Chapter 5

G2C Marketing:
Dimensions and Functions of ZRM

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ABSTRACT

Public administration has been challenged by “new public management” and “government redesign” paradigms. In addition, the relationship between government and citizen has been changed dramatically based on the mentioned paradigm shift. Customer orientation in the public sector is one of the changes originated from the private sector’s principles and paradigms. Nowadays, scholars emphasize applying concepts and techniques of customer orientation in e-government. In this text, firstly, customer orientation and its importance in government activities, especially e-government, is described. Then, principles, applications, and experiences of citizen relationship management as a technique of customer-oriented governments are described.

INTRODUCTION

There are many definitions of e-Government and the term itself is not universally used. The differences are not merely semantic and may reflect priorities in government strategies (Heeks and Bailur, 2007). The Organization for Economic Co-Operation and Development (OECD) defines E-Government as: “The use of information and communication technologies, and particularly the internet, as a tool to achieve better government” (OECD, 2003, p.23). This definition emphasizes the outcome opportunities of the delivery of electronic public services. But the new technological innovation impulses, however, do not yet take into account the impact on the customers (both
citizens and businesses) of implementing such public services (Van Deursen et al., 2006).

The production, management and consumption of information and knowledge are seen to be the core of societal development and economic productivity, illustrated in the rise of concepts such as the information society and the so-called knowledge economy (Castells, 2000). New possibilities offered by ICT give government chances to rethink ways of working and providing services for citizens and businesses (Bekkers and Homburg, 2007). Many critics claim that the development of electronic public services has until now been primarily guided by supply side factors and that technological possibilities rather than user needs have determined all too often the design of online public services (Schedler and Summermatter, 2007; Gareis et al., 2004). In reaction to this, the plea for more user-centered e-Government strategies becomes more prominent. A demand-oriented approach is proposed to improve the supply and take-up of electronic public services. Therefore, an extensive study of the needs and expectations of users (also regarding to services in the future) is essential (Van Dijk et al., 2008; Bertot and Jaeger, 2008). Customer Relationship Management (CRM) is a profit-driven business strategy, which helps companies to better serve customers and improve their understanding of customers’ wants and needs. In the private sector an evolution and transformation of customers took place during the last decades of the 20th Century (Prahalad and Ramaswamy, 2001). Customers went from being regarded as passive buyers with predetermined consumption to be seen as partners, co-creators of business value, and co-developers of personalized experiences (Milakovich, 2003).

Nowadays, governments are beginning to adopt CRM practices in order to respond to the demands of citizens. Customer relationship management in public sector has been defined with different abbreviation such as CiRM, CzRM, and ZRM in various references. We refer to it as Citizen Relationship Management (ZRM) as Coleman (2004) cited to it.

The goal of the presented study is to meet the call for a more thorough understanding of ZRM dimensions and functions in E-Government. So, the primary area of interest in this paper, when examining the ZRM perspective within e-government, is a comprehensive model for the transformation of CRM functionality into ZRM.

BACKGROUND

G2C Marketing

The reform of the society has made many new demands on the government, so the government needs to strengthen marketing continuously to improve its adaptability and creativity to be a service-oriented one.

However, the government marketing or specially Government to Citizens marketing (G2C marketing) has not yet been developed into the mainstream and systematic theory. Application of marketing theory in administration is a new practice. In the academic field, the concept of Government Marketing has different interpretations. Scholars defined Government Marketing as: “a whole process based on public demand to satisfy the public by using various marketing tools.” Some authors argued that Government Marketing is to achieve public satisfaction and social development goals.

Government Marketing is leadership activities that the Government uses the marketing theory, methodology to target marketing at the public for the supply of public goods and social services popularize social management concept and establish its own image.

An important function of government is to satisfy the needs of the public for public goods,
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