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**USE OF POLITICAL MARKETING IN REINVENTING THE
BRITISH CONSERVATIVE PARTY**

Vypracoval: Pavel Heczko

Vedoucí diplomové práce: prof. PhDr. Vladimíra Dvořáková, CSc.

Prohlášení

Prohlašuji, že jsem diplomovou práci zpracoval samostatně, a že jsem uvedl všechny použité prameny a literaturu, ze kterých jsem čerpal.

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Podpis

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“There’s so much we need to change in our country - we can’t afford to waste time going slow on changing our Party.”

(David Cameron, Conservatives Spring Forum, April 2006)

„Every organisation performs marketing-like activities whether or not they are recognised as such.“

(Kotler and Levy 1969, p. 10-15)

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INTRODUCTION

Politics has changed. Political parties are increasingly being influenced by the business world. They embrace marketing methods and techniques in order to achieve their goals: gain public support, win elections and ultimately get into government.

Political parties are adapting because the society has also changed. People are often disillusioned with politics. They are less likely to simply vote the party their parents always voted. Party identification and membership has dramatically decreased. Instead, people tend to view politics as simply as management of public life. It has become just another consumer product, which is evaluated on its merits.

Since voters are increasingly behaving like consumers, political parties are more and more acting like businesses. They utilize political marketing not only to perfect their election campaigns by using catchy slogans, spin doctoring and professional advertising. They also exploit sophisticated methods to design their product in relation to what the voters want. Moreover, marketing is primarily about providing satisfaction. Therefore, once in government, political parties are pressured to deliver on their promises since they want to preserve their long-term support and ensure survival.

This development can be observed in majority of developed countries. Two of them are, however, standing out. The United States has been for long perceived as the most advanced country in terms of applying political marketing principles and indeed, many of political marketing methods and techniques were invented there. The United Kingdom plays a similar role in Europe. Its political and cultural proximity to the United States enables it to swiftly adopt all new marketing methods. At the same time, its political system is different and thus so is the use of political marketing.

The subject of this thesis is The Conservative Party and its use of political marketing. Its case is particularly interesting thanks to its significant influence over other right-wing parties in Europe, which are increasingly utilizing the expertise of international consultants. The text will analyze how the Party

responded to three subsequent election defeats in 1997, 2001 and 2005 and to what extent are the Conservatives utilizing political marketing methods and techniques in reaction to the pressure from their more market-oriented competitor, the Labour Party.

The structure of the text derives from the research hypothesis. Firstly, it will begin with outlining the foundations of political marketing by comparing traditional marketing management science with politics. It will also describe the changes in the society that forced political parties to adopt political marketing and become more responsive to the wishes of the electorate.

Secondly, it will discuss various marketing concepts, which represent underlying assumptions about the nature of the marketplace and the role of marketing in the society. These marketing concepts will subsequently be related to politics, thus outlining several models of utilization of political marketing by political parties.

Thirdly, the text will analyze Bill Clinton and Tony Blair's use of political marketing. The former has strongly influenced political campaigning worldwide, and thanks to his connections to the Labour Party also in the United Kingdom. The latter has then managed to significantly reshape British political life and even more importantly, forced the Conservatives to adapt.

Fourthly, the final two chapters will analyze Conservatives' efforts to embrace market-orientation. In order to do so, the defeats of 1997, 2001 and 2005 will be evaluated. Special attention will then be given to their incumbent leader David Cameron, who is attempting to reinvent the party in a similar fashion to Tony Blair's efforts at the beginning of the 1990s.

The first two chapters will be primarily based on juxtaposing traditional marketing literature such as Kotler and Levy's article (1969), Kotler's classical marketing textbook (2002), Slater and Narver's article (1998) and Lees-Marshment's models of party orientations towards the marketplace (Lees-Marshment 2001a, 2004a).

The evaluation of Bill Clinton and Tony Blair's campaigns will derive from Newman (1994), Lees-Marshment (2001a, 2001b, 2001c), Micklethwait and Wooldridge (2004), Goldman and Mathews's article (1992) and others.

The final two chapters will then build on Peele (1998) and (Lees-Marshment and Quayle 2001), who provide account of the organisational changes in the Conservative Party introduced under William Hague. It will also make use of Denham and O'Hara's (2007) analysis of Cameron leadership election victory and assessment of the power of his mandate. Last but not least it will derive from Evans (2008) and Kerr (2007), who scrutinized the changes introduced by Cameron. Furthermore, the party manifestos, political speeches, policy documents and advertising will be examined. The text will also exploit the results of the opinion polls.

1. FOUNDATIONS OF POLITICAL MARKETING

Political marketing is a relatively new area of academic interest. It came into being as a synthesis of two disciplines: political science and management science. While marketing is a field within the latter, political marketing aims to integrate the knowledge from both fields (Lees-Marshment 2001a, p. 2). Political actors worldwide are increasingly embracing marketing concepts, methods and techniques in order to gain support, win elections, get into government, stay in power and ultimately to deliver on their promises. In addition to that, political campaigns worldwide more and more resemble each other. Even though cultural differences still exist and play an important role, political parties tend to employ international political consultants and utilize their knowledge and expertise (Farrell 1998).

Lees-Marshment (2004a, p. 6) argues that „the rise of the political consumer, and challenges to traditional behaviour by political organisations have left many of the traditional tenets of political science semi-redundant and ill equipped to explain the world as it is now“. To study political marketing, it is hence necessary to have a grasp of traditional marketing management science.

The forthcoming text will therefore discuss definitions of marketing and outline its relationship with politics. It will also explain key marketing concepts, which are significant for political marketing.

1.1 What is marketing

Marketing originates from the business world. Initially, its primary objective was to help the producers increase demand and sales and thereafter to maximize profits. However, this perception of marketing is today considered overly limited. The notion that marketing's top priority should be selling obscures other even more important roles that it has to play. It also conceals the fact that all organisations, not only businesses, use marketing. Many people confuse marketing for selling or advertising. However, as we shall see, these are only parts of a complex marketing strategy.

Kotler (2002a, p. 4) distinguishes two definitions of marketing: managerial and social. The former refers to the traditional view of marketing as a field of management science targeted solely on businesses striving for customers and profits. According to this definition:

„The aim of marketing is to make selling superfluous. The aim of marketing is to know and understand the customer so well that the product or service fits him and sells itself. Ideally, marketing should result in a customer who is ready to buy“. (Drucker cited in Kotler 2002a, p. 4)

The American Marketing Association offers another managerial definition:

„Marketing (management) 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 goals“. (Dictionary of Marketing Terms cited in Kotler, 2002a, p. 4).

These definitions attempt to explain how can be marketing used to achieve business goals on the marketplace. On the other hand, social definitions emphasize social functions of marketing. In other words they aim to describe, what role has marketing to play in the whole society. The first attempt to broaden the definition of marketing came from Kotler and Levy in their classical article, in which they claim that:

„Marketing is a pervasive societal activity that goes considerably beyond the selling of the toothpaste, soap, and steel ... an increasing amount of society's work is being performed by organisations other than business firms ... every organisation performs marketing-like activities whether or not they are recognised as such“ (Kotler and Levy 1969, p. 10-15).

In this article, Kotler and Levy also brought up the idea of utilizing marketing in politics by arguing that „political contests reminds us that candidates are marketed as well as soap“ (Kotler and Levy 1969, p. 10). This claim is, however, questionable. As we shall see, political marketing bears significant differences from traditional marketing and political parties and candidates cannot be marketed exactly in the same fashion as soap. Even though,

the basic idea of enriching political science by the knowledge from management science remains unchanged.

The core principle is the notion that the product does not need to be understood as a mere physical product such as clothes, juice or a washing machine. It can also be a university education, charitable project or a political program.

Marketing can be also used to change unfavourable social behaviour, or in other words to manage negative demand. In that case we talk about social marketing, which is:

“The use of marketing principles and techniques to influence a target audience to voluntarily accept, reject, modify, or abandon a behaviour for the benefit of individuals, groups, or society as a whole” (Kotler 2002b, p. 2).

As we have seen, marketing has been transformed and its focus has broadened. It is used by many different organisations, not only those who are in the business of making profit. As Kotler (1979 p. 40) argues “the interesting thing about marketing is that all organisations do it whether they know it or not”. In the subsequent text, we shall examine the similarities and differences between politics and business. By doing that we shall find out how marketing can be used in the world of politics.

1.2 Politics and political marketing

Political science studies the processes by which groups of people make decisions. Every society is a complex system made of different actors with distinct characteristics, which also tend to have different demands. At the same time, the resources, which are needed to satisfy these demands, are often limited. Therefore, every society has to find a mechanism to cope with emerging conflicts. Politics is hence a means to resolve these conflicts. According to Lees-Marshment (2004a, p. 6), the study of politics includes areas such as:

- political behaviour: voting behaviour, electoral behaviour, electoral conditions, public opinion, support for institutions and organisations;
- political organisations: parties, interest groups, charities, movements;

- political institutions: parliament, public services, local government, media, monarchy.

Within these areas, politics studies the relationship between the masses and elite, including therefore:

- people and government;
- voters and parties;
- patients and health service;
- pupils and teachers;
- students and academics;
- members and charities;
- audience and media (Lees-Marshment, 2004, p. 6).

Moreover, politics „has traditionally been viewed as concerned with ideas, belief and ideology, not market pressures and demands“ (Lees-Marshment 2004a, p. 6). On the other hand during recent decades societies have undergone significant development, which have deep consequences for their political systems (Friedman 2001, p. 3-76), (Lees-Marshment 2001a, p. 14-22).

In the past politicians had offered their ideologies and promised to create a better world. They believed that their political program, i.e. the product, was superior to those of their competitors. Nowadays politics is increasingly seen as simply as management of public life. People tend to be disillusioned and sceptical about politics (as will be argued further in the text). Traditional forms of political participation have also changed. On one hand, people are less and less organized in political parties, and on the other hand they are more and more involved with non-governmental organizations, pressure groups and other non-partisan political actors. Voters increasingly behave as political consumers (Lees-Marshment 2001a, p. 14-22). Therefore it is reasonable for political parties to adopt marketing concepts in order to succeed.

Political marketing is thus “the use of marketing by political organisations” (Lees-Marshment 2004a, p. 9). More comprehensively:

“Political marketing is about political organisations adapting techniques and concepts originally used in the business world to help them achieve their goals. It studies the relationship between a political organisation or individual and its market, its use of marketing activities (market intelligence, product design, communication and delivery). Such political organisations include parliaments, political parties, charities, bureaucracies and television channels; their product legislation, policies or meetings; their market is the public, electorate, members, financial donors, tax-payers, benefit receivers or viewers; their goals are passing legislation, winning elections, campaigning for better rights for a section of society, and providing entertainment” (Lees-Marshment 2004a, p. 10).

Similarly to marketing, which is often misunderstood as a mere effort to increase sales, political marketing is often substituted to American-style permanent campaigning, sound-bites and spin-doctoring. However, this is only a mode of political communication in era, when mass communication is dominated by television (Postman 1985). Infotainment influences all spheres of communication and all media and thus logically has impact on those who need media attention for their own purposes. However, adapting communication strategies to the so-called media values (see Gatlung and Ruge 1965 or Altheide and Snow 1979) does not necessarily mean adopting political marketing. As Lees-Marshment (2004a, p. 9) argues “a party or any political organisation can engage in political marketing without spin-doctoring or producing sound-bites. Similarly, just because a party adopts effective media management does not mean it becomes market oriented or uses political marketing”.

To distinguish the concept of political marketing from political communication Lees-Marshment (2004a, p. 10) introduces the term comprehensive political marketing (CPM) and offers its five basic principles:

1. CPM applies marketing to the whole behaviour of a political organisation, not just communication.
2. CPM uses marketing concepts, not just techniques: the product, sales and market orientation as well as direct mail, target marketing and market intelligence.

3. CPM integrates political science literature into this analysis.
4. CPM adapts marketing theory to suit the differing nature of politics.
5. CPM applies marketing to all political organisational behaviour: interest groups, policy, the public sector, the media, parliament and local government as well as parties and elections.

For the purposes of this thesis, the term political marketing will be used as a synonym to the above described CPM. The forthcoming chapter will cope with key marketing concepts and techniques and install them into the political marketing framework.

2. ORIENTATIONS TOWARD THE MARKETPLACE

If marketing management “is the conscious effort to achieve desired exchange outcomes with target markets” (Kotler 2002a, p. 10), what philosophy should drive organisation’s business efforts? Conceptually, management science offers several market orientations to explain how businesses approach and interact with the market. Marketing textbooks usually distinguish three basic orientations: production, selling and marketing concepts. Kotler (2002a, p. 11) differentiates five: production concept, product concept, selling concept, marketing concept and societal concept.

These concepts represent underlying assumptions about the marketplace. They can be also used to describe the evolution within the marketing management science. Arguably, production or selling concepts are older and reflect different market conditions, which existed in the past. On the other hand, the marketing concept is often regarded as the last stage of development, which is characterised by involving marketing in all aspects of organisation’s behaviour. As we shall see, these concepts are also highly relevant for political marketing. Lees-Marshment (2001a, p. 24) distinguishes three party orientations: product, sales and market. These three different scopes of adopting political marketing can also be explained in terms of historic development on the political market.

2.1 The Production Concept

The production concept is based on the idea that consumers want products that are widely available and inexpensive. It makes sense in emerging markets where the products are scarce and competition low (Kotler 2002a, p. 11). Consumers are hence more interested in obtaining the product than in its qualities. The company should therefore focus on making the product as cheap as possible, e.g. by utilizing economies of scale and thus by reducing the costs and also by expanding distribution channels. While this philosophy can have its place when doing business in developing countries, it bears little importance for the political actors, since the quality of their product (political program,

candidate, policy) is often under the media spotlight. This rebuke is addressed within the next market orientation.

2.2 The Product Concept and The Product-Oriented Party

As its name suggests, the product concept regards the product as the cornerstone of organisation's activities. It springs from the idea that consumer prefer products that offer better quality, performance, or innovative features (Kotler 2002a, p. 11). Consumers simply choose to buy those products and services, which offer more value. Organisation's managers are therefore responsible for making their products superior to those of their competitors. The underlying assumption is that consumers will then automatically choose the better product. In other words, the superior product will simply sell itself.

Unlike the production concept, the product concept can be applied to marketing political parties. It is corresponding with the traditional view of democratic politics, which is characterised by free competition of political programs based on ideologies. According to Lees-Marshment (2001a, p. 28):

"A Product-Oriented Party argues for what it stands for and believes in. It assumes that voters will realise that its ideas are the right ones and therefore vote for it. This type of party refuses to change its ideas or product even if it fails to gain electoral or membership support."

The principal innovation compared with the production concept, the aim to make superior product, can also turn into a major drawback. In the business world, being preoccupied with the technical qualities and other features of their products, managers can easily slide into neglecting customers' needs and thus produce technically elegant yet unsellable product. To describe this problem, Kotler (2002a, p. 11) says, "these organisations too often are looking into a mirror when they should be looking out of the window." Comparably, politicians also tend to think that they know what the voters want and that their solutions are the right ones, however their customers, the voters, might fail to react as the politicians would like them to.

Lees-Marshment (2001a, p. 28) defines a model of a product-oriented party. It consists of a five-stage marketing process:

Stage 1: Product design

The party designs its behaviour according to what it thinks is the best.

Stage 2: Communication

This includes the so-called near or long-term campaign but also ongoing behaviour. Not just the leader, but all MPs and members, send a message to the electorate. The organisation is clear and effective, designed to advance the party's arguments to voters.

Stage 3: Campaign

The official election campaign period leading up to the election.

Stage 4: Election

The general election.

Stage 5: Delivery

The party should deliver its promised product in government.



Figure 1: The marketing process for a Product-Oriented Party (Lees-Marshment 2001, p. 28)

2.3 The Selling Concept and The Sales-Oriented Party

The selling concept, another business orientation, stems from a slightly different environment. It was created in the context of saturated markets, where competitive products and services are easily available. As a result, the concept says, consumers if left alone, would probably not buy enough of the organisation's products (Kotler 2002a, p. 11). The responsibility of marketing is, therefore, to support and stimulate the demand by using effective marketing communication and promotion efforts. The aim is to sell what the producer makes rather than to make what the market wants (Kotler 2002a, p.11).

Arguably, the selling concept is what most people hold equivalent to marketing. It is so inasmuch the communication efforts such as advertising or the so-called bellow-the-line (BTL) communication are often the most visible marketing tools. The selling concept is furthermore often misunderstood as being the basis of political marketing. Nevertheless, effective communication, e.g. during election campaign, is merely a part of comprehensive political marketing as defined earlier.

In spite of that, the selling concept also strongly resonates within the field of political marketing studies for it shows the second stage of party orientation towards the market. Moreover, many parties engage mainly in the sales orientation.

A sales-oriented party „focuses on selling its argument [product] to voters. It retains its pre-determined product design, but recognises that the supporters it desires may not automatically want it.“ (Lees-Marshment 2001a, p. 29). In other words, sales-oriented party still thinks its product (program) is superior to that of the other parties, but at the same time the party thinks that its political message has to be convincingly and effectively disseminated so that it can have the coveted effect. A sales-oriented party thus uses marketing techniques such as market intelligence in order to understand the voters and advertising and communication techniques to persuade them (Lees-Marshment 2001a, p. 29).

A model of the Sales-Oriented Party as proposed by Lees-Marshment (2001a, p. 29-30) is as follows:

Stage 1: Product design

The first stage is to design its behaviour according to what the party thinks best.

Stage 2: Market intelligence

A Sales-Oriented Party then aims to discover voters' response to its product. It tries to find out which voters do not support the party, but might be persuaded. Communications can then be targeted on this section of the electorate. Formally, parties use quantitative research (electoral results, public

opinion polls and privately commissioned studies) and quantitative research such as a focus group.

Stage 3: *Communication*

This stage includes not only the so-called near or long-term campaign but also ongoing behaviour. It is not just the leader, rather all MPs, candidates for office, and members who send a message to the electorate. The party therefore aims to be portrayed in a positive light in the media. In order to do so, a clear communication plan is needed. The party also systematically works with the journalists and the media. It uses all available selling techniques such as direct mail and targeted communication to persuade voters to agree with the party.

Stage 4: *Campaign*

This includes the official pre-election campaign. It utilises sales techniques in the same way as the communication stage.

Stage 5: *Election*

The general election

Stage 6: *Delivery*

The party delivers product in government.

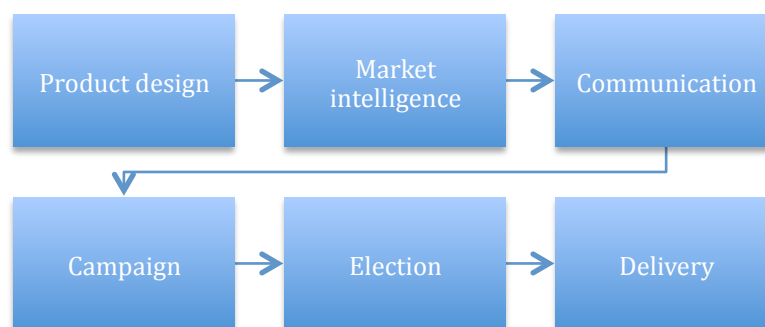


Figure 2: The marketing process for a Sales-Oriented Party (Lees-Marshment 2001, p. 30)

The selling orientation concept stems from an unspoken assumption that the mass media hold the key to winning the elections. Even though this belief is shared among the business executives and advertisers, it is often disputed in the mass media research since the quality of the communication efforts is deemed as being only one of several variables which influence perception of the message by

the audience (Clapper 1960). This complexity is described by Berelson, who came to the conclusion that „some kinds of communication on some kinds of issues, brought to the attention of some kinds of people under some kinds of conditions, have some kinds of effects“ (Berelson cited in Klapper 1960, p. 475).

Furthermore, it can be argued, that sales-orientation is just one step further than the product-orientation while it does not redesign the product according to what the voters demand. That is, however, the essence of the forthcoming concept.

2.4 The marketing concept and the market-oriented party

The marketing concept is based on the idea that the key to achieving organisational goals is the customer and his needs. While the sales oriented business is using marketing techniques such as market intelligence so that it can persuade the customer more effectively that its' product is valuable and thus worth buying, market oriented organisation is constantly trying to understand what customers want. Only then, when it already has a product that fits the needs of the target market, the market-oriented organisation uses communication and selling techniques.

To demonstrate the difference between the selling and the marketing concepts, Kotler (2002a, p. 12) cites Lewitt who argues that: „Selling focuses on the needs of the seller; marketing on the needs of the buyer. Selling is preoccupied with the seller's need to convert his product into cash; marketing with the idea of satisfying the needs of the customer by means of the product and the whole cluster of things associated with creating, delivering and finally consuming it.“ The selling concept is based on an inside-outside perspective. As Kotler (2002a, p. 12) argues „it starts with the factory, focuses on existing products, and calls for heavy selling and promoting to produce profitable sales“. The marketing concept builds on an outside-in perspective; „it starts with a well-defined market, focuses on customer needs, coordinates activities that affect customers, and produces profits by satisfying customers“ (Kotler 2002a, p. 12).

A market-oriented party takes similar approach. It identifies voter demands and then designs the product to suit them. As Lees-Marshment (2001a,

p. 30) puts it „it does not attempt to change what people think, but to deliver what they need and want“. At the same time, it is necessary to underline that the main goal of a market-oriented party is to provide voter satisfaction. Therefore it must ensure it can deliver the product it offers. It will not simply promise what people want to hear according to the opinion polls, while it would risk that the voters would become dissatisfied and that the party would face the consequences in the long term (Lees-Marshment 2001, p. 30).

The same can be said about traditional marketing. Kotler (2002a, p. 13) argues that customers can be divided into two groups: new customers and repeat customers. He then claims that it is a well-known fact, that it is much more expensive to attract a new customer than to please an existing one. Therefore „*customer retention* is more important than *customer attraction*“ (Kotler 2002a, p. 13). Applied into political context: even though a political party focuses on customer satisfaction, it cannot promise everything voters want, it always must have delivery in mind. This seemingly trivial conclusion is often obscured when contemplating about political marketing and its influence on politics.

Another challenge lies within the organisation. Kotler (2002a, p. 13) offers so-called integrated marketing, which takes place on two different levels: internal and external. He argues, that the company activities must not be only coordinated from the customer's point of view. The marketing orientation must be also adopted by the organisation's members and departments (Kotler, 2002a, p.13). This is very significant for a political party adopting marketing orientation. Compared with traditional businesses where people work in order to earn money and make ends meet; members of political parties expect to have a say over their party's program, candidates and behaviour.

However, at the same time the program is no longer based so much on ideology, but rather on what the voters really want. Traditionally, ideologies worked as a shared framework, which helped to hold the party together. Naturally, the ideological differences erupted from time to time and the party lost its unity from time to time. However, the changes in the party's program were not so swift and deep as they are in case of a market-oriented party.

Therefore, the party needs to ensure that the new program will be accepted within the party.

To sum it up: „A Market-Oriented party therefore designs a product that will actually satisfy voters' demands: that meets their needs and wants, is supported and implemented by the internal organisation, and is deliverable in government.“ (Lees-Marshment 2001a, p. 30).

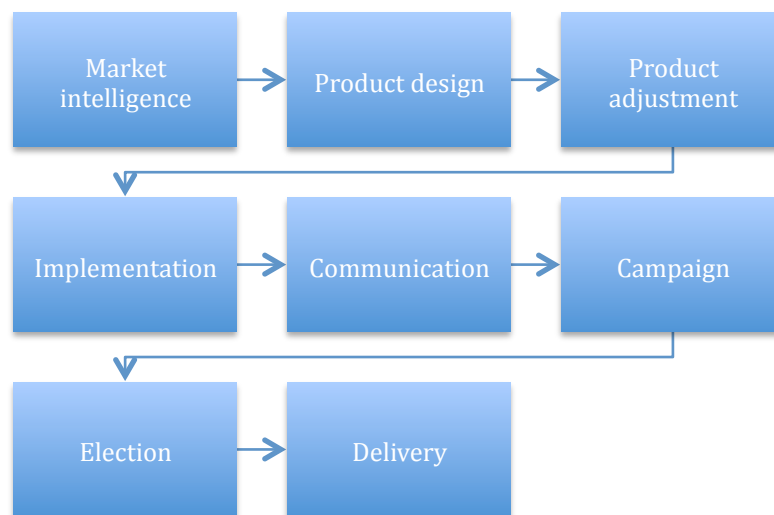


Figure 3: The marketing process for a Market-Oriented Party (Lees-Marshment 2001, p. 31)

While the main focus of this thesis lies in the way the Conservatives are adopting market oriented concept, the corresponding model will be discussed in more detail. The description will be based on The Market-Oriented Party model offered by Lees-Marshment (2001a, p. 30-46).

2.4.1 Stage 1: Market intelligence

In the first stage a market-oriented party carries out market intelligence. It gathers all possible information about the voters whose support it seeks. This may include identifying their needs, wants, behaviour and demands (Lees-Marshment 2001a, p. 30).

Market intelligence can be conducted at various levels. Lees-Marshment (2001a, p. 31) distinguishes informal and formal market intelligence. The first consists of talking to party activists, calling meetings and discussions with members and voters and setting up policy groups within the party consisting of politicians, professionals and members (Lees-Marshment 2001a, p. 31). This effort can also help to improve party's public relations, since it tries to include

the stakeholders in the process and makes them feel that the party is interested in what they think. This can, subsequently, help the party to embrace new product design and overcome possible internal split about its new directions.

The second, formal market intelligence employs more sophisticated methods of gathering market intelligence. Stemming from the traditional sociological research, parties can use quantitative or qualitative research. The former focuses on so-called hard data such as electoral results, and public opinion polls. Its aim is to provide clear answers about what the public thinks, how many voters support the party or are in favour of one particular solution of a concrete public issue.

On the other hand, qualitative research is trying to go under the cover of hard data and aspires to reveal the reasons for particular stances, opinions, likes and dislikes. An example of qualitative method used in political marketing is a focus group, which is widely used in traditional market research. As Lees-Marshment (2001a, p. 32) points out, it can prove to be more effective in identifying voters' long-term as opposed to short-term demands. She argues that „it may be the case that quantitative surveys reveal that every voter wants lower tax, but they also want good public services. Assuming that a medium level of tax needs to be paid to ensure good public services, voters might rather pay slightly more tax to have satisfactory public services, rather than pay the lowest level of tax and not be satisfied“ (Lees-Marshment 2001a, p. 32). Qualitative research can in cases such as this help to find the right balance and improve the proposed product. Slater and Narver (1998) claim that the focus on long term customer value is indeed the core quality of market orientation, which they put in contrast with „customer-led orientation“, which is „reactive and short term in focus“ (Slater and Narver 1998, p. 1002). Following this orientation can subsequently lead to the „tyranny of the market“ which is characterised by the organisation seeing the world only through its current customers' eyes (Slater and Narver 1998 p. 1002). They argue, that current customers can hinder organisations growth, while innovation „threatens customers' way of doing business“. This is of great significance for political parties, while they are in the business of changing the way the public services and society is run. Slater and Narver (1998) argue for

using market orientation rather than customer-led orientation, which is committed to „understanding both expressed and latent needs of the customers“ and „evaluating market information in a systematic and anticipatory manner“ (Slater and Narver 1998, p. 1003).

The way to reach this superior understanding of the market is by „sharing the knowledge broadly throughout the organization“ (Slater and Narver 1998, p. 1003). This, again, bears a huge significance for the political marketing. Even though formal market intelligence is often conducted by professionals from outside, the party leadership should make the results fully available to the party members and MPs, while it will again „increase the chances of them accepting any necessary change in behaviour“ and thus „help engender a market orientation rather than a product orientation“ (Lees-Marshment 2001a, p. 33). While this is also the case within traditional business organisations (Kotler, 2002a, p.13), it gains more importance in political parties, while their members tend to participate in politics in order to change public affairs in some particular direction. Therefore any change in behaviour, product and policies bears a potential to become an apple of discord.

Furthermore, qualitative research gains more importance with the rise of the brand management in politics. Brand is understood as „the psychological representation of a product i.e. the symbolic value consumers attach to a particular named product, as opposed to the value they place on its tangible features“ (Burkitt 2002, p.5). The brand management then builds on the notion, that since living in the symbolic age, consumers are identifying with the brands rather than simply buying products. The aim of brand managers is then to construct the right brand image in the heads of their target market. Burkitt (2002, p. 7) argues that while the voters are not buying any tangible product „brands and brand perceptions are even more important in political markets than in commercial markets“. In his view „a political party could, perhaps, be seen as the *ultimate* form of brand“ (Burkitt 2002, p. 7). The goal of brand management is to create an emotional rather than rational affiliation between the consumer and the brand. This is the place for qualitative research while it focuses on unspoken even unconscious likes and dislikes of the customers –

voters (see Burkitt 2002). As we shall see further in the text, Conservatives were long perceived as being selfish and mean. The brand management and rebranding under David Cameron offered them a chance to update these negative emotions.

2.4.2 Stage 2: Product design

In the second stage, the party designs its product according to the results of the market intelligence. This is a „total design“, which comprises not only of the policies of the party but also of other aspects such as its leader, leadership style, the behaviour of party's MPs and candidates for offices, organisational structure and membership rights (Lees-Marshment 2001a, p. 33). This might or might not involve much change, depending on the differences between what voters expect and what the party currently offers.

2.4.3 Stage 3: Product adjustment

Subsequently to designing the ideal product, the party must proceed to the product adjustment stage. The product is then reviewed according to four factors: achievability, internal reaction, competition and existing and/or needed support (Lees-Marshment 2001, p. 33-34).

Firstly, the product offered by a market-oriented party must be achievable. The party should not promise something that would not be achievable once it is in government. For example committing to cut taxes at the time when the state faces huge fiscal deficit would only result in dissatisfaction, while the party would have to change its pledges after gaining government responsibility (Lees-Marshment 2001, p. 33).

Secondly, even though the party underwent an important stage of market intelligence and is fully committed to satisfying voters' needs, it is also significantly different from a traditional business organisation as it serves not just voters, but also long-term party supporters and members. Moreover, since the main source of motivation for these groups and individuals is often ideology, they tend to have different views than voters. Therefore it is essential to take into account what these stakeholders think about the proposed product. Lees-Marshment (2001a, p. 33) underlines this by arguing that when designing the

product „it is important that a party considers all of its supporters on an internal as well as external level in order to ensure that it will be implemented through the party and not simply the top leadership“. Since one can never satisfy everyone, this is a delicate and critical process, however reaching certain degree of acceptance is a necessary step in adopting market oriented model.

Thirdly, similarly to traditional business organisations a party also needs to engage in competition analysis. This can also prove to be challenging, while market oriented parties tend to resemble Kirchheimer's catch-all parties since they are trying to attract support from a majority in society and therefore are forced to reduce the weight of ideology and move their political programs to the centre of the political spectrum. On the other hand, every political party like any other organisation on the market needs to be perceived as different and superior to other parties. As Lees-Marshment (2001a, p. 36) puts it „although it [political party] might be researching the same electorate as its major rival, it needs to create a product design that will be different in some way“. Therefore the party should undergo competition analysis. For this purpose, the marketing management science offers so-called SWOT analysis, which serves to identify organisation's strengths, weaknesses, opportunities and threats. This analysis can be done for both the party and its competitors.

Fourthly, a party must also take into consideration its existing and required support (Lees-Marshment 2001a, p. 37). This means that it should focus on those sections of society, whose support it needs and so far does not have and try to adjust the product in respective fashion. At the same time it must not alienate its long-term supporters.

2.4.4 Stage 4: Implementation

The results of previous three stages must be subsequently implemented. This might prove to be a difficult task since „many groups ... see marketing as a threat to their autonomy or power“ (Kotler 1979, p. 44). This is indeed the case for political parties, where ideology is often the main source of motivation for members and supporters. Moreover, different factions and groups within the party often have conflicting demands and motivations, while the political struggle proceeds not only among the political parties, but also within them. As

in business organisations, other sections of the party not participating in marketing efforts „are likely to view appeals to the marketing concept merely as a bargaining ploy“ (Anderson 1989, p. 24). It is, therefore, inevitable, that the leadership proposing market-oriented model will face some internal opposition. Lees-Marshment suggest these steps when implementing market-oriented model (2001a, p. 38):

- „Create a feeling that everybody in the party can contribute to making it market-oriented and successful.
- Acknowledge that the party may already be doing many things that would be classed as marketing activities.
- Encourage all members of the organisation to suggest ideas as to how the party might respond more effectively to voters.
- Create a system, which enables all forms of market intelligence to be disseminated as widely as possible through the organisation.
- Present market intelligence reports from professionals, especially in the form of statistics, in a way that everyone in the party can understand.
- Appoint a marketing executive (or equivalent) to handle market intelligence from within the party and professional research firms.
- This executive should meet various groups within the party to learn what they think about the party and voters: first, explaining their job position, the nature of marketing and its uses, and then encouraging open discussion, inviting ideas for exchange within the party.
- The importance of views other than those of the majority of the electorate and the party's history should be acknowledged.
- Those within the party who support the idea of being market-oriented should be promoted to encourage market-oriented behaviour.
- Emphasize that becoming market oriented is the means to achieve the party's goal: it is not goal in itself.“
- Source: (Lees-Marshment 2001, p. 38).

2.4.5 Stage 5: Communication

Afterwards the product was designed, adjusted and implemented in the party, it must be communicated effectively to the electorate. While communication is a complex process, we shall just briefly outline the key issues that must be considered.

Firstly, the party communicates not only with the electorate, but also with members, supporters, media professionals, journalists, sponsors and other stakeholders. It is therefore necessary to examine specific interests, demands and behaviour of each of these groups and adjust the communication strategy accordingly. For example when communicating with the journalists, the party officials should be familiar with media values - i.e. sets of unspoken criteria according to which journalists and editors decide whether an event is a news story or not (see Galtung and Ruge 1965), (Altheide and Snow 1979) – and utilize this concept.

Secondly, in the spirit of McLuhan's famous quote that „medium is the message“ all sections of the party participate on its communication efforts. The chairman, MPs and other candidates, but also supporters, members as well as its logo or brand (Reeves and de Chernatony 2006) send a message to the electorate. Lees-Marshment (2001a, p. 39.) quotes Kotler who claims that everything „about an organisation – its products, employees, facilities, and actions – communicates something“.

Thirdly, communication occurs continually, not just during the campaign preceding elections. The party has to communicate to gain support while in opposition, or to persuade the voters that it is delivering what it promised once in government.

Fourthly, the party should utilize the experiences known from advertising especially from research of commercial communication effectiveness or media buying. It should also use many different channels, while at the same time the disseminated message should be consistent.

To sum it up, as Lees-Marshment (2001a, p. 39) puts it „[the party] will seek to ensure that all the communication it has with all its publics will help it achieve electoral success“.

2.4.6 Stage 6: Campaign

Campaign is the last stage preceding the election and the last chance to persuade the voters. The party uses the same marketing tools, which are also used in the communication stage such as the use of slogans, catch phrases and

advertisements (see Young 2004), (Lees-Marshment 2001a, p. 40). Campaigning is also characterised by organising public events and face-to-face contact with the voters. However, in the age of mass media, even public campaigning is a part of media strategy. As Young (2004, p. 7) notes „this is symbolic of the new political campaigning where ‘meeting the people’ has to be recorded by the print and electronic media ... Rather than aiming only for the 200 people in the town hall, these events are also geared up for reaching the millions beyond the hall who will see snippets of it on the television news that evening“.

2.4.7 Stage 7: Election

During the seventh stage the party will see whether its marketing efforts were successful. In that case, the voters would buy its product by casting their votes for the party and its candidates (Lees-Marshment 2001a, p. 40).

2.4.8 Stage 8: Delivery

While „as such the philosophical basis of the marketing concept is that customer want/satisfaction is the economic and social justification for an organization's existence“ (Orcas 1996, p. 46) delivery, not the winning the elections, is the ultimate goal of a market-oriented political party. In addition to that, it is well known from the business world that it is much cheaper to preserve current customer than find a new one Kotler (2002a, p. 13). In this context, Lees-Marshment (2001a, p. 40) cites Moynihan, who claims that „organisation that is unable to satisfy these desires will not achieve its aims of expanding market share ... There will be no repeat sales or customer loyalty from a dissatisfied customer‘. She also argues that in politics, the voter dissatisfaction might actually increase when the product is not delivered (Lees-Marshment 2001a, p. 40).

Arguably, the insufficient focus on delivery is one of the weak spots of the marketing concept in the context of political marketing. Even though so much attention is often given to campaigning and elections, the actual delivery once the party or the candidate holds executive positions is often out of the spotlight of political marketing. Lees-Marshment (2001a, p. 44) herself acknowledges this problem by stating that „measuring satisfaction is difficult“ and subsequently

admitting „the ultimate judgement is obviously the general election, but just because a party wins does not mean it will provide satisfaction“.

2.5 The political consumer

After outlining the basic principles of political marketing we shall briefly examine the reason of the rise of political marketing.

Political marketing is gaining importance because the society in Britain and elsewhere is changing. Today, the public has a tendency to look at politics as just another consumer product, which is evaluated on its merits. According to Lees-Marshment (2004a, p. 4) there are three main causes of the rise of the political consumer: pressure from governing parties to deliver, consequences of a changing society and last but no least the rise of consumerism and marketing in business. This three root causes will now be discussed in further detail.

Firstly, a market-oriented party once in government, is pressuring institutions to become market oriented and deliver the services the party has promised before the elections (Lees-Marshment 2004a, p. 4). Therefore the political marketing and marketing concept is sweeping through the society. Other public institutions such as universities, hospitals or public broadcasters are increasingly pressured to become market oriented and to respond to customers' demands. This, in effect, reinforces the use of marketing back in politics.

Secondly, the society has undergone significant changes, which in turn have deep consequences for the political world. This reshaping can be described by both political and non-political factors. The former includes measures such as party identification, party membership, emergence of new movements; electoral volatility or satisfaction levels with the system of government. All these indicators suggest that the public is less and less interested in politics, chooses the political parties later during the campaign, tend to change their political preferences between elections, is less influenced by primary reference groups such as family. In other words, having parents who always voted Labour does not mean any more that the children will also attend party meetings, become a

member or vote the Labour Party (for further details and data see Lees-Marshment 2004a, p. 14-17).

The non-political factors reflect the general development in the society such as the emergence of television as the primary source of information about politics, the increase of availability of education, rise of geographical and economic mobility or changes in the family structures and other patterns of socialisation (for data see Lees-Marshment 2004a, p. 17-20). These have arguably an indirect effect on how people make their political preferences, or if they participate in the elections at all.

Thirdly, the rise of consumerism in the society subsequently influences politics. Lees-Marshment (2004a, p. 5) cites Collins and Butler, who argue that „private citizens, used to be treated as discerning customers in other aspects of their lives, are beginning to take a more consumerist view of the public service“. Therefore, the public is increasingly critical and demanding of politics. The voters deem that they are indirectly paying for public services and hence have a right to expect good quality.

Moreover it can be argued that consumerism has also influenced the way of socialization in the society. Simultaneously as the influence of traditional primary social groups such as family or local communities is diminishing, we can witness that consumer brands play an increasingly important role in peoples' lives. In advertising, it is often said that the brands are modern totems, around which the people dance and invoke modern gods. Brands, rather than referential groups, seem to be the source of identification in modern society. Muniz and O'Quinn (2001) argue that consumer brands can actually create so-called brand communities with shared consciousness, rituals and traditions, and a sense of moral responsibility. These brand communities then supplement traditional social communities. If consumerism and therefore branding, which is all about emotional connection and identification with the brand, lie at the very centre of our society (see Klein 2000), then it seems reasonable for politicians to attempt to establish their parties as brands and by that re-establish the diminishing party identification.

To sum this up „there is a substantial and growing demand for all political organisations to become more responsive to public needs and wants and therefore to use political marketing“ (Lees-Marshment 2004a, p. 5). The people are less connected to political parties and at the same time more critical and demanding. Similarly to the consumer markets, marketing and also branding offer methods, concept and techniques for organisations to adapt to this development.

3. NEW DEMOCRATS, NEW LABOUR

Political marketing has evolved gradually following the development in marketing management science. This evolution can be described as a transition from simpler orientations towards the market such as the production or the product concept into the more sophisticated ones such as the selling concept and ultimately the marketing concept.

In 1909 Henry Ford uttered that „any customer can have a car painted by any colour that he wants as long as it is black“. Despite of this philosophy his company eventually become one of the leading carmakers in the world and Henry Ford turned into a management guru of his time. Nowadays, it is absolutely clear that this approach would inevitably lead to failure. Virtually all companies are using sophisticated methods and techniques in order to understand their customers and their needs, to find market niches, design a top-notch product, position it on the market and finally create a successful branding and an effective communication strategy. The political actors have to follow the same logic even though this fact is often ignored. As the previous chapter showed, changes in the society and the rise of the political consumer have progressively forced political parties to embrace sophisticated marketing methods as well as to transform themselves into market oriented organisations.

As in the business world, these changes were rather gradual than abrupt. Therefore, it is difficult to determine which political party or politician was the first to embrace political marketing. For example the presidential debates aired on television during the Kennedy and Nixon campaign in 1960 brought the era of mass media (and as Postman would argue - show business) politics and pressured the candidates to focus more on their appearances and behaviour in front of cameras (Newman 1994, p. 17). In other words, the candidates begun to concentrate on their selling strategies. At the same time the arrival of computers, databases and socio-demographic systems marked the beginning of „another dimension to marketing, namely market research, which opened up a whole new world of numbers and computers that would forever change the course of events in election engineering“ (Newman 1994, p. 17).

In the 1980s Ronald Reagan's presidency marked „the real beginning of the use of several marketing tools, including negative advertising, direct mail, and sophisticated marketing research and polling“ (Newman 1994, p. 18).

Other countries also witnessed the rise of political marketing. The Australian Labour Party (ALP) in 1968 commissioned for the first time the market research to an independent agency (Young 2004, p. 11). Four years later in the 1972 state elections the party in cooperation with Hanson Robinson-McCann Erickson advertising agency crafted the winning campaign „It's time“, which utilised marketing techniques (see Young 2004).

Similarly in the UK in 1979 the Conservatives under Margaret Thatcher won the general election thanks to their extensive use of political marketing. As Lees-Marshment (2001a, p. 49) argues „Thatcher recognised the need to apply marketing to not just the presentation but the nature of the party's product“. In spite of that the Tories subsequently failed to remain responsive to voters' needs and therefore lavished their market orientation (Lees-Marshment 2001a, p. 49). They used market intelligence to learn about the voters, but failed to transform the party into market-oriented organisation and therefore ultimately lost elections to the Labour Party under Tony Blair.

As we have seen, there are many examples of political parties embracing political marketing to various degrees. However, two of them are standing out. In order to understand and analyze current Tories' efforts to modernize their party and become market oriented, we have to look back and examine Tony Blair and Bill Clinton's use of political marketing. The former and his New Labour brand has undoubtedly changed the political environment in the UK and thus forced the Conservatives to adapt. The latter is on the other hand widely considered as being the primary source of inspiration for the Labour Party in 1997 as well as being the pioneer of modern political marketing.

This chapter will, therefore, examine Bill Clinton's 1992 campaign and its influence on the Labour Party and subsequently the whole political market in the UK.

3.1 Similarities between Clinton's 1992 presidential bid and Labour's 1997 campaign

There are a number of similarities and links between Clinton's 1992 presidential bid and Labour's 1997 run up to the election. They resulted in a resemblance of their campaigns and also gave rise to the belief that the Labour Party simply copied Clinton's approach. These parallels will be discussed in further detail.

Firstly, there were significant personal connections between Clinton and Labour's election teams. Number of Labour Party staff worked for Clinton during 1992 campaign including senior member Philip Gould (Farrell 1998, p. 171). Vice versa, American advisers assisted Labour in 1997 (Lees-Marshment 2001b, p. 47).

Secondly, in the 1990s both political parties found themselves in a corresponding political situation. Clinton was running for presidency after the Republicans reigned in the Oval Office for three subsequent terms accounting for twelve years. Similarly, Labour under Blair was fighting the Conservative Party, which was in government for long eighteen years and for two thirds of the twentieth century.

Thirdly, since the Republicans and the Conservatives were holding executive power for such an extraordinary long periods of time both parties managed to profoundly change the political and social landscape in their countries (see Micklethwait and Wooldridge 2004). This has subsequently resulted in the public being more sceptical about left wing economic policies such as big government programs or state ownership. Both Clinton and Blair had taken this into account and changed their product accordingly. They moved their parties more to the political centre and devoted great deal of attention to the economy. As Lees-Marshment (2001b, p. 47) puts it „both talked of 'new' Democrat or Labour politics in an effort to shed their 'tax and spend' image and sought to project themselves as the party of aspiration and opportunity.“

Fourthly, not only changing their product in respect to the economy, both Clinton and Blair also adapted their policy proposals in other areas in an effort to

please the middle-class voters. These included „tough anti-crime measures, cutting government waste, welfare to work provisions and competent economic management“ (Lees-Marshment 2001b, p. 48). As we shall see, these changes were results of market intelligence and competition analysis. Both parties recognised their weak spots and in these areas they successfully imitated their opponents.

3.2 The differences

There are also a number of noteworthy differences between political systems in the US and in the UK, which have pivotal consequences for the use of marketing. As has been already explained in the first chapter, political marketing is often misunderstood as a mere use of marketing techniques during election campaigns. This fallacy also takes shape in a belief that political marketing is an American invention and export and that therefore American campaigns are somehow the most advanced and play a role of a model for foreign politicians. This development is usually labelled as the Americanisation of election campaigns. However, there is much more to political marketing than just campaigning, spin doctoring, advertising and personification of campaigns especially product design, readjustment and ultimately delivery. These marketing stages are significantly determined by the nature of the political system. Therefore, the systemic differences play an important role in the way political marketing is implemented.

Firstly, the party systems in the US and in the UK are profoundly different. American parties have historically been weaker organisations than their counterparts in the UK (Grant 2005, p. 71). Therefore, they have much less say over the candidate selection or over the running of campaigns. Since the elections are „extremely candidate-centred“ (Lees-Marshment 2001b, p. 47) and „key decisions about campaign strategy are made at the level of individual candidate“ (Lees-Marshment 2001b, p. 44) the use of political marketing puts more emphasis on „how the candidate is sold to the electorate“ (Lees-Marshment 2001b, p. 47). That is why the political marketing is often misunderstood for advertising. Contrastingly, the parties in the UK are much

stronger and thus play more central a role in both candidate selection as well as in the actual campaigning.

Secondly, the US has a presidential system whereas the UK is a parliamentary democracy. The executive power in the UK, the prime minister and the government, is chosen according to the distribution of power in the Parliament. Therefore, British voters choose their legislators as well as their government at the same time. On the other hand, the elections of legislative and executive powers are separated in the US. Every two years all 435 members of the House of Representatives and approximately one third of the Senate are elected. This has major consequences for political marketing, especially for delivery. American president might well find himself in a complicated situation, in which the opposition party controls the Congress. He might, therefore, lose his control over the legislature and subsequently delivery on his promises.

Thirdly, to a certain degree politics is about communication and persuasion. Media systems and legislature thus influence the nature of political communication in each country. The British and the American media environments are remarkably different. The UK is a strong proponent of the so-called dual broadcasting system with strong public service broadcaster (BBC) on the one side and commercial broadcasters on the other side. Contrastingly, in the US the media system is characterised by economic liberalisation and absence of an influential public service broadcaster. Therefore the access of political parties and candidates to the media is remarkably different. In the UK the facilitation of political communication is one of the basic goals of public broadcaster. In the US, politicians often have to buy their time on air. At the same time British print media are more centralised, while the American papers as well as televisions are mostly local. This results in the news coverage being more local in the US and more international and nationwide in the UK (Lees-Marshment 2001b, p. 47).

To sum this up, all these above mentioned differences should be kept in mind when contemplating about political marketing in America or in Britain.

3.3 Market intelligence

In the 1980s conservatives dominated the political discourse in the US. This was partly due to the changes in American society and partly thanks to the work of conservative think tanks like the Heritage Foundation, which were very successful at promoting conservative agenda (Micklethwait and Wooldridge 2004, p. 63-94). In 1985 a young congressional aide, Al From, decided to imitate this success and with other likeminded Democrats founded the Democratic Leadership Council (DLC), which subsequently spawned a think tank called Progressive Policy Institute (Micklethwait and Wooldridge 2004, p. 103).

Their goal was to promote their ideas not only in public but also within the Democratic Party. Al From and his colleagues were not typical Democrats of the past. As Micklethwait and Wooldridge (2004, p. 103) explain, they took different stances on cultural issues from liberals like Dukakis, asked tough questions about social policy and argued against a higher minimum wage. They also questioned the teachers' unions on one hand and on the other hand they argued in favour of a larger earned-income tax credit and other surprisingly pro-business measures (Micklethwait and Wooldridge 2004, p. 103). These Democrats were cutting their ties with the liberal-outreach of the past and were moving towards the American political centre. One of them was the governor from Arkansas, Bill Clinton, who worked as a spokesman for the DLC (Democratic Leadership Council). At the 1991 Cleveland DLC Council Clinton argued:

„Too many of the people that used to vote for us, the very burdened middle class we are talking about, have not trusted us in national elections to defend our national interests abroad, to put their values into our social policy at home, or *to take their tax money and spend it with discipline.*” (Clinton 1991, emphasis added)

As assessed by Lees-Marshment (2001b, p. 48) Clinton's engagement at the DLC accounted for the informal part of the market intelligence stage. She claims that Clinton consulted his friends and colleagues from the DLC about his prospects and how his campaign should take shape.

Similarly in the United Kingdom, several Labour Party members began to realize that in order to defeat the Conservatives they have to drop the ideological burden and modernise their party. Following the defeat in the 1983 general election The Fabian Society commissioned three studies, focusing on swing voters who voted the Conservatives in spite of being traditional Labour supporters. Moreover, Philip Gould conducted several focus group sessions (Lees-Marshment 2001a, p. 182). The results showed that Labour was associated with phrases like: union influence, strikes, inflation and disarmament (Gould 1998, p. 5 cited in Lees-Marshment 2001a, p. 183). At the same time Labour was seen as being hostile to people who: have money, savings or even pensions; people who want to start their own business; and people who want the best for their kids (Gould 1998 p. 5 cited in Lees-Marshment 2001a, p. 183). This was not a perception the party needed.

The following box shows detailed results from Gould's analysis (source: Gould 1998, p. 5 cited in Lees-Marshment 2001a, p. 183).

Results of post election focus groups on Labour

Labour is judged by its past

Phrases associated with the party are:

- Winter of Discontent
- union influence
- strikes
- inflation
- disarmament
- Benn/Scargill
- Brent/Islington
- miners' strike/three-day week

Labour's values are negative, aimed at depriving people of:

- wealth, in the form of taxes
- choice in education and health
- ownership, in the form of council houses

Labour is hostile to:

- people who have money/savings/even pensions
- people who want to start their own business
- people who want the best for their kids

Labour is no longer the party of „ordinary working people“

People are saying,

„I have left the Labour Party and the Labour Party has left me.“

„It's obvious isn't it: the better you are doing, the more money you have got, the more likely you are to vote Tory. It's hardly surprising.“

Figure 4: Results of post election focus groups on Labour

In order to gain more information six policy commissions were created to discuss various topics within the party. The results went to the National Policy Forum and the party conference. Additionally a new Institute of Public Policy Research was founded to find ways to reform the welfare state. Last, but not least, the Labour learned from other successful centre-left parties in other countries including American Democrats (Lees-Marshment 2001a, p. 182).

Both Clinton and Blair are well known for their extensive use of formal market intelligence. Clinton, for his part, was spending previously unseen amount of money on polling, focus groups and pre-testing.

During the Democratic primaries, Clinton's campaign ran into some difficulties. As Goldman and Mathews (1992, p. 1-2) assess „with energy, skill, charm and sheer determination, Clinton has captured the Democratic Party. But the „character problem“ still dogged him“. To deal with this, Clinton's aides James Carville and Stan Greensberg set up a top-secret program, which was later dubbed as „The Manhattan Project“. In mid-April 1992 Carville and Greenberg wrote a memo to Clinton in which they argued, „the central problem is trust“ (Goldman and Mathews 1992, p. 2). They concluded that the presidential candidate was simply distrusted by the electorate. To understand why, Clinton's aides resorted to focus groups. They found out that „Clinton's real problem

wasn't Gennifer Flowers, the draft¹ or marijuana. What was really hurting him was the belief that Bill Clinton is a typical politician" (Goldman and Mathews 1992, p. 2) and that therefore he could not be trusted. More interestingly, the focus groups also revealed that the respondents, mostly moderate Democrats who at the beginning of the research favoured Bush or Perot, were likely to change their opinion of Clinton if they were provided with additional information about his past, his career and family. These and other inputs from The Manhattan Project were taken into account in the product design and in the campaign stage.

For Labour, Philip Gould and also Stan Greensberg conducted focus groups with swing voters (Lees-Marshment 2001b, p. 48). They also tested Labour's draft manifesto „New Labour, New Life for Britain“ in 1996 enabling them to cut anything questionable before the publishing of the final manifesto in 1997 (Lees-Marshment 2001a, p. 183). Moreover, the polling organisation NOP began a regular survey in November 2003 for the Labour (Lees-Marshment 2001a, p. 182).

3.4 Product design

Drawing on the results, which came up from the market intelligence stage, both Clinton and Labour designed the product according to what the voters wanted. Lees-Marshment (2001b, p. 48) goes even further and claims that even Clinton and Blair „can themselves be seen as market-oriented ‘products’ because they were selected through revised procedures designed to produce candidates with broader electoral appeal“. She asserts that Clinton benefited from the frontloading of the primary calendar, while Blair from the newly introduced voting system within the Labour party, which gave a vote to individual party members.

Furthermore, both leaders were very media friendly, thus easy to advertise. King (1998, p. 201 cited in Lees-Marshment 2001a, p. 184) argued,

¹ Clinton avoided being drafted during the Vietnam war.

„Blair might almost have been a product of computer-aided design. He was young. He was classless. He was squeaky clean.“

In the US, Clinton was also relatively young (younger presidents were only Roosevelt and Kennedy), charismatic and media-savvy. However, the focus groups revealed that he was perceived as a typical politician, who cannot be trusted. Many respondents thought he comes from privileged social strata like the Kennedys, probably because he studied at Georgetown and Yale. Some even thought that the Clintons were childless (Goldman and Mathews 1992, p. 2). Since the perception of the candidate is extremely important, Clinton had to address these problems. The solution was also inspired by focus groups. They showed, that when people had a chance to learn more about Clinton's life, they tended to change their negative stances towards him (Goldman and Mathews 1992, p. 2). Therefore, a short biographical film about Clinton was made and used at the Democratic convention as well as during the campaign (Lees-Marshment 2001b, p. 48-9). Clinton also tried to reinforce his image of a family man, who boated the misgivings of his life and made it as far as to the Ivy League school, governor's seat and ultimately to Washington.

Moreover, Clinton was also permanently attacked for having a „character problem“. This included his experiences with marijuana, anti-war protesting while being an exchange student and finally his love affairs. Clinton's team took two steps to counter this disadvantage. The first was stressing his credentials and showing him in public with Hillary again and again. The second was the choice of his running mate. As Newman contemplates „Gore not only campaigned well but made no mistakes and *added credibility to Clinton*“ (Newman 1994, p. 121, emphasis added). In other part of his book Newman goes even further and claims that „choice of Gore ... was a definite turning point in the campaign that gave the organization the momentum needed to win“ (Newman 1994, p. 129).

Following the selection and positioning of the candidate, a market-oriented party should design policy proposals according to the wishes of the electorate. Both America and Britain were for long time under the influence of the right wing conservative parties. The legacy of Reagan in the US and Thatcher in the UK were strong and both Clinton and Blair understood this and positioned

themselves as the moderates, who were mostly concerned with the well-being of the middle class. In 1991, in one of the opening paragraphs in his announcement speech, Clinton claimed:

„Middle class people are spending more hours on the job, spending less time with their children, bringing home a smaller pay check to pay more for health care and housing and education. Our streets are meaner, our families are broken, our health care is the costliest in the world and we get less for it.“ (Clinton 1991). To highlight the contrast he was offering, in the rest of the speech Clinton talked mostly about the change and opportunities in health care, education, taxes and fighting crime (Clinton 1991).

Clinton was closely following what the focus groups have revealed. The Manhattan Project suggested that his core message should be:

- „The People First, investing in American people to secure the economic future;
- Opportunity With Responsibility, stressing ‘no more something for nothing’;
- The Middle Class, a populism of the centre, not the left;
- Reinventing Government, not a revolution but a plan to make the system work for you.“ (Goldman and Mathews 1992, p. 4)

Subsequently after pre-testing and internal discussions this product was readjusted but the essence remained: focus on the economy; interests of the middle class and investing in the future remained the same.

In case of the Labour Party, the product design is more complex compared to Clinton’s campaign. This difference stems from the systemic features of both political systems. Since the American presidential campaign is much more candidate oriented, Clinton’s team focused on his persona. Contrastingly, Blair had to include the party members, activists, MPs and the organisation as a whole into the product design. Since the focus groups and polls used in the market intelligence stage showed that the public held very unfavourable opinion of Labour, the change had to be dramatic.

Firstly, politics is much about messages and symbols. Being aware of that Blair decided to symbolically distance his party from the past. In order to do so, the slogan „New Labour, New Britain“ was introduced at the 1994 party conference. Since then the attachment „New“ to the party’s name was used (Lees-Marshment 2001b, p. 186) in order to imply the dichotomy between the „Old“ Labour of the past and Blair’s „New Labour“ of the present. The second paragraph of the 1997 Labour election manifesto said:

“In each area of policy a new and distinctive approach has been mapped out, one that *differs from the old left* and the Conservative right. This is why new Labour is new” (The Labour Party 1997, emphasis added).

Furthermore, Labour’s traditional red flag was thereon accompanied by the national flag. Also the party’s song The Red Flag was changed (Lees-Marshment 2001b, p. 186).

Another symbolic act was the change of the party’s constitution. Since 1918, the Clause IV implied Labour’s commitment to state ownership as a means of production. In the middle of the 1990s, after the fall of the Iron curtain and following eighteen years of conservative government in Britain, this was an unpopular position. Blair revised the clause. Its new version underlined Labour’s dedication to market economy and declared that the Labour Party was a democratic socialist party (Lees-Marshment 2001b, p. 186).

Secondly, the market intelligence showed that the Labour is perceived as being too much attached and thus influenced by the trade unions, which had negatively affected the electoral support. Therefore, procedural changes were made in order to decrease unions’ power. In 1993 a proposal was made to end their collective presence in the party. In addition to that, union representation in the party’s electoral college was reduced from 40 to 33 per cent (Lees-Marshment 2001b, p. 185). Blair also publicly declared that the unions could not expect any special treatment if Labour gets elected. Likewise, he also implemented measures to bring down Labour’s financial dependence on the unions (Lees-Marshment 2001b, p. 185).

Thirdly, the character of the candidates for the election was scrutinised in order to make sure that they would fit well into the New Labour brand. As stated by Lees-Marshment (2001b, p. 184) a short list of candidates was written and subsequently sent to local constituencies for consideration. In cases when the local constituencies have chosen a candidate, who was considered as being too left wing or unfit in any other way, the party leadership overruled the local comities.

Fourthly, the policy proposals, arguably the cornerstone of every political product, were also dramatically altered so that they would be in line with the wishes of the voters. Lees-Marshment (2001b, p. 186) highlights that the party:

- „Abandoned the unpopular call for higher income tax;
- abandoned plans to re-nationalise privatised industries;
- took a much more pro-business attitude;
- began to talk of reforming the welfare state instead of expanding it;
- became tougher on crime;
- presented itself as the party of aspiration.“

These policy proposals were very much similar to those offered by Clinton in 1992. Considering that the political spectrum in the US is diverged to the right compared to continental Europe or the UK, this was a significant step. Arguably, the Conservatives and especially Thatcher had moved the country to the right and therefore moved the political centre as well. Blair had recognised this trend and thus moved his party to this new gravitation point.

To further repel the fears of the voters that Labour is an old tax-and-spend party four months before the election Blair announced that it would stick to existing Conservative spending plans in the first two years. It also promised not to raise the basic and the top rates of income taxes (Lees-Marshment 2001b, p. 186-7). In addition to that, in April 1997 Labour published its final manifesto titled „New Labour because Britain deserves better“. It included ten-point contract with the voters.

Over the five years of a Labour government:

1. Education will be our number one priority, and we will increase the share of national income spent on education as we decrease it on the bills of economic and social failure
2. There will be no increase in the basic or top rates of income tax
3. We will provide stable economic growth with low inflation, and promote dynamic and competitive business and industry at home and abroad
4. We will get 250,000 young unemployed off benefit and into work
5. We will rebuild the NHS, reducing spending on administration and increasing spending on patient care
6. We will be tough on crime and tough on the causes of crime, and halve the time it takes persistent juvenile offenders to come to court
7. We will help build strong families and strong communities, and lay the foundations of a modern welfare state in pensions and community care
8. We will safeguard our environment, and develop an integrated transport policy to fight congestion and pollution
9. We will clean up politics, decentralise political power throughout the United Kingdom and put the funding of political parties on a proper and accountable basis
10. We will give Britain the leadership in Europe which Britain and Europe need

(Source: The Labour Party 1997)

Figure 5: Labour ten point contract with the voters

3.5 Product adjustment and implementation

Following the design, the product should be adjusted according to its achievability, internal reaction, competition and support. Also in this stage, the systemic features of political systems cause substantial differences between Clinton and Blair's campaigns. For example the internal analysis in the US is not

so important as in the UK, since following the primaries, the candidate is running for himself with a loose support from the party. Contrastingly, the product in the UK consists of all party members and MPs and therefore the party establishment has to ensure that the rest would fully accept the product design.

To make their plans achievable, Labour tried to provide the voters with much detail about how it intends to fulfil them. The need for this approach came not only from the party's commitment to political marketing but also from the market intelligence. Philip Gould shows how the public responded to market intelligence:

„Some people may be horrified that it required so much research to find out what people wanted, but they misunderstand. For election after election Labour has offered better hospitals, better schools, more jobs, but it has never been believed. The issue is not the promises, but making the promises credible.“ (Gould 1998, p. 271 cited in Lees-Marshment 2001a, p. 188).

In addition to that, the party also took steps to limit its spending plans and Gordon Brown urged other cabinet members to avoid further public spending commitments.

In terms of internal analysis, Blair and his team implemented mechanisms to increase the participation and discussion within the party. However, the new product and the clear distinction from the past stirred a significant opposition within the party. For example in January 1995 thirty-two Labour MPs paid an advert in the Guardian against the reform (Lees-Marshment 2001a, p. 190). Also on other occasions Blair faced a strong internal opposition and „did not succeed in changing the party within its traditional framework as the model suggests“ (Lees-Marshment 2001a, p. 191). In other words Blair changed the product to suit the voters who have changed over the years, however he was not able to persuade all the factions of his own party to accept this new product. Therefore, he internally adopted a product orientation, which subsequently backfired in decreased the loyalty within the party and might pose threats in the future.

On the other hand, the competition analysis went very well. The Labour has identified its strengths and more importantly its weaknesses. For example the

party was perceived as „hostile to people who wanted to start their own business“. Blair hence launched a special business manifesto and met on several occasions with the business leaders to provide the press with photo opportunities (Lees-Marshment 2001a, p. 191). The Labour also tried to fix its weaknesses with more conservative approach. As the election manifesto noted „some things the Conservatives got right. We will not change them. It is where they got things wrong that we will make change. We have no intention or desire to replace one set of dogmas by another“ (The Labour Party 1997).

Clinton adopted similar approach. The traditional democratic weakness was the economy and that the party represented the tax-and-spend politics. To counter these perceptions, Clinton distanced himself from the big government programs of the past. He also attacked Bush on his economic record. As Greenberg argued the essential story should be that „in the 1980s the few leaders in the corporations, the Congress and the White House neglected the many. The consequences were that work was not honoured, good jobs were lost, everyone but the few felt insecure“ (quoted in Goldman and Mathews 1992, p. 5). Clintonites rightly identified that it was the middle class, who felt neglected and „Americans believed that the middle class was everybody“ (Goldman and Mathews 1992, p. 5). Following this logic, Clinton also bashed Bush for broking his promise not to increase taxes. To remind themselves of what is important, the staff in his election team in Little Rock posted a sign on the wall that said: „It's the economy, stupid“.

Furthermore, the selection of Al Gore as a running mate might be as well perceived as a product adjustment that helped Clinton with the „character problem“.

3.6 Communication and campaign

Clinton's communication campaign and strategy was arguably more innovative than Labour's. This is consistent with the notion of Americanisation of political campaigning, which argues that the advertising and spin doctoring techniques are more developed in the US. As Newman (1994, p. 110) contemplates „a whole new political reality was created in the 1992 campaign“.

Firstly, Clinton's team came up with an ambitious and also risky campaign strategy. Its goal was to win 50 per cent of the 270 electoral votes in 20 targeted states (Delvin 1993, p. 2). All states were divided according to the Clinton's position in the polls into „top-end“ states, „play hard“ states and „play very hard states“. The first group with states like New York and California was deemed safe and therefore required no need of investment in advertising. The logic was that with the 30-point lead Clinton's position would at worst drift down to 15 or 20 point lead, which would still be enough to win but would save Clinton millions of dollars, which could be spend elsewhere (Newman 1994, p. 114). This money was then spent in the „play hard“ states such as Illinois or „play very hard“ states such as Ohio, which „were the real battlegrounds“ (Delvin 1993, p. 2). For example in Michigan, where Clinton was leading in the polls by 4 to 6 points before the Labour Day², this strategy allowed his team to increase this lead to double-digits by late September (Newman 1994, p. 115).

Secondly, Clinton utilised the media attention. He appeared on morning shows like the Today show, Good Morning America or CBS This Morning, which provided him a lot of free morning prime-time media presence. He also gave an interview to Larry King to reach the evening audience, appeared on MTV to attract the young audience or played „Heartbreak Hotel“ with his saxophone on Arsenio Hall (Goldman and Mathews 1992, p. 7). In addition to the free media time, this approach enabled him to counter his image of typical politician.

Thirdly, Clinton and his chief strategist James Carville set up the campaign headquarters in Little Rock, Arkansas. The office was later dubbed the War Room. It was equipped with modern technology and staffed with 24-hours teams monitoring the news and the latest polls. The idea was to keep Clinton on top of things so that he could quickly respond to any possible crisis. Moreover Clinton's aides set out to fight back against the journalist who pursued negative information about Clinton (Newman 1994, p. 124).

Fourthly, Clintonites also applied an effective media-relations strategy. For example, during the Democratic convention they provided the Convention

² Labor Day is a federal holiday in the US observed on the first Monday in September.

Satellite News Service, which has offered media material for free to those news organisations, which could not afford to send their own staff to the convention (Newman 1994, p. 112).

Fifthly, Clinton's theme was change. He repeated that the voters have a choice between more of the same or a radical change and urged them not to settle for less. The election narrative also resided around his personal qualities. A short biographical film was made, which was aired on the Democratic convention and used later during the campaign.

To sum this up, Clinton's campaign was innovative, effective and to certain extent a gamble, especially concerning the advertising spending strategy. This game worked out well and Clinton subsequently won. However, this was not the only reason for his victory. His team managed to frame him as a candidate of the change, who offered something more. Also, thanks to the use of political marketing and market intelligence, Clinton's campaign focused on the topics that were in the minds of his voters.

Labour's 1997 campaign was to the large extent inspired by Clinton. For example, the communication strategy centre in Millbank Tower was modelled after the War Room. Nevertheless, Lees-Marshment (2001b, p. 52) argues that Blair's campaign „was not as inventive as the Clinton campaign, and the party was in some respects playing catch-up, introducing techniques and practices developed and previously used in the USA.“ According to her, this stems from the fact, that much of the Clinton's innovations are suitable for the US but not for the UK. For example the free material for the local stations, which could not afford to go to the convention, were designed to reach voters in the larger and more fragmented US media market (Lees-Marshment 2001b, p. 52).

Furthermore, she also claims that the Labour did not need such an extensive communication as Clinton. The presidential candidate was struggling to redefine his image and sell the program, while the Labour was merely entering the final phase of a strategy that has been planned and executed over previous two years (Lees-Marshment 2001b, p. 52).

Even though, also Labour's communication and campaign efforts can be viewed as a success. Millbank Tower worked 24 hours a day and provided Blair with a lot of important information. Its „rebuttal unit“ was designed to deal with unfavourable attacks from the opposition and for that purpose used the state-of-the-art database software Excalibur (Lees-Marshment 2001a, p. 194). Another task force was created to run the „Operation Victory“ which focused on the ninety key constituencies, while a smaller unit was left to deal with non-key seats (Lees-Marshment 2001a, p. 194).

Furthermore, Blair's media strategist, Alastair Campbell designed a strategy to improve the Labour's relationship with the media, which were previously favourable of the Conservatives. Blair also managed to secure the support of the media magnate Rupert Murdoch of the News Corp, who owned the Sun, The Times, the Sunday Times and the News of the World (Lees-Marshment 2001a, p. 193).

Last but not least, advertising was handled by professional advertisers from Boise Massimi Politt and was well informed by the market intelligence. Its focus was the key constituencies and especially the swing voters (Lees-Marshment 2001a, p. 193).

3.7 Election and delivery

Both Clinton and Blair managed to finish their campaigns successfully and won the elections. Clinton secured 370 electoral votes in 32 states and the Democrats maintained control of both chambers of the parliament. By winning the election, Clinton brought the Democratic Party back into the White House after long twelve years.

Despite of that, his victory was not a complete success. Clinton was elected with just 43 per cent of the popular vote, which was „the same proportion that the lackluster Dukakis had received“ as stated by Micklethwait and Wooldridge (2004, p. 105). The authors continue „despite all his attempts to reach out to blue-collar voters, Clinton won by hanging on to his base, while Perot divided the Reagan coalition“ (Micklethwait and Wooldridge 2004, p. 105). Indeed, Perot

managed to capture 19 million votes, which is the best result for a third-party candidate since 1912.

Moreover, Lees-Marshment (2001b, p. 52-53) claims that since Clinton ran behind all but five members of the Congress „he could not claim to possess a clear mandate and Democrat members of Congress did not feel indebted to him for their success“, which significantly affected his possibilities to deliver on his promises.

In comparison, Blair's victory was much more decisive. Labour attracted 43.2 per cent of the popular vote and secured 419 seats in the parliament with a majority of 179. In addition to that, the party won in some constituencies that used to be considered unwinnable by any other party than the Conservatives (Lees-Marshment 2001a, p. 195). Clear election victory with a significant majority together with the momentum of returning to Downing Street after eighteen years gave Blair a good start and a chance to implement his policy proposals and thus deliver the product.

Assessing the delivery of Clinton's administration and Blair's government would account for a whole thesis. Therefore, this issue will be discussed just briefly with a necessary simplification.

To evaluate Clinton's record on delivery, we should look closer at the elections in order to understand the voters as well as to capture the political dynamic. The exit polls of the 1992 election can give us a lesson. As stated by Micklethwait and Wooldridge (2004, p. 105), Perot voters told pollsters that they preferred Clinton to Bush. However, the closer look at the results reveals that their main concerns such as fiscal prudence and distrust of the government were rather conservative than liberal stances. Therefore, the logic of political marketing would suggest staying in the political centre. According to Micklethwait and Wooldridge (2004, p. 106) Clinton did the opposite. Instead of reaching out to moderate Republicans in the Congress, Clinton tried to keep the Democrats together at all cost. Many of the Democratic congressmen however, did not consider themselves New Democrats, which inevitably meant more liberal stance for Clinton. Together with other mistakes such as Clinton's support of enabling gays serve openly in the military or the hassles surrounding his

search for politically correct cabinet stirred up a strong opposition. On top of that, Republican senator Bob Dole soon announced that he was going to represent the 57 per cent of Americans who did not vote Clinton.

In addition to that, Clinton stirred up hatred among the conservatives. As Micklethwait and Wooldridge (2004, p. 107) put it, the feeling of hatred was „unseen since the McCarthy era“. Clinton was regularly bashed in the editorials of the Wall Street Journal and even more in the talk radio or in the American Spectator, which published many half-truth stories about Clinton's sex life and dodgy business dealings (Micklethwait and Wooldridge 2004, p. 107). Clinton's situation even worsened after the suicide of White House counsel Vince Foster, who was a friend of the Clintons, short after the publication of news articles accusing him of financial skulduggery. Jerry Farwell even sold 150 thousand copies of his book, in which he implied that Clinton had ordered a murder of people, who could expose his links to the drug smuggling activities (Micklethwait and Wooldridge 2004, p. 107).

All of this influenced Clinton's delivery. Lees-Marshment (2001b, p. 53) assesses that out of his three main domestic priorities: the deficit reduction, health care reform and economic stimulus plan, only the first made its way through the congress. Even though, Clinton did enjoy few successes in passing legislature, including a major crime bill in 1994 he „could not really claim to have delivered on many of his important election pledges“ (Lees-Marshment 2001b, p. 53). His main success is arguably the North American Free Trade Agreement (NAFTA), which was not featured in his campaign.

Subsequently, his „character problems“ and failure to deliver affected the 1994 mid-term elections. Democrats suffered heavy losses and even lost majority in both chambers of the parliament. The second part of Clinton's first term was fundamentally influenced by his inability to pass the legislature.

Contrastingly, Labour's victory provided the party with a chance to deliver on its promises. Not only it had secured a clear majority in the parliament but the party also got elected on the promises that were relevant to the wishes of the people. The two-forthcoming tables demonstrate this fact. The first shows that the Labour was seen as offering better policies in the key areas.

Best party policy on key issues, 1997	
Question asked: I am going to read out a list of problems facing Britain today. I would like you to tell me whether you think the Conservative Party, the Labour Party or the Liberal Democrats has the best policies on each problem.	
Policies	Labour or Conservative better policy (% Lead over the other)
Health care	Labour (32)
Public transport	Labour (25)
Unemployment	Labour (24)
Housing	Labour (24)
Pensions	Labour (20)
Education	Labour (19)
Trade unions	Labour (18)
Protecting the natural environment	Labour (6)
Animal welfare	Labour (6)
Law and order	Labour (1)
Taxation	Labour (1)
Europe	Conservative (1)
Constitution/devolution	Conservative (2)
Managing the economy	Conservative (7)
Northern Ireland	Conservative (8)
Defence	Conservative (14)
Source: MORI polls (taken from Lees-Marshment 2001a, p. 196)	

Figure 6: Best party policy on key issues 1997

The second table focuses on the issues that were of relevance to the voters prior to the elections. Together with the first table it indicates that the Labour has indeed correctly identified the key concerns of the electorate.

Issues important to vote, 1997	
Question asked: Looking ahead to the next general election, which, if any, of these issues do you think will be very important to you in helping you to decide which party to vote for?	
	% Saying
Health care	68
Education	61
Law and order	51
Unemployment	49
Pensions	39
Taxation	33
Managing the economy	30
Europe	22
Housing	22
Protecting the natural environment	20
Public transport	18
Northern Ireland	12
Defence	12
Animal welfare	10
Constitution/devolution	7
Trade unions	9
Other	2
Don't know	2
Source: MORI polls (taken from Lees-Marshment 2001a, p. 197)	

Figure 7: Issues important to vote 1997

Moreover, Blair also stacked to political marketing after the elections. He learned from the business world and started to issue reports on delivery. The press conferences in Downing Street become endless presentation of graphs, charts and tables illustrating that Labour is delivering on its promises. Furthermore, the Labour started to publish an annual report on delivery. In one of them it even asked the public to fill in their comments and send them back

(see Lees-Marshment 2001b, p. 208). The 1999 edition showed some of the feedback comments from previous year. One of them said: „I want to say I am very impressed. I can't recall ever experiencing a government asking for feedback from the general public, without there being the stimulus of a general election. I think it's wonderful that you have reported back and that you are asking for comments“ (Lees-Marshment 2001a, p. 208).

Regarding the policy pledges, Labour was successful at least in some of them. The party managed to change the constitution and removed some of the hereditary peers from the House of Lords. In addition to that, it has introduced the devolution in Scotland and Wales. At the same time, the British economy was performing better than the EU average. On the other hand, the promise to „give Britain the leadership in Europe which Britain and Europe need“ was not fulfilled and Blair has ever since the elections struggled with the public opinion unfavourable of his European policies.

Similarly to Clinton, Blair also suffered a backlash from within the party. The case study could be the elections of the London mayor. After failing to be selected as the Labour candidate, „an old left-winger“ Ken Livingstone decided to run as an independent and in the end won the election to much embarrassment to the Labour Party (Lees-Marshment 2001a, p. 205). This was arguably the result of the tough party control introduced by Blair prior to the election. At that time it was accepted among majority of the party as a method to show the party unity to the public and get elected. After the election, however, the party slowly begun to disintegrate.

Moreover, July 2000 saw two leaked memos. The first written by Blair himself, the second from Gould. They suggested that the New Labour brand was contaminated, subject to constant criticism and even worse, ridiculed. According to the memo the party risked an imminent threat that its majority would fall dramatically, following the pattern of 1945 and 1964. It also claimed that the Labour was „assailed for spin and broken promises“ and „not believed to have delivered“ (Lees-Marshment 2001a, p. 206).

The note on the contamination of New Labour brand was particularly alarming. In marketing, the brand is of great importance. It consists of the brand

image as well as the experience of the customers. If the experience is good, the communication can reinforce the positive image and build the connection (or in advertising lingo relationship) with the customer. However, if the customer becomes disappointed, it is virtually impossible to persuade him again that the brand is credible. As Fletcher (1997, cited in Lees-Marshment 2001a, p. 207-208) noted on the New Labour brand:

„While cynics believe you can fool all the people all the time if you go about it cleverly enough, it ain't quite so. The public gains its impression of brands both through advertising and through using them. They trust Kellogg's and Marks and Spencer because they've known them for a long time, and they've almost certainly never been let down by them. Advertising can enhance and bolster that trust, but if Kellogg's tasted like crunchy bird droppings and Mark's underpants disintegrated in situ, all the advertising in the world wouldn't persuade people to trust them“.

3.8 Conclusion

Both Clinton and Blair used political marketing effectively and secured electoral victory. Contrary to the traditional assumption that the political marketing is more advanced in the United States, Blair's approach especially after the election has shown, that it is not always the case. Lees-Marshment argues „there is more potential to for the use of political marketing in Britain, due to the more centralised nature of political parties and campaigns and to the delivery component of the marketing model“ (2001b, p. 54). In other words, while the American political marketing focuses on the selling strategy and therefore is more advanced regarding the campaign, advertising and communication, the political marketing in Britain is closer to its business roots, while the systemic features of the political system enable the politicians to focus on the delivery and thus provide long-term voter satisfaction.

Indeed, Blair and his Labour Party managed to significantly alter the way politics is conducted in the United Kingdom. The Conservatives had to adapt themselves to this new reality and embrace political marketing if they wanted to succeed. The analysis of their efforts is the topic for the rest of this paper.

4. THE CONSERVATIVES AFTER THE 1997 GENERAL ELECTION

The defeat in the 1997 general election was hardly a surprise for the Conservatives. They were in government for eighteen years at that time and John Major's cabinet was barely a success. The government became „engulfed by an aura of sleaze and scandal“ and Britain's enforced withdrawal from the European Exchange Mechanism on „Black Wednesday“ 16 September 1992 shattered the reputation of economic competence (Evans 2008, p. 291). Simultaneously, Blair managed to reinvigorate the Labour Party and attract both new members and voters. The New Labour brand then added the momentum to his campaign.

What was staggering was the scale of the defeat. Conservative representation in the House of Commons was reduced to 165 seats, while the Labour gained 419 seats. The party morale was shattered. John Major had no other choice than to announce his resignation immediately after the results were made public. The party desperately needed a fresh start and Major understood that only a new leadership would be able to bring about the change.

4.1 William Hague and the organisational reform

A year after the election failure and following squabbles about the election rules, the Conservatives finally selected a new chairman William Hague. The new leader, who used to work as a management consultant for the venerable McKinsey company was determined to reinvigorate the Conservative Party by embracing a more market oriented approach.

Hague correctly identified the key problem. The party was „greying“ and the member base vanishing. The membership has fallen from approximately 2.75 million in the 1950s to less than 350,000 in 1997 (Lees-Marshment and Quayle 2001, p. 207). Simultaneously the membership in Young Conservatives organisation was decreasing as well. Before trying to sell its product to voters, the party needed to address its internal problems first.

Historically, the organisation seemed to work very well for the Conservatives. Unlike the Labour, the party was seen as relatively faction-free and managed to hold internal arguments behind closed doors. While the Labour leadership often found itself in conflict with its extra-parliamentary wing that demanded more power „the Conservatives operated a fairly strict, if sometimes insensitive, division of function between the parliamentary and extra-parliamentary troops“ (Peele 1998, p. 142).

However, the situation gradually changed. In 1996 Crotchety, a long time Tory MP, commented on the party's internal division with following words „what is so remarkable about the Conservative party is the extent to which we hate each other“ (cited in Peele 1998, p. 142). By the time of the 1997 election „the degree of public disunity in the party become debilitating“ (Peele 1998, p. 142). Together with the vicious circle of declining membership, the situation became serious.

Clearly, there was a need for change, in Hague's words „changing the way we do business“. To bring it about, the Tory leader appointed a new „Chief Executive“ Archie Norman with a background in business management. Norman's responsibility was to radically change the party organisation. He spent months drafting the proposals and consulting the party and subsequently introduced the reforms:

- For the first time, the party adopted a unified constitution.
- Establishment of a fourteen member board to act as a supreme decision making body.
- Creation of the National Conservative Convention, which comprises national, regional and area officials, constituency association officers and members and other affiliated bodies such as the youth and women's organisations.
- The Conservative Policy Forum was established to supersede the Conservative Political Centre, with the aim of allowing ordinary members to take „a more active role“ in policy development. Moreover the Policy Forum has a governing council and the party

leader is constitutionally bound to have regard to its views on policy proposals.

- For the first time, centrally administered membership list has been established, therefore enabling the leadership to communicate with all members.
- Voting rights were given to individual members for electing the party leader and the selection of the candidates for House of Commons, European Parliament and the Mayor of London. The candidates, however, still had to be pre-selected.
- Sources: (Lees-Marshment and Quayle 2001, p. 204) and (Peele 1998, p. 143-147).

This was a significant step in reorganisation of the party, which strengthened the position of individual members and weakened traditional structures. At first glance it might seem that democratisation collides with efforts to become more market oriented, since the conventional wisdom says that the more power centres in the party, the less united it is and hence attracts less support. A leader of a disunited party might find it extremely difficult to effectuate the change. However, if correctly implemented, this might not always be the case.

The product of the market-oriented party comprises not only of its leader or a program but also of individual members, MPs and the party as a whole. The Conservatives were facing slow yet massive membership decline. Democratisation of the party meant making it more attractive to potential members. That would in turn help to lure new talent and ideas. At the same time it would communicate to the public that the party is indeed eager to listen, learn and adapt.

Lees-Marshment and Quayle reason that „the reforms in the Labour party initiated by Neil Kinnock increased the rights of individual members but *reduced the influence of activists*“ (2001, p. 209, emphasis added). By empowering the membership, the party become more responsive to the voters' demands and at the same time eroded extreme left-wing authority. These organisational reforms, in fact, subsequently allowed Blair to abandon the traditional ideological burden

and alter the party program. The Conservatives in the 1997 were in a similar situation.

Moreover, opening the party can support the product adjustment stage in which the party has to make sure that the product is also accepted within the party. One-way to do this is to centralise the power in the party and sideline those, who oppose the new product. This was the case of Blair's leadership prior to the 1997 elections. The lust for election victory was so pervasive in the party that the majority of members looked away when the leadership overruled local constituencies and favoured its own candidates. This strategy, however, is not in line with the market orientation model and bears a potential to backfire in the long term.

The other way to conduct product adjustment is to become a truly market oriented organisation. If the party opens to new voices, it becomes less and less ideologically burdened and influenced by the activists. Therefore the goal is to support the internal discussion and create a momentum for change. German sociologist Elisabeth Noelle-Neumann (1993) argued that there are two basic motivations of people. The need of belonging and the fear of isolation. According to her, people have the ability to sense the pervasive opinions and stances in the society or any other social group. Those, who think they are in majority, are more eager to openly discuss their ideas whereas those, who think they belong to minority tend to keep silent and therefore tacitly express consent with the majority. She called this phenomenon the spiral of silence and used it to explain swing voter behaviour. This theory is equally pivotal in this context, while it clarifies why it is necessary to open the party. If the members feel that the new ideas are welcomed they tend to defend them more vigorously. Hence the discourse becomes unfavourable to the extreme activist, who opposes any change on the grounds of ideological purity.

Last but not least, the decentralisation can in fact reinforce the leadership at the same time as bolster the spirit of change. Judge contemplates that „a fully democratised party is susceptible to central control“ (cited in Lees-Marshment and Quayle 2001, p. 209). Indeed, the wider membership base is more likely to endorse a reform-oriented leadership than more active members. However, the

reforms had flaws too, which were demonstrated during the following elections. They gave an immense power to the hand of the MPs, who had a privilege to select the candidates for the top position or ask for a no-confidence vote to the leader.

4.2 The Conservatives between 1997-2001

In addition to institutional changes, Hague's leadership launched several reform initiatives. He tried to attract more young people, women and people from ethnic minorities into the party (Lees-Marshment 2001c, p. 931). The party also used direct marketing to communicate with members as well as in efforts to recruit new ones. For example it acquired membership lists of names from wine clubs, garden centres and various sport clubs and used them for recruitment. In March 2000, the party send 250,000 invitation letters asking people to become a member of the Conservative Party (Lees-Marshment 2001c, p. 931).

The party also attempted to reach out to voters and show them that it is responding to the 1997 defeat with tangible measures. In addition to usual market intelligence techniques, the party launched a project called Listening to Britain. It consisted of a series of meetings across the country where the party's MPs and sometimes Hague himself listened to the audience discussing various issues. At every meeting there was a party representative, whose task was to write notes about what was said. These notes were summarised in a document called Listening to Britain: A Report by the Conservative Party, which discussed voters' concerns in further detail. For example in education, the report stated, the most worries related to the amount of paperwork connected with teachers' work as well as falling standards (Lees-Marshment 2001c, p. 932-933).

This market intelligence was later transformed into a policy agenda document called The Common Sense Revolution. The Tories imitated the successful approach used by Labour and provided five guarantees to the voters:

Five guarantees to the voters

- A parents' guarantee giving them the power to change school management that fails to provide adequate standards.
- A patients' guarantee giving a fixed waiting time based on the need for treatment.
- A tax guarantee ensuring that taxes will fall as a share of the nation's income over the term of the next Parliament under a Conservative government.
- A 'can work, must work' guarantee ensuring that benefit claimants who can work will lose their dole if they do not
- A sterling guarantee that the Tories will oppose entry into the single currency at the next election as part of their manifesto

Source: The Labour Party 1999 cited in Lees-Marshment 2001c, p. 935

Figure 8: Five guarantees to the voters

Furthermore, the market intelligence stage ultimately led to the conclusion that people were more concerned with the quality of public services rather than with tax-cuts. Therefore, the logic urged the Conservatives to imitate the Labour, abandon its traditional laissez-faire dogmas and move more to the political centre. Hague understood the facts and adhered to what the voters wanted. In April 1999 together with Peter Lilley (then Deputy Party Leader) Hague attempted to change the direction of the Conservatives so that it focused on improving state provision of public services rather than seeing the market as the only remedy for all problems. However, an internal opposition hindered their efforts.

4.3 Hague's unsuccessful attempt to make the party market oriented

There are a number of reasons why Hague's leadership ultimately failed and why the Tories lost the 2001 election. Very simple, yet also very correct explanation lies in the fact that in 2001 the Tories were in opposition for just four years, which followed eighteen years of government responsibility. It seems

that the party plainly needed more time in order to be truly committed to change. However, there are also more tangible sources of the failure.

Firstly, despite of all his management skills, commitment to political marketing and party transformation and also efforts to be presented as a young and vigorous leader, Hague himself become a liability. The polls continually showed his low approval ratings compared to Blair and even to Liberal Democratic leaders (Lees-Marshment 2001c, p. 935).

Secondly, the endeavour to broaden the membership both in terms of numbers and diversity did not work. The overall age of the party members remained high and the numbers dropped from 350,000 in 1997 to 300,000 by the time of the election in 2001. The party also did not succeed in attracting more women and minorities, despite of all the efforts. As accounted by (Lees-Marshment 2001c, p. 935) „within the party’s top 170 seats only 29 candidates were women and none were Asian or Black.“

Thirdly, Hague was subject to an immense internal criticism for repudiating Thatcher’s free-market legacy. The early declarations that the Tories would now focus on improving public services were forgotten and lost. By the time of the election the five guarantees „had all but disappeared following a period of statements from senior party figures that watered them down or abandoned them entirely“ (Lees-Marshment 2001c, p. 936).

Moreover, in the period of 1999-2001 the Conservative party was being constantly denounced for its lack of delivery once it was in power. This handicapped the Tories in questioning the Labour Party, which was being scorned for not delivering at that time. Instead, the Conservatives focused on issues that could not hurt them, like the families, single currency and immigration. Those issues were, however, not on the top of the list of voters. As Lees-Marshment (2001c, p. 936) observes, the final election manifesto contained policies on education and health, nevertheless these did not receive the necessary prominence. Even more importantly, they were accompanied by a pledge for an 8 billion pounds tax-cut, which further discredited Tories’ new position on public services. By not listening to the electorate, the Conservatives were abandoning the market orientation.

Fourthly, the communication strategy was based on negative advertising and failed to provide a clear, positive alternative to Labour. At the same time it focused on topics, which were not so important for the electorate such as crime and immigration. This resulted in the massive media coverage of the Conservatives, however the party was often criticised for being populist, right wing and even racist.

To sum it up, the election message was confusing and therefore not accepted by the voters. Lees-Marshment (2001c, p. 937) comments on this development: „there is no point designing a new good product, showing it briefly to the buyers, then having others from bellow in the company come and steal it away saying they don't like it so no one can buy it“. By promoting political marketing and engaging in significant organisational reform, William Hague laid down solid grounds for better times in the future. Nevertheless, his party was not yet ready for such dramatic change.

All of this ended up in a deep distrust in the Conservatives among the public. In May 2001, prior to the election, the MORI poll for The Times confirmed this (Riddell 2001). The article pointed out the differences in voters' perceptions of the opposition party in 1997 and 2001. In 1997, 55 per cent of the public thought Labour was ready to form the next government. By contrast, just 25 per cent thought the same about Tories in 2001. Moreover, 66 per cent of the respondents disagreed that Hague was ready to become Prime Minister including 30 per cent of the Tory supporters. The defeat was inevitable.

The Conservatives gained just 166 seats, only one more than four years earlier. On the other hand, Labour repeated its success and won 412 seats and retained its massive majority. Finally, the Liberal Democrats acquired 52 seats. The Tories were given one more election cycle in opposition to change their party.

4.4 IDS and the Conservatives between 2001-2003

After failing to deliver in the 2001 election, William Hague left without a fight and the Conservative Party had to change its leader once again. The impetus for a real change was even stronger this time since the Conservatives were for

the first time in history facing the possibility of being downgraded to the third-party status.

The election was held under the new rules introduced by Hague, which gave the membership a vote. However, even this time the vote did not represent the wishes of the electorate. The main contenders were Michael Portillo, Kenneth Clark and Ian Duncan Smith (IDS). The first was perceived as being popular among the public and especially the youth. Nevertheless, the party selected IDS in the second round by a margin of one vote. Both Clark, who was a pro-Europe moderate and Portillo had enemies within the party MPs and thus could not win. By contrast, IDS's roots were in the right wing of the party and he was thus deemed to be more internally palatable.

The question is why was IDS elected, when the reforms introduced by Hague, should have provided candidates, which would be more representative of the British society. The problem was, that although the membership had a vote, the candidates were pre-selected by the MPs and as Lees-Marshment and Rudd (2003, p. 13) asses „the remaining MPs after the 1997 losses and then the 2001 election was itself out of touch“ and „in any case the membership was also unrepresentative of the broader UK political marketing“. Hence, once again an unpopular persona becomes the leader of the Tories.

Even though the main qualities that determined IDS's victory were his right-wing credentials, he soon indicated that he is willing to follow Hague's original steps. In an effort to show commitment to diversity within the party he appointed the Party's „first woman“ Chairman Teresa May (Lees-Marshment 2004b, p. 393). In addition to that he set up the Policy Unit, designed to seek market intelligence from other sources than just polls and focus groups.

In 2002 the Policy Unit published a brochure with policy proposals from IDS (see Conservative Party 2002). The document starts with somehow awkward declaration by IDS about his motives to enter politics: „I was in the British armed forces at a time when we were involved in helping to bring peace to what is now Zimbabwe. I saw first hand how political change transformed the lives of men, women and children“. This proclamation is then followed by his assessment of what is needed in the UK: „I know how much Britain needs and

deserves decent public services ... I believe that truly world-class services are within our grasp" (Conservative Party 2002). He then specified five objectives for his leadership:

- „an education system in which no child is left behind,
- a health service in which no patient is left waiting,
- reversing the conveyor belt that draws young people into crime,
- an end to insecurity in old age,
- a society in which every person has a worthwhile part to play“ (Conservative Party 2002).

These were once again in line with what he voters were mostly concerned about: education, health care, crime and security in old age. Interestingly, IDS also used a phrase „no child is left behind“ which copied president Bush's identically named initiative. Moreover the offered solutions were also slightly different than would one expect from a Tory. For decades, the conservative panacea for crime was making the sentences tougher. By contrast, IDS here proclaims that he wants to reverse the environmental causes that 'draw young people into crime'. Moreover, the last point symbolised that the Conservatives were not any more concerned only with money and economic progress, but also attempting to provide better quality of life. IDS clearly demonstrated that he is willing to let loose old dogmas and change the product.

On the other hand, this strategy also had its drawbacks. As the party staff themselves pointed out, the efforts to reach out to vulnerable together with the promise not to increase the taxes for the well paid is „harder to explain ... people are sceptical of it“ (Lees-Marshment 2004b, p. 393).

The party also faced problems regarding membership and diversity. Even though Teresa May together with IDS tried to attract more women and people from minorities into the party, there were internal obstacles that prevented these groups from becoming candidates, especially the unprofessionalism and bias of the local committees (see Lees-Marshment and Rudd 2003, p. 15 for further detail). The party faced „somewhat of a Catch-22 problem“ since „although qualitative research shows that the Conservatives have since 1997 attracted new, young, capable people into its organisation, until this is visible to

voters however the Tories will not attract support, and the Tories may not attract support until this is visible to voters.” (Lees-Marshment and Rudd 2003, p. 15).

However, the biggest problem of the IDS leadership came from inside. Even though he was elected as a representative of the right-wing faction of the party, he soon became criticised like Hague for renouncing the good old Tory principles. Additionally, IDS had one crippling disadvantage. He was by no means charismatic. Some commentators even ridiculed him by saying that the Tories elected Hague’s father as their new leader. IDS tried hard to counter this image and appeared in public in informal clothes surrounded by young people. However, these efforts were rather problematic and his persona was further ridiculed. The Labour also used this opportunity to compare the statesman Blair, who has to take care of serious issues, with IDS. All of this added to his critically low popularity. For example the MORI poll from October 2002 indicated that IDS was the least popular from the party leaders even lagging behind Liberal Democrat Kennedy (see MORI 2002). All the more, another MORI report suggested that IDS was not even popular among Conservative supporters (MORI 2003).

In addition to his poor poll rating IDS had to face harsh criticism from his own colleagues. It went so far that in November 2002 IDS issued a press release in which he accused a small group of his parliamentary colleagues to consciously undermine his leadership. The document ended with a prophecy: „The Conservative Party wants to be led. It elected me to lead it in the direction I am now going ... My message is simple and stark, unite or die.“ (Duncan Smith 2002). Unfortunately for IDS, the party was not prepared to follow *him*. One year later, in November 2003 a minimum of twenty-five members of the parliamentary Conservative Party wrote to the head of 1922 committee and demanded no-confidence vote in IDS’s leadership. Subsequently the Conservative MPs voted him out of office by 90 votes to 75.

As assessed by Lees-Marshment (2004b, p. 934) his fortunes in employing political marketing were extremely similar to his predecessor „whose initial market-oriented approach – conduct market intelligence first, consult the party,

develop initial product proposals – was also blocked by the party's internal culture and opposition“.

4.5 Michael Howard's leadership and the product offered in the 2005 election

After ousting IDS, the Conservatives had to select a new commander in chief. This was a delicate exercise while IDS was the first leader elected by individual members and was ditched by the party's MPs. As Beery Jenkin, the party's defence spokesman noted „party workers who voted for Mr. Duncan Smith must feel their leader has been taken from them by the parliamentary party“ (Blitz 2003). Michael Howard, incumbent party's finance spokesman and former cabinet member declared the candidacy during the same night and ended up being the only candidate. Even though the members were electing their leader, they had only one choice.

Likewise his predecessor, Michael Howard used to be an uncompromisingly right-wing politician. In the wake of internal divisions and petty games that surrounded Hague's and especially IDS's leadership, Howard's credentials were offering a hope that he will bring more stability to the party.

One of his early steps looked quite promising. He established a new Marketing Department and recruited the 02 vice-president Will Harris to become its director. This was a logical move given the importance of political marketing in modern politics. The department was supposed to take charge of „opinion research, direct marketing, electronic marketing, advertising, party political broadcasting, membership, constituency marketing support and tours and events involving the Leader and his Shadow Cabinet“ (Conservative Party 2003). The catch, however, lied in the understanding of how these methods and techniques should be utilised. For Harris, marketing was a mere tool to help the party sell its product, not to design it. The polls, focus groups and other forms of market intelligence were means to perfect the communication, not to gather new ideas or shape policy proposals. Interviewed by Lees-Marshment (2004b, p. 394) Harris described his job as „presenting policy in an appropriate way“. Political

marketing under Howard's leadership was thus confined to few a decades old sales concept.

In terms of policy, Howard soon repudiated the compassionate conservative narrative inspired by the Republicans. At the beginning of 2004 he published a newspaper ad comprising of thirteen short points starting with the phrase I believe. The ad summarized Howard's ideological underpinnings and also included a negative list of thing that he did not believe in. As a whole, the text looked and felt more like a vindication of conservative ideology and laissez-faire economy than a viable product alternative that voters could buy:

- „I Do Not Believe That one person's poverty is caused by another's wealth.
- I Do Not Believe That one person's ignorance is caused by another's knowledge and education.
- I Do Not Believe That one person's sickness is made worse by another's health“ (Conservative Party 2004a).

The previous care for the vulnerable was thus abandoned. This proved to be a strategic error. Not only that the party had a mere fourteen months to find, develop and communicate another product offer, instead Howard decided that they will not have one. In order to win, political parties need to follow a clear unified narrative, which should be supplemented by irrefutable policy proposals that would make it more believable. Howard turned this logic upside down and focused only on delivery. In October 2004 the party published a document called „Timetable for action“ (Conservative Party 2004b), which outlined Howard's plans for the first day, week and month. In addition to that, in April 2005 the party also produced the election manifesto „Are you thinking what we are thinking? It's time for action“ (Conservative Party 2005).

In both of these documents, Howard promised specific, measurable improvements. To make his call more believable he also introduced the accountability claim – a personal pledge to resign if he would fail to deliver. The manifesto specified five key promises: more police, cleaner hospitals, lower taxes, school discipline and controlled immigration. There was no unifying theme other than Howard himself and his managerialism. The message was also

confusing. On one hand, the document included positive images of doctors with children and a teddy bear. On the other hand it featured pictures of a policeman following a thief or snapshots from closed circuit cameras showing a woman being robbed.

Nevertheless, Howard also had positive qualities. Soon after taking the office he proved to be a venerable enemy in the parliamentary discussion. He developed a rhetorical strategy, to counter Blair's habit to answer the question with yet another question (see Barker 2006). Additionally, Yogi online polling even indicated that the Tory leader overturned Blair's lead for the first time since 1997 (Lees-Marshment 2004b, p. 394) and even though the latter polls did not demonstrate similar results, this was a significant achievement.

Despite of that, the Conservative Party was yet again poised to loose in the elections. The party failed to offer better product that the voters could buy. More, it proved terribly disunited and even had to change its leader in the middle of the election term. At the same time it first embraced and then again abandoned the compassionate conservative narrative and the focus on the vulnerable. Therefore the election message was confusing and not persuasive. Furthermore the party could not criticise the Labour on its main liability, the war in Iraq, while the Tory leaders also supported the invasion. Even though they claimed, that they were not aware of the poor quality of the intelligence, which led the country to the war, this did not prove to be a satisfactory and believable argument.

In the end the 2005 elections did not turned out to be as bad as those in 1997 or 2001. Conservatives gained 33 new seats and 166 in total, while the Liberal Democrats earned 11 new seas and 62 altogether. By contrast, the Labour Party lost 57 seats, which significantly decreased its majority in the parliament. The gap in the popular vote was even smaller. The Labour earned 35.3 per cent while the Conservatives 32.3 percent. Together with the growing dissatisfaction with the lack of delivery, the situation in Iraq and also growing annoyance with Blair, the Conservatives are now in much better situation to win next election. Their use of political marketing in achieving this goal is the focus of the next chapter.

5. NEW CONSERVATIVES? – THE CONSERVATIVE PARTY FOLLOWING THE 2005 GENERAL ELECTION

The Conservative Party has dominated the political life in the United Kingdom for much of the twentieth century. As Denham and O'Hara (2007, p. 421) assess the Party has „traditionally been noteworthy in British politics for being more interested in power than purity of ideology.” This has, however, changed with the advent of Margaret Thatcher, who shaped not only British political spectrum for decades, but also transformed the Conservative Party. When Tony Blair adopted much of the liberal economic ideas and moved his party to the political centre, the Conservatives were not able to respond appropriately. Used to wage the battle of ideas they did not compete with the centre-left New Labour but instead moved further to the right and thus alienated the voters.

This inability, together with internal quarrels cost them three consecutive election terms and brought much political humiliation. The Party has on many occasions tried to embrace more market oriented approach only to repudiate shortly afterwards when the polls did not instantly indicate better results. Instead of offering a strong, unified and believable narrative underpinned with specific policy proposals making a competitive product that the voters could buy, the Party was sending confusing messages.

Similarly to his predecessors, the current Tory leader David Cameron was elected on the promise of change. While his successors mainly offered a reform, Cameron's message was about radical change. Even though this might only be a rhetorical exercise, there are clear signs that Cameron is more effective in bringing the change about. This final chapter will thus analyze his efforts to make the party more competitive. At the time of the writing the British Prime Minister Gordon Brown had not yet called on the general elections. Therefore, it is not possible to follow all the steps in the market orientation model, which was introduced earlier in the text. The analysis will, however, ground its reasoning on the same principles analyzing the product first and then assessing the communication.

5.1 David Cameron and his mandate

There are several reasons why it is necessary to begin with assessing the leader's persona. In the market oriented party model the leader is an essential part of the product. Even though other sections of the party such as members and MPs also have a significant role to play, the leader is the face that most voters associate with the product. He or she must provide a believable narrative that would persuade the electorate. Leader's persona is also increasingly important thanks to the development in the media, since they tend to present the political campaigns as a personal contest between the party leaders. A huge proportion of the news coverage indeed focuses on analysis of who could be the Prime Minister, who is more believable or better in discussions.

Furthermore, the Conservative leaders traditionally enjoyed great authority within the party. McKenzie argued that the striking feature of the party's organisation used to be the „enormous power, which appears to be concentrated in the hands of the leader“ (cited in Denham and O'Hara 2007, p. 410). At the same time, the Tories were the last of the mainstream British parties to introduce a formal procedure for selecting or removing its leader. This has changed in 1965 with election of Edward Heath. Another change came 10 years later, when the party's MPs secured constitutional right to remove an unpopular incumbent. Next significant reform, which was described in greater detail in the previous chapter, came with William Hague's leadership. Even though he allowed individual members to vote, the MPs still preserved their strong position. Only they can nominate the candidates as well as call for a no-confidence vote to the leadership.

Since it was introduced, the system provided unsatisfactory results. IDS, the first leader elected under one member one vote system was banished by the parliamentary wing after he tried to compete with the Labour for the centrist voters. In the case of Michael Howard, the system only worked, because the members were denied any choice – the MPs pre-selected only one candidate.

Therefore, in order to analyze David Cameron's prospects at changing the party and making it more market oriented, we should bear in mind that his power to do so might well be constrained by the party MPs. To evaluate his

position in the party and the scope of his mandate we need to look closer at how he became the leader.

5.1.1 The election of David Cameron

There were four serious contenders for Conservative leadership in 2005. As assessed by Denham and O'Hara (2007, p. 418), Kenneth Clarke and David Cameron were perceived as centre-left candidates. Clarke, who was known for his pro-European views, already participated in the leadership contest against both Hague and IDS. This time, he made speeches more Eurosceptic in tone, which indicated that he was a significant player. On the other hand, David Cameron was accused of „talking in cliché´ and of mind-numbing banality” (Denham and O'Hara 2007, p. 418). On the other side, there was the front-runner David Davis and Liam Fox, both presenting themselves as the candidates of the right faction of the party.

David Cameron had ultimately won in the all-Party ballot with a seemingly impressive margin. He gained 134,446 votes compared to 64,398 for Davis. However, in order to change the party, he also needs the support of the MPs.

Denham and O'Hara (2007, p. 419) argue that in the first ballot of MPs „the parliamentary Party divided (almost) equally between the two centre-left candidates and their two counterparts on the right.” Davis secured 62 and Fox 42 (together 104) while Cameron defeated Clarke with 56 to 38 (together 94). Since Clark received the fewest votes, he was eliminated from the contest. That made the second round easier for Cameron, as he became the only centrist candidate. In the second ballot of MPs, Clarke's supporters backed up Cameron, who thus secured 90 votes and established a lead of 33 over the second Davis, who gained 57 votes, slightly less than in the first round. Fox with 51 was the third and thus eliminated from the contest.

Therefore „a majority of the Party's 198 MPs voted – twice – for a right wing candidate” (Denham and O'Hara 2007, p. 419). In the first round Davis and Fox together secured 104 votes compared to 94 combined for Cameron and Clarke. In the second round Cameron received 90 votes compared to 108 for Davis and Fox.

Denham and O'Hara (2007, p. 419) quote one of the right wing MPs to explain the background of Cameron's victory. Although being far closer both politically and ideologically to Davies than Cameron he claimed that the MPs were „looking for someone to get us back into government, and Cameron ticks all the right boxes“. This view is also shared by Evans (2008, p. 292) who contemplates that „the main reason why Cameron was elected party leader was that the Conservatives thought that he was the candidate most likely to win them the next election“.

Cameron is therefore in comparable situation to that of Blair prior to the 1997 election. Blair initiated some potentially dangerous changes in the Labour party such as cutting the influence of unions, abolition of the Clause IV of the constitution or most importantly diverging the party to the right. All of this was accepted within the party on the premise that Blair would deliver and win the elections. Cameron's support in the Conservative party is arguably based on the same logic. Even though the MPs favoured more right-wing candidate, some of them were willing to vote for Cameron simply because he was perceived as being able to bring the party to electoral victory. His ability to do so, in turn, depends on the support from his own party, especially the powerful MPs.

Since the polls are the simplest indicator of the leader's popularity, it is crucial for Cameron to attract more support than Gordon Brown in order to be able exert his authority in the party and refashion its product. As Evans puts it „Cameron's victory gave the Conservative Party an opportunity to reconcile the economic liberalism which rose to dominance during the Thatcher years with the social liberalism, which she personally found so abhorrent“ (2008, p. 292).

5.1.2 Cameron's credentials and his standing in the polls

By selection Cameron as their leader, the Conservatives decided to skip one generation of politicians. For several reasons, this seems like a good strategy.

Firstly, it is reasonable to believe that the party needs a young, charismatic leader without strong ties to the Thatcher years in order to persuade the public that the Party is now hundred per cent sincere about its efforts to change. The ICM poll published by The Sunday Telegraph soon after Cameron's election

supports this claim. It states that 70 per cent of the respondents agreed with Cameron notion that the Conservatives needs to change fundamentally the way they „think“, „feel about Britain“ and „behave“ (ICM 2005). The same poll also refuted the arguments that Cameron is seen as too young and inexperienced for the No. 10 Downing Street.

Secondly, after the 2005 election Blair was already serving his third term and thus was naturally becoming a liability to the party. In addition to that, there was a widespread speculation that he would not finish his term and will be replaced by the Chancellor of he Exchequer Gordon Brown. By selecting young Cameron to compete with older and not so charismatic Brown, the Conservatives were imitating the tactic used by Labour in 1997.

Thirdly, the Conservatives were a greying party. If they wanted to attract more voters, they needed to broaden their membership base and especially attract more young people. Therefore, it was sensible to choose a young leader, who has a better ability to connect with this group.

On the other hand, Cameron's persona also bears some potential drawbacks. Given the fact that the Party strives to shake-off its image of favouring the rich, privileged and powerful, Cameron's personal background might prove to be a liability. He is a son of a wealthy stockbroker, heir to three prominent Conservative MPs of the late nineteenth and twentieth centuries and is even distantly related to the Queen. He is also the first Conservative leader since Sir Alec Douglas-Home, who has been educated at Eton. From there, Cameron went on to study at Oxford, where he became a member of the exclusive (and notorious) Bullingdon Club (Evans 2008, p. 303). As such, Cameron is in many ways the archetypal old-school Tory leader, which might be a potential source of capital for his opponents. According to Evans (2008, p. 303-304) this is even recognised by Kulveer Ranger, a Vice-Chairman of the Conservative Party, who described Cameron's „aristocratic tinge“ as his „Achilles heel“. And indeed, Cameron has already been criticised for surrounding himself with Old Etonians.

To sum it up, by choosing Cameron as their leader the Conservatives managed to gain certain momentum both among the public and even more

significantly amid the media. Nevertheless, the polls provide mixed results so far. Figure 9 shows Cameron's approval rating traced by YouGov³. The respondents were asked one of these two questions:

- Do you think David Cameron will do/ is doing well or badly as leader of the Conservative Party?
- Do you think that David Cameron is or is not proving a good leader of the Conservative Party?

The results demonstrate that Cameron's approval was relatively high prior and shortly after his election as the Conservative leader. In the next period his support became volatile and oscillated between forty and fifty per cent, ultimately falling down in the summer and fall of 2007, when Tony Blair stepped down as a Prime Minister and was replaced by incumbent Gordon Brown. Finally, the end of 2007 and the beginning of 2008 was a success for Cameron since he regained favourable perception among the public.

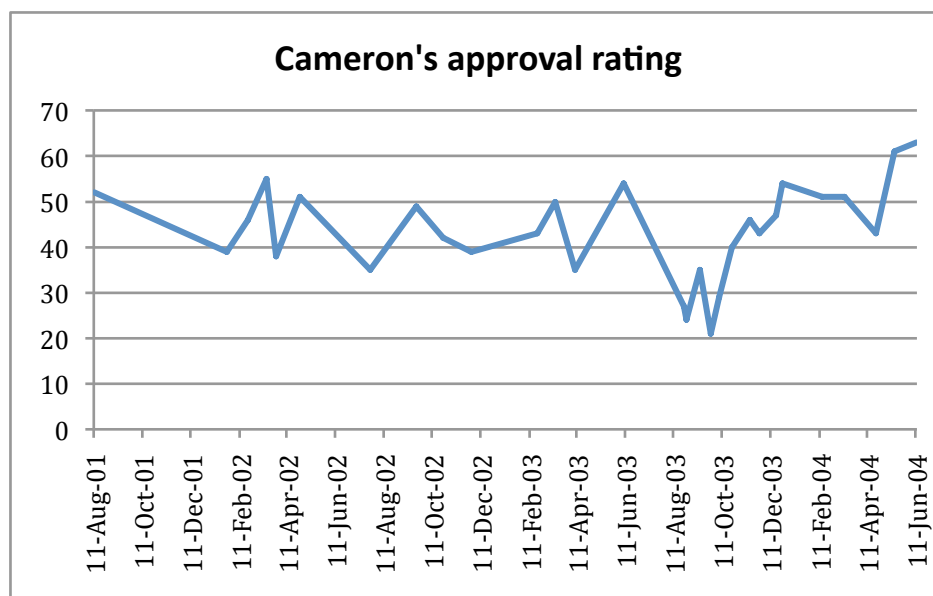


Figure 9: Cameron's approval rating

³ YouGov is an internet-based market research company.

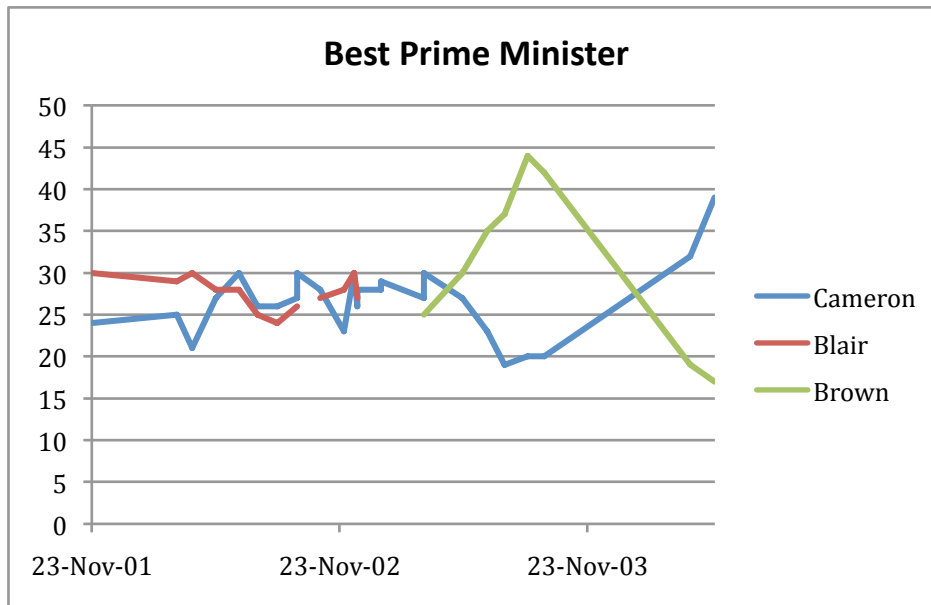


Figure 10: Best Prime Minister 2003-2005

Figure 10 supports the same interpretation. YouGov asked the informants „who would make the best Prime Minister“. In the winter of 2005/2006 Cameron had to establish himself as a serious competitor to Blair, in the spring were both leaders already neck and neck. Subsequently Gordon Brown enjoyed a steep rise only to be replaced by Cameron at the end of the examined period.

To give a summary, the „Cameron effect“ was not so persuasive as the media attention would suggest. Especially during the fall of 2007 it seemed that Brown would indeed be able to reinvigorate the Labour Party. However, the end of the scrutinized period looks more positive for Cameron and by that gives him a chance to exercise his authority in the Party.

5.2 Product design

Market oriented organisations design their product in relation to the wishes of the customers. As we have seen, the Conservatives had so far little success in becoming more responsive to the electorate. Even though they offered more palatable product, the party was disunited and its leaders failed to provide a believable and coherent narrative that would support the product. Hence the polls did not show increasing appeal of the Party, which subsequently led to abolition of the new product design. The party was in a vicious circle. David Cameron is often described as a leader, who will finally be able to redesign the

conservative product. The forthcoming text will therefore analyze the product design under his leadership. While acknowledging the importance of policy proposals, it will start with the symbolic changes, which also have their significance on the political market.

5.2.1 Party branding

Taking as given that commercial brands have a significant influence on peoples' lives and their consumer behaviour it can also be assumed that political brands have an analogue influence on the voting decision of the electorate (Reeves, de Sheraton and Carrigan 2006, p. 421).

For the traditional consumer branding theory two main goals are characteristic: differentiation and identification. According to this theory a brand is successful if it is perceived by the consumers to be different from other products. This imposes challenges for political parties, which try to reach as many voters as possible. As a result, the big parties are slipping more and more into the political centre, being increasingly centre parties with either left or right touch. Therefore, it is more difficult to be perceived as different from the other parties by the electorate. This describes the antagonism in the idea of political branding itself (Reeves and de Chernatony 2003, p. 15).

On the other hand, political branding can also work as connecting link between the party and the electorate. Similarly to consumer branding, the political brands are offering a narrative epitomizing a set of values, which are associated with the brand. If the values and the narrative are consistent with those held by the voter, he is likely to buy the product i.e. vote the party.

As has been explained in the first chapter, the society is changing and so are the voters. At the beginning of the 1990s Blair captured this development and introduced the New Labour Brand. The long time in opposition, government failures and last but not least the power of the new brand allowed him to gain the momentum and become the front-runner. Cameron is nowadays trying to reinvigorate the Conservative brand in a similar fashion.

Crewe and Thompson conducted a longitudinal cross sectional study of party identification using British electoral studies data (BES) from 1964 – 1997.

According to this study the identification with the Conservative Party brand has dropped enormously in the last decades. In 1964, 47% of the electorate identified themselves strongly with the Conservative Party, three decades later this figures dropped down to just 14% in 1997 (Crewe and Thompson 1999, p. 75).

As was mentioned above the Conservatives have been for long perceived as being selfish and mean. To sell their product, they needed to create a new image. David Cameron acknowledged this in *The Economist* (30 September 2006, p. 13):

“[Voters] were so hostile to the party that they disliked and disbelieved anything it proposed. Unless people could be persuaded that the Tories were decent and well-meaning, they would continue to regard the party with a deadly mixture of indifference and contempt.”

Moreover, similarly to consumer brands the electorate is becoming increasingly brand disloyal. Political identification can variegate and change very fast especially as it concerns the personal surrounding of each individual voter. National health care system, education and environment are precisely the issues, which have the potential to move the people and interfere directly in their personal environment and well-being. The political consumer is disillusioned with politics, shows little interest in political petty games and yet can be very fast absorbed by a particular issue. Hence is the electorate more likely to change its traditional voting behaviour. To cope with this development, political parties have to adjust their brands so that they correspond with the values of the political consumer.

Under the new leadership of David Cameron a series of changes in the political constitution of the Conservative Party are taking place in order to meet this new challenges. One very important and widely visible change took place in August 2006. After a long lasting internal discussions the new logo of the Conservative Party was launched in order to meet the new values promoted by the party (see picture 1 and 2).



Old logo



Examples of new logo

Figure 11: New logo of the Conservative Party

The change of the logo bears symbolic implications. The old logo, a torch, can be interpreted as a symbol of freedom, leadership and enlightenment. Indeed, torch carriers are always in the front row while the crowd follows. In other words, this epitomizes the product orientation. The party claims to have the best program based on its ideology, the voters are supposed to see it and vote accordingly.

On the other hand, the new logo, a tree, symbolizes more unifying concept of beauty, nature and sustainable development. Therefore, it indicates that the party is now interested in issues increasingly important to the electorate. Moreover, the guidelines for members on how to use the new logo and associated photos of nature explain, “organic, natural photographs are very much a part of our new visual identity, reflecting our optimism and new direction” (Conservative Party 2006a, p. 10). Clearly the new visual supports the party’s current emphasis: the environment and the “quality of life challenge”.

At this point it is necessary to say that while rebranding and new logo might indeed make the party more attractive to the voters, it is by no means enough. The party has to be united and supportive of this new narrative. Moreover, its policy proposals must reflect the wishes of the voters.

5.2.2 Cameron and Thatcherism

Symbols also have a role to play in terms of policy proposals. Since the 1980s the Party has lived in the shadow of Margaret Thatcher. Even though she is no longer politically active, her soft power is immense, especially within the party. This was demonstrated in *The Independent* (23 January 2007) when 12 out of 56 Conservative MPs named her as their political hero, three more than selected Winston Churchill (Evans 2008, p. 308). On the contrary, Cameron has been in no rush to meet her since he became the Conservative leader. He reportedly turned down an early offer of a photo opportunity and two invitations to tea. Thatcher than mischievously agreed to meet the new Prime Minister Gordon Brown in his residence in full view of the cameras (Evans 2008, p. 295). This strategy resembles Blair prior to 1997 when he preferred to meet the business tycoons such as Richard Branson of Virgin rather than the union leaders.

Furthermore, Cameron has distanced himself from Thatcher's policies on many other occasions. Given her popularity among the parliamentary party this is a delicate exercise. For example interviewed by the formidable journalist Jeremy Paxman on *Newsnight* on 17 November 2005 Cameron acknowledged that he was „certainly a big Thatcher fan, but I don't know whether that makes me a Thatcherite“ (Evans 2008, p. 295). At another occasion, upon becoming the leader on 6 December 2005 Cameron declared that „There is such thing as a society, it's just not the same thing as the state“ (Cameron 2005a). According to Dorey the use of phrase „there is such a thing as society“ was deliberate and signified „an explicit repudiation of Thatcherism“ (Dorey 2007, p. 143 cited in Evans 2008, p. 299).

In yet another comment on the Thatcher years, Cameron expressed his view that in the past, the Conservative Party had become obsessed with the promotion of economic growth even though the well-being is just as important as wealth creation (Evans 2008, p. 299). In his speech at the Centre of Policy Studies in November 2005 Cameron explained: „we see two distinct economic challenges. Thwarted growth alongside stubborn poverty. Two sides of the same economic coin. But for many years we Conservatives have focused too much on

one - the thwarted growth. Creating wealth cannot be the only objective of Conservative economic policy" (Cameron 2005b). What is remarkable about this claim is its similarity with Clinton's 1992 election message. He too argued, that Reagan years were good for business and that he will only refine the system so that everybody would benefit from it.

5.2.3 Changes in terms of policies

Nevertheless, in order to win the elections a political party needs to offer distinguishable and attractive policies, not only to demonstrate that it has changed since the last elections. This has arguably been the weakest point of Cameron's leadership. He is often accused of preferring style to substance.

At the time of the writing, the Prime Minister Gordon Brown had not yet declared the date of next elections. Therefore the political campaign has not yet started and the parties have so far not published their election manifestos. Despite of that, there are some distinguishable patterns in Cameron's political agenda.

Probably the most surprising change associated with Cameron is his commitment to environment. Since he became the leader he started to talk about the environment as if he was a Green Party candidate. For example the party launched a website named „How green is your car?“ (see www.howgreenisyourcar.co.uk), where the users can find the CO2 level for their vehicles, compare those with the competitors in relevant car-market segments and learn about Conservative's green policies in relation to transportation. In the attached Green Car manifesto, Cameron proclaims „Cleaning up litter, fighting noise pollution and making parks and public spaces beautiful are all on our agenda. As a society we've got the resources to improve our quality of life. My job is to make sure we've got the political will too ... We're all in this together, and together we can lead the way. Vote blue, Go green“ (Conservative Party 2006b).

Cameron is also trying to make the environment message more credible at personal level. He is riding a bicycle (followed by a chauffeur-driven car) to the House of Commons and expressed his intent to build a wind turbine and solar panels to generate electricity at his London home (Evans 2008, p. 298).

At the policy level, he proposed the introduction of annual targets in reducing the levels of carbon dioxide emissions and proposed a carbon levy on business. However, at the same time he made it clear that any new green taxes would not increase the overall tax burden and that the revenue raised will be ring-fenced to ensure that families paid less tax (Evans 2008, p. 298). On the other hand, Cameron refused to rule out a nuclear option as a long-term solution for Britain's energy needs (Evans 208, p. 298).

All this sudden interest in the environment has two reasons. Firstly, the Conservatives want to wash away the image of being selfish and mean. Secondly, following the logic of differentiation within the branding theory, they recognize the need to offer something else than just New Labour with a right-wing flavour. Moreover Evans (2008, p. 298-299) contemplates that these efforts might be targeted at younger, more environmentally aware generation, which will vote for the first time in next election. The rebranding with a tree as the new symbol, Cameron's rhetoric and innovative use of media such as the above mentioned website might work well as a unifying narrative and a distinguishing factor.

Besides to the „conservative green revolution“ Cameron shaped his party's traditional ideas on another important issue, the NHS (National Health Service). While in the past, the Conservatives were huge critics of the systems and offered nothing less than a revolution; Cameron expressed his dedication to improving the system rather than dismantling it. In his speech On 4 January 2006 Cameron articulated his view, that NHS does not belong solely to the Labour Party since „Conservative governments ... built it up, as have Labour ones“ (Cameron 2006). In the same speech he praised the system by saying that „the fact that we have in this country a health service that takes care of everyone... is one of the greatest gifts we enjoy as British citizens“ (Cameron 2006). He also addressed the concerns about the Conservative Party's commitment to the NHS by stating, „we believe in it“ (Cameron 2006).

Furthermore, Cameron also worked hard to express his commitment to the well being of the society as a whole. He revealed his support for same-sex relationships and the introduction of civil partnerships, defended the public services or shown an interest in the problems of inner cities, particularly the

effects of family breakdown and the need for urban regeneration. He also addressed various topics such as poverty, nursing standards, ethnic and minority issues and others, which never enjoyed such prominent attention by a Tory leader. In November 2005 Cameron said in his Bringing Britain together speech: „Those voices who are warning us about the dangers of ghettoisation in our country and a disintegrating sense of national cohesion are absolutely right” (Cameron 2005c).

Evans (2008, p. 299) assesses the strategy that „herein lay the forming elements of a new mission for the post-Thatcher Conservative Party. It was Britain’s broken society rather than her broken economy which the next Conservative government would have to repair“.

At the time of the writing, the Conservative Party also runs a set of ads in the newspapers named „The changes you can get with a new Conservative Government“. They provide an interesting insight into the policies of the Party (see Figure 12).

The changes you can get with a new Conservative Government campaign

- A home of my own: Abolish stamp duty for 9 out of 10 first-time buyers
- A good school for my children: Teaching by ability for every child and tough discipline in every classroom
- My money in safe hands: An end to economic incompetence and no more reckless borrowing
- An NHS I can count on: Stop the closure of A&E and maternity units
- The retirement I’ve worked for: Raise the basic state pension and protect people’s savings
- A neighbourhood I feel safe in: Cut paperwork and get more police on the streets fighting crime
- Can work, will work: Help people into jobs and cut benefits for those who won’t work
- Pass something onto my children: Abolish inheritance for homes

under 1 million

- More help to go green: Get paid for producing your own energy
- Reduce the pressure: Proper controls on immigration so our public services can cope
- Source (Conservative Party 2008)

Figure 12: The changes you can get with a new Conservative Government campaign

Last but not least, the Conservative Party is also focusing on its traditional issues such as immigration and fighting crime. In this respect, it does not offer policies significantly distant from the past. The Party promises „proper controls on immigration“ and „cut paperwork and get more police on the streets to fight crime“ (Conservative Party 2008). These issues, however, do not receive such a prominence as during the past two election campaigns.

5.3 Product adjustment and implementation

There are two main challenges in the product adjustment stage. The product has to be accepted within the party and it has to be altered so that it is deliverable and competitive.

5.3.1 Competition analysis

The proper competitive analysis and reaction has arguably been the key failure of the Conservatives in the last decade. As Evans (2008, p. 297-298) argue: „The difficulties which the Conservative Party had experienced over the last ten years or so were the product of success rather than failure, that is, its victory in the ‘battle of ideas’ with the Labour Party. The rise of New Labour had created an ‘identity crises for the Conservatives, as they did not know how to deal with a party whose policies were now ‘far closer to our own’. As the Labour Party moved towards the centre ground of British politics during the 1990s, seeking to promote social justice within the confines of a market economy, the Conservative Party responded by moving further to the right.“ By contrast, Cameron seems to recognize this mistake and tries to challenge the Labour in the centre rather than try to appeal to the core vote.

A recently published survey by YouGov offers a good chance to evaluate the strengths and weaknesses of the Conservative party compared to Labour. The informants were asked which political party, would in their opinion handle each problem best. The first poll was conducted in May 2005, the last in January 2008 and thus enables us to gauge the development. The forthcoming Figure 13 shows the results.

Best party on the issues		
Question asked: Here is a list of problems facing the country. Could you say for each of them which political party you think would handle the problem best?		
Policies	Labour or Conservative lead over the policy (% Lead over the other)	
	May-05	Feb-08
Asylum and immigration	Conservative (23)	Conservative (24)
Law and order	Conservative (11)	Conservative (19)
Council tax	Conservative (3)	Conservative (4)
Childcare, support for families	Labour (29)	Labour (11)
Unemployment	Labour (25)	Labour (3)
The economy overall	Labour (22)	Conservative (2)
Inflation and prices	Labour (21)	Equal
Interest rates	Labour (21)	Equal
Economic growth	Labour (20)	Conservative (3)
Housing	Labour (14)	Conservative (3)
National Health Service	Labour (13)	Equal
Britain's relations with Europe	Labour (8)	Labour (1)
The environment, global warming	Labour (8)	Labour (1)
Education and schools	Labour (7)	Conservative (3)
Transport and roads	Labour (5)	Conservative (4)
Terrorists and the war on terror	Labour (2)	Conservative (5)
Pensions	Labour (1)	Conservative (3)
Taxation	Equal	Conservative (8)
Source: YouGov/ Daily Telegraph trends (see YouGov 2008)		

Figure 13: Best party on the issues (2005 and 2008)

The Conservative Party was indeed, successful in improving its position. While in May 2005 the Conservatives were perceived as offering better solutions just by 3 issues out of 17, the situation almost reversed in February 2008 when they secured 11 compared to 4 for Labour (in 3 cases the results were equal). Nevertheless, the results are not convincing. Even though the Conservatives enjoy a lead in majority of issues, this lead is often fragile ranging mostly around 3 to 8 points.

Furthermore a closer look at the results also reveals that even though the Conservatives invested so much of political capital into presenting themselves as the „green party“, they are still lagging behind Labour in this issue (however only by 1 per cent). On the other hand, the Conservatives managed to gain equal results in NHS, which used to be Labour domain.

To summarise the results, the party has managed to reverse the trend and become the front-runner. This lead is however not convincing and can change backwards very easily.

5.3.2 Internal reaction and implementation

Internal reaction might prove to be the most challenging stage for a political party striving to become market oriented. In the past, the Conservatives have redesigned their product in line with the market intelligence only to repudiate it shortly afterwards in the wake of elections. Therefore, if Cameron's wants to proceed with his modernising agenda, he needs to be perceived within the Party as being able to deliver in the next general election. That would strengthen his position and allow him to sideline internal critics.

There are two cases, which might be indicative of Cameron's future prospects. The first are the local elections, which took place in England in May 2006 and May 2007. Understanding their importance, Cameron's leadership intentionally lowered expectations in 2006, claiming that a gain of 100 seats would be a good result (Denham and O'Hara 2007, p. 421). In the end, the both elections were a success with Conservatives gaining just under 40 percent of the national vote. The party also enjoyed a massive improvement in London and ultimately secured the post of mayor of the capital in 2008. There are, however,

also some worrying signs. The party did well in London and south-east parts of the West Midlands in 2006, however as Evans (2008, p. 307) puts it „the party failed to break out of its southern fortress and establish an urban presence in such northern cities as Manchester, Liverpool and Newcastle.“ Aware of this, Cameron has subsequently announced a foundation of Campaign North, with its own party board chaired by William Hague in February 2008. The results of 2008 local elections indicated some improvement, however they are still encouraging rather than convincing.

The second test during the summer of 2007 when it looked likely that Gordon Brown would call an autumn election. In this case, the Conservatives repeated the mistakes of the past. They softened their modernising tone and moved to the right in order to reassure their core vote in key issues. On one hand they abandoned proposals for green taxes on supermarket parking and short flights and on the other supported a referendum on the European Union Reform Treaty, a tougher stance on immigration, and stressed the need to compact the current „crime crisis“ (Evans 2008, p. 302-303). In addition to that, Cameron himself softened his rhetoric and as Evans (2008, p. 302) puts it „balance became the new buzz word“ meaning that Cameron now supported a balanced approach between the policy priorities of traditionalists and modernisers. This strategy, however, proved to be a failure as indicated by Cameron’s approval ratings and the best Prime Minister poll presented earlier in the text. The period from June until September 2008 was the worst in history of Cameron’s leadership.

In terms of internal reaction analysis, Cameron has indeed many critics within his own party. For example Lord Tebbit condemned his efforts to „purge the memory of Thatcherism“ from the Conservative party and compared him to Pol Pot (Evans 2008, p. 301). On another occasion he criticised the new logo saying it reminded him of broccoli (Evans 2008, p. 294). Additionally, The Cornerstone Group, a socially conservative political faction within the party announced in February 2007 that it would produce its own, alternative mini-manifesto. Its chairman, Edward Leigh has called Cameron „the anti-Christ“ and called for a „return to such policies as low taxation, deregulation, strong immigration controls, strong defence“ (Evans 2008, p. 302). Therefore, it remains to be seen

whether Cameron will be forced into concessions to the right-wing factions or stick to his compassionate conservative agenda. The poll results suggest, that the first choice would prove to be a costly option.

5.4 Communication and campaign

Since the British Prime Minister Gordon Brown has not yet called on elections, the official campaign could not have started. Besides, the size of this thesis is limited. In this context, it makes no sense to go into much detail of Cameron's communication strategy. The following text will thus focus only on those parts, which are differentiating Cameron and the Conservative Party from their competitors.

Together with the rebranding efforts and change in policies, Cameron has also introduced innovative communication style to his party. While the use of Internet is nowadays a standard, he managed to utilize the medium in a refreshing way.

If the Conservatives want to communicate their new narrative to the public they ultimately have to face one problem: the indifference of the people and also the abundance of information in the public sphere. People are simply overwhelmed by omnipresent advertisement of various natures. To communicate their new image, the Conservatives have to make their message stand out. To meet this objective, Donovan (2003, p. 63) suggests the use of the knowledge of psychological factors in human information processing such as selective attention and perception.

People tend to pay attention to media and messages that have a personal relevance to them or with which they already agree. This principle operates at both level of the media and the message Donovan (2003, p. 64). If the Conservatives want to reach the young generation, they have to use channels (media) their audience is accustomed to. At the same time, they also have to wrap up their message in a proper way.

Moreover, Bevins states that there is "no such thing as mass communication" (Bevins 1998 cited in Donovan 2003, p. 64). Researches such as

the Nationwide Audience suggested that the audience tend to reinterpret the information provided by the media (see Morley 1980). Hence there is no such thing as mass communication as all input is reprocessed by each individual differently. Furthermore, to make the message more interesting, the communicator should use more inclusive tone, for example “me” instead of “we”. Bevin also claims, that “we have to recognize, that people interpret messages from the perspective of what is in it for me” (Bevins 1998 cited in Donovan 2003, p. 64).

In this context, Cameron’s decision to launch his own bog called Webcameron (see www.webcameron.co.uk) seems like the right idea. It allows him to make the message as personal as possible and to overcome some of the hindrances and possible risks linked to the traditional media such as television or newspapers.

Firs of all, he can directly communicate his ideas and views without a fear that they will be altered in a substantial way either by the media or by party members. Secondly, he can make the visitors think that they are engaged in an interpersonal communication. To strengthen this personal feeling, Cameron uses video spots, which resemble both amateur video-sharing service like YouTube and cosy camera style known from reality shows. In one of these spots called Introduction to Webcameron (Cameron 2006b), we can find the Conservative leader wandering around kitchen, washing the dishes and talking politics while being interrupted by his children demanding his attention. Since most people lack technical background to follow political debates, “they tend to be persuaded by source characteristics such as the advocate’s physical appearance” (Donovan 2003, p. 72). In this respect, being perceived as a ordinary man, taking care of the house and his children instead of engaging in political quarrels seems like a good strategy.

Thirdly, bog can be used as a tool to engage people or at least make them think that they can contribute. The Conservative leader for example posted a video spot named „How would you change the NHS?“ (Cameron 2006c), in which he expresses his concerns with Gordon Brown’s NHS cuts proposals and urges all concerned to send their own videos, maximum twenty seconds long, in which

they are asked to express their opinions and to suggest improvements of the system. These videos will then be published on the website and some of them will be used in the Party Political Broadcast, which is aired several times a year on television and radio.

Fourthly, on his website Cameron tries to reach different audiences with videos featuring either specialists or celebrities. Donovan argues, that use of experts or trustworthy persons increases the chances that the message will be perceived in a positive manner. As he puts it “people with little education in a particular area, and hence little capacity to analyze relevant information, may be persuaded by people in authority in that area or people whom they trust”. (Donovan 2003, p. 72) Thanks to this approach, visitor interested in the environment and climate change can find a video featuring alternative-looking novelist Jeanette Winterson talking about climate change and the change since “bad old Tory days”, her disappointment with Blair and Brown and their environmental policies and promising Conservative conference on the climate change (Winterson 2006).

In addition to that, the Conservatives are also utilizing web 2.0. social networks such as Facebook, MySpace, Beebo, Twitter and others. All of this adds to the personal touch of the communication. If nothing else, by pioneering this sort of communication techniques in the UK Cameron strengthened his image of a forward-looking, young politician. In the words of media studies classic Marshall McLuhan, medium is the message.

5.5 Assessment of the current strategy

The Conservative Party has noticeably changed under David Cameron’s leadership. The Party changed its logo and changed the whole branding. It also redesigned the product in order to be more in line what the political consumer wants. Instead of focusing on tax breaks and deregulation, the Conservatives now praise the NHS and want to improve public services. Moreover they put emphasis on issues that were traditionally on the fringes of their interest such as environment, global warming, poverty and „broken society“. In addition to that, it seems that David Cameron is more successful than his predecessors in

promoting his ideas within the party. Despite some criticism, he has been able to continue with his modernising agenda. Whether this strategy will prove successful remains to be seen.

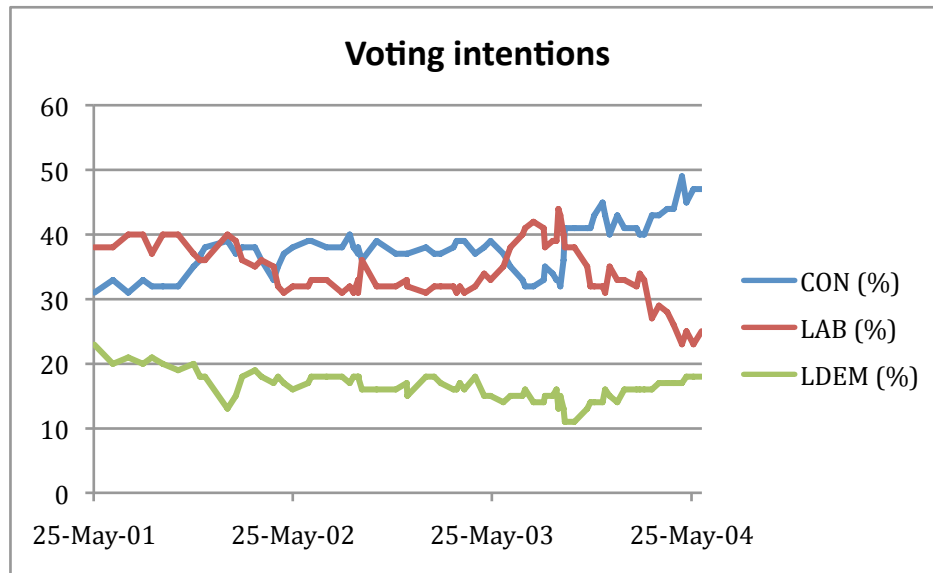


Figure 14: Voting intentions 2005 - 2008

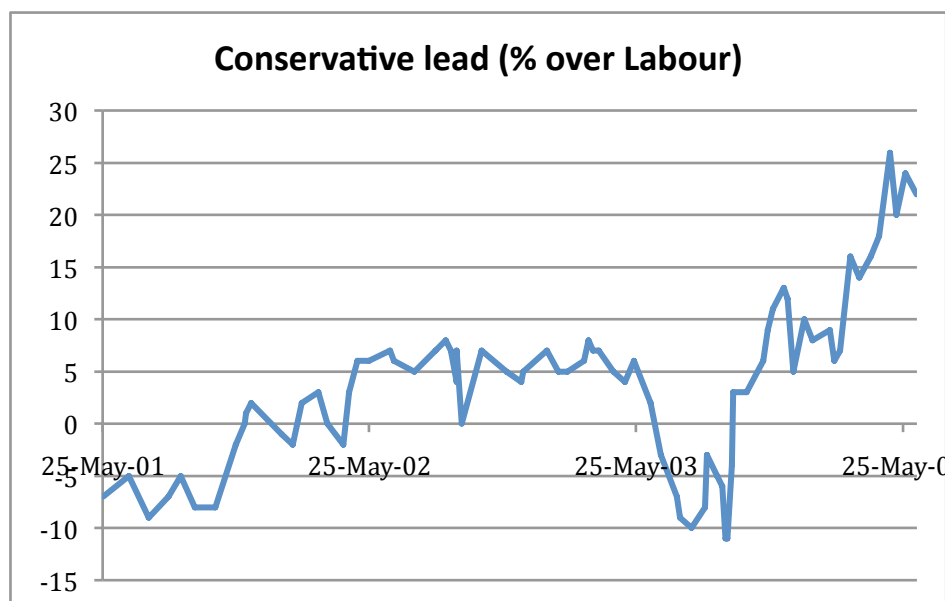


Figure 15: Conservative lead

However, political parties are primarily in the business of winning elections and gaining power. Therefore, the simplest way to assess the effectiveness of party's leadership is to look at the polls. The Figures 14 and 15 demonstrate that the Conservatives were indeed successful. Since the beginning of 2006 they were leading polls most of the time, with a short exception in the

fall of 2007. During this period, the Conservatives shortly abandoned their modernising agenda and thus confused the voters. However, since the beginning of 2008, the Conservatives managed to regain the first position and are currently leading the polls by double-digit numbers. This is by no means a guarantee that they will win the next elections. At the same time, it is, however, the best result since the 1997.

CONCLUSION

The society has undergone significant changes, which in turn have deep consequences for the political world. Party identification and membership has declined at the same time as the electoral volatility has increased. People are less and less likely to vote the party their parents always voted. Social strata, socialisation and family play less important role than in the past. Instead, the public tends to view politics as a consumer product and expects political parties to deliver. Moreover, consumerism is sweeping through the society. The rise of the political consumer has thus forced the political parties to adopt marketing methods and techniques not only to perfect their campaigns, but also to understand voters' wants and needs and to deliver on their promises once in government.

Political marketing has also transformed politics in the United Kingdom. Since the rebranding of the Labour Party under Tony Blair, the Conservatives were struggling to adapt to the new reality. Even though they won the battle of ideas and forced the Labour to embrace more liberal economic policies, they were not able to react appropriately. Instead of utilizing political marketing and being responsive to the wishes of the electorate they diverged their policies even more to the right. Together with internal squabbles this approach have succumbed them to opposition in three subsequent election terms.

Their incumbent leader, David Cameron, is after a long time the first Conservative chairman who is perceived as being able to deliver and win the elections. He has been selected on the promises to radically change the Party and to regain power. His record so far provides mixed results.

On the one hand, he correctly identified the key problem of the party. For long, it has been perceived as being selfish and mean and thus it was not trusted by the public. Moreover, Cameron's predecessors were not able to design a viable product offer that the voters could buy. Instead of offering a cohesive political narrative underpinned with credible policy claims, they disseminated mixed messages and thus confused the voters. Even more importantly, they misunderstood political marketing. Instead of exploiting market intelligence in

order to design the product and offer the public what it wanted, they used political marketing as a mere tool to improve their communication strategy. By this they repudiated market orientation and thus ultimately lost the elections.

To address these issues, Cameron has decided to reinvigorate the party similarly to how Tony Blair rebranded the Labour Party prior to the 1997 general election. A new logo has been introduced under Cameron's leadership and the Party also changed its policies in relation to the wishes of the electorate. Instead of preaching Thatcherism and laissez-faire economics, the Conservatives are now praising public services, focusing on the environment and promising to repair the broken society. The Tory leader often speaks about his commitment to the well being of the society as a whole. He supports same-sex relationships, introduction of civil partnerships or expresses his interest in the problems of inner cities, ethnic minorities or „ghettoisation“ of his country. Furthermore the Conservatives claim to stick to Labour's spending plans in the first years and manifest their commitment to public services. They are proud of the free-of-charge NHS (National Health Service) and instead of a revolution, they offer piecemeal improvements. Cameron is also attempting to lure more minority representatives and women into the Conservative Party so that it is more representative of the British society. All of this indicates that the Party is now willing to change.

On the other hand, the Conservative Party has not yet fully adopted the principles of political marketing. Cameron is being challenged from within the party both in terms of policies and in terms of using political marketing. The local elections in 2006 and 2007 and the prospect of general elections in the fall of 2007 can be seen as the first tests of Cameron's ability to deliver. While the local elections can be considered a success, the results are rather encouraging than convincing for the Conservatives. The case of the fall of 2007 gives a different picture. Facing the possibility of early elections, Cameron softened his modernising rhetoric and talked about balanced policies, which would satisfy both the traditionalists and the modernisers. This approach was similar to those adopted by his predecessors William Hague, Ian Duncan Smith and even Michael Howard. It never proved to be successful strategy and presumably, it did not

work for Cameron as well. His approval ratings went dramatically down and the Party lost much of its newly regained support.

Despite of this, the Conservatives were able to re-establish a significant lead in the polls at the beginning of 2008. Political marketing plays an essential role in this development. Cameron has returned to his modernising rhetoric and the polls now suggest that the Party is being perceived as offering better policies than its competitors in most issues. This position gives them a good chance at winning the next general election. The final result, however, remains to be seen.

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