Quality	Feature	Design	Brand/Logo	Packaging	Augmented Product/Service				
Department of Land Transport	In accordance with roles and responsibilities specified by laws	As specified by laws	Regulating that focuses on convenience and speed	Separation of regulating and service task/providing service outside of office	As specified by laws	Non	Non	Delegation of authority /official and office standard/ innovation	As specified by laws	Measuring of service users' satisfaction	Non
Department of Lands	In accordance with roles and responsibilities specified by laws	As specified by laws	Regulating that focuses on convenience and speed	Separation of complex and simple tasks	As specified by laws	Non	Non	Delegation of authority /working standard/ innovation	As specified by laws	Measuring of service users' satisfaction	Non
Department of Health Service Support	In accordance with roles and responsibilities specified by laws	As specified by laws	Regulating the standards/ promoting standardization	In accordance with process of laws	As specified by laws	Non	Non	Delegation of authority/ development of acceptable standards	As specified by laws	Measuring of service users' satisfaction	Non
Cooperative Promotion Department	In accordance with roles and responsibilities specified by laws	As specified by laws	Regulating the standards/ promoting cooperatives	In accordance with process of laws/providing onsite service	As specified by laws	Non	Non	Delegation of authority/ cooperative promotion according to their circumstances	As specified by laws	Measuring of service users' satisfaction	Non

**Table 6.2** (Continued)

Government Authority	Price and Cost to Customer									
	Price setting process									
	Pricing Objective	Determine the Demand of Market/ Citizens	Estimate Cost of Product/ Service	Analyze Competitors' Price	Pricing Method of Product/ Service	Determine the Price of Product/ Service	Providing of Things that Increase Motivation Monetary	Providing of Things that Non-Monetary	Providing of Things that Decrease Motivation Monetary	Providing of Things that Non-Monetary
Department of Land Transport	As specified by laws	None	None	None	As specified by laws	As specified by laws	Reducing tax for fuel-efficient cars	None	Fine for a delayed tax payment	Not issuing or canceling the car license
Department of Lands	As specified by laws	Price of land valuation	None	None	As specified by laws	As specified by laws	None	None	None	None
Department of Health Service Support	As specified by laws	None	None	None	As specified by laws	As specified by laws	Providing services without fees/exempting water tax for spa businesses that meet standards	Arranging a grading for spa businesses that meet standards	None	Not issuing or canceling the license
Cooperative Promotion Department	As specified by laws	None	None	None	As specified by laws	As specified by laws	None	None	None	None

**Table 6.2** (Continued)

Government Authority	Place and Convenience												
	Location	Selection of Channels to Access to the Product/Service							Range of Hours for Receiving Service	Time Used to Wait for Service			Environment and Service Place
		Telephone or Facsimile	Post	Mobile Unit	Drive Thru	Internet/e -Service	Service Delivery	Kiosk		Reducing Process/ Amount of Time	One-Stop Service	Queuing	
Department of Land Transport	Provincial/ Bangkok Land Transport Office	✓	✗	✓	✓	✓	✗	✓	Various times	✓	✓	✓	✓
Department of Lands	Land Office	✓	✗	✗	✗	✗	✗	✗	Official working hours	✓	✗	✓	✓
Department of Health Service Support	The Department/ Provincial Health Office/ Medical Engineering Center	✓	✗	✓ (Some service units)	✗	✗	✗	✗	Official working hours	✓	✓ (Some service units)	✓	✓
Cooperative Promotion Department	Provincial Cooperative Office	✓	✗	✗	✗	✗	✗	✗	Official working hours	✓	✗	✗	✓

**Table 6.2** (Continued)

Promotion and Communication																	
Government Authority	Content for Communication	Message						Messenger					Communication Channel				
	To achieve common understanding of target group	To achieve common belief of target group	To achieve operations from target group	Easy to understand	Customer/service user sees the benefits	Provide meaning as intended	Easy to remember	Appropriate format and features	Internal public relation communicator	External assigned person or organization	Using character/symbol/mascot	Advertising	Public relations	Special event/activity	Direct marketing	Publication/internet	Personal communication
Department of Land Transport	Service providing method/procedure	✗	✗	✓	✓	✓	✗	✗	✗	✗	✗	✗	✓	✗	✗	✓	✗
Department of Lands	Service providing method/procedure	✗	✗	✗	✓	✓	✗	✗	✗	✗	✗	✗	✓	✗	✗	✓	✗
Department of Health Service Support	Service providing method/procedure	✗	✗	✗	✓	✓	✗	✗	✗	✗	✗	✗	✓	✗	✗	✓	✗
Cooperative Promotion Department	Service providing method/procedure	✗	✗	✗	✓	✓	✗	✗	✗	✗	✗	✗	✓	Exhibition	Road Show	✓	✗

### **6.3 An Analysis of Administrative Factors Encouraging or Discouraging the Implementation of Marketing Concepts in Thai Government Authorities' Public Services**

From the analysis of organizational structures, roles and responsibilities, including marketing management and proceeding of marketing activities in the 4 cases studied, their organizational structures have been established by the provision of ministerial regulation on organization of government authorities. They use laws and regulations to control people, and delivering public services is a part of laws and regulation enforcement. The government authorities themselves also attempt to provide their services by the principle of “citizen centric public service”, where the goals are to respond to citizens’ needs and wants.

Information received from the studied government authorities indicates that their principles for operating and providing services conform more to guidelines provided by The Royal Decree on Criteria and Procedures for Good Governance B.E. 2546 (2003) than to the principles of marketing concepts. However, a comparative analysis of operational processes for marketing management and marketing activities of the government authorities has revealed that operations following the principles of The Royal Decree on Criteria and Procedures for Good Governance B.E. 2546 (2003) are consistent with the principles of marketing concepts.

The information in the case studies also reveals issues related to factors that encouraged and discouraged the service providing of the government authorities. Therefore, this section aims to present administrative factors encouraging and discouraging the implementation of marketing concepts in public services of the studied government authorities.

#### **6.3.1 Organization's Leader**

Organization's leader is the first important factor that all of the studied government authorities recognize as a common issue, which affects the implementation of marketing concepts in provision of public services. Each government authority indicated that any changes in organization would occur by the initiation of their leader, namely, the director-general of the government department.

Throughout 10 years of public sector reform since B.E. 2545 (2002), the OPDC has attempted to encourage each government authority to enhance its working processes and public services to citizens. However, the tasks of the OPDC in encouraging change and development of government authorities' working processes and public services are only seen as a starting point of. Actually, the significant role and responsibility to encourage any changes depends on the commitment and continuity of the organization's leader.

An executive of the Department of Lands gave an opinion comparing roles of leaders with roles of the OPDC in promoting changes in the government authorities, stating that "the encouragement of the OPDC accounts for only 25%, while the major roles and responsibilities of changes depend on executives or leaders of the government authorities". Working processes of the government authorities follows the chain of command, which has resulted in staff lacking motivation unless the executives give them orders or specify definite operational frameworks. This also represents government working culture, where the staff await orders from their bosses.

Examples that represent how the roles and responsibilities of leaders affect the direction of administration and public service of each studied government authority are as follows:

In the case of the Department of Land Transport, all of the executives have stated that the Department of Land Transport emphasizes the importance of services provided to the citizens, and attempts to follow its strategy of administration development and service excellence as mentioned in the Department's Strategic Plan B.E. 2554-2558 (2011-2015). The importance of administration and public service are recognized and reflected in an informal meets hosted by the director-general, which are commonly known as the "coffee council". It is a channel for different level executives to meet, have a discussion, and exchange information and thoughts, including consultation for solution or development of the administration and service providing process. Moreover, the executives of the Department of Land Transport use several tools to enhance their administration and service providing processes, such as encouragement of officials and staff to innovate their working processes with the aim of enhancing and standardizing the Department.

In the case of the Department of Land, it emphasizes the importance of land offices, which provide services directly to citizens, by specifying the development of service providing processes of the land offices as one of strategic issues in its 4-year Operational Plan B.E. 2555-2558 (2012-2015). The executives and ombudsmen of the Department use intensive methods in their working processes, such as getting onsite in order to examine the working processes. The Department of Land staff are always reminded that their service must not receive any complaints from the service users as their positions can be transferred immediately if they do. As the director-general has provided a guideline that “the Department of Land officers must provide services without receiving complaints from the service users if they do positions will be transferred immediately”.

In addition, the officers of provincial land office are as important as department executives in improving the quality of service providing processes. They are in the highest authority in the provincial land offices, which directly provide services and have contact with citizens. If the officers emphasize the importance of public services and focus on public benefits, the citizens would receive satisfaction from the services automatically. Moreover, one of the department executives has an opinion, which reflected the roles and responsibilities of the officers, stating that “if the land offices, land officers, and staff work unconditionally but under the rules, then the work can be efficient and there will never be a situation where people need all day to receive the service”.

In the case of the Department of Health Service Support, principles that the department executives used as a guideline to administer and provide services are that “every operation of the Department of Health Service Support must comply with the specified standards”. The guidelines are reflected in the Strategic Plan of the Department of Health Service Support B.E. 2555-2558 (2012-2015), which aims to set quality standards for public and private health service facilities, health service businesses, and practitioners of the art of healing.

One of the Department’s executives mentioned the importance of the organization’s leader in affecting the operation of the personnel in an organization. The director-general or leaders of government authorities must be the ones who drive changes. The leaders must pay serious attention to changing the attitudes and

working processes of personnel, and provide an example by improving their own knowledge, abilities, working skills, including being a person of positive working attitude that is ready to open and adapt to any change. In contrast, an obstacle to this is that sometimes the executives did not emphasize the importance of changing the attitudes and working processes of personnel, but instead focus on achieving their roles and missions in accordance with the law.

In the case of the Cooperative Promotion Department, the purpose of its services relate to cooperative promotion. The Department's officers and staff have to work closely with cooperatives in order to promote practical cooperative support. Thus the operations of the Department are vastly different in each type and place of cooperative. However, many executives of the Cooperative Promotion Department have opinions consistent with other studied government departments that an organization's leadership is a crucial factor affecting changes in the Department. Even though the OPDC tried to encourage government authorities' administration development and public services it is considered as only a partial role. One of the executives of the Cooperative Promotion Department mentioned that "the leadership of the government departments must play a dominant and continuing role in encouraging the government officials and staff to adjust their attitudes and working processes to be consistent with the principles of The Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546 (2003)". As such, the public service provision can truly benefit the citizens.

However, there is a notable issue related to roles and responsibilities of the director-general of the Department authority. According to the current government system and the structure of internal administration of the government authorities at department level, the role and responsibility for organizational development and initiating changes to the departments belong to the "Administrative System Development Group", which is directly under the director-general in accordance with the ministerial regulation on organization of government authorities. However, the facts from the cases studied indicate the following:

Firstly, the government authorities usually do not perceive the task of developing the government system as a core function, especially when compared with the roles and responsibilities that are specified in ministerial regulations. Even though



the director of the Administrative System Development Group is at the same level as other directors of other offices, the Group can only call for cooperation from other offices to operate as the Administration System Development Group wishes. Furthermore, the work of the Administrative System Development Group has also been perceived as additional tasks that increase the duties and responsibilities of other offices. Because of this the attempts by the Administrative System Development Group to develop the administration and service provision processes of the government departments have not been fully successful.

Secondly, the director-general often delegates work of the Administration System Development Group to the deputy director-general. Even the ministerial regulation has specified that it shall be directly under the responsibilities of the director-general. This indicates the fact that the development of government systems has not been positioned as a core function that needs to have high priority. In addition, the emphasis on development of government systems according to the guideline of the OPDC might not include the main area of the government departments' administration processes.

Therefore, lack of full responsibility of the leadership of government authorities has slowed the process of the government system development. The role of the leadership in developments has a connection with working attitude and culture of the government officials and staff of the government authorities as well. Details will be discussed in the following paragraphs.

### **6.3.2 Government Officials and Staff**

Government Officials and Staff are also an important administrative factor as they provide direct services to citizens and service users. Performance and quality of service are affected by the knowledge, thoughts, attitude, perception, and behavior of the government officials and staff. There are 3 separate issues to be considered. These are work knowledge, skills, and attitude, where each factor has an effect on the working behavior of the government officials and staff.

In the case of the Department of Land Transport, the development of the administration and service provision processes is a result of a collaborative learning process by having the relevant personnel consult with each other. For instance, if they

want to shorten the service providing processes, the related personnel from different units will jointly consult with each other to designate the required procedures or tools. Exchange and learning of working knowledge and skills comes from an activity called the “activity of curiosities” by providing opportunities for personnel to raise questions and answers that are related to their collaborative work, and includes the finding of solutions to problems with working processes or procedures.

In addition, the Department of Land Transport educates their personnel and staff by having training courses, study visits, acquiring working knowledge from good examples, and so on. The Department of Land Transport has arranged activities for personnel and staff in different department units to collaborate. Even though the activities are unrelated to other units’ operation, the units that arrange the activities will send invitations to others to join them. This is an important channel for personnel and staff from different units to have an opportunity to know and understand each other, and creates a network that supports their collaborative work.

These are examples that reflect the attempt by the Department of Land Transport to develop knowledge and skills in administration and service provision amongst its staff and results in public service provision processes and procedures which satisfy service users.

The consequence of encouragements by the department’s executives for its officials to pay attention to citizens, have been revealed as the significant guideline for working processes. Evidence that reflect attempts of the Department’s executives to change the attitude of government officials is provided by the following quotes from an executive that “if any issue benefits the citizens and the laws permit us to do so, then the department shall proceed” or “even though the government authorities must comply with the laws, the laws must be amended if they are outdated, because laws are for amending and not just for implementing” or “if the laws do not prohibit it, any action must be possible to do. If the laws intend to prohibit, it must be specified in the laws”.

Furthermore, examples related to service provision, which reflect the attempt to change the attitude and service provision by trying to understand the needs of the citizens, are illustrated by the following quotes “since the laws require or specify that it is the responsibility of the citizens to contact government departments, then what

we have to think is how to serve the citizens effectively” or “when the citizens contact the government, the first things are speed and convenience”, or “change of working processes must begin with the idea of how to serve the citizens at their greatest convenience, then think further about any obstacle if we were to proceed, and find a solution for it”.

However, many of the Department of Land Transport executives have similar opinions that current working attitudes, behavior, and service provision of the department personnel and staff are in accordance with the government performance indicators and the guidelines for the Public Sector Management Quality Award (PMQA). This result in working behavior and service provision by the officials that focus on serving the needs and creating customer satisfaction. This is an example of adjustments in working behavior that does not originate from the officials themselves, but from the working system that forces them to adjust.

In the case of the Department of Land, the nature of its service must strictly comply with the laws. Having property rights and ownerships is a result of the provision of laws, which are used as tools in referencing the integrity and legitimacy of provided services, certifying the property rights of a person or legal entity, and avoiding exploitation of citizens. Thus, working knowledge and skills related to the implementation of laws are important to the department staff. The Department of Land itself specifies the “personnel development project” as the 4-year DOL’s Operation Plan B.E. 2555-2558 (2012-2015) in order to develop the department units, officials, and staff to be able to carry out their work correctly. This example reflects the attempt by the Department of Land to develop the working knowledge and skills of its officials and staff.

One of the Department of Land’s executives mentioned an issue related to the working attitude and behavior of staff especially the image of bureaucracy and that when citizens approach the staff, that this image decreases. Because the staff providing services in the land offices are a new generation that has no feudalistic attitudes and are ready to use technology in their work. The change of attitude has meant citizens are more willing to approach the staff. While the staff have appropriate behavior carrying out their duties, the citizens have more channels to send complaints. The more channels the public have to send complaints, the more pressure the staff have to change their working perceptions, attitude, and behavior.

Even though the Department of Land attempts to enhance the quality of service, the overall working attitude and behavior of the staff still be seen as an element of bureaucracy. The personnel and staff still work according to their duties and orders. One of the Department executives has described that the current working and service provision system influence government authorities' staff to change their working attitude and behavior, rather than changing their working attitude themselves. Therefore, the change in working attitude and procedures of the Departments' staff are not considered as truly working or providing services with the public in mind.

In the case of the Department of Health Service Support, the nature of its work and services are to deliver standards on people, tools, and facilities related to sanatoriums, practice of the art of healing, practices for health services, and provision of health education to the services users. The standards of the sanatorium operators, practitioners of the art of healing, or health service facilities are in accordance with professional standards. Therefore, working knowledge and skills of the department staff are clearly specified according to those standards. The professions have set the working standards and qualities of the Department staff.

One of the Department of Health Service Support executives has described the working attitude and behavior of the department staff and factors affecting the working attitude and behavior of the staff of the government authorities as coming from the belief that "they are the only person or unit that have the authority and are able to use it by law, where others do not have it, so there are no competitors". As a result, the service provision by the government sector is considered a monopoly, or if competition exists, it is a competition under the consent of the government, and the citizens must ultimately approach the government to receive its services. This feature encourages the continuance of the government working culture. Even though the OPDC or the Department of Health Service Support attempts to develop the service provision in aspects of both working processes and working attitude of the department staff, the result is only an attempt to reduce the inflexibility of the service provision and bureaucracy, and the attempt to provide better services that respond to the needs and wants of customers, like services provided by private business. However, an executive of the department mentioned that such changes are from "working according to the assigned duties, rather than working with a service oriented mind".

In the case of the Cooperative Promotion Department, its work is to promote the cooperatives, which involves the problems, requirements, and conditions of various cooperatives. Therefore, the promotion of cooperatives requires staff that have wide knowledge. An agricultural cooperative promotion requires staff that have knowledge on plant species, earth and soils, and a fishery cooperative promotion requires staff that have knowledge on fishes and aquatic animals. However, operations of the Cooperative Promotion Department have no officials or personnel that have wide enough knowledge to cover all aspects, so need to depend on specialists for specific knowledge.

The basic knowledge, which is necessary for the cooperative promotion staff, is the knowledge related to principles, ideologies, cooperative procedures, and laws related to cooperatives. The staff must have skills to act as intermediaries for searching for and coordinating with specialists to transfer their specific knowledge to the cooperatives, and skills to understand the requirements and promotions that are suitable for each cooperative's circumstances. One of the department executives has stated that "factors that create satisfaction to the service users are convenience, speed, and knowledge of the staff. The staff must be smart, even though they cannot give business advice, but they need to be accurate and precise on cooperative laws, rules, and regulations." As such, an attempt to develop officials' and staff' knowledge and skills in cooperative promotion services has been specified in the Cooperative Promotion Department Strategic Plan B.E. 2555-2559 (2012-2016), strategic issue no. 2, "Strengthening the Awareness of Being a Cooperative". It serves the goal of developing the personnel to have knowledge, understanding of ideologies, principles, cooperative procedures, and skills to transfer the knowledge of cooperative management that is correct according to the cooperative procedures (Cooperative Promotion Department, 2013a: 38-39).

Many of the Cooperative Promotion Department executives have said about the working attitude of the staff that fundamental thoughts and working processes of the staff are still based on a high level of bureaucracy, even though the department has undertaken the project on changing the attitude of the officials and staff to become good service providers. However, the working attitude of the officials and staff has not changed much. The rearrangement of working processes of the department's staff

is in accordance with performance indicators, which have been specified by the OPDC, rather than those of their awareness. The department executives have concluded that the current changing of government authorities' working processes and working attitude of personnel and staff has not been immediate.

In conclusion, examples from the studied government departments have revealed that knowledge, skills, and attitude of their personnel and staff affect the quality of their work and services. Furthermore, the current behavior when working and providing services of government officials and staff have been specified by the OPDC's performance indicators, not a true service oriented mindset. If the government authorities are able to encourage or build their staff's service oriented mindset, then the service provided by the government authorities will tend to be more responsive to their customers than it is today.

### **6.3.3 The Roles of the OPDC in Pushing Forward Government Authorities to Provide "Citizen Centric Government"**

This role of the OPDC is in accordance with the provision of section 3/1 of the State Administrative Act (no.5), B.E. 2545 (2002), the Royal Decree on Criteria and Procedures for Good Governances, B.E. 2546 (2003), and the PMQA framework for public sector management development. The comparative study of marketing concept implementation in the 4 case studies revealed that marketing concepts did not lead to any change in working ideology and working processes of government authorities. The study also revealed that government authorities adjust their way of thinking, working processes, and service management to meet the PMQA's criteria and framework. However, marketing concepts have some overlap with the PMQA's criteria and framework.

In addition, although the role of the OPDC was important in the improvement of public service management of the government authorities, the studies have also shown that the role of the OPDC in encouraging changes in working and service delivery processes as well as the application of marketing concepts in government sector was only the starting point of the change in the government sector. Actually, any change in government authorities must be initiated by the leader of organization by deciding to turn the concepts into action. However, if the OPDC did not initiate

such encouragement and wait for the government authorities to take action themselves, any changes would not even be initiated.

#### **6.3.4 Law**

Normally the government authorities' operation, roles, authority and mission were clearly specified by laws such as the ministerial regulations, and laws that government authorities have a duty to enforce. Government authorities use these laws as a tool for achieving their missions. The information obtained in the case studies demonstrate that the determination of services, service receivers (customers), working processes and service delivery were all specified by law. In addition, law was also considered as the factor that makes the government authorities still operate in the old bureaucratic style, according to the fact that they are the only ones who have the legal authority to enforce laws. Thus, citizens themselves have a duty and responsibility to receive services of government authorities.

Nevertheless, the information obtained from the studied government authorities reflected the intention of those authorities to improve and develop their management and service delivery processes without laws and regulation-related obstacles. Many of the Department of Land Transport's executives made similar statements such as, "Laws are in place not only for enforcement but also for amendment", or "If any action was not prohibited by law, it could be executed but if any action was prohibited, the law would say so", or "The actions should be first executed according to law and if the law prohibited such action, the amendment of laws will be under consideration", etc.

In the case of the Department of Lands, it realizes that customers prefer a convenient, fast, correct and reliable service. Therefore, the Department places an importance on providing correct and lawful professional standard services and tries to provide convenience and timeliness in service delivery. According to the restriction of laws, an executive of the Department stated that the Department attempted at first to facilitate citizens to the extent permitted by law or tried to develop and improve services that do not need law amendments such as the implementation of queuing systems, the separation of complicated services from the less complicated, etc.

Regarding the Department of Health Services Support, although the service delivery process was based on the Department's standards, the Department tries to decrease the inflexibility of the provision services under the bureaucratic system, at the same time. It also tries to increase the flexibility for its customer in receiving services to equal the private sector.

In the case of the Cooperative Promotion Department, although the department's services could not be operated as in the private sector because they have to serve the needs of various groups of citizens equally and they must use laws as a tool for preserving equality and fairness, the Department's executives gave an opinion which reflected the implementation of law and the attempt to operate without the obstacle of legal requirements. They stated that the Department's service delivery mainly depends on the processes and steps of law which specified the permitted and prohibited actions, but the department will execute anything the laws allow or does not prohibit and any actions that is not specifically prohibited by law, such actions would be able to be executed as implied by the Department.

However, one of the legal issues that placed limitations on developing service delivery processes by the government authorities was that "the operations executed by officers were only under the law of each department" which resulted in a disconnection of the services involved with other departments because the officers only have the authority to perform tasks under each of their Department's laws. For example the Department of Lands enforced the Land Code in issuing land rights documents. However, the process of issuing land rights documents (especially the land without title deed) involved the examination of a person's rights to land in order to clarify whether that person has the rights in accordance with law or whether the land was in the applicable location which may involve the Forest Department's laws regarding forest reservation areas. Moreover, in the case of car registration (especially imported cars) the process will involve the Customs Department first and then that car will be registered by the Department of Land Transport. These examples illustrated that although the service receivers were the same party, services receivers were required to contact more than one department as the service delivery processes involved two departments which operated under different laws. Thus if the government authorities were able to overcome this limitation by combining such



services into a single place and process, this would be a lot more convenient and the one stop service would help to link the service delivery processes.

Another issue was the difficulty of amending laws or regulations regarding the improvement of working processes and service delivery of the government authorities. Amendments depend on two important factors. Firstly, if the laws and regulations were used by one specific department and were not involved with other department's laws, the amendment of laws and regulations was not difficult. Secondly, the difficulty depends on the level of the laws and regulations that they want to amend. For example, an act will be more difficult to amend than those laws at lower levels.

### **6.3.5 Operation and Service Delivery Supporting Systems**

This refers to the design of procedures and working processes that facilitate the service delivered by using information technology and communication systems to support the tasks of government officers. Examples of an outstanding government authorities regarding the tasks and service delivery support systems is the Department of Land Transport which has developed the service for tax payment in the form of the Drive Thru for Tax by delegating the authority of supervisors to operations officers at service points. In order to support such services, car license and tax databases were linked and used as a supporting mechanism for the examination of car license data and tax rate calculation which has enhanced decision making and decreased error rates, as well as shortened the time to provide services. The Department's customers are able to receive services from any land transport office and have no need to go to the land transport office where the car was registered.

Another example was in the case of the Department of Lands. The Department attempted to develop some of the service delivery processes on land registry related services to be executed at any Land Office. The Department prepared for such processes to occur by developing a land mapping system to be of the same standard across the country and link the land map data with the land registry data and personal data in order to establish the online service supporting system which is able to link land registry data from across the country. This would enhance the Department's potential to provide land registry services at any land office rather than the land office

where the land is located. At the same time, the department had already amended laws and regulations that could support such processes. Currently, this kind of service is provided only in some places and by some land offices as the whole system is incomplete due to insufficient budget (factors on budgeting will be illustrated later on). However, this service development was assigned as one of the strategic issues in the strategic plan for 4 years from 2012-2015.

Therefore, the Department of Land Transportation and the Department of Lands were examples of the working system development and design that was correctly carried out according to laws and applied information technology systems for better management and service operation. Streamlining service processes and providing well-managed data and information systems to officers for making decisions would facilitate service officers in providing services, under the critical situation where the Departments' officers' workloads are increasing whereas the Department's manpower seems to be limited. This would be an important factor that helps to improve the service quality in the aspects of convenience, timeliness, rightfulness and reliability which will create a good image for the department as well as enable the officer to work faster and with less mistakes.

#### **6.3.6 Budget and Revenue of Government Authority**

This is one of the important administrative factors that facilitate public service management. Every studied government authority agreed upon the fact that, firstly, the allocation of an annual budget for each government authority was insufficient for the development of administration and service systems because expenditure is greater than investment. Secondly, the existing budgetary system cannot adjust to the changes in context and environment of public sector management. Some examples of the government authorities' budget insufficiency and problems are as follows:

In the case of the Department of Land Transport and the Cooperative Promotion Department, executives of both departments revealed that "regarding the existing budget system, the budget is planned in the current fiscal year in order to support expenditures in the next fiscal year. Thus, it cannot support any expenditure due to urgent operations or unplanned costs".

In the case of the Department of Lands, even though, the Department has tried to adjust laws and regulations to match the use of information technology systems in public services, the Department does not have sufficient budget for the investment in information technology system development. What the Department does is just incrementally develop the system due to its budgetary constraints.

Besides the issue of budget insufficiency of government authorities, some government authorities also lack financial flexibility in their administrative activities. In order to cope with the problem, some authorities have to earn additional revenues from their own operations as long as the laws permit. The Department of Land Transport, for example, has gained additional revenues from auctions of car license plate numbers by setting up the Road Safety Fund. Such additional revenues can be used for the Department's service development and improvement.

Therefore, it could be concluded that the government authority that has additional budget and revenue, such as in the studied case of the Department of Land Transport, tend to develop and improve service supporting systems and provide more responsive services than the other studied government authorities.

### **6.3.7 Political Factors**

The relationship between politics and government officials cannot be separated due to the chain of command in which officials must put policies that are set by the government into action. Therefore, the officials are responsible for either works that are related to their department's strategy or government policy. Some executives of the studied government authorities revealed that political interference is sometimes a barrier for a government official to complete the mission of the Department and to carry out service development. Instead, the officials are often influenced by politicians to support their political policies and interests.

On the other hand, political factors will have a positive impact on the operations of government authorities if government policy is in line with the strategies and missions of the Department.

### **6.3.8 Public Sector's Incentive System**

It is also an important factor that influence and encourage the government officials. The factor is undoubtedly linked to the performance of those officials. Executives of the studied government authorities expressed the view that “incentives in the Thai public sector are not enough to cause change”. The reason being is that each employee and official only focuses on his responsibilities in work assigned and just to complete their personal performance indicators (KPIs), assigned by the OPDC. In addition, annual personal performance evaluations have not made significant differences between those who work towards positive behavioral change and those who do not focus on improvement. Examples of what the studied government authorities are trying to do in accordance with incentive system are as follows:

An executive of the Department of Lands explained that the delegation of authority and the evaluation in some functions of the Department is done according to difficulty of work in order to have work disseminated. Hence, the individual performance evaluation will consider both the amount and difficulty of work and the results of evaluations will lead to individual development plans and promotion. However, the fairness in evaluation performance and merits partly affect motivation for work improvement but still does not make any significant impact.

Moreover, an executive of the Department of Health Service Support also revealed that bureaucracy or any government authority, together with government officials, should clearly set their objectives and reward for an official if achievement occurs, and what will happen if an official cannot achieve his or her mission. However, the incentive can be divided into 2 types which are monetary incentives and non-monetary incentives. All incentives should be based on criteria widely known and accepted by every official.

In conclusion, some of the aforementioned factors related to management and public service can be self-operated by government authorities while some cannot be completed within the authority and require cooperation with other authorities. Those latter factors are considered as uncontrollable factors. For example, in the case of amendment of relevant regulations and laws, some regulations and laws which are directly established for a specific authority can be amended by the authority while some including high-level law such as acts or Royal Decrees can be amended by cooperation with other authorities.

Regarding finances, it is also considered an uncontrollable factor unless a government authority can generate revenue from other activities besides using the annual budget. Thus, the revenue can be used for the authority and will provide more flexibility of work processes and operations.

Furthermore, a factor could be considered as a supporting factor or a barrier; for example, in the case of insufficient annual budgeting, it will not be a barrier to the authority if an authority can manage to have off-budget funds. Or in the case of the limitation in the number of personnel and officials according to government policy, then information technology systems will be a supporting factor. However, it can be concluded from the study that there is no factor that is independent. Instead, each factor is linked according to the context of each government authority.

## **6.4 Conclusion**

All public services of the government authorities have common characteristics. People have to come for a service and do not have any choice to use or not to use the service. Public services are developed and provided by the requirements of government authorities, not by the needs of people. Service delivery itself is not for all people but it is specific for those who need it according to legal requirements.

In the analysis of applying marketing management concepts, all government authorities apply the marketing management concepts, which include customer identification, customer needs surveys, service–system design, service delivery, and service recovery, according to PMQA rather than considering marketing concepts. Meanwhile, considering the 4Ps and 4Cs of the marketing mix, which comprises product and customer solutions, price and cost to customer, place and convenience of services, and promotion and communication, every government authority has applied the concepts at a different level for its operation. However, it was found that every authority applies the concept of place and convenience for customer much more than other concepts. On the contrary, there are some limitations in applying the concept of price and promotion due to the role and status of government authorities.

Nevertheless, there are two types of administrative factors affecting government authorities' management and public services, that could be considered as

supporting factors or barriers, including factors related to people (e.g. leadership, government officials and staff) and factors relating to management and public services (e.g. the role of OPDC encouragement, laws and regulations, operation and service delivery supporting systems, political factors, budget and revenue of government authority, and incentive systems).

## **CHAPTER 7**

### **CONCLUSION AND RECOMMENDATIONS**

This last chapter summarizes the findings of the study of the selected Thai government agencies' application of marketing concepts, as presented in Chapters 5 and 6. The summary is presented with the research questions and details regarding the objectives of this study, which concerns the application of marketing concepts in public services and features four government agencies as case studies, the differences in the application of those concepts in these different agencies and the factors affecting the application of the concepts in public services. Then the findings are discussed to work out whether marketing concepts were appropriate to these government agencies or not, before introducing the recommendations and ways to develop public services to meet people's requirements and create customer satisfaction.

#### **7.1 Summary of Study**

The objectives and research questions were to find out how these Thai government agencies applied marketing concepts in their public service provision, what the similarities and differences were in applying marketing concepts among these government agencies, what administrative factors affected the application of marketing concepts for public services and what methods these government agencies could use so as to develop their public services to meet the customers' requirements. This study used qualitative research including in-depth interviews, featuring four government agencies as case studies, as mentioned in Chapters 4 and 5. The study findings are summarized below.

### **7.1.1 Application of Marketing Concepts in the Thai Public Sector's Public Services**

According to the study of the application of marketing concepts for public services and the similarities and differences in that application in the provision of public services by the four government agencies, it can be summarized, as follows. First, the use of marketing in the Thai public sector started with the Officer of Public Sector Development Commission (OPDC)'s view that marketing concepts which focused on any of the agencies' customer-centered actions could be used to develop and improve government agencies' efficiency in the provision of public services. The process of applying marketing concepts in the Thai public sector started with the OPDC's attempt to introduce marketing concepts for the provision of public services by distributing "Marketing in the Public Sector" to government agencies and arranging the first and only training, in around the middle of 2009, for civil servants and officers in government agencies all over the country. However, the OPDC did not make any further efforts after this. The very first difficulty found in the use of marketing in the Thai public sector was that it lacked sufficient relevance in the wide scope of government agencies and their civil servants and officers for acknowledgement, and in order to create a mutual understanding of what marketing in the public sector was and to what extent marketing should be used in the public sector. As a result, marketing in the public sector was not very well-accepted among civil servants and officers in government agencies. Moreover, the OPDC's pressure to employ marketing concepts in the public sector could not force the government agencies to use those concepts. As a result, the application of marketing concepts for the agencies' provision of public service was not really actively and practically implemented.

However, these case studies showed that the agencies' development and improvement of public service provision since 2005 was not mainly based on the use of marketing concepts. In contrast, the government agencies preferred public services with the principles and the methods emphasizing "people or service customers' welfare and happiness", which was enforced subject to the provisions under Section 3/1 of the State Administrative Act (No. 5), B.E. 2545 (2002), and the provisions of the Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546 (2003).



To align performance with the provisions of the laws above, the OPDC assigned government agencies to develop quality of administration according to the Public Sector Management Quality Award (PMQA). Remarkably, Division 3 of PMQA also inserted marketing principles into process of duties performance processes. The government agencies' performance processes comprised customer identification, surveys of customer's needs, development, improvement, design and delivery of demanded services, and service recovery. As a result, performance according to the PMQA's processes, especially Division 3, was considered an indirect introduction of marketing management processes to the public sector, which was also employed by the government agencies with no awareness of the use of marketing principles in their performance and public service processes.

Under the conditions of the provisions of law and PMQA, each of the government agencies studied had similar features, methods and processes of public service provision. The only difference among the agencies was the extent of their duty of performance which depended upon their particular contexts, as follows.

In terms of customer identification and customers' need survey, the government agencies could clearly classify service customers subject to the services they provided according to their roles, duties and legal authority. In other words, customers would be classified with regards to the kinds of services provided. This was different from the private sector whose customers' needs would dictate the products and services. Meanwhile, the survey of customer needs was only done to develop and improve the process of service provision, which would rather decrease inconvenient and incompetent service provision than further develop new products or services.

However, the people who were the government agencies' customers did not refer to all people because the agencies' roles, tasks and legal authority would define which group of people would be each agency's customers. So, each agency's public services would serve particular groups of customers, subject to conditions of law. However, the final result of the agencies' performance and public service provision would be for most people's benefits.

The development, improvement, design and delivery of services was based on performance along with the process and steps specified by law. Each agency's public

services were defined by the provisions of laws and also sanctioned people's services received, with no rights to select service providers. The development and improvement, as well as delivery, of services mainly depended on the process and steps of law. Although the agencies used their customers' comments and needs to improve their services, they could do as much as laws allowed them to or did not prohibit them to.

Some examples of the agencies' development and improvement of service provision were cutting down steps in and the length of service provision, by transferring legal authority to the officers who provided services, increasing channels of various types of service provision and facilitating the service customers' access to the services with convenience and deftness or renovating the places for services and installing more equipment to facilitate service provision.

In addition, the government agencies also arranged some channels and processes for service recovery, like arranging a drop box for comments or complaints, a hotline or the government agencies' website for complaints, so as to use the suggestions, requests or complaints to develop and improve the quality of their public services.

However, an important finding related to features, methods and processes of public services provided by the agencies was, in spite of application of marketing concepts for service delivery, the government agencies still focused on the principles of performance and service provision which aimed to implement the tasks specified by law. To achieve this, the processes and steps of service provision were based on legal requirements. Moreover, as the agencies were assigned the processes and methods according to PMQA, ranging from customer identification, arrangement of some channels and processes for service recovery, rather than marketing management, and turning processes into routine work, the development and improvement of the services were stated as, "whatever the customers need, the government agencies should do." Moreover, these agencies had never done anything else beyond their customers' needs or expectations.

Reconsidering the agencies' attempts to provide services to respond to people's need, in comparison with marketing activities subject to the 4Ps and 4Cs of the Marketing Mix in the public sector (Kotler & Lee, 2007), the agencies' performance could be summarized, as follows.

In terms of activities related to product and customer solution, it was found that the agencies' roles, tasks and legal responsibilities specified their products or services. The development of new products or services depended on the amendment of the provisions of law. The difficulty in the amendments of laws depended upon the level or status of each kind of laws. So, the development of the agencies' existing products and services would rather cut down the steps and period of service provision or bring convenience and deftness to service provision and consumption, than develop new products or services. Moreover, the procedures of development could be done, as the law allowed, under the condition that the standards, quality, features, processes and outcomes of service provision was still aligned with the details of laws. This was to enable accuracy in providing services and maintain and protect service customers, as well as accredit the agencies' services.

In terms of activities related to price and cost to customers, it was revealed that the rates of service charges, fees, fines, taxes or expenses under their responsibility were defined by the provisions of laws, and were in small amounts of money. Prices were not intended to decrease or increase motivation or lead to any effects in terms of marketing. Tax collection was also considered as people's responsibility. Collection of fines was also just punishment for not obeying the conditions of the law. Meanwhile, the government agencies also tried to collect taxes, fees or fines completely and correctly, according to the legal processes.

However, some details from the case studies showed that, in some cases, the agencies used some measures to reduce some taxes, so as to persuade people to perform in the way the agencies preferred. For example, cars with alternative fuel were charged a lower rate of tax than cars with normal fuel. Also, some health service centers, like spa businesses with legal registration from the Department of Health Service Support were also exempted from excise tariffs for water.

On the other hand, the agencies attempted to increase channels to deliver a variety of services, so as to enable the customers to access the services more conveniently, more quickly and more easily. Moreover, the agencies also tried to cut down the length and steps of service delivery, so that the customers did not need to go to the agencies' office for the services, spend a lot of time on managing to get the services, or spend a lot of time waiting for the services, etc. These were beneficial to

the customers, with reduction of the customers' costs and expenses to access the agencies' services with more convenience. This aligned with the principles of marketing activities regarding reducing costs to customers.

In the case of convenient places and channels of access to services and rapidity of service delivery, it was found to be the best thing the agencies could do in comparison with other marketing activities. Some details gained from the case studies showed that the agencies had improved the buildings and atmosphere around the buildings for service provision, enabled the service process to be more convenient and faster, and cut down the period and steps of service delivery with the help of information technology (IT) systems for accuracy and rapidity. In addition, there were also various channels to access services, with onsite services, e-service or services through the Internet, as well as other conveniences, like photocopying services, availability of newspapers and magazines, drinking water or financial facilities.

In terms of activities related to promotion and communication, it was revealed that the agencies' status enabled the agencies themselves to perform with the focus on achievement in legal roles and tasks. These agencies consequently did not pay attention to marketing promotion or communication to advertise their own performance, building up understanding, providing the public with their information and news or persuading people to follow their demands. According to the study, the agencies usually employed one-way communication through specific media, like their advertisements and announcements on some radio stations, notices posted at service locations and publication through their own websites. All of these actions were done without any communicative strategies for any specific results as the agencies expected. However, there were also some examples of using marketing promotion and public relations to persuade people to perform according to the agencies' requirements. For example, the Department of Land Transport used the measure of tax-collection to charge cars with alternative fuel a lower rate of tax than cars with normal fuel. Also, the Department of Health Service Support also agreed with the Excise Department to exempt spa businesses from excise tariffs for water. This was just a small part of actions taken, especially when compared with all tasks for which the agencies were responsible.

As a result, the details from the case studies above could be resolved, according to the research question related to the features or methods the agencies used to apply marketing concepts for public services. The government agencies applied marketing concepts for public services, but without being aware that their attempts at performance improvement were related to marketing. These marketing concepts were inserted into the laws which were already “customer-centered”, both in the provisions under Section 3/1 of the State Administrative Act (No.5), B.E. 2545 (2002) and in the provisions of the Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546 (2003), as well as in the performance subject to PMQA, with one of the agencies’ focus of management processes on priority of service for customers and stakeholders.

### **7.1.2 Factors Related to the Development of Quality of Government Agencies’ Service Provision**

In terms of administrative factors affecting marketing use to develop and improve their services to respond to customer requirements and satisfaction. The research on the case studies could be summarized as follows. Each factor could both support and obstruct public services. The important factors were “personal factors” and “factors related to the agencies’ administration and public service provision”. The former group, personal factors, as principal factors leading to any changes in the agencies’ performance process, consisted of the organization’s leaders, civil servants and officers. Meanwhile, the latter group, factors related to the agencies’ administration and public service provision, as supporting factors, consisted of the OPDC’s role in enabling development of performance and service provision, the laws, the systems support performance and service provision, the agencies’ budget and income, and political factors. All of the factors above affected and related to one another.

The factor which involved people and was an important factor was the leaders, who introduced changes to the government agencies. The leader here refers to both the agencies’ top bosses, or Director-Generals, and the agencies’ other leaders especially from the agencies directly responsible for public services. The leaders’ roles, interest, seriousness and continually serving as a role model really influenced their subordinate officers’ performance and behaviour. Furthermore, with the public

sector system, it was difficult to change anything inside the agencies, in the bottom-up model. The problems found in the research with these case studies were twofold. Firstly the agencies preferred achievement in performance along legal lines to development of organization or use of marketing for the sakes of public service provision. Secondly the leaders' interest was mainly in solutions to problems found in performance according to tasks and duties, followed by development of the organization or government system. For example, the tasks related to public sector development, which should be supervised by the Director-General's according to the agencies' hierarchy, were practically assigned to Deputy Director-General, instead. As a result, whenever the leaders do not pay attention to public administration with the help of marketing concepts applied for public services, it would be difficult for marketing to be effectively used in government agencies.

The factor which was almost as important as the leader was the civil servants or officers of the government agencies as the ones who provided services and dealt directly with the public. This factor consisted of three major components, namely knowledge, skills and attitude, which were related to the agencies' civil servants or officers' behaviour and quality of service provision. The knowledge and skills were what the civil servants and officers were trained about in their common performance process and would be evaluated in. The correct steps and methods of performance would be carried out subject to the legal steps and line-of-command investigation.

At present, all government agencies believed that the government agencies' civil servants and officers' attitudes and behaviour related to service provision has changed from the past, by paying more attention to customers. However, the changes resulted from the provisions under Section 3/1 of the State Administrative Act (No.5), B.E. 2545 (2002) and the provisions of the Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546 (2003), as well as the PMQA, rather than the changes in the personnel's own attitudes toward performance. The influence upon the performance attitudes and behaviour in the public sector was that the government agencies were the only organisation which could enforce laws, which resulted in the agencies' monopolizing provision of services. The customers needed to access the public sector's services. The civil servants and officers' overall conceptual framework and the service provision were still based on accuracy and possibility according to the

provisions of law, rather than the need to meet the customers' demands. At the same time, the factors which were related to the motif to enable adjustment of the civil servants and officers' adjusted attitudes and behaviours were still unclear. In spite of the motif, the phenomenon was not motivating enough to lead to changes in individuals' ways of thinking and ways of performing their duties.

Furthermore, the factors related to administration and the public sector consisting of the OPDC's role in enabling development of performance and service provision, the laws, the system supporting performance and service provision, the agencies' budget and income, and political factors, promoted marketing use to fulfil people's needs.

The facts from the case studies revealed that the OPDC's attempts to use marketing concepts in providing public services were not successful. The changes in ways of thinking and performance methods in the government agencies resulted from the fact that the agencies were forced to perform according to the key performance indicators (KPIs). However, the OPDC's attempts were only the start of changes in performance and public service provision, which still needed the individual authority's cooperation for further changes.

The factors related to laws and performances according to legal provisions were still important principles for improvement. However, the government agencies which provided the case studies all showed their attempts to adjust the rules, laws or regulations in the agencies' responsibility so as to facilitate services for the customers' sakes, as much as possible within the law. However, the rules, laws or regulations which were related or used among agencies could not be adjusted much. When the particular laws for each agency specified its officers' qualifications, it obstructed the integration of the agencies' services.

The factors related to the performance- and service-support systems and the agencies' budget and income were factors which made the agencies' performance and service provision deft. Available database systems to help the officers to make decisions on services and the link between data networks of the agencies' services could cut down steps and time periods of service provision. The problem of insufficient budget was found in all agencies. However, the findings from the four case studies showed that the agencies' off-budget funds facilitated deftness in their

performance and the development of more various services. However, each agency should find the channel to earn some additional income from off-budget funds and from its own legal rights. The case of the Department of Land Transport was a good example of an agency with a good system for earning income from off-budget activities for the benefit of its own performance.

The relations between public and civil services in the public sector were affected by the influence of political factors upon the government agencies' performance. In some cases, political benefits and the agencies' compulsory performance were did not share the same goals. This may result in the agencies' tasks and performance being conducted in ways or with strategies different from previously specified. On the contrary, the political services could stimulate and promote changes better than the ones orchestrated by the agencies themselves.

The last factor which had some effects on morale which would be related to the civil servants and officers' attitudes towards performance was incentives. The case studies showed that that there were not enough systems and measures of either positive or negative incentives in the public sector to lead to changes in the civil servants and officers' ways of thinking, behaviour and attitudes toward performance. The current incentive system merely forced civil servants and officers to work correctly and completely, subject to their own responsibility, which were the minimum requirements for the government agencies. The system could not differentiate capable and good people from incapable and bad people. The evaluation and assessment systems available consequently could not stimulate enthusiasm in performance of duty.

As a result, reconsidering the research questions and conceptual framework, the findings of this study confirmed that all the mentioned factors influenced service improvement and development of service quality or the application of marketing concepts for public services. Each of the factors might affect or influence each agency with different emphases and conditions, depending on each particular context.



## **7.2 Discussions**

This part discusses the study's findings from analysis and syntheses of data collected from the case studies and the concept of New Public Management (NPM) and marketing concepts employed in this study, so as to answer the question whether the application of marketing concepts for the government agencies' public service provision in the context of Thai public sector was appropriate or not. The discussion is divided into two areas, the discussion on findings in terms of principles of marketing concepts and the Thai government agencies' context, and the discussion of marketing as a tool to develop service provision.

### **7.2.1 Contexts of Thai Government Agencies and Principles of Marketing Concepts**

The concept of New Public Management (NPM) was originated with the need to develop efficiency in public management, by employing the basic philosophy of management from the private sector and marketing mechanisms. This concept used the management approach which focused on results-based management, rather than outputs or outcomes, so as to bring efficiency, effectiveness and responsiveness to public management. Besides, another way to increase the potential of public management was the use of marketing concepts as a tool for NPM, to develop the quality of public services to meet people's demands. This was based on the concept that people already paid for public services both directly and indirectly via tax, so they should expect to get services with quality which could meet their requirements (Walsh, 1994: 63).

The important point of the basic principles of marketing concepts was related to customer-centered management activities, to make the products or the services meet the customers' requirements and create satisfaction, with voluntary exchange processes in which the seller and the buyer were free to evaluate how worthwhile it would be for them to get the things they get and give out before deciding to exchange. To promote the exchange, the seller would develop the product and service to meet the buyer's requirements and find out a way to persuade the buyer to buy, so as to get the compensation in the form of profits. Meanwhile, the buyer would also evaluate

the worth of the product and the service gained from the seller, according to the voluntary exchange process.

According to the major principles of marketing concepts, the facts from the case studies revealed that under the context of Thai government agencies, the agencies had to perform their duty regarding people's benefit as essential. Subject to the provisions under Section 3/1 of the State Administrative Act (No.5), B.E. 2545 (2002) and the provisions of the Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546 (2003), it revealed that despite the fact that the principles of marketing concepts and of laws would be customer-centered, the context of the Thai government agencies were quite particular so that the principles of the aforementioned laws became different from the principles and the philosophy of marketing concepts in general. The particular features of the Thai government agencies can be listed, as follows:

- 1) The Thai government agencies which provided the case studies had the particular features as organizations responsible for administrative public services, which is the major task of the state which assigned the agencies their enforcement authority. So, the services in the public sector became part of the tasks to monitor and control society and were also compulsory. The services in the public sector, therefore, resulted from some of the government agencies' necessities, rather than people's necessities and demands. However, the provisions under Section 3/1 of the State Administrative Act (No.5), B.E. 2545 (2002) and the Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546 (2003) and the Public Sector Management Quality Award (PMQA) enabled the government agencies to deliver services which were satisfactory to people who were service customers.

- 2) The studied government agencies were established by and under the control and administration of the Government. The processes of performance or public service provision were characterized by one-party authorization subject to the permission of the laws. This turned the agencies' services into monopolies, with no other agencies able to take over or replace them. Otherwise, other agencies must be authorized to. The agencies had no competitors and did not need to find any strategies to compete with others. This provided people with no other choices or opportunities to choose whether to use the services, or to use the services from other providers. So,

the government agencies were not in the position to approach their customers. On the contrary, people needed to approach the agencies for the services.

3) The costs of the agencies' performance were funded by government budgets, without costs of performance included in costs of services. The calculation of rates for fees, charges or tax rates did not aim to gain profits in the form of money. Although there were no customers, the agencies could still survive because loss of performance did not affect their financial stability, as government agencies.

The services of the government agencies which provided the case studies were the services the agencies provided for the public without aiming at profit. The collection of fees, service charges, fines and taxes of these agencies was also mainly based on equality among people. Although the fees, service charges, fines and taxes were part of the government's income, they did not aim to provide any profits for any agencies or the public sector at all.

4) The public services of the agencies were just the services for most people. Although the facts from the case studies showed that the service customers did not mean all people and that the agencies could not choose their customers. The agencies must always get ready to provide services for all people who were qualified or had rights to get, subject to the laws. Moreover, the final outcome of the services must only be for the sakes of most people.

According to the facts about the particular features of the government agencies, the analysis of principles of marketing concepts and the context of the government agencies showed some issues related to the constraints of marketing concepts and the application of the concepts in the Thai government agencies' context, with four major points, as follows:

1) Issue 1: "Profits are not the objectives of public service provision."

The focus of marketing concepts on customers aimed to respond to the customers' needs and satisfaction, hoping that satisfied customers would return to use the services again. This would lead to long-term profits which provide mutual benefits for service providers and customers.

On the other hand, the Thai government agencies' context, the provisions under Section 3/1 of the State Administrative Act (No.5), B.E. 2545 (2002), the Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546

(2003) and the Public Sector Management Quality Award (PMQA), assigned the government agencies to perform their duties and provide customer-centered public services. However, the emphasis on customer-centered public services was based on an idea different from principles of marketing concepts. Namely, the agencies' focus on people would both satisfy people as customers and care about equality, correctness, justice and maintenance of other people's rights or public benefits and customers' satisfaction under the control and provisions of the law.

- 2) Issue 2: "Public services are not products and are not exchanged at will."

The purpose of marketing is for business competition. The products or services are defined or developed according to customers' demands, to respond to the customers' needs and satisfy the customers as much as possible and more than competitors. Such competition allows clients or service customers to have more choices, so as to get the best product or services via the process of voluntary exchange.

The facts from the case studies showed that the products or services of the government agencies were derived from the laws with the objective to monitor and control society and always constrained people or service customers with no other choices. Especially, people who were qualified, subject to the laws, would be forced by the provisions of the law to use the agencies' services. This did not enable service delivery and consumption to really follow the process of voluntary exchange.

- 3) Issue 3: "Public services are not for personal profits."

In general, marketing is used to gain or keep target groups of clients or customers, which is called a target market. Marketing is used to choose or specify what products or services to sell and which groups of customers to sell products and services to, which should be done under the voluntary exchange process. The relations between sellers and clients deal with personal benefits. The exchange creates satisfaction amongst sellers and buyers. The effect of services ends with people, regardless of equality and public benefits.

In the case of the public sector, despite the fact that all people are not direct customers of the government agencies' services, the agencies cannot choose to provide each particular customer with services or no services. Although the

government agencies' services are for particular people, the outcome of service provision for particular people is related to public benefit.

4) Issue 4: "People are not the agencies' customers."

According to marketing concepts, the seller or service provider needs to present their product or services required by the buyer or service customer, so as to make the buyer or the customer pay for the product and service. This shows how necessary it is for the seller or service provider to pay attention to the buyer or customer. Such a relationship turns the buyer or the service customer into the service provider's customer.

The details from the case studies showed that the public sector's provision of services was part of law enforcement. The services were defined by the stipulations of law and people also needed to use the services, subject to the law. The relations between the Public Sector and the people, regarding public services, did not follow the principles of a voluntary trade-off. The relationship did not end when the services were completed. Moreover, people were not just service customers of the public sector only but also the citizens of the country. As citizens of the country and its sovereignty, the relationship between the government and people resulted from their duties to each other, according to law. People needed to follow the laws whereas the government and government agencies needed to enforce the laws and deliver good services to people as the country's and government's rulers, not as the government's customers (Denhardt & Denhardt, 2007).

As a result, the details from the analysis of the government agencies' context in comparison with the principles and philosophy of marketing concepts could be summarized as follows. The aspects of NPM and marketing were based on the concept that people already paid for public services both directly and indirectly via tax, so they should expect to get services with quality which meet their requirements (Walsh, 1994: 63). This considered people as service customers, and the relationship between service providers and customers depended on voluntary exchange to meet each other's demands and satisfy each other. In addition, the public sector should perform its duty to fulfil people's demands in the same way the private sector did. This is the principle and philosophy which contains limits in practice in the context of the Thai government agencies' provision of public service which were monopolies

and subject to law. This is to monitor and control society. The service provision is conducted for public benefit, regardless of costs of services or pursuit of profits. People are not only customers of the government agencies but people are also supporters of the government via tax and recipients of both direct and indirect effects of the government agencies' services.

### **7.2.2 Marketing as a Tool for Service Development**

Although the principles of marketing concepts were limited in their application in the context Thai government agencies, the details from the case studies did not show that the public sector should deny their application in public service provision. However, the agencies' marketing use should be characterized by customer-centered processes. Then, the agencies should also consider, within their own legal authority, how it could use marketing to develop, improve and increase the efficiency of public services, so as to satisfy people and also to implement their own legal tasks. The details from the case studies showed that the government agencies' use of marketing was similar to Walsh's observation (1994: 69-70) that "Marketing as a collection of techniques can provide a set of tools that can be used to help improve the efficiency and responsiveness of public service."

As a result, after the analysis of the facts from the case studies in terms of their public service processes and activities, as specified in the study's conceptual framework in Chapter 3, two major concepts were emphasized. Firstly marketing management processes and secondly marketing activities according to the 4Ps and 4Cs of the Marketing Mix in the public sector. This revealed the benefits of marketing in quality development of public services, as described below.

First, the analysis of marketing management processes disclosed that the government agencies' management process of public services, according to PMQA, already included marketing management processes focusing on marketing. Especially Division 3 (Emphasis on service customers and stakeholders), was characterized by customer-centered marketing management processes which were inserted into the government agencies' regular performance processes without the realization that these processes were marketing processes. Consequently, the agencies' performance according to Division 3 of PMQA was the use of marketing management processes in the public sector, as evidenced by the data in the following summary.

In terms of customer identification and customer needs surveys, all the government agencies specified and classified their own customers clearly in a document called the “Organization Profile”, which resulted from the analysis of roles and tasks specified in the ministerial regulations and other laws enforced by the agencies. All agencies surveyed their customers’ needs and expectations from the agencies by asking about customers’ opinions and needs regarding service from the agencies.

In terms of service system design and service delivery, the government agencies tried to use the customers’ needs to develop and improve service provision and also to cut down steps and time periods of performance, to make services convenient, fast, accurate, up to date, fair and transparent. However, the design of performance processes and service delivery was still based on legal requirements. This was to guarantee that the outcome of legal processes would be correct and achieve the same standards and would not lead to inequality in service provision. So, service design and public service delivery should cut down on bureaucracy and complicated steps of the government system.

Service recovery and improvement was also carried out similarly to customer identification and customer needs surveys. Namely, the government agencies tried to open channels to collect the data related to needs, comments, advice and complaints, so as to use the data to develop and improve services. However, performance was still conducted in the way the agencies were assigned to.

Thus, subject to all the empirical data above, it could be concluded that marketing management processes with the 5 steps above were internationalized service management processes the agencies could use to develop public services to fulfil people’s demands.

Secondly, the analysis of marketing activities according to the 4Ps and 4Cs of the Marketing Mix in the context of Thai government agencies consisted of marketing activities about products and services, products and customer solutions, price and cost to customer, place and convenience to customer and promotion and communication. The details from the case studies showed that each marketing activity suited and matched with each particular context of the Thai government agencies, as follows.

The marketing activities regarding products and services and product and customer solutions subject to the analysis regarding the context of the studied agencies revealed that the government agencies' services which were derived from the provisions of law. Administrative public services were compulsory to the agencies and could not be replaced by anybody or other agencies. This meant the public sector services had a monopoly. Moreover, people had no other choices for services. The agencies' services were product-oriented. All the services must be approved by the provisions of law. The specification of the agencies' services resulted from the agencies' needs. At the same time, the agencies did not need to worry whether there would be anybody using the agencies' services or not. Although there might be nobody using the services this didn't affect the government agencies which were the service owners. As a result, the context made the principles of marketing activity processes about products and services, which were generally produced to fulfil customers' need, not entirely aligned with or appropriate to the Thai government agencies' context.

However, the agencies could make use of marketing activities in terms of process development and improvement of performance methods and service provision, so as to reduce the steps and time period of services and to lead to convenience and deftness in services and service access in the agencies, subject to what the law allowed. However, the standards, quality, features, processes and results of services must be in accordance with the agencies' laws.

Regarding the marketing activities regarding price and cost to customer, under the agencies' context, the rates for fees, service charges, fines or taxes were calculated subject to the provisions of law, without focusing on demand and supply, or prices and costs of services. Moreover, there were no objectives to set up prices for competition or persuasion to promote the agencies' services as much as possible, or to gain profits from those services. Since the agencies' services were usually monopolized, the agencies did not need to set the prices to motivate people to use their services. Meanwhile, people must pay the fees, service charges, fines or taxes, as specified by law to the agencies without voluntary exchange. In contrast, there might be differences in people's access to the agencies' services or to benefit or gain from services if these agencies could be competitive in terms of price setting for



services. So, the objective of marketing activity processes regarding prices was not appropriate in the context of Thai government agencies.

The agencies' attempt to increase the number of channels for people to access services more conveniently, easily and quickly, or without contact in person at the agency offices was useful for people or customers in terms of cost reduction. Moreover, the government agencies should be able to make use of criteria to increase or decrease rates of tax, fines, and fees in order to increase or decrease motivation for people to do what the agencies required.

The marketing activities regarding place and convenience for customers according to the government agencies studied were revealed to be conducted in the best way, in comparison with other marketing activities. This resulted from the fact that these activities were aligned to the agencies' contexts. Although the agencies were limited in terms of office establishment for services in particular areas, their attempts to increase more channels for the provision of services and create convenience for people in accessing the agencies' services more easily and more conveniently and their attempts to cut down the steps and time periods of services via delegation, led to advantages for customers' in cost reduction and easy access to the agencies' services. The better the agencies could perform, the more satisfied the customers would feel.

The marketing activities regarding promotion and communication generally aimed to motivate customers to consume more products and services to create more profits. However, the results of the case studies showed that the agencies' services were derived from the agencies' necessity, with the services which forced people to use services and were a monopoly. Although the services might not be used, it would not affect the agencies' existence. The agencies also did not want to gain any profits from services. So, the details could lead to the conclusion that marketing activities regarding promotion and communication to increase the turnover and profits did not suit the context of the agencies' public services.

Meanwhile, besides promotion for profits, the government agencies could also make use of public relations to provide information or knowledge about services, steps of service provision, report progress of service provision and build up people's understanding and motivation as the agencies required. This could be done via

various interesting PR media and two-way communication which was one of the weaknesses the agencies had.

So, the empirical facts could show that marketing activities, according to the principles of the 4Ps and 4Cs of the Marketing Mix, consisted of both appropriate and inappropriate parts for development and improvement of quality in the agencies' public services. The practice of marketing activities consequently should depend on the agencies' context and circumstances.

However, an important reason underlying this study is that the development of knowledge about marketing in the public sector is still at an early stage and has not been particularly developed (Walsh, 1994: 65). The summary of the study of the application of marketing concepts did not end up with the rejection of the application of marketing concepts in the public sector. The empirical data of this study clearly showed, in spite of some inappropriate marketing use in the Thai government agencies' context in terms of principles and theories of marketing concepts, that the processes, methods and marketing activities could be useful to develop quality and efficiency in the government agencies' public service provision. This was considered in terms of techniques, methods and management processes of public services. The development could be done with the help of customer-centered service management processes and methods, as long as it could be useful and not against the philosophy or the context of the government agencies' public services, especially with the services directly delivered to customers at the agencies' offices.

### **7.3 Recommendations**

The lesson from the study of the application of marketing concepts above led to the following presentation of suggestions for development and improvement of the Thai government agencies' public services, by maintaining the principles for people's happiness, needs, requirements and satisfaction, as follows:

#### **7.3.1 Policy Propositions for Development of Thai Government Agencies' Service**

Based on the data collected from the case studies, propositions for the development of Thai government agencies' services comprise:

Suggestion 1: The OPDC should emphasize provision of knowledge, understanding and acceptance of principles, methods and the definite extent of the Public Sector's marketing use for the government agencies, their personnel and officers. The data and facts from the case studies could be used to explain how the Thai government agencies could make use of marketing concepts in public services, with no conflicts with the government agencies' contexts and for the use of developing quality and public service provision.

An important issue is that the OPDC should make a clear and comprehensive definition of the extent of the possibility in practice of applying marketing concepts in the agencies' public services with no conflicts with the agencies' contexts. The public sector's marketing mainly aimed to develop quality and efficiency in the provision of public services, so as to provide services with good quality, with reduced steps and period of services. All people should be able to access services conveniently, quickly, equally, fairly and satisfactorily while the agencies should also implement their legal tasks effectively.

The important issue found in this study was that marketing processes were unconsciously used during the performance and processes of public service provision, subject to PMQA. So, training, information and knowledge provision, building up better understanding seriously and continuously about the principles of marketing concepts their application and scope and other marketing techniques could stimulate more confidence in the public sector's performance. To put into serious practice, the OPDC could specify the compulsory conditions for the agencies by issuing more key performance indicators related to the use of marketing concepts in public service processes and performance.

The suggestions resulting from this study which could be put into practice can be summarized as follows:

The issues related to marketing management processes focusing on customers consisted of customer identification, customer needs surveys, service system design, service delivery and service recovery. These were marketing management processes usually conducted by the government agencies, subject to PMQA. If the agencies, civil servants and officers paid attention to and took seriously the aforementioned performance and considered the process as marketing use in the public sector, this would be a factor supporting customer-centered public services.

The obvious and possible practice and scope of marketing according to the 4Ps and 4Cs of the Marketing Mix, in providing public services in the context of the Thai government agencies, should be conducted, as described below.

Provision of public services is administrative public services aiming to monitor and control society, as defined by legal provisions and the agencies' necessities. The process, steps and service outcomes should be approved by law. These services are non-profit. The newly developed or designed services should be based on the laws particularly designed for the services. The possible marketing activities regarding products or services and product and customer solutions in the Thai government agencies' context focused on reduction of the steps and time period of services and the decrease in service complexity, so as to bring convenience and deftness to services and service access.

In general, marketing activities regarding specification of prices and costs to customers used the price strategy to motivate voluntary exchange between the service provider and consumer, with the target of earning profits. This did not align with the Thai government agencies' context of public services, for it could lead to unfair access to public services or create channels for civil servants' inappropriate earning of profit. However, the details from the case studies revealed a possible suggestion to the OPDC and the agencies. Whenever, the agencies increase service channels, with various forms and methods to provide services and service access for people to access them more easily and more conveniently, people did not need to come to the agencies' offices for services. In this way, costs to customers would be reduced. At the same time, the agencies could also develop and use measures to increase or decrease taxes, fines and fees to motivate people to perform as required by the agencies and as appropriate.

The marketing activities regarding location and customers' convenience were usually limited to the establishment of more offices and, in contrast, were forced to allocate offices to various places to provide people with services. However, the data gained from the case studies could be used as a suggestion in terms of policies appropriate to the Thai government agencies' context. The agencies could develop and increase more channels of service provision with more various forms and methods of service and service provision. People could also access services more

easily and more conveniently, for example via e-service kiosks or mobile service units or 24-hour service, and etc. People became more satisfied with the agencies' service provision. The costs to customers were also reduced while accessing the agencies' services. However, the agencies also need to develop the service support system, in parallel with more locations and a variety of services. Moreover, the agencies should also collaborate with the private sector in sharing the agencies' services.

In terms of possible applications of marketing activities regarding promotion and communication with public service provision, in the context of Thai government agencies, the promotion and communication theoretically did not correspond to those contexts, due to the objectives to persuade customers to consume more services or to increase turnover and profits. However, one possible suggestion of marketing use was the use of public relations to provide information and knowledge about services, steps of services, progress of services and acknowledgment of people's comments and demands, so as to build up understanding and persuade people to act according to the agencies' requirements. In this way, various interesting and two-way communication PR media should be employed. At the same time, the data from the case studies disclosed that the agencies tried to develop their provision of public services with convenience, rapidity and attempted to offer easier and more convenient access to services. However, the obvious gap was that the agencies could not use marketing communication to motivate or persuade people to perform according to their requirements, except for the case of the Department of Land Transport in using the measure of tax-collection to charge cars with alternative fuel with a lower rate of tax than cars with normal fuel, to persuade people to use cars with alternative fuel. Similarly, the Department of Health Service Support also used the motivating measure of exempting spa businesses from excise tariffs for water. This reduced business costs for spa businesses with legal registration, by collaborating with the Excise Department.

As a result, some available motivation measures to motivate or persuade people to follow the agencies were also methods the agencies used to make use of marketing concepts to implement their legal tasks more easily, besides the attempt to develop or improve service processes and steps so as to satisfy people and fulfil their requirements.

Suggestion 2: The OPDC and the agencies should emphasize and specify the strategies to develop their personnel's potential in performance, in terms of knowledge, skills and attitudes, in coherence with forms, methods, tool or regulations and laws regarding performance which need to be amended. According to the experiences from the case studies, most government agencies focused on the development of knowledge and skills in performance because the quality of the agencies' service provision was usually related to the accuracy of laws. However, the accuracy was the service quality in the government agencies' opinion whereas the customers did not need only accuracy, convenience and rapidity of service provision, but also the service providers' friendliness and service oriented mindsets. Such features were the behavior derived from the agencies' civil servants and officers' attitudes towards service provision. The data from the case studies confirmed that the government officers' performance behavior and service provision had been changed and had been turning to services with better service in mind. This resulted more from the key performance indicators which defined the agencies' officers' service behavior than their own initiative. This was an important reason why the agencies needed to develop their personnel and officers' attitudes towards performance and service provision more, which required various cofactors, like availability of the agency authority, availability of performance system which could facilitate service provision, and reinforcement of personnel's morale and continuity.

Suggestion 3: The agencies needed to pay attention to the development of service and service support systems, to increase the potential in supporting the amount of work and increasing complication of work, and to be used as a tool to help the service officers make decisions, and to decrease errors in performance. An example of success gained from the case studies consisted of some cases where the Department of Land Transport developed the performance and service systems through data storage and linking of databases about performance and service as the service officers' tool for service performance. This facilitated the service officers to provide service quickly, accurately and decrease the pressure on performance, which might lead to errors in consideration and decision-making. This would also be a way to increase confidence and morale in the civil servants and officers' performance. The Department of Land Transport helped cut down the steps from the service with

several service officers to just one officer at just one point of service, which corresponded to the OPDC's guidelines about authorization within each agency and its reduction of steps of performance and service. Moreover, the development of service and service support systems, as in the case of the Land Transport Department, also helped build up morale and confidence in performance when considering service matters, to reduce errors in working accuracy and to adjust service quality to the regulations and laws enforced by each particular agency.

However, the method used by the Land Transport Department might cost a large amount of on-budget funds in developing the public sector's service system. However, according to the experiences gained from the Department of Land Transport, adjustment or development services in some cases did not need any budget for performance, just some adjustment in performance by classifying service types to match service periods. Time-consuming services should be separated from less time consuming ones. This would cut down waiting times for customers. At the same time, the Department of Land Transport could also provide more services to more customers and also more services during lunch breaks or on weekends which needs little or no extra budget. The agencies should study and build up understanding of their customers' behavior and demands first.

Suggestion 4: The OPDC and the government agencies must develop both positive and negative motivational systems to form positive motifs for services. The facts from the case studies showed that the positive and negative motivational systems available could not stimulate the civil servants and officers to increase performance. Especially, the civil servants and officers' performance was adjusted according to the key performance indicators. The public sector expected good performance by using the private sector's guidelines and methods to develop and improve performance and public services. However, the government agencies did not develop the motivational systems sufficiently to be used in the public sector system to stimulate performance in the direction required by the agencies. The details above were obviously different from the private sector. While the private sector anticipates good performance outcome from the officers, it also has clear motivating and challenging measures to implement expected performance outcomes.

Therefore, if the government agencies expect the civil servants and officers' good performance outcome, it is necessary to establish an obvious and challenging motivational system. For example, it should be clearly specified what performance outcome the government agencies expect, what further results it can bring with or without the performance, and how evaluation will be fairly conducted, to separate people with good performance outcomes from people with bad performance outcomes. Such clear measures in these cases should be an important component to build up the civil servants and officers' morale in the agencies. Nevertheless, the specification of the target should result from the commitments anonymously agreed in the offices.

Suggestion 5: The OPDC and the agencies should adjust their viewpoint to consider people. The public sector developments, according to the New Public Management (NPM), consider people who consume services as the agencies' customers. This raised the objection with the reason that the relationships between service providers and customers in most services resulted from voluntary exchange, with one part offering something to the other with the expectation of something in return. Both parties have the right to decide to accept or deny the other's offer. However, the agencies' service was quite different. The details from the case studies pointed out that the agencies' service provisions were part of a process to enforce laws. People were obliged to use services from the agencies, as required by the law. So, these public services did not follow the voluntary trade-off principle and people were not the agencies' customers. In fact, the real status of people is the one of citizens who are the stakeholders in the country and its sovereignty. The government and its agencies are committed to take care of people, not as service customers, but as citizens who are the country's owners (Denhardt & Denhardt, 2007). The relations between the government and people resulted from their duties to be performed towards each other, via people's obedience to laws and the government and its agencies' enforcement of laws. During the enforcement, the government is required to deliver good services to people as the country's or government's rulers.



### **7.3.2 Suggestions for Further Study**

This study of the selected Thai government agencies' application of marketing concepts for public services was conducted using 4 departments as the case studies out of a total number of 140 government agencies at department level. The details from the case studies showed that each of the agencies had its own performance and public service context. With the study limits in terms of time and resources, this study consequently lacked a variety of viewpoints and diverse analyses of government agencies and a wide ranging overview of Thai government agencies' application of marketing concepts for service provision.

As a result, with the limits of this research as a case study, the study findings were merely the basic components regarding the application of marketing concepts for the Thai government agencies' public service provision to a limited extent. Any other relevant studies in the future should be conducted with more various agencies, especially with the agencies which do not agree with the application of marketing concepts. This should be enable the researcher to find out which factors are not appropriate and what a better approach is to develop provision of public services so that the services can meet the customers' requirements, according to the intention of good public administration as specified in the provisions under Section 3/1 of the State Administrative Act (No.5), B.E. 2545 (2002), and the Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546 (2003).

Besides, marketing was just one of the tools NPM applied within public sector management. According to NPM, there were also other concepts and management tools to develop and improve the public service provision, which have not been studied. Therefore, to complete and fulfil the knowledge about the NPM concepts, especially in terms of customer-centered public services, more relevant concepts and tools should be studied further.

The objectives of this study focused on creating understanding of and comparing the application of marketing concepts for public services provided by the government agencies in this study case, through comparative analysis using the qualitative method. The study findings were derived from real situations in accordance with the researcher's references of theoretical concepts and perspectives only, without a comparative analysis with the quantitative method to examine to what

extent marketing concepts could be applied in the Thai public sector and which factors influenced the application of marketing concepts in the Thai public sector. Thus, any relevant studies in the future may apply the basic knowledge gained from this study with an analytical study using the quantitative method.

#### **7.4 Conclusion**

The application of marketing concepts for Thai government agencies' provision of public services up to the present has been unconsciously conducted. The application was inserted into the performance process according to the provisions under Section 3/1 of the State Administrative Act (No.5), B.E. 2545 (2002), the Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546 (2003) and the PMQA's development of management qualities. On the one hand, the study findings related to analysis of agreement and appropriateness between the principles of marketing concepts and the context of Thai government agencies revealed that several basic principles of marketing concepts were limited in their use in those contexts. However, this does not mean that the concepts should be rejected entirely. Considering marketing activities, the study findings showed that the agencies could apply some marketing activities, as long as they are in line with the agencies' context, and facilitate the quality and efficiency development of public service provision. In order to further the application of marketing concepts in the public sector, additional studies related to this one are strongly recommended.

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