

CHAPTER I

INTRODUCTION

Background

The past two decades have witnessed a worldwide acceleration in policies to privatize support for the provision of park and recreation services. While in some countries, such as the United States, this process started in the early 1970s, in other countries, such as Eastern Europe and the former Soviet Union, it is a relatively new trend stemming from the shift of these countries towards a free market system. In spite of differences in geography, political philosophy and commencement dates, the process of privatization in the park and recreation field is characterized by at least four general trends.

First, it appears that governments across the world have tended to reduce their responsibility and financial support for public recreation, emphasizing greater reliance on alternative financial sources such as, for example, user fees. Second, nonprofit and commercial institutions have been encouraged to enter the recreation field, to supplement or supplant public sector efforts. Third, public recreation agencies have entered into a variety of types of partnership with organizations from the nonprofit and commercial sectors. Fourth, academics through their journals and training programs

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have introduced business methods, techniques and tools to the public sector where environmental changes made managers receptive to such efforts.

Indeed, public administration scholars have actively sought to develop new, or borrow and adapt existing, private sector tools and concepts. Thus, public park and recreation administrators have sought to understand, and have attempted to transfer, commercial marketing tools and concepts to the fundamentally different operational environment of the public sector.

Evolution of the Problem

Although the concept of marketing in the nonprofit and public sectors was initially criticized in the marketing literature as confusing (Luck, 1969; 1974), it eventually became widely embraced by marketing scholars and consultants (Nickels, 1974). Lovelock and Weinberg (1978) noted that by the end of the 1970s there was no longer any serious controversy among marketing scholars about the appropriateness of the concept for the public and nonprofit sectors. However, despite this apparent agreement among marketing academics, public administrators and academics in public administration areas, including parks and recreation, have not unanimously embraced the utility of the concept of public sector marketing. Hunt (1976) observed the reluctance of some more than two decades ago:

Sadly, most administrators of nonprofit organizations and many academics in other areas still do not perceive that many problems of nonprofit organizations are basically marketing in nature, and that there is an extant body of knowledge in marketing academia and a group of trained marketing practitioners that can help to solve these problems. Until administrators of nonprofit organizations perceive that they have marketing problems, their marketing decision making will inevitably suffer. Thus, the major substantive problem concerning broadening the concept of marketing lies in the area of marketing to nonmarketers. (italics original) (pp. 24-25).

During the subsequent two decades the "marketing to nonmarketers" problem in the context of the public sector, has split public administrators into two camps comprised of its supporters and opponents. Thus, Roberto (1991, p. 81), an active proponent of marketing, observed: "Marketing's recent and growing participation in public sector management has received a bipolar love-hate evaluation."

Those commentators, who are critical of marketing, do partially recognize the need of public administrators to adopt new management techniques to deal with the prevailing environment of less-government-more-user-fees. However, they refer to the application of marketing principles within the nonprofit and public administration fields as "confusion compounded", "an inappropriate model", "intellectualization", "absurd", "the megalomaniac marketing supremacy syndrome", and "a dramatic imitation" of social relationships (Arndt, 1978; Capon and Mauser, 1982; Luck, 1974; Loveday, 1991; Monieson, 1988; Vanden Heede and Pelican, 1995). The opponents' position was perhaps best articulated by Walsh (1994, p. 68) who suggested the need to redefine public marketing "...if it is to be specifically public service marketing rather a pale imitation of a private sector approach within the public sector."

In contrast to the position of marketing opponents, supportive commentators refer to its use as "a comprehensive strategy for effecting social change" with "unique concepts and techniques" which are "coming of age" and are merely "misunderstood" (Leathar and Hastings, 1987; Lovelock and Weinberg, 1978; Hastings and Haywood, 1991; Roberto, 1991). Ironically, the ultimate goal of marketing proponents was essentially the same as that of its opponents--to increase the effectiveness and responsiveness of public organizations in a changed financial environment. The essence of the difference in opinions appears to relate to the means by which this commonly recognized goal should be achieved.

The "marketing to nonmarketers" issue has wide geographic and disciplinary scope. It can be found in such diverse disciplines as political science, arts and culture, health promotion, fundraising, and nutrition education. The geography of the debates ranges from the Republics of the former Soviet Union, across Europe, through North America, to New Zealand and Australia. Given this extensive scope, the emergence of controversial debate on the "marketing to nonmarketers" issues in the park and recreation field was not unexpected (Havitz, 1988; Schultz, McAvoy and Dustin, 1988).

Statement of the Problem

The author's review of the international research literature in multiple fields over the past three decades revealed that both strong positive and strong negative responses have been expressed on the extent to which marketing concepts and tools are applicable to the public sector, which includes the provision of park and recreation services? While many scholars and practitioners, especially in the

marketing discipline, accepted and advocated the application of marketing tools in the public sector, other commentators, mostly from the public administration domain, vigorously rejected them, and considered the application of marketing within the public sector as being inappropriate and inconsistent with the character of public services.

The following objectives form the framework for this study:

1. To identify the reasons and concerns of those public administrators and marketing scholars who do not accept the usefulness of marketing in the public sector (negativists).
2. To deconstruct, comprehend, interpret, and critically appraise the current conceptualization of public sector marketing from the viewpoint of negativists identified in step 1.
3. To reconstruct, redefine, reinterpret, and reoperationalize the current controversial conceptualization of public sector marketing into a new conceptualization in the context of park and recreation services.

The research questions arising from above four objectives were:

1. What are the major concerns and reasons for non-acceptance of the public sector marketing concept among reluctant public administrators and marketing scholars?
2. What are the assumptions, conceptualizations and disciplinary perspectives underlying the concept?
3. Can a superior conceptualization be developed which is likely to be acceptable to a larger proportion of public park and recreation administrators?

In contrast to the traditional positivistic perspective of social science which believes it is designed to produce informative types of knowledge and is motivated by technical interest, the current study is motivated by hermeneutical and emancipatory interests and focuses on the generation of knowledge through interpretive and critical appraisal approaches. Accordingly, the primary aim of this inquiry is not prediction and control through verification or falsification of hypotheses and propositions intended to establish broad generalizations in the form of eternal facts or laws. Nor is the purpose to determine and discuss cause-effect linkages supported by internal and external validity and reliability procedures, performed by "objective" and "disinterested" scientists. Rather the aim of the first part of this inquiry is understanding, critique, reconstruction, and transformation of existing knowledge by a subjective and passionate researcher, whose beliefs have been informed by historical, interpretive, and structural insights. As a result of this work, the study goes on to justify the need for changes in perceptions of the public sector marketing concept, crystallizes the needed changes, and suggests a more informed conceptualization of the concept. The final stage of the study empirically tests the efficacy of the revised conceptualization in the context of park and recreation services.

Scope of the Study and Its Underlying Assumptions

The review of literature in Chapter II will show that even though operationalization of marketing within this public park and recreation field may differ from its operationalization in a commercial or nonprofit organization's marketing, all these operationalizations are based on the same concept of dyadic voluntary exchange which is the central generic concept of marketing (Kotler, 1972). Indeed, the generic

marketing concept collapses different types of public and nonprofit organizations into a single broad category which may be termed, "public agency," "social organization," or "nonprofit organization" and these terms are often used interchangeably. Hence, the study is not limited to a discussion of marketing in the public parks and recreation field, because conclusions derived from other non-commercial fields in which marketing has been applied are likely to be germane.

Other fields and their research literatures, where similar problems have been vigorously and interestingly discussed, may provide critical insights that will enhance understanding of the study problem. Therefore, the study encompasses multidisciplinary, plural, and international references drawing from, for example, the American, Western and Eastern European, and Australian public administration, recreation, health promotion, and marketing literatures.

Public recreation marketing has emerged from discussions of applying the philosophy and techniques of marketing to the public and nonprofit sectors in the marketing literature. However, many of these marketing ideas emerged originally from social science disciplines. Almost all social science can be classified into the two general categories of "individualistic" and "collectivistic" perspectives (Collins, 1994; Olsen, 1992; Parsons, 1961). This classification predetermines the scope of a study and many of the assumptions that are inherent within it.

This study attempts to accommodate a pluralistic stance toward diversity of social science perspectives. Thus, it is not limited to discussion of individualistic or collectivist references. The study attempts to give equal consideration to different social science perspectives.

Although the study's main retrospective is focused on historical development of public sector marketing from its original introduction in 1969 to the present time, it also includes discussions and references to social science problems and studies stemming from the beginning of the twentieth century. This is done because the legitimacy of the modern concept of public sector marketing is commonly justified by studies that were conducted in the 1960s (e. g. Belshaw, 1965; Blau and Scott, 1962; Homans, 1969) or even earlier (e. g. Frazer, 1919; Malinowski, 1922). Without reference to these original studies and their interpretation by marketing scholars, an understanding of the prevailing concept of public sector marketing would be incomplete.

The central assumption of this study suggests that the source of the "marketing to nonmarketers" problem might derive from contradictions which may be termed the "fox guards the chickens" paradox. The paradox suggests that introduction of the public sector marketing concept, which was ostensibly portrayed as an attempt to strengthen the public sector, was in reality an attempt to weaken it. Marketing scholars who introduced the concept were representatives of the laissez-faire academic school in economics, whose major premise is superiority of the neo-liberal principle of the free market over any government intervention. Their conceptualization of public sector marketing was based on individualistic social science concepts that reflected the laissez-faire doctrine and neo-liberal principles. The author of this research believes that collectivistic concepts of social science which have received widespread empirical support and recognition; that may better explain some dimensions of public service; and that could genuinely contribute to a real strengthening of public sector management, were selectively excluded from the discussion, and that this prompted a natural adverse reaction from some public administrators.

The central proposition of this study is that in order for marketing to be accepted by public administrators, genuine allies of the public sector should develop it. A pro laissez-faire conceptualization of public sector marketing developed by those who lack understanding and insights of

public sector management should be re-defined using alternative elements from collectivistic perspectives that are found in social science. The author believes that these collectivist perspectives are more congruent to the public sector's missions, and may provide a superior conceptualization of public sector marketing, than that which currently prevails based on an individualist perspective.

Importance of the Study

The study contributes to existing knowledge in three ways. First, it employs a nontraditional methodology, which helps to reveal the ideologically biased nature of the existing principles that underlay public sector marketing. Second, it introduces alternative concepts that have been ignored as result of this bias. Third, it offers an alternative conceptualization of public sector marketing in the context of parks and recreation that addresses the concerns of public administrators and seeks to achieve consensus among them.

Definition of Terms

Generalized exchange. Is a unitary system of relationships in that it links all parties to the exchange together in an integrated transaction in which reciprocations are indirect, not mutual (see Univocal reciprocity). Generalized exchange implies the existence of at least three parties involved in exchange relationships and has several forms. Chain generalized exchanges has the form $A \rightarrow B \rightarrow C \rightarrow A$, where, " \rightarrow " signifies "gives to." Net generalized exchange can be of two subtypes: individual-focused exchange and group-focused exchange. In an individual focused exchange, the group as a whole benefits each member consecutively until all members have each received the same amount of benefits and attention ($ABC \rightarrow D$; $ACD \rightarrow B$; $ABD \rightarrow C$; $BCD \rightarrow A$). In group focused exchanges, individuals give to the group as a unit and then gain back as part of the group from each of the unit members ($A \rightarrow BCD$; $B \rightarrow ACD$; $C \rightarrow ABD$; $D \rightarrow ABC$).

Univocal reciprocity. Relationships that involve at least three actors and where actors do not benefit each other directly, but only indirectly.

Restricted exchange. Dyadic exchange relationships between two parties that are based on direct reciprocity (see Direct reciprocity). Graphically this type of exchange is expressed as $A \leftrightarrow B$, where " \leftrightarrow " signifies "give to and receive from." Restricted exchange can take two major forms. Given only two parties, A and B, restricted exchange has the form $A \leftrightarrow B$, and this is referred to as exclusive restricted exchange. Given several parties, for example, three individuals A, B, and C, restricted exchange has the form $A \leftrightarrow B \leftrightarrow C$ and this is referred to as inclusive restricted exchange.

Direct reciprocity. Direct relationships where actor A expects to be benefited directly by actor B, whenever A benefits B.

Public park and recreation services. Park and recreation services that are directly delivered by, or function under the sponsorship or authority of, a governmental unit and are open to the general public.

Private nonprofit recreation services. Recreational services that are directly delivered by private individuals or institutions which do not make profit from their efforts and are open to the general public or to a restricted/limited membership.

Commercial recreation services. Recreation services that are owned and operated by private individuals or institutions which seek to derive a profit from their efforts and are open to the general public or to a restricted/limited membership.

Closed-system organization. A view of the organization as an instrument designed for the pursuit of clearly specified goals, which enable it to direct organizational arrangements and decisions toward goal achievement and toward making the organization more rational in the pursuit of its goals.

Open-system organization. A view of the organization as a system that is concerned with responding to external and internal pressures, and whose goals may be diffuse and constantly changing.

Individualistic sociological tradition. The utilitarian tradition in sociology that stems from the works of British social philosophers who postulated that the private interests of individuals determine the social structure of society.

Collectivistic sociological tradition. The Durheimian-Parsonian tradition in sociology that stems from the works of French sociologists and anthropologists and postulates the superdominant structure of society over private interests of individuals.

Chicago School in economics . Academic tradition usually associated with Frederic A. Hayek (1899-1922) and Milton Friedman who held faculty positions at the University of Chicago for long time periods. It refers to social scientists who advocate the laissez-faire model of economics based on libertarian principles, who advocate privatization of much of the tax supported public sector, and who see government as the problem, and not as the solution to most economic ills.

Redistribution. Obligatory payments to a central political or religious authority that uses the receipts for its own maintenance, to provide community services, and as an emergency stock in case of individual or community disasters.

Organization of the Dissertation

This dissertation is divided into six chapters. Chapter I has provided the background, objectives, research questions, scope, and central assumptions of the study. Chapter II discusses existing debates in the methodological literature and justifies the choice of critical theory as a research perspective for the study. Chapter III presents a review of the literature as it relates to the study problem. Chapter IV offers a critical appraisal of public sector marketing principles and informs an alternative conceptualization developed in Chapter VI. Chapter V presents results from an empirical test designed to validate the alternative concept in the context of parks and recreation among public administrators. Finally, conclusions and recommendations are discussed in Chapter VII.