

**Political Marketing as Party Management -
*Thatcher in 1979 and Blair in 1997***

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Abstract

Political Marketing has attracted increasing attention from political commentators in recent years, yet relatively little academic work has been conducted into its nature - either theoretically or empirically. That which does exist have focused on the use of marketing in campaigning, which although important, limits discussion to just one aspect of a party's behaviour where marketing can have an influence. Marketing as used by businesses is not just about the slogans or catch-phrases used to sell the product. It is used to inform the design of that product. Transferred to parties, marketing can be used in deciding what policies to adopt and what organisational structures to employ. More importantly, it has been used by British parties, most recently by New Labour in the lead up to the 1997 election, but also informed the behaviour of the Conservative Party as far back as 1979. This wider utilisation of marketing has affected many aspects of the parties behaviour, including leadership powers, membership rights, constitution and policies - not just their campaigning activities. This has much wider ramifications, suggesting a new role for political parties, with normative implications for politics as a whole. This paper will thus explore the potential of political marketing and its use by Thatcher in 1979 and Blair in 1997 in order to enable consideration of these implications.

1. Introduction

The permeation of politics by business has attracted increasing attention from political commentators in recent years. Research has been conducted into how ‘political marketing’ has permeated political communications with political parties making increasing use of professional advertisers from the world of business as well as polling agencies to inform their campaign design. Although this area of research is undoubtedly important, this paper is interested in the use of political marketing to inform all aspects of party behaviour, not just campaigning.

The evidence suggests that major British parties are applying not just the techniques of marketing, but its concepts. They appear to be determining their policies to suit voters’ concerns (using findings from survey research and focus groups), rather than basing them on ideological considerations. Thus, they are attempting to become what in business terms is called ‘market-oriented’ and designing their ‘product’ to suit consumer demands. This would imply a new role for political parties, one at odds with the traditional role assumed by the standard literature. It may also cause potential problems for parties ability to attract support in the long-term, as well as having significant normative implications for politics as a whole.

This paper will thus explore the full potential of political marketing on a theoretical level, integrating both management and political science literature to create a model of how a political party might use marketing and become market-oriented. It will examine the extent to which Thatcher and the Conservatives in 1979 exhibited behaviour in line with this model and comparing this with Blair and Labour in 1997. It will be seen how Thatcher used marketing to inform policy design, a model which Blair followed but to a greater extent, using results from market intelligence to push for changes to role of the membership and further centralisation of power to ensure a clear organisational structure within the party. It is hoped to show how the implications of political marketing are much wider than they might first seem, and thus an important topic for discussion.

2. Political Marketing: what is it all about?

Marketing itself is a form of management or approach used primarily by business organisations. It has evolved to include the design and promotion of a product to ensure that the goals of the organisation, the prime one being to make profit in the case of a business, are met. Marketing is not just about selling, or, in political terms, campaigning. As Levitt (1960: 50) observed, “The difference between marketing and selling is more than semantic. 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 current marketing-philosophy focuses on how firms can satisfy customers - and adopt what is called a *market-orientation* - as this is deemed the most effective way to meet the firms goals (see Drucker 1954: 37). If the firm offers what customers want, customers are most likely to buy the product and so the firm make profit.¹ This paper is concerned with the potential application of this particular aspect of marketing to politics.

Examples of existing research which has attempted to apply the theoretical basis of marketing for businesses to politics include Niffenegger (1989), Newman (1994), O’Shaughnessy

¹ Indeed, if a marketing-orientation is adopted, there will be less need for selling, for the organisation should be offering a product that is exactly what the market wants. Drucker (1973: 64-5) notes that “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. All that should be needed then is to make the product or service available.”

(1990) and Wring (1994 etc.). These have focused on the marketing functions of communications and selling, however. This paper seeks to discuss the potential implementation of the marketing philosophy, and its influence on the nature of the 'product' - or the political party in its entirety. In doing so it transfers but also adapts existing terms and create new ones, using the theoretical foundations established by literature from both political and management science.

It thus argues that if a political party implements the marketing philosophy, it will seek to meet voters needs and wants, thus producing voter satisfaction, and in doing so gain electoral support to meet its own goals. A 'Market-Oriented Party' (MOP) is one which seeks to determine its entire behaviour in order to provide voter satisfaction and in doing so satisfy its own goals. A Market-Oriented Party is not concerned with changing people's minds, but in following them. Rather than invest heavily in advertising in order to convince voters that their party is the best one, or engage in arguing their particular ideology, a party would act in line with the rational-choice notion as put forward by Downs (1957) that parties need to move to a median position to win enough electoral support to win office.² The organisational focus of the party is on voters needs and wants, and on the best way to satisfy those. A major party in Britain would thus design its 'product' - or determine its behaviour - in a way that will attract support from those it needs - thus enough of the electorate to win office in a general election.

Model of a Market-Oriented Party

There are four main activities that a party attempting to use marketing in determining all aspects of its behaviour would engage in: use of market intelligence, adapting its behaviour to suit those whose support it seeks, implementing this new behaviour at all levels of the party organisation and conveying this to the electorate.

1 - Use of market intelligence

A party will invest significant effort in discovering the needs, wants, behaviour and demands of the voters whose support it seeks. It is concerned with party-voter communication in its broadest sense, and can be derived from many sources and in different ways. Both formal/informal, quantitative/qualitative, primary/secondary research methods may be employed by parties. The leader might create committees or task forces to examine the party's problems and look into what marketing could offer which include both professionals with marketing expertise (for example, polling and advertising agencies, direct mail consultants, market analysis/statistical experts) and those from different parts of the party. This will help ensure the acceptance and thus success of marketing as party members can also be made aware of the results of research conducted by professionals and in seeing the results of opinion polls themselves, come to accept that, despite the perceived value of the party's current policies, voters will not support them.

2 - Adaptation of Behaviour

The party would then adapt its behaviour - or design its 'product' - according to the findings from its market intelligence. A party's product would include more than just the slogans and posters it produces in a campaign, and includes *all aspects of its behaviour, at all times* (not

² Unlike Kirchheimer's (1996a/b) Catch-all Party model, however, which is also built on such a rational-choice notion, marketing does not prescribe what the nature of the party behaviour will be - it all depends on what is demanded by the electorate. It need not result in a reduction in ideological baggage should the party's ideology find favour with the electorate, nor need it lead to the downgrading of individual members. Indeed the indications from across western liberal democracies are that voters want increasing participatory rights within parties and indeed, parties are making changes to their organisational structures in response (see Katz and Mair 1994). This would be in line with a market-orientation.

just at election time), and at *every level* of the party (not simply the leadership). It will thus include the power and nature of the leadership, existing or proposed MPs, membership, staff, constitution and policies. This can all influence the support a party is able to attract.

A party is a more complicated entity than a business, however, and thus needs not to simply follow voters but adjust this new product design to take into account various factors. Firstly, it will thus consider whether the product design is achievable. A Market-Oriented Party would not 'promise the earth,' but, as much as possible, ensure that it can 'deliver' its promised product - especially where policy-proposals are concerned. Secondly, it will estimate what the likely reaction of internal supporters will be to the proposed changes in behaviour. Although a party's prime goal and focus is on winning the support of the electorate, the party needs to gain enough support on an internal level to ensure effective implementation of the product design (and thus achieve a market orientation). The leadership will therefore seek to find the views of its internal members and alter the product design if appropriate to ensure it gains acceptance.

The party would also engage in competition and support analysis. It will take into account the strengths and weaknesses of the opposition parties and alter its design to ensure that it has strengths where the other party is weak, and is not completely the same as other parties. In marketing terms this is called *product differentiation*. Differences will automatically occur as the party adjusts its behaviour to suit its internal support, given the different historical and ideological backgrounds of major parties.

It will also consider what support it already has, and what is required in order to win office. If it already has long-term, loyal support from one section of society, it may reduce the aspects of the product design that suits its demand and alter its behaviour to suit another section of society which makes different demands but whose support the party does not yet have but needs to win power, as long as it can make these changes without alienating its existing support. This would provide the basis for *target marketing*, which is particularly useful for conveying the party's new behaviour.

3 - Organisational Implementation

The party will then ensure that the new product design is implemented at all levels of the party. This is essential if it is to be effective and attract support from voters, but this necessitate careful organisational handling. The greater the degree of change in behaviour required, the harder the task for the leadership to attract support for such change. Just the *idea* of adopting a market-orientation and thus, following public opinion rather than ignoring or trying to change it, let alone the particular changes required, may arouse some opposition in the party. Cannon (1996: 6) found that with business organisations, the idea "that firms exist, first and foremost, to satisfy customers' needs has not been accommodated easily into the operations of many organisations." It is likely to be even more difficult with a political party which is bound to consist of many ideas and attitudes to how the party as a whole should behave, not the least, different theories of the meaning of democracy and role of elites. The use of professionals may cause additional problems, involving a reallocation of power within the party organisation. Thus the party leadership will be aware of the potential problems and either take measure to avoid it or be ready to respond to such problems. It will also work to ensure that those within the party, particularly most senior figures, behave in accordance accept the new product design.

4 - Conveyance of new behaviour

Then - and only then - will a party engage in communicating its new behaviour - or new product design - in a positive way to voters. This would include communication in its most general sense and thus begin as soon in advance of the election as possible. As Kotler and Andreasen (1987: 505) argue, everything "about an organisation - its products, employees,

facilities, and actions - communicates something." Not only the nature of the leader, but the behaviour and rights of a party's members could be influential in attracting or repelling voters. As Shaw (1994: 175) contended, the British Labour Party failed to win the 1992 general election because (amongst other factors), despite changes in policy, "Kinnock had lacked the time and support to transform the party itself - a fatal weakness since the character and behaviour of its activists, its procedures, its ethos, its language and rituals, and its close association with the unions, all alienated the electorate." A party using marketing would attempt to display behaviour in line with the new product design at all levels and at all times.

The actual election campaign would be the last chance of the party to convey the 'product' to the voters. This would be well-run, with those at all levels in the campaign organisation knowing the product and being able to convey it in an attractive manner. Professionals would be used but also activists at the local level, and there would be a clear chain of command from the top to the bottom. The use of marketing techniques would naturally figure in this stage, but remain less important than the nature of what is being sold. Money spent on communications cannot make up for a poor product. As Shapiro (1979: 18) said: "Communications cannot carry a poor product offering; in too many non business cases, the offering has little appeal or little benefit to the individual."

If a party engages in these four activities, the model contends that it will win power. If it is to be completely market-oriented then it would also 'deliver the product' to voters and thus carry out its promises in government - this is arguably the most difficult part of marketing and the subject of much debate; for the purposes of this paper discussion will centre on the degree to which British parties changed their behaviour in line with the model, using the cases of Thatcher and the Conservatives in 1979 and Blair and the Labour Party in 1997.

3. Use of Marketing by Thatcher in 1979

1 - Use of market intelligence

The party engaged in various forms of market intelligence in various ways. The party employed the Opinion Research Centre (ORC) to do its polling and it conducted surveys in the run-up to the 1979 election which identified lower taxation, the sale of council houses and proposals likely to gain votes. Margaret Thatcher also encouraged the utilisation of ideas from less formal sources; the Conservative Research Department, policy groups made up of MPs and professionals, meetings with the shadow cabinet and general suggestions by senior party figures such as Sir Keith Joseph, Nigel Lawson, and Norman Tebbit. Results from these discussions fed into the manifesto-drafting process (see Butler and Kavanagh 1980: 65-77 and Rosenbaum 1997: 156). The involvement of both party-figures and professionals aided the implementation of the new product design.

This was supplemented by qualitative research done on behalf of the party by the agency Saatchi and Saatchi for the campaign (see Bell 1982: 13, Scammell 1995: 70 and Butler and Kavanagh 1980: 138).

2 - Adaptation of Behaviour

The Conservative party adapted many aspects of its behaviour to suit the views of voters. Firstly, in terms of the party leader, Whyte (1988: 48-49) argues that "in selecting Mrs Thatcher to lead the party, the Conservatives adopted the marketing concept in that they adapted their product to meet the needs of the market." Thatcher argued that policies should

come from principles, giving herself the image of a conviction politician.³ Yet the policies she argued for were suited to the views of the electorate (see Butler and Kavanagh 1980: 6 and 66-67). Additionally, her style arguably responded to voters desire for a strong leader who would not go back on promises as past leaders had done, and would have the determination to face the nation's problems. Thatcher can therefore be seen as responding to the market in deciding both aspects of her behaviour.⁴ She engaged in careful party-management, appointing a cabinet which reflected the different views within the party, sought and gained the approval of the predecessor Heath for the party's pre-manifesto documents, encouraged communication between different party-committees as well as professionals and MPs and made herself available for discussion (see Butler and Kavanagh 1980: 65-67 and Blake 1995: 321). King (1981: 65) argued that the most important thing was that "she listened; she argued, but she also listened, at least to those in her own party."

The staff employed by the party at Central Office and the Research Department were extremely effective. Lord Thorneycroft became Chairman and proved to be capable and proficient in his job with good relationships with the party leader and constituencies (see Butler and Kavanagh 1980: 71, and Blake 1985: 333). Gordon Reece was appointed Director of Publicity. Reece had professional experience and built-up a good relationship with the party leader (Rathbone 1982: 44 and Scammell 1995: 79). Reece appointed the professional agency Saatchi and Saatchi, to do the party's advertising (Behrens 1980: 57).

The party's policy proposals were clearly geared to suit market opinion. The main proposals in the 1979 manifesto were to cut public spending, implement stronger controls of trade unions, cut the income tax rates, sell council houses to tenants and introduce stronger measures to combat law and order. Butler and Kavanagh (1980: 6 and 37) noted how Gallup polls and surveys indicated that voters were sceptical about big government, higher spending programmes and Keynesian economics. Law and order increasingly became a problem in the voters eyes, with the proportion citing it as a failure of government in a Gallup Poll doubling between 1975 and 1978, so that in 1978 it became the fourth most important issue.

Surveys which analysed voters reactions to the manifestos also showed the Conservative's proposals to be not only widely known but popular (see Butler and Kavanagh 1980: 131). Even Labour voters approved the majority of their policies (see Leonard 1981: 115 and Crewe 1981: 293-4 & 303).

At the same time as responding to voters demands, the Conservative's policy commitments were limited to those most likely to be achievable in government. The manifesto actually argued that in the past, politicians had tried to do too much, and that a new Conservative government would prioritise and would work "with the grain of human nature" (see Butler and Kavanagh 1980: 77-78 and 154-5, Behrens 1980: 60).

The 'product' also reflected views from within the party because of the involvement of MPs in market intelligence and Thatcher's party management, and any changes in behaviour were broadly accepted by the rest of the party. During the campaign the controlling groups consisted of professionals and party members, and Tim Bell, the Director of Saatchi and Saatchi (1982: 11) recalled, how the Research Director Chris Patten "checked back that we

³ It was Thatcher herself who coined the phrase conviction politician, during the election campaign (see *The Guardian* 17 April, 1979).

⁴ Scammell (1994: 24-5) argued that "Thatcher... provided a near-perfect example of strategy matching the conclusion of market research: she combined a manifesto of mainstream Conservative economic prudence with the rhetoric of strong leadership... The gulf between Thatcher's uncompromising rhetoric and compromising policies struck commentators at the time; however, they sought an explanation, not in political marketing, but in the tension between pragmatism and ideological conviction."

were continuing to sell policies which fairly represented the party rather than just those we felt were most attractive.”

They also made the most of Labour’s weaknesses, not just on taxation policies but the opportunity arising from the ‘Winter of Discontent’ just prior to the election. This undermined what had previously been a strength of Labour - relations with the Trades Unions. Thatcher put forward new, strong proposals for Trade Union reform in a Party Political Broadcast in January 1979, which attracted a positive reaction from voters as measured by polls (Butler and Kavanagh 1980: 85). Scammell (1995: 86-87) argues that the Conservatives “were handed the weapon of the Winter of Discontent and they made the most of it. They were also aware of their own weaknesses and attempted to minimise them.” Clemens (1983: 20) noted how Thatcher’s speeches tended to deal less often with jobs - “the one issue on which the Conservatives were well behind in the polls.”

Saatchi and Saatchi identified four target markets for the party. These were first-time voters, women, skilled workers and the party faithful, with, for example, policies such as the proposed sale of council houses being geared to skilled workers living in council estates.

3 - Organisational Implementation

The implementation of the new product design was a relatively trouble-free process for the Conservatives, partly because the leadership had involved and encouraged the use of views from senior party figures and MPs generally. Any differences over policy had already been played out by 1977, in the period leading up to the production of the documents *The Right Approach* (1976) and *The Right Approach to the Economy* (1977). The drafting of the manifesto was also begun early in preparation for an early election date in the autumn of 1978 and had a clear, consultative process (see Butler and Kavanagh 1980: 153-155). The leadership was also aided by support from the grass-roots to design policy as it wished (Butler and Kavanagh 1980: 73-76). As is somewhat inevitable with a political party, a certain amount of disagreement remained, but on the whole the party presented a united front.

4 - Conveyance of new behaviour

The Conservatives began to engage in regular press advertising well (18 months) before the election (see Delaney 1982: 30). Tim Bell, the Managing Director of Saatchi and Saatchi, began to develop a communications strategy in 1978 and he built the party’s advertising on the results of qualitative research, appealing in particular to the party’s target groups. Research by Scammell (1995) shows how as leader, Thatcher made significant efforts to change her image according to findings from polls and following Reece’s advice as Director of Publicity (see also Butler and Kavanagh 1980: 140 and Livingston 1981: 143).

The actual election campaign was designed with the understanding that the party needed to win the support of its target markets. The themes employed in the advertising - freedom under the law, incentives, Labour’s failures and the threat of economic decline, with the general message of ‘time for a change’ - were designed to suit the target voters. The advertising mediums were also chosen with the target markets in mind; newspaper adverts focused on the popular papers such as the Mirror and the Sun, women’s magazines (for women) and the cinema (for first-time voters). The Party placed major advertisement in the last five days of the campaign in the most popular papers (see Butler and Kavanagh 1980: 138 and 195, Blake 1985: 334). Livingston (1981: 141) notes how Thatcher’s speeches were designed to appeal “not only to convinced Conservatives but to wavering Labourites. Her audiences were full of cheering and cheerful supporters, but her words were often aimed over their heads to traditional Labour voters who might be persuaded to join the crusade.” Reece also ensured that public appearance by Thatcher were targeted to suit target voters, with appearances on television programmes such as the Jimmy Young Show (Butler and Kavanagh 1980: 140/172, Scammell 1995: 79).

The campaign was also well organised. Communication lines between different sections of the party during the campaign were clear. Thorneycroft had unchallenged authority throughout the campaign, aided by his own skill and having the leaders trust (see Livingston 1981: 147 and Butler and Kavanagh 1980: 175-6). Each person's role in the campaign group was clear and there was easy communication between party workers and the agency Saatchi and Saatchi (see Bell 1982: 11, Rathbone 1982: 44, Scammell 1995: 68). The Organisation department, directed by Anthony Garner, was in continuous communication with those involved in the campaign effort at lower levels in the party (thus, the local agents and candidates and associations) and offered constant support, information and advice.⁵ In combination with the Research Department it issued *Daily Notes* to all campaign activists so they were aware of any new developments or changes. They also gave summaries of stated party policy, including analysis of Labour proposals, and general advice to all candidates (Livingston 1981: 148). This assured some continuity between different levels of the party, and supported activists in their 'sales force' role.⁶

On the whole, the Conservative Party in 1979 used marketing to a significant degree and it was successful in winning the election with a swing of 5.2% and 43.9% of the popular vote.

4. Blair and New Labour - Political Marketing as Party Management

Brand names are at the heart of modern marketing. Neither Tony Blair nor Peter Mandelson would be flattered to be called 'marketing men' but it is now clear that the establishment of New Labour as trustworthy brand name was a textbook marketing operation...

As the marketing textbooks recommend, they re-formulated the product (Old Clause IV ditched, old policies emasculated). This was accompanied by a small but momentous tweak to the old brand name. Market surveys - particularly focus group discussions - were used constantly to check the acceptability of every policy, every message, every idea. The strengths and weaknesses of the competition were assiduously analysed. The target market was carefully selected: only middle-of-the-road wobbly Tories need apply. Then all communications were co-ordinated and unified, to maximise impact. (Fletcher 1997: 19)

As the above quote indicates, in many ways Blair's 'New Labour' party can be seen as the classic Market-Oriented Party, with findings from market intelligence being used to inform changes in every aspect of party behaviour.

⁵ In a series of documents called 'General Election Memorandum' of which a total of ten were issued in 1979 (one every 3-4 days throughout the campaign). Livingston (1981: 148) observed how they gave advice to the agent on matters such as "when to send out his election addresses, how to fill out the proper forms, when to rent committee rooms, how to organise canvasses, how to make sure that the nomination papers were filed in good order."

⁶ This type of careful organisation paid dividends. For the purpose of organising the campaign effort, the Party divided the UK into 12 areas. Livingston (1981: 153-4) provides a detailed account of how in the South-eastern area, the area agent John Lacy developed a mutual aid system. This system provided each constituency with a mutual-aid officer and a specific a role in the campaign. Those in the safest seats gave up staff and effort to those that were less safe and in need of extra help, such as the Labour-held seats of Dartford, Rochester and Gravesend. The efforts paid off - the party won all 40 seats in that area - and the system was not unique to the South-East. Livingston (1981: 154) noted how one activist at CCO claimed it was "the best co-ordinated campaign they had ever had, with more cooperation forthcoming from every quarter."

1 - Use of market intelligence

The party engaged in various forms of market intelligence. It party commissioned qualitative research using focus groups led by Philip Gould which concentrated on wavering Conservative voters. The party also engaged in quantitative market intelligence through a regular survey by NOP. The results from this research revealed significant weaknesses in Labour's 'product' in 1992, such as the party's commitment to raising taxes, close relationship with the unions and perception of being against individual aspiration (see Wring 1994-5: 15, Seyd 1998: 51-59, Norris 1998: 127, Butler and Kavanagh 1997: 129-130 for details). These findings were shown to key party figures and were used by Blair to inform and generate support within the party for further change (see Wring 1994-5: 15). The party also engaged different sections of the party in the discussion of proposed policy, with a new Joint Policy Committee which consisted of equal numbers from the NEC and shadow cabinet, together with representation from the European PLP and party in local government and the creation of six policy commissions (see Seyd 1998: 67).

Additionally, the party used market intelligence in 'test marketing' - for example, the focus-groups were also used to examine voters response to the party's behaviour after it changed (see Butler and Kavanagh 1997: 60-61), and Labour launched a draft manifesto '*New Labour, New Life for Britain*' in 1996 and analysed the reaction of the public afterwards, enabling them to remove anything that proved problematic before the final manifesto was produced in 1997 (Norris 1998: 127). The focus groups were also used during the campaign.

2 - Adaptation of Behaviour

Tony Blair's election as leader after John Smith's death would appear to be in line with market-views. King (1998: 201) contended that Blair "might almost have been a product of computer-aided design. He was young, He was classless. He was squeaky clean." He was a family man, media-friendly, centre-left with few links to the traditional labour movement. Blair belonged to the 'modernisers' section within the party, which argued that the party would not win unless it enacted significant changes which would find favour with the electorate, and also that the change had to occur at all levels of the party (see King 1998: 201 and Butler and Kavanagh 1997: 47). The strong leadership style and control over the rest of the party which Tony Blair adopted helped to ensure that the majority of the party did acquiesce with the changes in behaviour he argued for. Those who strayed the party line were reprimanded and/or isolated. This tough leadership-style inevitably aroused some criticism, yet market intelligence showed that voters wanted strong leadership with a clear sense of direction (see Seyd 1998: 65 and Butler and Kavanagh 1997: 54).

Attempts by the party leadership to make the party market-oriented were extended to the character of candidates standing for election. A subcommittee of the NEC drew up short lists of candidates for by-elections, which then went for consideration to local party constituencies. In the case of some locally-chosen candidates for the general election, the leadership overruled the decisions, as in the case of left-winger Liz Davis, selected for Leeds North East' who was de-selected by the NEC. Similarly, senior MPs most loyal to the leader and the New Labour design were promoted to more visible positions while those more critical of the changes being moved to lower positions.

The membership of the party was altered in various ways. A recruitment drive under Blair increased its size from around 266,000 in 1993 to 420,000 by the 1997 election. The participatory rights of members were also increased and altered. Under Smith members were given the right to vote in a leadership election, which they did when Blair was elected. Following the results of market intelligence, the power of the trade unions in the party was also reduced, with a reduction in their respective voting-share in the party's electoral college and financing of the party. Tony Blair also made it clear that the unions could not expect special deals from the party if it did get into government (see Fielding 1993: 26, Jun 1996: 69-

71, Farnham 1996: 587-596, Seyd 1998: 63-65, Butler and Kavanagh 1997: 49, Kavanagh 1997: 534 and Norris 1998: 27).

Blair quickly built up a small group of advisors, which in effect created a marketing team - the so-called 'inner circle.' This included Peter Mandelson, Philip Gould, Alastair Campbell (all with professional experience). The marketing team were taken seriously by the leadership and their advice used in determining party behaviour. In this respect, it was extremely effective. There was, however, some negative reaction to this from others in the party, who felt sidelined.

Blair's success in changing Clause IV, section iv of the party's constitution in April 1995 marked another move towards a market-orientation. This part of the constitution, written in 1918, implied a policy commitment to state ownership of the means of production. The new clause confirmed a commitment to a market economy and stated the Labour Party to be a democratic socialist party and was thus more in line with the views of the electorate and the claims of the party to be in favour of a free market

Party conferences became increasingly stage-managed in order designed to suit the electorate at large, reducing the role they played in policy-making but helping to convey an image of a united party. At the 1994 party conference the slogan, 'New Labour, New Britain' was launched and the attachment of the word 'new' to 'Labour', continued from thereon, emphasising the changes that the party had made and that it was different from (and in government would be different to) 'old' Labour. At party conferences the national flag, the Union Jack was also held up alongside, or increasingly instead of, the red flag, and only one verse of the song the red flag was sung at the party conference before the 1997 election, thereby de-emphasising the party's traditional one-sector appeal and focusing on the party's new appeal to the whole of the country.

Under Blair, the party's policies were altered to fit the findings from market intelligence. The previous commitments to higher income-tax and the nationalisation of privatised industries were dropped. Attempts were made to project Labour as the party of aspiration and high educational standards, as being tough on crime, and pro-reform of the welfare state, rather than expansion. It presented a much more pro-business attitude, committing itself to existing Conservatives' spending plans for the first to years of a newly-elected parliament as well as not raising the basic and top rates of income tax. On the 4 July 1996 they launched five specific pledges which reflected voters demands, focusing on education, crime, the NHS, welfare and economic management:

1. Cut class sizes to 30 for under 5-7 year olds.
2. Speed up punishment for persistent young offenders by halving the time taken from arrest to sentencing.
3. Cut NHS waiting lists by treating an extra 100,000 patients (by saving money in the health service spent on bureaucracy).
4. Take 250,000 young people off benefits and into work by using money from a 'windfall tax' on privatised utilities.
5. Set tough rules on government spending and borrowing.

These formed the basis for the final manifesto, which provided a 10-point contract with the people. Sanders (1998: 226) argued that the main Labour policy's were in line with the electorate - "In each of the policy areas that voters considered important, Labour had positioned itself carefully."

That the Labour Party's list of definite pledges it promised to deliver on if elected was short and limited, and included details on how it would achieve these - for example fulfilling pledge 3 - cutting waiting lists in the NHS - by reducing the money spent on bureaucracy, indicates efforts of the party to ensure the product on offer was achievable in office - and also that they convinced voters of this. In the introduction to the party's final manifesto, Blair commented: "our manifesto does not promise the earth. It does not say it can do everything. There are no magic wands or instant solutions."

It is debatable, however, as to whether Blair undertook enough steps to ensure that the product design was adjusted to suit the views from within the party. Opposition to the changes which Blair initiated was visibly apparent, such as that to the proposed change in Clause 4. 32 Labour MEPs took out an advert against its reform in the *Guardian* 10 January 1995. Fielding (1995: 106) noted how "Tony Benn compared Blair's proposal to revising the Ten Commandments: he did not intend this to be a compliment... Arthur Scargill described Blair's speech as a declaration of war on the rest of the party." On other occasions new policies, which went against prior party commitments, were announced with little consultation with the rest of the party, such as those on holding referendums on Scottish and Welsh devolution (see Seyd 1998: 66). Rose (1997: 751) noted how by 1997, the Labour Party "had fewer similarities with the party of Harold Wilson or Hugh Gaitskell than it did with the New Democrats of President Clinton, not a party in the textbook sense but a campaign apparatus with a single clear goal, electoral victory."

It is not just the nature and extent of change in behaviour that Blair pushed for the party to make, it was the manner in which the change was brought about. This could lead to the conclusion that he did not follow the model exactly, neglecting to take different points of view and the history of the party into account. Butler and Kavanagh (1997: 50) noted that he did not even try "to present himself as a man of the left or as one who would try to balance the party factions." Blair's lack of a traditional Labour background hindered him in this respect; Ken Coates, a Labour MEP with long links to the party, claimed that Blair was "quite simply, a Liberal... This young man has not the faintest idea of how socialists think, and does not begin to understand the mentality of the party which he has been elected to lead."⁷

However, alienation of such politicians may also have helped to attract support from the party's target voters. Additionally, as Seyd (1998: 66) argued, "the opportunities for consultation and participation by the membership became far greater under Blair's leadership." Political education meetings were held across the country between 1994 and 1997, especially intended for new members, with small-group discussions which provided the opportunity to discuss party policies (see Seyd 1998: 66). The leadership also balloted the membership on reforming Clause 4 and the party's election manifesto.

It is difficult to assess whether he went too far or too quickly in changing the party. Results from market intelligence called for such changes, yet some of the party's most loyal supporters were against them. Scargill split off from the Labour Party to form his own new Socialist Labour Party. The party has also lost some members over the same period, however, members who may have been the most active and supportive in the party.⁸ Preliminary analysis of the most recent study of the Labour membership by Seyd and Whitely (1998) would indicate the those members who joined after Blair was elected leader are less active

⁷ Reported in the *Daily Telegraph* 13 January 1995; quoted in Seyd (1998: 54).

⁸ An article in the *Daily Telegraph* newspaper (Monday August 14 1995: 6), by Jon Hibbs, reported how for every three new members Labour recruited, it was losing one existing member. The article noted that "Labour's latest recruitment figures show that while it gained 112,950 members since Mr. Blair was elected, it also lost 37,987 over the same period. That is equivalent to 11 percent of the entire membership."

and committed to the party. This is a problem for a party: how to meet the sometimes conflicting demands of internal and external markets.

Futhermore, the Labour Party did follow the model in terms of adjusting its product to remove electoral weaknesses it had exhibited in previous elections. One example would be the moves made to distance the party from its historical link with trade unions. Another is the reassurances given to voters that the party would not increase income tax in order to remove weaknesses the party had, particularly the lack of ability to manage the economy, through the tough controls on proposed spending, special business manifesto, and Blair's discussions and meetings with businessmen. In terms of the competition, many of the policy-positions Labour moved to appeared extremely close to the Conservatives. It is almost as if the Labour Party examined the Conservative strengths, and took them for themselves, then turning to exploit the remaining Tory weaknesses.

The changes the party made were also clearly informed by an understanding of the party's existing and required support in the electorate. The party focused on gaining the support of voters in what Blair himself called "middle income, middle Britain."⁹ The party thus devised a plan using target marketing, aimed at seeking the support of these voters. This was done through changes in policy and organisation which would find favour with such voters as evident from the post-1992 market intelligence. The Party also engaged in targeted communications and campaign through its key seats strategy, called 'Operation Victory' (see Henig 1997: 4).¹⁰

3 - Organisational Implementation

There can be no doubt that Tony Blair accepted the idea of marketing. He was convinced that the party had to change to respond collectively to findings from market intelligence. He built a supportive team around him of advisers and senior MPs who also believed in the need to change the party's behaviour. The degree to which the rest of the party accepted the idea and specific changes behind 'New Labour' is debatable. Blair was successful in implementing the new product design in as much as a majority of the party, at all levels, displayed behaviour in line with it. His tough leadership style together with organisational changes (such as the reduction in the role of the NEC and party conference vis-a-vis the leadership) helped to ensure this.

Thus, superficially the implementation of the product design was extremely effective - the desire for electoral success helped ensure unity at least on a superficial level. More importantly, the response of voters as measured by polls would seem to suggest that they did accept the party had changed and perceive it to be unified (see Kellner 1997: 622).

The manner of enforcement of this behaviour, however, aroused criticism and resentment from some in the party; in the *New Statesman* (8 August 1996) Clare Short referred to Blair's advisors as 'people who live in the dark.' Marketing needs to be an open and truly integrated activity if a market-orientation is to be achieved. It also leaves potential for problems in the

⁹ Reported in the *Guardian* 25 February 1995; quoted by Seyd (1998: 60).

¹⁰ Two years before the election, the party created a task force to change 5,000 voters minds in 90 target marginal seats. The voters targeted were called 'switchers' - those judged to be likely to change from supporting the other parties to Labour. Henig (1997: 5-6) reported how these voters were identified 18 months before the election, through questions asked by telephone which established the party identification and intended vote of electors, as well as other characteristics. This information was then used to create categories of voters, thus creating smaller target groups. The most important of these were the switchers, but also first-time voters seen as weak identifiers, Labour supporters who did not always vote and Liberal Democrat voters in 1992 who preferred Labour to Conservative. This information was then used in the campaign.

long-term.¹¹ It is not clear that it would be possible for the party leadership to do anything different, yet still meet the demands of the electorate at large, however.

4 - Conveyance of new behaviour

Labour's communication effort was extremely well-disciplined, designed to project images and receive media reports that would depict the party in a light favourable to the demands of the electorate. A new communications centre was created in Millbank Tower in Westminster, where the Party began to lease two floors from the autumn of 1995. All key staff were moved there, only party headquarters remained at Walworth Road in South London. The staff worked under the direction of Peter Mandelson. Significant effort was put into ensuring that a unified party line was projected. Shadow cabinet members were reprimanded or punished if they stepped outside the party line and the media were fed favourable stories or photo-opportunities. As Blair's press secretary, Alastair Campbell designed a strategy to improve its relationship with the popular press - including newspapers traditionally favouring the Tories. Additionally, if any section of the media produced a report that was deemed to be unreasonably negative, party officials would often contact them and complain (see Butler and Kavanagh 1997: 58-59 and Fielding 1997: 27-28).

The campaign played by the Labour Party was not particularly striking. The product design had been well communicated to voters before the election campaign even began. Labour simply reiterated what it had already been saying during the communication stage; that Labour had changed and Blair was leading a new, modernised party. Organisationally, it was carefully planned and tightly run, directed from the party rooms at Millbank Tower. Communication between senior party figures, staff, agents and candidates was regular and clear. Several task-forces, each with a separate role to play, were created. One was a rebuttal unit was created to deal with attacks from the opposition. Another ran the party's 'Operation Victory' - the campaign in the 90 targeted seats (see Norris 1998: 127, Fielding 1997: 27-28, Butler and Kavanagh 1997: 92). The campaign at both a national and local level used target marketing and focused on the key seats wherever possible. Henig (1997: 7) observed how around 85% of the electorate were generally ignored in the campaign apart from standard leaflets, and out of "an electorate in Great Britain who 42.61 million, fewer than 925,000 voters were targeted, approximately 2.2% of those eligible to vote. The era of the 'total targeted campaign' had arrived."

As the party had already reduced its past weaknesses of tax and the economy, it now fought on its strengths - education, health and jobs. Advertising was handled by BMP which had close ties to the party. Posters reinforced the party's five pledges, using simple statements like 'Class sizes will be smaller' or criticised the Tories, with adverts saying '22 tax increased since 1992.' The party's first PEB focused on portraying Labour was the 'Party of Business' which would also help to convince voters that the party could handle the economy (Fielding 1997: 30). That the campaign yielded little of note in substantive terms, would fit the model because if marketing is used properly, there will be less need for selling.

By the time of the 1997 election, the Labour Party had moved a long way towards a market-orientation. The leadership had changed every aspect of the party's behaviour to suit findings from market intelligence, and ensured that this change permeated all levels of the party to a considerable degree. Having followed the model remarkably closely, the party was rewarded

¹¹ It remains to be seen how long this unity will last, however. Seyd (1998: 70) observed how up to the 1997 election "the party at all levels, from individual members to MPs, from trade union leaders to members of the NEC, were all so hungry for victory that they were willing, over almost a whole Parliament, to submit to this single-minded regime. Once elected to power, the challenge is whether Blair and his colleagues can put aside those fears and implement the beliefs in such a manner that New Labour does in fact lead to new Britain."

with significant success in the 1997 election. Labour won 43.2% of the popular vote, and 419 seats with a majority of 179. In the first meeting of the newly assembled PLP, Blair declared:

Be under no illusion. It was New Labour wot won it.¹²

5. Conclusions

Political marketing is about more than just the use of snappy slogans or spin-doctors. It holds the potential to influence all aspects of a party's behaviour. It was used by Blair in 1997 but also by Thatcher in 1979. Both accepted the basic concept, that parties should change their behaviour to suit what voters want. They then sought to engage in the necessary activities to do this, identifying voters' needs and wants through various forms of market intelligence and ensuring leadership behaviour was in line with public opinion, as were the policies on offer. They were both relatively successful in ensuring high party unity and conveying 'what was on offer' to the electorate. Blair went even further, increasing the degree to which party policies followed voters demands, as well as altering the organisational structure to increase the leaders power and suit members' desire for greater participation. He also imposed more control on the character of candidates for office and MPs in general, ensuring that the 'product design' permeated all levels and aspects of the party.

Because the nature of political marketing is wider than commonly thought, the implications of its use by parties are profound. The behaviour of a Market-Oriented Party is in certain respects contrary to the traditional functions and roles traditionally attached to parties. The main point of contention is the basic concept underlining marketing, that parties should follow what voters want. This would be akin to the rational-choice notion as put forward by Downs that parties need to move to a median position to win enough electoral support to win office. Normatively, this is often criticised. Elite theories of democracy argue that only certain people are capable of deciding what should be done in government. As Smith and Saunders (1990: 298) explain, "Pandering to the prejudices of the majority might herald a tyranny of the ill-formed. Capital punishment, forced repatriation and other lowest common denominator issues could become important if marketing research showed a short-term benefit in courting them." This is also against British parliamentary system-traditions, with politicians elected as representatives not delegates - they are not supposed to respond to public outcry but should make informed decisions. Thus, as Edmund Burke said, "I am here to represent your interests, not your desires." Walsh (1994: 68) similarly argues that some things that people want would be wrong; "The central questions of politics, the nature of punishment, the organisation of health and education, foreign relations and the formation of law cannot be settled on the basis of consumers' expression of wants. Politics is irredeemably a moral undertaking and what is efficient comes second to what is right or good for the social community."

From a pragmatic point of view, there are also arguments as to whether the use of marketing in this way can help to increase party's standing. A Market-Oriented Party gains support because of a promised product, which, should it not deliver, it will lose very quickly. Such suppositions have already been made about Blair's support (see Sanders 1998: 242 for example). What option a party seeking office in government has, though, is debatable. The nature of voters today arguably requires market-oriented behaviour; the 'market conditions' are such that voters are better educated, informed, more critical and thus make their voting decisions more on the basis of what parties are like or will deliver in government than on attachment to ideology. Marketing is about parties adapting to environment which all political institutions need to do that if they are going to survive.

¹² Quoted in Seyd (1998: 59).

Additionally, the more subtle aspects of political-marketing theory argue that parties need to do more than just follow public opinion, however. Market intelligence need not result in a day-by-day following of public opinion polls; it should involve the use of several methods and sources of ideas as to what voters need and want, including those from within the party. If a party uses marketing in the long-term, it should engage in constant market intelligence, and attempt to identify future demands as well as present ones. Thus debate over issues currently contentious might be necessary to ensure a satisfactory response to them should a change in policy one day become imperative. The spectacular loss of support for the Conservative Party as evident in opinion polls and then the 1997 election is an example of where a party which was once close to a market-orientation lost their position through a failure to keep track of changing voters concerns. Parties need to adjust their product to suit the demands of their internal supporters as well, thus, the use of marketing need not lead to parties that are completely the same. They also need to ensure that they can deliver their product, or voter satisfaction will not be achieved. It will reduce their chances of being re-elected. Although a Market-Oriented Party needs to identify - and so 'follow' - voters needs and wants, it is the party which needs to decide the detail of measures to be implemented to meet these demands. There thus remains room for use of elite expertise and wisdom in the effort to provide voters with what they want.

It will not be a simple process for a party to make full use of the potential of political marketing (both its concepts and techniques). The transference of practices suitable for businesses to politics is a complex matter, and the use of marketing in parties requires psychological and sociological aspects that are not as necessary for an organisation whose sole goal is to make a profit. Political Marketing is much more about party management than might first appear.

It remains to be seen whether the true potential of political marketing - to reduce voter dissatisfaction and so secure the survival of political parties after a period of so-called party decline, will ever be realised, if indeed it is possible in practice as well as in theory.

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