

Research on the Collaborative Mechanism of Public Administration and Marketing under the Government Purchase of Services Model

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Abstract. Government purchase services (GPS) model is a significant change in government governance, and the state shifts its role of service "provider" to "purchaser" and "regulator". In the past, this transition was usually examined through the perspective of public administration (PA), which focuses on procurement, contract management, and efficiency and accountability. But this is often missing the fact that marketing is very important. This paper contends that the efficacy and public value of GPS hinges much on an intricate, although presently undeveloped, collaboration between public administration and marketing. We believe that PA and marketing are not separate processes, but rather should become an integral part throughout the entire life span of GPS. In this research, a theoretical model of synergy is conceptualized based on 4 nodes of collaboration identified. These include: (1) Incorporating market research in policies and services; (2) Aligning PA's performance metrics with marketing's focus on service quality and citizen satisfaction; (3) Governing public value co-creation via integrated brand management; and (4) Shifting stakeholder management into a comprehensive relationship marketing strategy. The points of collaboration looked at in this paper indicate that a model is possible wherein the focus on control and accountability of PA is enhanced by the focus on the responsiveness and relationships of marketing. This type of mechanism is being made important for making services work better, earning people's trust, and doing real good for the public as the world of running things gets more complicated.

Keywords: Government Purchase of Services (GPS), Public Administration, Public Sector Marketing, Collaborative Mechanism, Public Value, Service Efficiency.

1. Introduction

The world has turned towards the GPS model. It is significant progress toward the current world government form. The new public model is an offshoot from the tenets of NPM that reconfigures the role of the state – from that of directly providing public services to playing a more strategic one of procuring public services by other entities, including non-profit and private sector ones. The main causes of this change are more efficient pursuit of efficiency, specialization, newness, and cost-effective pursuit[1]. Therefore, the field of public administration (PA) has thoroughly examined it, with the overwhelming majority being devoted to the workings of procurement, the ins and outs of contract design, and issues related to principal-agent relationship, as well as the creation of strong performance monitoring and accountability mechanisms. While the administrative and economic perspectives cannot be denied as being necessary for fiscal accountability and accomplishing the desires of the people, it is an incomplete picture[2]. This administrative-centric perspective tends to regard citizens merely as passive "recipients" of services and taxpayers demanding services to be efficient, without considering them as a "market" with different needs, preferences and desires. Just right here, it is where this traditional PA framework has its very important blind spot – the total ignoring of marketing principles and functions. In the private sector, no organization would purchase a service on behalf of their customer base without spending considerable time doing market research - in the public sector, it is typical to see this type of disconnect. This paper holds that whether the GPS model could achieve long-term success and public legitimacy depends entirely on the ability of public administration and marketing to establish an effective, strict and dynamic collaborative mechanism[3]. This synergy is necessary to get beyond simple cost efficiency, which must include service quality, citizen satisfaction, equity, and public trust – true public value. This required synergy will be researched from both theoretical and practical viewpoints. It will look first at different, and

often siloed, theoretical bases for both PA and marketing in the public sector. It then goes on to find and analyze 4 very specific moments in the GPS process where collaboration is not just great, it is absolutely needed. and lastly, it ends up with a full picture that embeds those marketing functions within the life cycle of GPS operational work, bringing out meaningful things for public manage theory and practical use respectively.

2. Theoretical Foundations and Literature Review

There is a current fragmented academic discourse on GPS which works in two separate streams - one public administration and another public sector marketing, which have little interaction. Public administration literature is based on political science and economics and looks at GPS as a problem of governance and control. And theories like transaction cost economics (TCE), are used by organizations to describe which choice of “make or buy” is made, and the principal-agent theory is utilized to provide the general framework under which the relationship between government (principal) and organization (agent) is explained[4]. This piece of work is very much focused on reducing opportunism and making sure information isn't asymmetrical, and creating a "complete" contract that lists every foreseeable contingency and possible measurable output[5]. It is all about accountability, compliance and waste and fraud reduction. Performance is thus about sticking to the contractually set KPIs, which are often quantity, input-heavy, or output driven KPIs (i.e., how many meals were served, how many training hours have been delivered) rather than outcome-oriented. Within this schema, “marketing” elicits suspicion and is dismissed as mere “branding,” if not worse—as “manipulative propaganda.” It's regarded as utterly at odds with the public ethos of equity and impartiality It's seen as a tool for the private provider, not for the government purchaser[6].

At the same time, another literature stream has developed around the public sector, and social marketing, which draws on commercial marketing's theories but adjusts for a non-profit, non-commercial focus. This field reinterprets “the customer” as “the citizen,” reinterprets “the product” as “a public good” or “behavior,” and stresses the use of marketing tools such as market segmentation and needs research, citizen-oriented service development, and communication projects to achieve public policy goals. In terms of scholars in this area, it is pointed out that a marketing orientation is needed so that public organizations become more responsive and move toward a "no one-size-fits-all" bureaucratic organization. They elevate the citizen's voice and favor things like satisfaction, perceived value, and compliance by choice. but that marketing lit is written almost as if in complete isolation from the administrative, legal and political constraints limiting what you can do with public procurement: They might suggest perfect, citizen-first service designs without really dealing with the PA nuts and bolts of how budgets get appointed, or how competitively bidding laws actually work, or whether you can have all those strong rules about being accountable. And so the critical gap is the lack of unifying coherency between them. This paper argues that this theoretical and practical silo is the source of inefficiency and public unhappiness in many of these GPS initiatives producing services that are administratively but operationally deaf to public demand.

3. Analysis of the Collaborative Mechanism

Construction of an effective cooperative mechanism must move beyond theoretical debate and find specific points of operation for cooperation. The interaction between public administration and marketing has to be created on and during the biggest part of the GPS process. We argue that it rests on four pillars: (1) the combination of policy design and market research; (2) making performance management align with service quality feedback; (3) making public value creation align with brand management; (4) stakeholder management evolving into relationship marketing. Each of these pillars addresses a deficiency in the traditional, PA-dominated model and shows marketing as part of the public admin, not an afterthought of it. This section will go into detail to explain all these four collaborative nodes. I will show their application as well as their theoretical importance.

3.1 Synergy in Policy Design and Market Research

Policy design and service specification is the first phase of any GPS initiative, which appears to be the most important for the ultimate success. In the traditional PA model, it tends to be a top-down flow, driven by legislative mandates, expert opinions, or historical budget allocation. What gets defined as “the service” to be purchased is internally set leading to an Request for Proposals (RFP) specifying the inputs, processes and regulatory requirement. This route might lead us to getting a service that’s good at delivering itself, but bad at really helping the different kinds of people who need it[7]. While a collaborative mechanism requires bringing in marketing’s main skill - market research - far before an RFP has ever been written. It requires moving from a presumption of the public’s needs to an empirical investigation using qualitative methods (focus groups, in-depth interviews) and quantitative (surveys, demographic data analysis). This Marketing leads on to the citizen market needing to be segmented to various different segments that have different requirements and barriers to entry. The insights from this work are then used by PA to draft an “problem-based” or “outcome-oriented” RFP. Here the PA specifies the desired public value outcome for their program (e.g., reduce recidivism by 10%) instead of specifying the inputs necessary to deliver the service (e.g., provide 100 hours of counseling). The integration of the two is laid out in table 1, which contrasts the old way with the synergies model[8]. As we can see from the table, it changes the very core of the GPS, making sure that what is being procured is something that people want and it has value to the public as opposed to just the convenience of the administration. So this synergy makes sure public money targets the right problems, which prevents the problem of doing things correctly, but for the wrong stuff.

Table 1. Integration of Market Research into GPS Policy Design

GPS Phase	Traditional PA-Led Approach	Integrated PA-Marketing Approach
1. Needs Assessment	Based on political mandate, expert panels, or historical precedent. Assumes a homogenous public.	Based on empirical market research (surveys, focus groups). Segments the public based on needs.
2. Service Specification	Input/Output-based (e.g., "provide 50 beds," "conduct 1,000 patrols").	Outcome-based (e.g., "reduce homelessness by 15%," "improve perceived safety scores").
3. RFP Design	Focuses on provider's technical qualifications and cost.	Includes provider's marketing/outreach plan as a key evaluation criterion.
4. Policy Goal	Cost minimization and compliance.	Public value maximization and citizen satisfaction.

3.2 Synergy in Performance Management and Service Quality Feedback

Service has been bought and is operational the PA function moves to performance management and contract oversight. The old method depends largely on the KPIs set out in the contract They tend to be simple and quantitative KPIs that are easy to audit: times processed, cases, cost per unit, error rates. Financial accountability calls for them but they give a very incomplete view of it: They look at outputs (what the provider did) when they should be looking at outcomes (what changed for the citizen) or service quality (how the citizen experienced the service). This is where a synergy with marketing can be really effective. Marketing, more specifically from the perspective of service quality models (SERVQUAL), looks at the gap where citizens’ expectations differ from their perception of the service they receive. Collects data for the non-PA metrics of reliability, responsiveness, assurance (trust and confidence), empathy. A cooperative system for bringing together these two measurements The PA-defined contractual metrics are kept for accountability but are supplemented with marketing-defined citizen satisfaction and service quality metrics[9]. Table 2 is a conceptual comparison of these different performance measurement paradigms. In a synergistic model, as can be seen in the last column of the table regarding, the GPS contract itself shall be changed. Providers wouldn't get paid just for doing stuff, the money they make and if their contract gets renewed would depend on making and keeping citizens very happy. This integration makes it so the provider (and the government) have

to think about how the service feels rather than just how it fits together. This way the person giving the service will be rewarded for making people happy as much as for making the service work properly.

Table 2. Shifting from Output Metrics to Outcome-Based Performance

Measurement Focus	Public Administration (PA) Focus (Output/Compliance)	Marketing (M) Focus (Quality/Satisfaction)	Synergistic Metric (GPS Contract)
Timeliness	95% of applications processed in 30 days.	Citizen perception of "wait time" (was it reasonable?).	SLA for processing time, combined with a CSAT score for "timeliness" > 8.0/10.
Accuracy	< 2% data entry error rate.	Was the information provided correct and easy to understand?	Error rate < 2%, and 90% of users "agree" or "strongly agree" the service was accurate.
Quantity	500 clients served per month.	Market penetration: Are all eligible segments aware of and accessing the service?	500 clients served, with specific sub-quotas for hard-to-reach segments identified in research.
Overall	Contract budget adherence.	Overall citizen satisfaction (CSAT), Net Promoter Score (NPS).	Budget adherence, linked to contract renewal only if CSAT scores remain above a pre-defined threshold.

3.3 Synergy in Public Value Creation and Brand Management

Table 3. Public Value and Brand Alignment in GPS

Brand Aspect	Government (PA) Role (Brand Steward)	Service Provider (M) Role (Brand Partner)	Collaborative Goal (Public Value)
Identity	Sets core identity: "This is a public service ensuring [Public Value]." (e.g., "City of X Public Health")	Implements service delivery under its own identity. (e.g., "Community Health Inc.")	Co-branding: "Community Health Inc., a proud partner of the City of X Public Health."
Promise	Guarantees equity, access, and accountability.	Promises efficiency, innovation, and customer-centricity.	A service that is reliable, equitable, and responsive to public needs.
Communication	Public reporting on outcomes and value-for-money. Informs all citizens of rights/availability.	Targeted outreach to specific user segments. Manages front-line communication.	An integrated communication plan ensuring transparency, accountability, and accessibility for all segments.
Loyalty / Trust	N/A	(Commercial: Customer Retention)	Public trust in the service and in the government's role as a competent purchaser.

Public value, as articulated by scholars like Mark Moore, implies that government success is defined less as an efficiency problem than as an opportunity to create value (like safety, health, justice) for the public. In a GPS model, these values are jointly created by the government, the producer, and the citizens. However, when it comes to the PA function, it will generally be unable to cope or comment on this value. It focuses on the "back-end" (procurement), which means that they can often abdicate control of the "front-end" (the citizen interface) to the provider. This can lead to brand

confusion – where citizens don’t know whether a service is publicly-funded – or brand dilution – where a poor provider experience is a reflection on government. A collaborative mechanism combines PA public value goals with marketing’s strengths in brand management[10]. this is “branding” not in the commercial sense of competition but the public sense of identity, trust, and talk. The Government (PA) has to be the “brand steward” for the public service, putting down clear guidelines on how the service should be communicated and felt. At the same time, it works as a co-branding partner. Table 3 lists out the different players in this kind of brand alignment. It makes sure that the general public knows about what the govt does to provide the service, and it’s necessary for any kind of democratic framework. It aligns a provider’s voice, communication, service delivery with broader public values like equity, access rather than the org or their profit motives. This integrated brand management is the main means by which the GPS initiative is to communicate and secure the public good this venture is meant to create.

3.4 Synergy in Stakeholder Communication and Relationship Marketing

Finally, the GPS model takes place in a world full of other stakeholders, far from simply just the two parties the principal-agent model. These service users (client), non-users (taxpayer), internal government staffs, regulator and service providers. The traditional PA's “stakeholders” method was generally broken up and passive/reactive. Talking to citizens is one way (telling them what we have decided). The relation to the provider is adversarial (ensuring compliance with the contract and having a clause with penalties). This will cause friction and miss opportunities for collaboration and improvement. The marketing idea is "relationship marketing," which gives a revolutionary choice. It is centered at creating long-timely advantageous, two way relationship with all Stakeholders; A Collaborative PA-Marketing mechanism is instilled into governance of GPS. Relationship with provider goes from “vendor management” to “partnership management,” which focuses on problem solving together, sharing data, and continuing improvement. Relationship to citizens is changed to "recipient management" to "client engagement", use feedback loops and advisory panels to co-design better services. Even those non-users of tax payers will become an audience for the marketing communications that show transparency and public value. The table 4 shows the changes in stakeholder relationship matrix. This joint effort, which mixes PA’s authority and marketing's people skills, makes a “public service ecosystem” that is more sturdy, flexible, and dependable. It changes governance models from top-down controls to network-based collaborations to solve public problems.

Table 4. Stakeholder Relationship Management Matrix

Stakeholder Group	Traditional PA (Management) Approach	Integrated PA-M (Relationship Marketing) Approach
Citizens (Users)	"Beneficiaries." Viewed as passive recipients. Communication is one-way (info on eligibility).	"Clients / Co-producers." Viewed as active partners. Bi-directional feedback loops are established.
Service Providers	"Vendors." Adversarial relationship focused on contract compliance and penalties.	"Partners." Collaborative relationship focused on shared goals, innovation, and joint problem-solving.
Taxpayers (Non-Users)	"Funders." Largely ignored, assumed to value only cost-cutting.	"Informed Citizens." Proactive communication on public value, transparency, and return on investment.
Internal Staff (PA)	"Contract Monitors." Role is bureaucratic and focused on compliance checking.	"Relationship Managers." Role is strategic and focused on managing the partnership and service quality.

4. Conclusion

The paper claims that the GPS, which forms the core of modern public governance, is incomplete when viewed as public administration alone. Admin functions of procuring and controlling keep on siloing away from strategic functions of marketing and publicizing, greatly hurting the model's chance at success. We propose a new, integrated framework based on four types 1) embedding market research in the policy formulation, 2) aligning performance evaluation with citizen-defined service quality, 3) managing public value through co-branding, 4) transforming stakeholder management into relationship marketing. This synergistic model changes how we think about marketing. It's no longer seen as an add-on or something shallow, but as something essential for the government buyer. And it gives us the tools to understand public needs, measure satisfaction, communicate its value, and build trust. It has great significance in practical terms. It necessitates a great culture transformation by public agencies and it calls on public managers to acquire new skill in market and relationship. It also needs a new set of institutions, especially around procurement processes that need to value "best value" – including responsiveness to citizens, not just the "lowest cost." For theorists, this paper offers a bridge between the often disconnected worlds of NPM and public sector marketing, hinting at a more holistic theory of value for public sector organizations. Though this paper still remains conceptual, the need for future empirical research is clear. It would also be very helpful to look at case studies on different levels of integration between PA & Marketing for services with different types (e.g. social services vs. infrastructure). In short, as governments come to depend more and more on third parties to supply essential public services, it will be whether or not they can artfully marry the discipline of administration with the orientation of marketing that determines their success and legitimacy.

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