

REVIEWING THE POSSIBILITY OF APPLYING MARKETING MANAGEMENT IN LOCAL PUBLIC SECTOR IN BANDUNG REGENCY INDONESIA

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**REVIEWING THE POSSIBILITY OF APPLYING MARKETING
MANAGEMENT IN LOCAL PUBLIC SECTOR
IN BANDUNG REGENCY INDONESIA**

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ABSTRACT

This study is focused to determine the perception of local agency on the application of marketing management, to analyze the possibility by using marketing management and to determine appropriate strategies in the application of marketing management in local public sector in Bandung Regency Indonesia. The method used Is exploratory with qualitative approach. The analysis method is scenario planning with some stages: *Strategic Analysis; Scenario Creation; Strategy Finding; Strategy Formulation*. The data is collected by conducting interview, observation, documentation and triangulation. The informants are Regent of Bandung, Regional Secretary, Head of *Bappeda*, Head of Office for Education and Culture, and 10 teachers. The results indicates that aspects of product, price, place, promotion, people, physical evidence and process support the application of marketing management in Office for Education and Culture of Bandung Regency, while aspect of price does not support it. From this analysis, there are four scenarios in application of marketing management in Office for Education and Culture of Bandung Regency. Considering available scenarios, strategies of applying marketing management in Office for Education and Culture of Bandung Regency are promotion to apparatus of Bandung Regency Government; encouraging public participation; government control on NGOs; career development through functional position in a functional organization; and quality improvement of local government apparatus.

Keywords: Possibility Study, Marketing Management, Local Government

Introduction

The main reason of the state's failure to bring prosperity to its people is because of poor management. Public management in all dimensions, in general, is already outdated, lagging behind, so instead of providing services to public, government organizations are more of burden. This is seen from the use of most public fund for their own benefit. Therefore, it is not excessive if Ingraham and Romzek (1994) said that "public sector must learn from successful private sector". Ingraham and Romzek (1994) suggested a new public management they called "Hollow State", with characteristic of contracting out the non-strategic functions (Sadu Wasistiono in Pamong Readers, 2013: 11).

Johannes (2009: 1) argued that nowadays, the role of marketing is significantly central in business world. The principle of term "sell what we can produce" has replaced "produce what we can sell", shows how strong the view of marketing. This view then was adopted in organization that place customers as priority of organization, replacing top management. In the view of traditional organization, top management should be priority; however, in modern management, the priority is the customers. This kind of things in business organization happens and changes very quickly. Thus, the question is "has this been implemented in public sector"?

"Public sector, basically, is organization established to provide services to certain group of community that excludes profit from priority. The form should be according to the basis of establishment", Johannes (2009: 2). One of public sectors worth to observe is local government. The role of local government has been very dominant in supporting national development both at national and local level. The efficient governance will sustain the wheels of government that provide services to community. In the context of regional autonomy, many people are in-doubt whether or not the local government has proper concept and implementation to develop its own region.

It should be also questioned in detail whether or not the local government has marketing program and implementation. These questions should be asked in order to ensure products and market share of a public organization in its daily activities. On the side of organization, the significance of local government is as manifest³²ion of services to community in a region for certain types of governmental affairs. In Law No. 23 of 2014 on Local Government, it is stated that one of functions of local government is to achieve regional competitiveness. Competitiveness is an abstract concept if applied in many things; however, in narrower scope of marketing, it means providing better service to customers than its competitors in the same industry.

In relation with service, there are two things to consider, for example internal and external customers. Customers prioritized to be provided with service should be internal customers, since they are the ones to receive income and to provide services to their fellows (community). Quality of human resources, recruitment system, payroll and career system and standard operating procedure certainly will greatly affect the services provided. The next one is external customers, for example community who gives a feedback according to quality of service they receive, and thus it is necessary to have skills to determine what is needed with the potential that the local government has.

Primary (basic) needs are the needs that must be met by local government in order to support the accomplishment of better social life. Among of those needs are: education, health, and infrastructures. Two first basic needs, education and health, will ensure public satisfaction of both internal and external customers. These two needs, beside

local government, are also provided by private sector. In education, for example, in addition to office for education of regency/city, educational institutions are also provided by private sector. With this condition, local government should provide better service than its competitors, for example private sector and other local government at local and global levels. Availability of infrastructures will ensure efficiency of bureaucracy and increasing practice of investment, and also will make local government as a better option compared to other local government. Stakeholders should not fail to meet these three basic needs because regional progress is always directly proportional to the quality of human development index.

Philip Kotler (2002) states that:

“in management domain, there are five orientations toward marketplace, for example 1) production, 2) product, 3) selling, 4) marketing, and 5) societal. These five orientations have different views and consequences of service”.

Sargent, et.al. (2002) explains that “marketing approach toward non-profit organization is, in any way, closer to societal orientation instead of market orientation”. Marketing program is inseparable from the view on market share. In core activity of marketing, there are five activities, for example segmentation, identifying goods and services, creating value, delivering value, and monitoring customer satisfaction.

Who are actually the customers of local government? From results of research by Ewing and Caruana (2000), it was stated that, “customers are divided into two categories: *Internal Customers* and *External Customers*”. In this context, the ones whom are prioritized should be internal customers, and thus employees are not merely the stakeholders, but also market shares to be prioritized. If employees are satisfied, they will be encouraged to provide services to external customers, because employee is actually the marketing tool of local government. Kotler and Lee (2007) describe the differences between government and business institutions from multiple aspects, as seen in table below:

Table 1
Difference between Public Sector and Private Sector Organization

NO	Aspect	Government	Private
1	2	3	4
1	Condition of organization	Monopoly	Competition
2	Purpose	To provide public needs	To gain maximum profit
3	Leadership	To build constituency	To be responsible to Board of Directors
4	Activity	Known by public and respected by media	Concealed from media, keeping distance from public and government
5	Influence	Multiple interest groups	Direct political leadership

6	Trust	Distrust, disappointment, and low participation to government	Business investors and leaders have full trust and interest to organization
7	Unit of organization/Position	Duplication and tendency of overlapping	Specific and organized
8	Control	Public and media	Board of Directors
9	Activity	Slow to act and limited in movement	Quick to act and decision at the hand of CEO
10	Fund	Less funded	Considerably funded
11	Scope	Engaged on all sides of life and to manage resources	To produce and distribute resources

Source: Philip Kotler and Lee (2007)

In general, there are 3 (three) governmental affairs regulated in Law No. 23 of 2014, for example *absolute, concurrent, and general governmental affairs*. Absolute governmental affairs are the ones fully under authority of central government, such as foreign politics, defense and security, judicial, national monetary and fiscal, and religious affairs. General affairs are the ones under authority of central, provincial, or regency/city government, such as: conflict management, national fostering, coordination of duties between government institutions, and so forth.

The concurrent governmental affairs are the ones divided between central, provincial and regency/city governments. These concurrent governmental affairs delegated to local government are basis for implementation of regional autonomy. The concurrent affairs are divided into mandatory and optional affairs, where mandatory affairs are divided into basic and non-basic services. In mandatory governmental affairs and basic services, there are 6 (six) affairs, for example education; health; public works and spatial planning; public housing and settlements; public peace, order, and protection; and social (Article 12).

In education sector, our constitution has mandated in the 1945 Constitution, article 28C, clause (1) that "every person shall has the right to self-development through the fulfillment of his/her basic needs, the right to education and to benefit from science and technology, art and culture, so as to improve the quality of his/her life and the well-being of mankind". This must be responded by local government as a sub-system of national government. Government should be able to develop intelligent and competitive human resources or, otherwise, will be gradually devastated by other nations. This duty becomes the responsibility borne by Office for education at local level as the spearhead of public services.

Products of goods and services produced by Office for education should be able to improve quality of social life and should be oriented for preparation of employment.

The important role of marketing management applies here, so that local government is enabled to innovate in marketing of goods and services in education sector properly, as this has been proven by successful application of marketing management in private sector.

Bandung Regency, as one of regencies in Jawa Barat Province, has area size of 307,475 Ha and population size of 3,351,048 people (data of Regional Social and Economic Survey of Bandung Regency, 2013). In preliminary observation, several problems found on field are: Customers of goods and services of local government (specifically education) are fixed in nature; further problem is distributions of Raw Attendance Rate (or *APK*)/Net Attendance Rate (or *APM*) for each educational path, level and type are varied between districts, and thus fair target of Office for Education is faced with very varying condition; educational curriculum is too theoretical, less contextual, and less meaningful for future life of students, in which religious values, life skills, social interaction, manners, local culture, health and environment, and national character building aspect are often neglected (Education Master Plan of Bandung Regency 2008-2025).

Funding and budgeting for implementation of education are still based on theoretical assumptions instead of calculation of operational fund unit (*Satuan Biaya Operasional* or *SBO*); mechanism of budgeting system is also not based on budget mapping allocation for the needs of each educational program unit implementation. Even the aid of School Operating Fund (or *BOS*) is still unable to assist the issues in funding of education implementation at the level of education unit are still (Education Master Plan of Bandung Regency 2008-2025) Other issue is unequal educational quality, including: (1) significant number of classroom with poor condition, as seen in table below:

Table 2

Classrooms with Good Condition by Education Level of *SD/MI* and *SMP/MTS*
in Bandung Regency 2009-2013

No	Education Level	2009	2010	2011	2012	2013
1	2	3	4	5	6	7
1	<i>SD/MI</i>					
	Number of classrooms with good condition	5048	3238	5311	6019	6567
	Number of all classrooms	8929	5659	7044	9805	9920
	Percentage	56.53%	57.22%	75.40%	61.39%	66.20%
2	<i>SMP/MTS</i>					
	Number of classrooms with good condition	2860	2542	2651	2791	3619
	Number of all classrooms	3670	3221	3631	3854	4210
	Percentage	77.93%	78.92%	73.01%	72.4 %	85.96%

Source: Office for Education and Culture of Bandung Regency, and Planning and Development Data 2013

From table above, in 2013, there are 66.20% of classrooms are in good condition at the level of Elementary School (or *SD*), which means 33.80% of classrooms are in poor condition; weak human resource management system of teacher and educational supervisor, especially in system of recruitment, selection, placement and distribution, career development, prosperity and remuneration, and dismissal of teacher, school principal, school supervisor and other educators which are often mishandled; uneven distribution of teachers in several districts. (Result of Data Processing and Profile of Education of Bandung Regency, 2013) Student graduation rate declined (at the level of Middle School or *SMP*) from 2009 to 2013, as seen in table below:

Table 3

Graduation of Student by Education Level of *SD/MI* and *SMP/MTS*
in Bandung Regency 2009-2013

No	Education Level	2009	2010	2011	2012	2013
1	<i>SD/MI</i>					
	Number of graduated students (people)	55220	50300	56912	63476	64565
	Number of all grade VI students	57743	55220	61178	65028	65161
	Percentage	95.63 %	91.09 %	93.03 %	97.61 %	99.09 %
2	<i>SMP/MTS</i>					
	Number of graduated students (people)	42550	30049	44969	46000	45262
	Number of all grade III students	43328	42550	47038	47286	47165
	Percentage	98.20 %	70.62 %	95.60 %	97.28 %	95.97 %

Source: Office for Education and Culture of Bandung Regency, and Planning and Development Data 2013

From table above, percentage of student graduation at the level of middle school declined from 98.20% in 2009 to 95.97% in 2013. Public issues above as well as rapid advancement of science in concerning marketing management of public sector developed in developed countries encourage us to study this thesis. By reconsidering some previous illustration, we would like to concentrate on some cases that will be the essence of this research by relying on some questions of problem: 1) How is perception of local agencies on application of marketing management in Office for Education and Culture of Bandung Regency?; 2) What is the possibility of applying marketing management in local public sector, especially in Office for Education and Culture of Bandung Regency?; and 3) What are the appropriate strategies to apply marketing management in Office for Education and Culture of Bandung Regency?

Theoretical Framework

Marketing is important aspect in whole mission of corporation. According corporation and other organization that exchange values between them and their customers. Marketing activity greatly involves communication. Marketing is generally used to describe communication with customers and prospective customers. According to Philip Kotler (2006: 6), "marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering and freely exchanging products and services of value with others". Promotion creates relationship between corporation and consumers so that consumers know more about products of the corporation.

Concept of marketing has been suggested by experts; however, in societal context as a social science discipline, it has long been associated with the exchange between social actors, such as individuals, groups, or organizations (Dedeh Maryani, 2012: 48). According to Longi⁸s Marin, et.al. (2009), in 1985, definition of marketing has been agreed to be revised as:

"Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives".

Nowadays, both private and public sectors should be able to satisfy stakeholders' wants. Therefore, marketing is also required to be applied on public sector. Basis, principle, and technique of marketing can be used to improve the performance of institutions and officials in public sector. Concept of marketing has been widely applied in public services as a commercial concept relevant to organizations of public sector in respect of public services. This is in line with the view of Tony Proctor (2007: 2):

"Marketing is the management process responsible for identifying, anticipating and satisfying stakeholder requirements and in so doing serves to facilities the achievement of the organization's subjectives."

The use of marketing management in decision making is important when quantitative data is used in issue of public policy. Both local and national government play a role in providing data needed for systematic and objective processes in public policy making. The problem is that many public policy makers do not make decision relevant to needs. There are many potential tools of marketing management that can be used in the context of public policy, such as 7Ps from marketing mix which is based on concept of 4Ps (Kotler and Lee, 2007), for example:

1. Product

Product can be tangible or intangible since the definition ²⁷ is anything that can be offered to a market that might satisfy a want or need, in which includes physical goods (goods such as toothpaste, shampoo, etc); programs (such as workshop); services (such as public transportation); experiences (such as tour and study tour); events (such as independence day); people (such as Regional Legislative Council); places (such as recreational park); organizations (such as schools and universities); information (such as websites and newspapers) and; ideas (such as forest conservation).

2. Price

Most of the community must think that price is only related to the amount of money

paid for services received. However, price includes a number of value arising from transaction process. Time, efforts, and psychological effect are what stakeholders may have to pay not in form of money. For example, driving without using seatbelt or without turning on vehicle light, then stakeholders (*driver*, in this term) may suffer from psychological effect when they experience traffic accident. For profit-based organizations, determining price means determining profit. However, for public organizations, it is related to whether or not the organization is granted with full subsidy from government for delivering public services.

3. Place

This is related to where, when and how stakeholders obtain the service offered, and whether or not they are pleased by the service. In general term, it is known as distribution channel. Distribution channel is a tool to help distribute services from public organizations to stakeholders.

4. Promotion

Promotion is often described as persuasive communication of an organization in which includes advertising (such as in billboard promoting compliance with traffic regulations), personal selling (offering master program directly to graduated students), sales promotion (street banners on family planning), public relation (news/report/story on actions of a public organization or public official in newspaper), and direct marketing (sending mails by post directly to prospective students to apply and attend certain university).

Other than the 4Ps, *People*, *Physical Evidence*, and *Process* are added, so it becomes 7Ps. Each of these elements affects each other and everything is dynamic. *People* is everyone involved in the delivery of service and their roles affect perception of buyer or service in a way such as how employees are dressed, employees' appearance, attitudes and behaviors (Gima Sugiana, 2013: 86).

³ *Physical evidence* is the physical environment in which the service is delivered, in which the organization and customers interact, and any tangible component that facilitate performance or communication of service. Several physical representations in the tangible component are equipment, facilities of service, and communication equipment (Gima Sugiana, 2013: 86). *Process* is procedures, mechanisms, and flow of activities by which a system need to take to deliver the service to customers. Complexity level of each service may vary. The less complex the flow and mechanism that customers have to go through, the more likeable by customers it will be.

As mandated in Law No. 23 of 2014, Local Government shall be obliged to satisfy basic needs of community, namely education, health, and infrastructure. ¹⁸ Those three needs are generally still unable to be fully met, as Indonesia ranks 121th out of ¹⁸ 1835 countries in Human Development Index (HDI) by 0.629. With this HDI number, Indonesia lags behind two ASEAN countries, for example Malaysia (ranks 64th) and Singapore (ranks 18th), while HDI for Asia-Pacific region is 0.683 (recent report of UN Development Program 2013).

Marketing management is one of strategies successfully applied by private sector, and even applied by public sector in developed countries to develop and manage their organization for better social life quality/HDI, by which should be followed by local governments in Indonesia. Nowadays, private and public sectors should be able to

satisfy stakeholders' wants, thus marketing also needs to be applied in public sector. Basis, principle, and technique of marketing can be used to improve the performance of institutions and officials in public sector. The concept of marketing has been widely applied in public services as a commercial concept relevant to organizations of public sector. However, in public service, it is more appropriate to replace 'consumer' with 'stakeholder' which means 'the interested party' in every role and scope of marketing. The reason is that the target audience is not consumer in literal meaning, but citizen.

So far, marketing has been misunderstood by many people in public sector. They would say that marketing equals to 'advertising' or, otherwise, 'selling'. It has to be understood that marketing is not same as advertising or selling. It involves consumer (in this term is citizen) approach, where a public organization helps to accommodate their complaints and then find the solutions, which eventually means to improve performance of the organization. This also applies for public officials, no exception in Indonesia, both central and local. Not only to accommodate complaints from citizens as the constituents, but also to find solutions and innovations to prosper them. Application of marketing management will certainly improve effectiveness and efficiency of public organizations that help the achievement of national goals. Theoretical framework of this study can be seen in chart below:

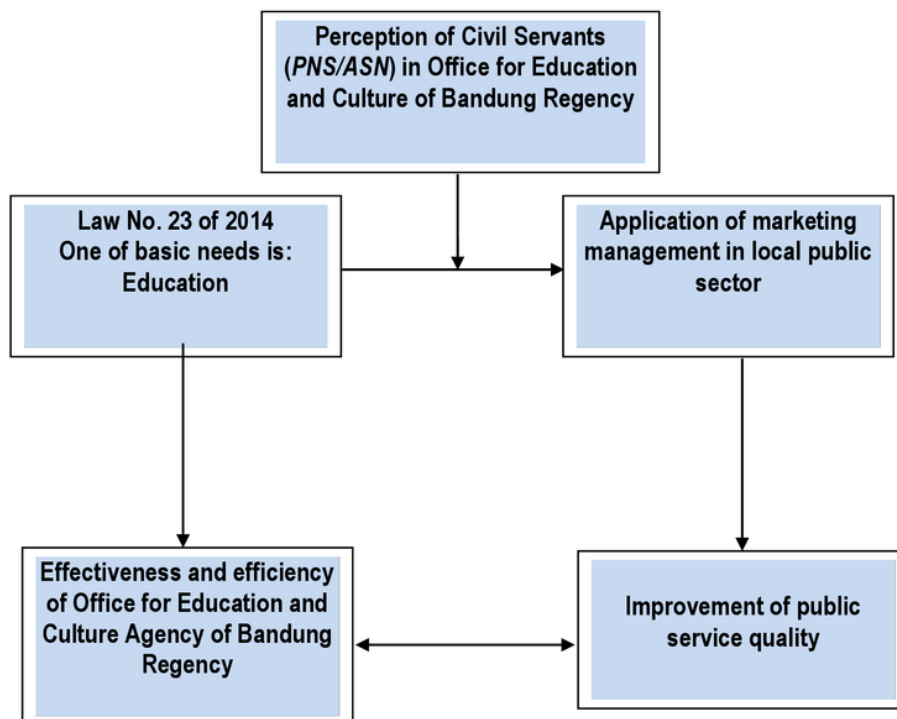


Figure 1
Theoretical Framework

Research Method

This study uses exploratory method with qualitative approach. Exploratory research aims to find out new thing. The new thing may come in form of classification of indication, fact, or certain disorder. Given that exploratory research is related to something that has not yet occurred, there is an appropriate method to use in analyzing the problem, for example Scenario planning.

Operationalization of concept of scenario planning used in this study is based on definition suggested by Peter Schwartz (1996), "Scenario is a tool (for) ordering one's perception about alternative future environments in which one's decision might be played out right". Scenario is consistent description on multiple possibilities (conditions) that may happen in the future. Not far different from Schwartz's opinion, Maani and Cavana (2000) suggested that: "Scenario planning is not a prediction to a particular future, but to propose possibilities in the future". Based on these views, it can be concluded that scenario is the answer for the question "What may happen", or "What would happen if". This is because scenario includes risk element, in contrast to forecasting and vision that exclude risk element.

Here, data is collected from informants related with study on the possibility of applying marketing management in local public sector, a case study in Office for Education and Culture of Bandung Regency by considering social conditions above. Number of informants is 24, consisting of Regent of Bandung, Regional Secretary, Head of Bappeda, Head of Office for Education and Culture, Staff of Office for Education and Culture and Teachers. Concept of perception on application of marketing management can be seen in table below:

Table 4
Research Theme Structure

Theme	Subtheme	Definition of Subtheme	Sub-subtheme
1	2	3	4
Perception on Application of Marketing Management	1. Product	Service product is delivery of service experienced rather than owned. Even when there are physical elements is involved (Lovelock and Wirtz, 2011)	<ul style="list-style-type: none"> • Core product • Quality • Warrant
	2. Price	Effective pricing is central to financial success of service organizations. The objective of pricing is to gain profit, cover costs, build demand, and develop a user base. (Lovelock and Wirtz, 2011: 106)	<ul style="list-style-type: none"> • Search costs • Purchase and Service Encounter Costs • Post-purchase costs
	3. Place	Foundation of strategy of service	<ul style="list-style-type: none"> • Flows of

		<p>distribution is the answer to question of <i>What? How? Where? When?</i>. Service experience of customer depends on how “flower of service” is distributed and delivered through selected physical and electronic channel. (Lovelock and Wirtz, 2011: 108).</p>	<p>distribution (information, negotiation, and core product)</p> <ul style="list-style-type: none"> • Service distribution. • Time and place (convenience, advertising bureau, and time of service)
	4. Promotion	<p>Organization ¹³es marketing communication to persuade target customers that their service product offers the best solution to meet those customers’ needs, relative to the offerings of competing organizations. (Lovelock and Wirtz)</p>	<ul style="list-style-type: none"> • Public relation (news coverage) • Advertising (newspaper, television, and billboard) • Sales promotion • Event or sponsorship • Public Relations
	¹¹ 5. Process	<p>Process describes the method and sequence in which service operating systems work, specify how they link together to create value proposition promised to the customers. (Lovelock and Wirtz, 2011: 232).</p>	<ul style="list-style-type: none"> • Policy • Procedure • Mechanism • Initial service • Customer engagement • Closing
	6. Physical environment	<p>Servicescape ³ees to be managed carefully as it can have profound impact on customers’ impression and service productivity. (Lovelock and Wirtz, 2011)</p>	<p>¹⁵</p> <ul style="list-style-type: none"> • Ambient conditions • Spatial layout and functionality • Signs, symbols, artifacts, and signage • Human (ambiance created from group of people)

	7. People	<p>7 From the organization's perspective, service levels and the way service is delivered by frontline personnel can be an important source of differentiation as well as competitive advantage (Lovelock and Wirtz, 2011)</p>	<ul style="list-style-type: none"> • Personnel: training, wisdom, commitment, incentives, appearance, interpersonal behavior, attitude • Customer: behavior, engagement level, contact of customer
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Source: Lovelock and Wirtz (2011); Cooper (2000); Zeithaml and Bitner (2006:18).

Results

19 Based on results of the study on the possibility of applying marketing management in local public sector in Bandung Regency, Indonesia, the starting point for application of marketing management in local public sector can be seen from several factors, for example:

A. Product

Educational activities at school are one of forms of service with circular process rather than linear or merely transaction. In education system, school should be able to provide initiative for role that can raise positive participation of other components of education system as described below:

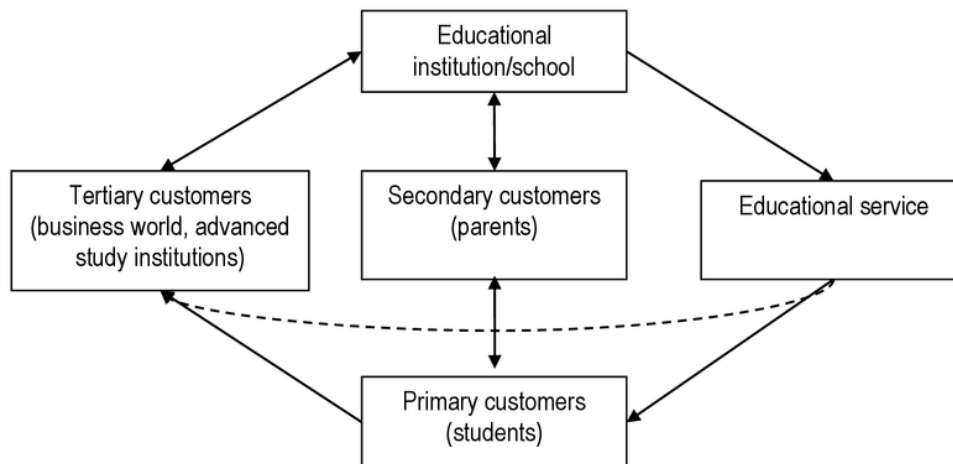


Figure 2

Circular Process of Education

Source: Tampubolon, 2005

Service products are everything that producer can offer to be noticed, requested, searched, purchased, used, or consumed to meet the needs or wants of the market. Products to offer can come in form of physical goods, service, person, place, organization and idea. So, products can provide tangible and intangible benefit to satisfy customers. From the results on field, it can be concluded that community and local government expect school to provide educational service optimally. Therefore, improvement on management of local government and support from all parties are required.

B. Price

Price, in the context of educational service, is all costs that students have to spend in order to obtain educational services offered by school/college. In element of price, pricing is considered thoroughly (such as school tuition, school building fees, laboratory fees, scholarship and payment procedures).

Zeithalm and Bitner (2000: 437), explains that: “three approaches to pricing service: (1) cost-based pricing, (2) competition based pricing, and (3) demand-based pricing”. In the context of public organization, the appropriate principle to use is the third one, for example demand-based pricing, because the marketing approach used is social (non-profit organization). Due to the lack of understanding on marketing management, some employees assume that with the application of marketing management, the education will become very expensive and unreachable for community.

However, marketing management does not discuss only about business and profit; in fact, marketing management in public sector prioritizes more on customer satisfaction, thus paying more attention to social conditions. taking a look at other countries, free education is not directly related to their status as either develop or developing country. Developed countries, such as US, Australia, Germany, Netherlands, Finland, and others, have long been implementing free elementary education and have enjoyed the progress. Similarly, our neighboring countries, such as Singapore and Malaysia, have also long been implementing free elementary education. However, several developing and, even, underdeveloped countries, such as Timor Leste, since its independence day, have also been implementing free elementary education. How Timor Leste can be courageous to implement free elementary education. For that reason, the applied marketing management should be courageous to reduce education fees in order to achieve customer (citizen) satisfaction.

C. Place

For industrial products, place is defined as distribution channels (zero channel, two level channel, and multilevel channel), and for service products, place is defined as where service is delivered. Location at which educational service is delivered to targeted customers is the key decision. The decision on location of service involves consideration on how the service delivery to customer will occur and where it will happen. Place is also important as environment of where and how the service is delivered, as part of values and benefits of the service.

D. Promotion

Promotion is one of determinant factors for the success of a marketing program. Regardless of the quality of a product, if customers have never heard of and are uncertain about the product, they will never purchase it. In educational service,

promotion can take form of advertising (such as in newspaper, radio, social media, billboard), sales promotion (exhibition and investment), direct contact with community. However, Buchari Alma (2008, 165) argues that: "Exaggerate strategies of promotion in education have negative correlation with attractiveness". It means that the schools that only highlight promotions without improving academic strategies will have declining prospects.

E. Process

A term says that "All work activities are process" (Buchari Alma, 2008: 167). It means that the process involves procedures, duties, schedules, mechanisms, routines on distribution of services to customers (community). In education, it includes process of teaching-learning process, exam, graduation, and so forth. In marketing management, the process is directed to improve customers' satisfaction.

F. Physical Evidence

In education, physical evidence is an environment in which the school and students interact, and tangible components that facilitate the performance or communication of service. Office for Education and Culture of Bandung Regency should consider building style and other supporting facilities (such as completeness of educational, religious, sport, and security facilities). At the practice level, to deliver educational service, government should involve supporting products, such as addition of books for libraries, providing of convenient places for discussion and so forth. However, the factual conditions, as observed on the field, are still far from that. There are many classrooms with poor condition.

G. People

People is everyone engaged in the process of delivery of educational products/services to customer (community). It includes teachers and educational supervisors (head of Office for Education and Culture of Bandung Regency and all subordinates).

Discussion

Scenario Planning for Application of Marketing Management in Office for Education of Bandung Regency

Discussion on scenarios of applying marketing management in local public sector in Office for Education and Culture of Bandung Regency refers to theory by Schwartz (1991) and, thus, this study begins with description of strategic question or focal concern, description of driving forces, alternative scenarios, and description of the scenarios themselves, for example:

A. Strategic Question (Focal Concern/Focal Issue)

The strategic question or focal concern in scenario built for this study is: "What is the possibility of applying marketing management in Office for Education and Culture of Bandung Regency?" In context of education, the role of local government of Bandung Regency can be seen in vision and mission statement of Office for Education and Culture of Bandung Regency and in vision and mission statement of Bandung Regency government. However, at the practice level, several disorders occur and marketing management come as an alternative solution to improve the role of local government in providing public services. Scenarios prepared in this study aims to show to stakeholders

what the possibilities are if marketing management is applied in local public sector, especially in Office for Education and Culture of Bandung Regency.

B. Driving Force

The scenario of applying marketing management is discussed in three factors of driving force, for example social factor, political factor, and economic factor. The combination of these three factors will result in considerable number of scenario combinations. According to Salomo (2006: 226), "social and political factors are combined into social political factor". In every factor, several conditions are analyzed. Salomo suggests that:

"social political factor includes a number of conditions, for example social cohesion, civil society, and condition of democracy. In economic factor, conditions to evaluate are demographics, labor force, unemployment, poverty, economic growth, and role of market at local level".

C. Social Cohesion

Since the reform of local government system in Indonesia through Law No. 32 of 2004 and amended in Law No. 23 of 2014 on Local Government, local communities have a lot of hope regarding improvement of quality of bureaucratic management that eventually will have impact on better quality of public services. From the interviews, it can be described that social cohesion in environment of Bandung Regency local government leads to lower level. On the other hand, most of apparatus of Bandung Regency government do not properly understand about marketing management; they assume that marketing management is always associated to business and maximum profit, advertising and social media.

D. Civil Society

The concept of civil society, in which the NGOs are characterized as self-reliant and independent of government aid, is considered to play important role in the process of improving democracy through empowerment of civil society. This can done in several activities of assistance, advocacy and resuscitation. The community independence of the government, which is the main principle in establishing civil society, is not apparent, and while the dominance of government is clearly visible in policy making, there are many manipulations in implementation of the policy that can harm the community. In this condition, NGOs should be able to take the role to improve it in order to create strong and independent civil society through community empowerment, public advocacy, and supervision of local government policy. The existence and role of NGOs in Bandung Regency should have given color in efforts to sustain civil society; however, not all NGOs run the role they are supposed to do, for example as the pillar of civil society. Some of NGOs even act deviate from their function. Based on observation, distortion of the role of NGOs in Bandung Regency occurs due to several factors, for example: profit motive, unavailability of financial resources and low professionalism, diverse backgrounds of activists' profession, unclear concept of ideology and loose regulations. Therefore, efforts are needed to bring back the role of NGOs as the pillar of civil society through internal and external repositioning.

Nowadays, the existence Non-Government Organizaions (NGOs) give colors to political life in Indonesia. There are 65,000 NGOs operating in Indonesia at national, provincial, and regency and city levels, and this number increases from year to year

(data of Ministry of Home Affairs 2013), and 270 NGOs for Bandung Regency (data of Office of National and Political Unity of Bandung Regency 2013).

Political, democratic, and economic development and information technology advancement are the factors that drive the increasing number of NGOs in Indonesia. Reform era replaced new order era and then is followed by the increasing number of NGOs. In 1997, it is predicted that there were 4,000-7,000 NGOs, and in 2002, the number increased to 13,500 NGOs (data of Ministry of Home Affairs 2010). Fresh climate brought by reform has created wide discretion in efforts to channel aspirations.

NGOs have huge role to play in social life as alternative to the emergence of civil society. NGOs can play vital role in the process of improving democracy by empowerment of civil society through activities of assistance, advocacy and resuscitation. Discussing about NGOs, they actually are inseparable from civil society because they are the backbone of strong and independent civil society. And the empowerment of civil society is *Sine Qua Non* for the process of democratization in Indonesia.

Public access to public institutions is ensured in civil society, and individuals are able to deliberately participate in politics. Citizens are free to develop themselves maximally and given freedom in all life aspects including economic, political, social, culture and others. Civil society requires four components; *Autonomy*, *Public Access* to state institutions, *Autonomous Public Arena*, and *Public Arena* is opened to all society (Kompas, 16/03/2013). Based on the components, civil society requires social political organizations and interest groups with a level of independence like the social political organization with a level of independence, NGOs, and mass media. NGOs have flexibility in movement and a fairly high level of freedom and independence to be a potential political resource to prepare civil society. Civil society is a public space between the state and society. The state power is limited in the public space by political participation of society in the making of public policy. In this context, NGOs are potential to co-create civil society due to their ability to fill the public space.

Bandung Regency Government should be proud with the existence of NGOs and should be able to control in complex way, because Bandung regency belongs to whole community and without the support from all elements, development is impossible to be implemented significantly. Regent of Bandung can ask NGOs to support every job project and development program according to NGOs' own programs. Under such condition, NGOs should be able to take a role in improving the condition to create strong and independent civil society, and to take attitudes of:

1. Being as the countervailing power. This role is reflected in their efforts to control, prevent, and hold the government dominance and manipulation towards society. This role is generally played through advocacy of policy by lobbying, political statement, petition, and demonstration.
2. Being as community empowerment movement, implemented through development of organizational capacity, productivity, and independence of social groups, including raising social awareness to establish self-support, self-reliance, and participation. This role is generally played through training and education, and organizing and mobilizing of community.

3. Being as intermediary institution, through seeking to do action which mediate relationship between society and government or the state, between society and NGOs, and between NGOs and society. This role is generally played through lobbying, coalition, correspondence, assistance and cooperation between actors (Kompas, 16/03/2013).

NGOs generally have agenda claiming to represent society; however, when there is temptation from policy maker, they can easily abandon society, referring it as disconnection problem that usually occurs in the relationship between NGOs and society or community. These several problematic involving NGOs in Bandung Regency can degrade public trust, because there are actually many challenges, both internal and external, that NGOs have to face. Internal challenge includes inefficiency of management, conflict between activists, transparency issue, and others. In addition, source of funds is the main challenge that NGOs have to face at national level and, in fact, there are NGOs that have to change their ideological direction according to that of their sponsor.

Professionalism of NGOs is also reflection of their relationship with government, indicating their chaotic condition; therefore, evaluation on performance of NGOs is required. Many NGOs, in fact, play the role that shrink social movement and do counterproductive activities. Such NGOs fail to act as the backbone of civil society, as they do the otherwise that weaken the civil society. The problems of NGOs indicate that there have been distortions of role that NGOs should have played in their relation with government and society. There are fairly number of NGOs in Bandung Regency with different ideologies, scopes of activity and roles. Moreover, in general, Heads of Local Government Agency (*Satuan Kerja Perangkat Daerah* or *SKPD*), are assumed to not understand about legislation, especially that regulates public participation, because when a NGO expresses its opinion on certain case, there is saying that says NGO is not police or judge, but there should be synchronization or correlation.

It can be concluded that condition of civil society in Bandung Regency fails to support the application of marketing management in local public sector, as it still orients to personal and group interests instead of fully supporting government innovations to improve public services.

E. Democracy and (Local) Political Parties

Euphoria of democracy emerging from political reform in 1998 has brought a multi-political party system in Indonesia. Research and development of Kompas (Kompas, 8/5/2006) identified the increasing number of political parties from 3 political parties before reform to 181 political parties in only 1 year. However, only 48 out of them passed the selection and participated in general election at the time. In fact, current condition of democracy in Indonesia has not yet entered into substantial democracy, and is still in the phase of formal indicator approach of growing number of political parties and implementation of general election. People's representatives elected in general election, in fact, fight only for their personal, group, and political interests. The policies they make still fail to improve social welfare. This similarly happens at regional level, no exception in Bandung Regency.

Existence of political parties in our country is, again, questionable. Survey issued by *Cirus Surveyors Group* (CSG) shows that only 9.4% of public still believe political parties. This was the umpteenth survey showing similar result. (Sindonews.com,

8/1/2014). Referring to the survey of CSG, regardless of promotion that General Elections Commission (*Komisi Pemilihan Umum* or *KPU*) do, the number of blank vote will remain high not because of the election committee itself, but because of public distrust towards the election participants. It is like a competition without jury to judge and without audience. With high number of blank vote, credibility of the election will be questionable. Several conditions above bring effect to bureaucracy, especially in Bandung Regency, in which people's representatives elected will be the determinant in character of bureaucracy.

F. Economy (HDI)

Human Development Index (HDI) of Bandung Regency in 2014, according to Statistics Indonesia (*Badan Pusat Statistik* or *BPS*) of Bandung Regency, was 75.69. (*BPS* Bandung Regency, 2014). The number shows the increase from 75.40 in 2013. It is the highest in West Java for category of regency government. *BPS* of Bandung Regency states that "indicators that support the increase of HDI in 2014 derive from education sector by 98.86, health sector by 70.54 and purchasing power (economic) sector by 645.11. For category of regency government, the achievement of HDI by 75.69 is the highest in West Java. However, it is still below with the achievement of HDI in other big cities in West Java.

BPS of Bandung Regency explains that *Cileunyi* District still ranks top in achievement of HDI for two years in a row. In 2013, HDI of *Cileunyi* is 79.06 and increases to 79.13 in 2014. Besides, *Rancaekek* ranks second with 78.45 in 2013 and increases to 78.72 in 2014 (data of *BPS* of Bandung Regency, 2014). Health indicator (Life Expectancy Rate) is also noticed as one of determinants. *Cilenyi* District, once again, ranks top in Bandung Regency for two years in a row. It is revealed that, in 2013, life expectancy rate in the district is 72.82 and it increases to 73.54 in 2014. For purchasing power (economic) indicator, *Baleendah* District ranks first. This is seen from the purchasing power rate in 2013 was 671.38 and it increased to 672.27. *Margahayu* District is also noted as the highest rank in education indicator of Literacy Rate (Data of *BPS* 2014).

As a region that is directly adjacent to Bandung City, *Margahayu* District in 2013 reached 99.79 for the education indicator, and the same applied in 2014. From economic point, the condition of community in Bandung Regency supports the application of marketing management and, with fairly high quality of social life, local government would not be too worried about the economic condition. Therefore, government can focus on improvement and innovation related to marketing management.

Scenario of Applying Marketing Management in Office for Education of Bandung Regency

This study prepares a number of alternative scenarios that are likely generated for the application of marketing management in Office for Education and Culture of Bandung Regency.

Table 5

Alternative Scenarios for Application of Marketing Management in Office for
Education of Bandung Regency

Economy \ Social politics	Optimistic	Pessimistic
	Optimistic	Pessimistic
Optimistic	³⁷ Scenario I	Scenario II
Pessimistic	Scenario III	Scenario IV

Source: developed by author

First possibility is if social political aspect and economic aspect both shows optimistic situation. Second possibility is if social political aspect shows pessimistic situation and economic aspect still shows optimistic situation. Third possibility is if social political aspect shows optimistic situation, but economic aspect shows pessimistic situation. Last possibility is if social political aspect and economic aspect both shows pessimistic situation.

- A. First scenario.** Economic growth and distribution are in good condition on real sector, democracy and civil society both develop well so that marketing management can be applied optimally. This is the best case scenario, considering that both driving force and trend support it. This scenario is acceptable to practitioners, as they argue that, despite in unfavorable trend, with optimistic social political sector for the next several years, it can still be improved, especially with the support of community due to increasing quality of HDI each year.
- B. Second scenario.** Economic growth and distribution are in good condition, with high quality of HDI. However, democracy and civil society both develop slowly. This is scenario with combination of situations that most likely to happen in Bandung Regency; although it would spend longer time, the application of marketing management can still be implemented, with condition that the regional leader should have strong will to improve bureaucracy. This scenario is expectable, despite the anxiety that the slow development of democracy and civil society will preserve corruption and cause political turmoil due to low level of public.
- C. Third scenario.** Low quality of HDI, but democracy and civil society develop well. In this scenario, marketing management can be applied; however, it will require considerable amount of effort from local government. Local government will seek to improve economic condition and increase the quality of HDI through innovations in marketing management. However, if economic problems cannot be solved in relatively short time, it will cause political instability.
- D. Fourth scenario.** Slow economic growth, low quality of HDI, and pessimistic social political condition. This is the worst case scenario in which it is unable to apply marketing management, and no support from local government or from community.

Based on factual condition and interview with practitioners in local government of Bandung, it can be concluded that the scenario that is possibly to occur is Second Scenario.

Strategies in Application of Marketing Management in Office for Education of Bandung Regency

Based on factual condition in Bandung Regency and from the result of scenario-making, strategies of applying marketing management in Office for Education and Culture of Bandung Regency are as follows:

1. Promotion to apparatus of Bandung Regency Government, especially of Office for Education and Culture of Bandung Regency, regarding marketing management, application of marketing management in public sector and the benefits of applying it;
2. Encouraging public participation in the processes of policy making, policy implementation, and supervision;
3. Government control on NGOs, especially in sector of education, to prevent them from deviation;
4. Career development through functional position in a functional organization. If local government develops a functional organization, it means that it belongs to organization of the fourth generation organization. This will enable innovations in management of local government;
5. Quality improvement of local government apparatus through education and training, seminar, training for application of marketing management.

Recommendation

From study on perception of local government apparatus, scenarios of social, political, and economic environment of Bandung Regency in applying marketing management, it can be described as follows:

1. From results of study on perception of apparatus of Bandung Regency government using theory of Lovelock and Wirtz (2011); Cooper (2000); Zeithaml and Bitner (2000), it can be described that in aspects of product, place, promotion, people, physical evidence, and process support the applying of marketing management in Office for Education and Culture of Bandung Regency. However, aspect of price does not support due to some employees' lack of understanding on concept of marketing management.
2. Scenario of applying marketing management in Office for Education and Culture of Bandung Regency tends to be in optimistic condition. This scenario describes good economic condition and high quality of HDI. Despite of unfavorable trend in social-politics and slow development of civil society and democracy, the practitioners believe that everything will be better in the next few years. Under such condition, marketing management will certainly be able to be applied in Office for Education and Culture of Bandung Regency, despite of taking a long time.
3. Considering available scenarios, the strategies to apply are: Promotion to apparatus of Bandung Regency Government, especially of Office for Education

and Culture of Bandung Regency; encouraging public participation; government control on NGOs; career development through functional position in a functional organization; and quality improvement of local government apparatus.

From conclusion above, recommendations for local government that will apply marketing management are:

1. Considering problems of education in Bandung Regency, Bandung Regency Government, especially Office for Education and Culture of Bandung Regency, should be courageous to do innovations in government management in improving the quality of public services, and one of them is by applying marketing management.
2. It requires changes in regulation/legislation on staffing system and civil servant career development path. Current civil servant career development path is unable to develop professional bureaucracy in certain sectors, because civil servant can never design his/her own career development²¹ Civil servant career is very dependent on political approach. In fact, through Government Regulation No. 38 of 2007 on Distribution of Administrative Affairs between Central Government, Provincial Government and Regency/City Government, autonomous regions, especially regency/city, are delegated with authority for many, broad and technical administrative affairs. As the consequence, civil servants are lacking innovation, moreover in management of local government, including applying of marketing management in local public sector.
3. Study related to the possibility of applying management of local government, especially strategy to apply marketing management, should be carried out intensively for development of local public administration science, and strategy of applying marketing management in Office for Education and Culture of Bandung Regency in this study still requires trial test and further study in relation with implementation in each region. Several region can adopt this strategy; however, other region may only be able to only implement some aspects of this strategy due to certain technical issue.

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