The Europeanisation of the British Political Marketplace

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Abstract

The coalition government that resulted from the 2010 general election represents a new scenario in the British political marketplace with implications for political marketing theory and practice. The modelling of political marketing in the UK has evolved in relatively stable market conditions in which majority governments are elected; the market restructure arising from the 2010 election outcome offers an opportunity for a revised understanding of the field. Political science has established an important and dynamic body of knowledge that explains the founding and operation of coalitions. A comparative appraisal of coalition government and commercial cooperative arrangements indicates some commonalities. Western European elections are characterised by multiple actors, regional preferences, smaller parties, cooperative distribution of power and assumed negotiability of the offer. As the British political marketplace evolves to exhibit similar characteristics, insights from these markets are used to contribute to the more multifaceted, cooperative models of political marketing management required for the UK.
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At the moment that the polls closed in the 2010 British General Election, the rules of the game changed for the political parties. The coalition government that resulted from the post-election negotiations represents a new scenario in the British political marketplace, with important consequences for political marketing theory and practice. Political coalitions are not alien on the British political landscape, of course. While they have been unknown in Westminster since 1945, politicians, bureaucrats and citizens in Scotland, Wales and Northern Ireland are no strangers to the experience of minority government and coalitions (Cairney, 2010). Nonetheless, the coalition arrangements under review here are those of the first-order or national, general election of 2010.

In political science, there is an established body of knowledge that explains the formation, governance and dissolution of coalitions. The question of which parties get into government in parliamentary democracies is “simply one of the most important substantive projects in political science” (Laver & Schofield, 1990, p. 89). Scholars from multiple fields “have made the study of government formation one of the most theoretically active areas of research in the discipline” (Martin and Stevenson, 2001, p33). Indeed, the politics of coalition is central to representative government in Western Europe according to Gallagher, Laver & Mair (2006). It is clear that the implications at the levels of political institution, organisation and behaviour (Fox, 2010) demand a political marketing analysis.

Political marketing has evolved largely on the basis of applying business concepts to political situations. The modelling of political marketing in the UK has occurred in relatively stable market conditions in which majority governments are elected. Accordingly, campaign studies have reflected a particular style of two-party, win-lose competition with an expected outcome of a single party victor (Butler and Harris, 2009). In contrast, Western European elections and government systems are characterised by multiple actors, regional preference within electoral markets, cooperative distribution of power, assumed negotiability of the offer and the fragmentation of media (e.g. Lilleker & Lees-Marshment 2005). Coalitions are the established pattern in many European and other democracies:

Data collected across 479 governments in 17 West European countries over a sixty year period indicate that coalition governments are the norm...[T]here is a growing trend in the last twenty years for executive power to be shared between two or more parties (Hobolt & Karp 2010, p. 300).
The more complicated political market revealed by the 2010 election outcome offers an opportunity for a revised understanding of the field. The demise of the assumption of majority government and the expectation of new forms of alliances and coalitions will bring the UK into closer alignment with mainstream European political marketplaces: more multifaceted, cooperative models of political marketing are therefore required. From this perspective, a “Europeanisation” of British politics is in prospect.

This essay responds to the need for a marketing perspective on the revised marketplace and implications for strategy, campaigning and party management. First, an overview of political coalitions is presented that highlights the relevant literature in political science. Next, a comparative appraisal of coalition government and commercial cooperative arrangements is outlined. Even though a great variety of alliances, partnerships and agreements are routine among commercial organisations, minority governments and political coalition have no simple parallels. As the UK comes to resemble other marketplaces, Western European politics provides a rich insight for modeling the UK. So, with core marketing structures and strategy processes as the foundation model, the experiences of European political entities are mined for their insights. Finally, conclusions and suggestions for further research are proposed.

Political coalitions

The rationale for political parties to form pacts or coalitions is well understood. In political science, the starting point for coalition theories is the motivation of the actors involved (Coleman, 1970). The principal reason for coalescing is the opportunity to acquire some degree of power to legislate on the basis of party mission and to execute policy. Coalition formation enables a political party to gain clout. In marketing terms, the acquisition of power through coalition may be understood as gaining market access. The ensuing wielding of power may also enhance the reputation and perceived competence of the party or individual; to that extent it increases its brand equity.

Ultimately, political systems influence political marketing approaches (Stromback 2010). In the UK, the first-past-the-post system has tended to increase the proportion of seats held by the two main parties, thereby making it likely that one of these two contestants would achieve power alone. Such majoritarian systems tend to be adversarial and emphasise government accountability. In proportional representation systems, there is a reduced likelihood that any single party will win a sufficient proportion of the vote to gain power alone since more parties will be challenging for support, and so coalitions are more likely (Curtice, 2010). These consensus-oriented systems tend to emphasise inclusiveness. In the Netherlands, for example, the lijstverbinding (list connection voting system) incentivises smaller parties to form alliances to pool votes.
Coalitions carry risks for political parties. The compromises demanded of a party to a coalition can damage its long-term credibility and support. From a marketing perspective, the risks include effectively tarnishing its brand equity by supporting policies that are not aligned with the party’s traditional values, by reneging on an election promise to its voters and supporters, or by failing to deliver satisfactorily on a promise. The matter of accountability is a constant and critical issue for government parties, and studies in public finance and political economics emphasise the particular accountability deficits in coalition governments (Kiss, 2009).

It is necessary to distinguish between types of political coalitions. *Ex-ante* coalitions arise where an alliance is formed between parties in order to contest an election; *ex-post* coalitions are where no party has a majority when the votes are counted and an alliance becomes necessary for government formation. In the UK context, the SDP–Liberal Alliance of 1981-88 was an *ex-ante* coalition, for example, whereas the 2010 Conservative-Liberal Democrat government is an *ex-post* coalition. Both are common, but have differing consequences:

Pre-electoral coalitions occur frequently in parliamentary democracies. They influence post election coalition formation… *Ex ante* coalitions can commit to a seat-sharing arrangement, but neither to a policy nor to a division of rents from office; coalition members are even free to break up and join other coalitions after the election…. They do not form just to avoid "splitting the vote", but also because seat-sharing arrangements will influence the ex post bargaining and coalition formation (Bandyopadhyay, Chaterjee & Sjostrom, 2010, p.1).

The distinction is critical for campaign management. There is evidence (Duch, May & Armstrong, 2010; Armstrong & Duch, 2010) that voters are influenced by their anticipation of *ex post* configurations of parties and that, where the left/right spectrum in particular is a clear feature of party positioning, they vote for parties with which they do not primarily identify.

In contrast to occasional or *ad hoc* coalitions, ‘habitual’ coalition partners operate more like a single party. The underlying differences between the partners are not emphasised but, ultimately, unity is eschewed and distinctive identities asserted. Such formal coalition agreements have become frequent (Timmermans, 2006). Like the single party, however, the coalition depends on relative indifference on some topics which colleagues see as central: ‘[T]he stability of a coalition requires *tacit neutrality*… on matters which go beyond the immediate prerogatives…[I]t is an instrument for the achievement of widely ranging and even incompatible goals’ (Gamson, 1961, p. 374). This kind of issue agnosticism or pragmatism
are key facilitators for coalitions. Thus, Austria’s regular “grand coalitions” can prosper by holding on average 72 percent of the seats (Hobolt and Karp 2010) while in Germany the narrowest workable margin is the preferred structure. The Freie Demokratische Partei (FDP), with a balancing vote of usually around 10%, has joined 12 of 19 coalitions since 1949 involving parties of both left and right.

In one sense, all political parties, except the smallest, are always coalitions, i.e. they are made up of competing factions acting in concert. The inherent compromise within individual parties is seldom made explicit, and is rarely challenged. Members understand that unity is an asset bought by forbearance and avoid displaying differences of opinion too clearly. Especially in political systems that use open lists or transferable votes, openly expressed disagreement or internal competition on the basis of policy differences is very constrained. In the overwhelming number of cases, a party’s legislative agenda reflects the disposition of forces, skill and leadership of the various factions plus an estimate of the electoral implications of the composite package. Rebels are ditched and waiverers privately cajoled. In the long term, unity is paramount. Thus, the idea of political coalition is deeper and wider than negotiating pre and post election strategies.

The question of dissolution of coalitions is a necessary component of a complete understanding. A distinguishing feature of ex-post coalition is that it has a known endpoint or, at least, a use-by date. At the expiry of the electoral term, the coalition parties will seek election in their own right, and revert to being competitors during the electoral campaign. Clearly, in a parliamentary system, the parties can end the arrangement earlier and may even have an incentive to do so (Strøm and Müller, 2000). If one of the coalition partners wins an outright majority, there is little likelihood that a coalition will reform. Similarly, if neither succeeds, there are no coalitions in opposition. A key internal dynamic is, therefore, the competition for reputational benefits arising from having held office. A coalition party is better positioned for the next election if the successes of the coalition government are attributed to them and the failures to their partners. A known end point in any co-operative situation is a dangerous thing. Axelrod (1984) demonstrated that when a prisoner’s dilemma was played repeatedly, with no known end point, co-operative strategies were more successful. However once the end-point is known, the dominant strategy is to behave selfishly. For coalition parties the possible future benefits from co-operation diminish as the next election nears, and therefore the incentive to seek to appropriate benefits for the party, rather than the government, will increase.

Comparing commercial and political coalitions
The notion of intra-party coalitions is a familiar concept in management thought, and originated as a reaction to the long-held assumption that organisations have simple, well-defined goals (Stevenson, Pearce & Porter, 1985). The recognition of the reality of multiple, conflicting and ambiguous goals came to prominence with the early work of Herbert Simon on organisation purpose (see March and Simon, 1958). Divergence in goals and diffusion of power form the foundations for political activity within an organisation, and business organisations are not exempt.

Marketing management research has engaged with the political activity within business organisations to a lesser extent than other management disciplines. Much marketing management research treats organisational politics as a barrier to implementation, rather than as a key aspect of organisational decision-making – though there are exceptions (see, for example, Piercy, 1987). Marketing management models are generally built on a very open analysis of alternatives and constraints, in which multiple options can be proposed and advocated, followed by disciplined and rigorous implementation of the chosen outcome. For instance, conventional models of marketing communication stress creativity and openness in the generation of messages, but they are followed in the execution phase by a focus on disciplined and consistent communication across multiple channels to diverse parties.

While a great diversity of collaborative arrangements exists in business, there are no straightforward equivalents to governing political coalitions. One parallel between inter-party political coalitions and business may be observed in lobbying activity (see Harris & Harris, 2005). Business associations are effectively coalitions of interest formed to represent members’ interests and to influence the context in which the firms compete. They seek a more favourable environment for a firm to offer its product; they do not offer alternative products. Other commercially-motivated coalitions include the many forms of networks, strategic alliances, joint ventures and trading partnerships.

Mutability - the extent to which a political promise is alterable after the vote is cast - is a core characteristic of the political product (Butler and Collins, 1994). Whereas in commercial contexts the buyer receives what was contracted and paid for, in political elections the party may deliver something different from what was expected without the authorisation of the voter. In politics, mutability of the offer involves the temporal separation of choice and delivery. Voters make a choice based on the policy commitments of the contending parties, and the winning party seeks to deliver its pledges during the resulting government’s term of office. Because of the two-party, first-past-the-post structure in the UK until recently, the winning party received sufficient power to deliver their election promises, and voters made choices on the expectations that these would be delivered. Political marketing theorists could
use this convenience to model the political exchange by analogy to the classic retail marketing exchange. Temporal separation is not uncommon in commercial marketing: goods with high levels of experience and credence characteristics (holidays and education for instance) are generally chosen long before the resulting benefits are delivered. In such cases, failure to deliver the expected benefits becomes a service quality failure.

Parallels can be drawn between such commercial arrangements and ex-ante coalitions, where, for instance, two parties with different regional bases might formally agree in advance of an election to compete for government as a partnership (as is the case in Australia, for example). For an ex-ante political coalition, the objectives to be pursued by the marketing partnership are determined before a choice is put before a consumer. But what an ex-post coalition government introduces is not just the separation between choice and delivery, but a change in what the supplier seeks to deliver after the choice has been made. In fact, it is hard to find commercial parallels for a situation where there is both a separation between choice and delivery, and where the objectives to be delivered are determined ex-post. Perhaps the closest analogy is that of capital projects between business and government, in which choice of supplier and payment arrangements occur long before delivery of benefits that may only be loosely set out at that point.

Unlike political coalitions, business alliances do not normally have the externally set end date of an electoral cycle, so dissolution cannot necessarily be predicted in advance. This has several implications. First, there is no guarantee that competition between former partners will resume. Indeed, the complementary nature of most business alliances means that the players have different roles and so do not compete directly. A second implication is that without a known end point, there is an expectation of future benefits from co-operation, hence the shadow of the future encourages continued co-operation.

In this section, ideas about coalitions from political science and the commercial marketing world have been mapped onto each other. Few commercial structures match the ex-post governing coalition of the kind formed in Britain in 2010. There is no simple commercial analogy that can be used to derive guidance about political marketing in this context. What the examination of the business literature does show is that there are numerous aspects of political coalition formation, governance and dissolution that have parallels in marketing. Within marketing research traditions, several research approaches have emerged. A number (Heide, 1994; Heide & Miner, 1992; Rindfleisch & Heide, 1997) apply transaction cost theory in an attempt to understand how these partnerships can be effectively governed. Industrial networks, interactive marketing and business relationship have been widely studied by European marketing researchers, most notably by the Industrial Marketing and Purchasing
Much of this type of work is influenced by "the Scandinavian school", which sees the network as an aggregation of relationships, and which can be managed through life process models (see Haakansson et al, 2010 for an overview). Marketers have developed tools that assist in the analysis and management of these issues. We suggest, therefore, that commercial marketing concepts can inform political marketing in this context, but that a simplistic one-for-one mapping is conceptually questionable.

Having examined the political science and marketing literature for theoretical insights, we turn for practice insights to the behaviours observed in markets. As noted at the outset, we highlight the prevalence of coalition government in Europe. In the next section we consider the characteristics of western European political markets that explain the existence of coalitions, and the managerial implications that arise.

** Characteristics of Western European political markets**

An analysis of the dimensions of European political marketplaces that indicates what UK politics will look like if the conditions that led to the current coalition persist demands an analytical framework that also enables normative conclusions to be drawn. The approach taken here develops the structure and process characteristics of political markets (Butler & Collins, 1999). Taking a contingency approach, the structural elements of the political marketing offer mirror those in an exchange model in a business transaction, comprising the offer, the seller and the buyer. In politics, these translate into the policy (or offer), the political party (or seller) and the voter (or buyer). Regarding process characteristics, the core marketing strategy elements comprise the definition, development and delivery of value (Webster, 1997). Defining value involves understanding citizen preferences and demands at multiple levels; developing value involves generating policies and the resources to effect them; and delivering value is about executing strategy and implementing promises. For each of these sets of characteristics examples from mainland European political markets are reviewed.

By framing the altered market conditions in the UK as “Europeanisation”, there arises a danger of underestimating the current extent of commonality between West European political systems. Notwithstanding the diversity in political institutions across western Europe, most European states have bicameral legislatures with the executive needing to retain the confidence of a majority in the lower house. More importantly, the political elite comprises predominantly professional politicians with shared assumptions about the ethical boundaries of competition, the mutability of majorities and the distinction between party and national interests. The independence of the courts, the civilian/military relationship and the parameters of media freedom are similarly sufficiently well drawn that little ambiguity arises.
Indeed, on all these points, the European Union and associate states have explicit criteria for aspirant members and mechanisms for adjudicating differences (Bulmer & Lequesne 2005; Böwer & Turrini 2010).

Structural issues: The product; the party; the voter

The political product or offer to the market is made up of three distinctive components that are difficult to disconnect: the person (electoral candidate or party leader - depending on the situation), the party and the political ideology (Butler and Collins, 1994). There are potential tensions between these elements that are not replicated exactly in business, and voters make trade-offs in preferences between them. In the context of new forms of alliances and possibilities of coalitions in the UK, the potential for greater complexity clearly exists for this unit of analysis.

As regards the political product, if the present pattern in the UK becomes a permanent structural change, then the kinds of political promises made must also modify to align with political market realities. Cognizance of coalition potential will result in shifts in candidate selection and party positioning, and even in ideological concessions. Any perceived thinning out of political principles (or core product) in the pursuit of power through coalition will undermine the support of loyal voters. Pragmatists may find the ensuing compromise acceptable; supporters driven by principle may choose an exit strategy and abandon the party, or switch allegiance to a competitor. Responses to these kinds of problems generally take the archetypal line of attempting to appease dissatisfied (former) supporters by a strategy of pointing to the achievement of greater objectives through compromising on lesser issues. Marketing communications are likely to stress continuity of principle and past record, rather than dramatic changes in direction brought about by coalition-induced compromise.

For the political party, an important differentiator between political and commercial organisations is membership and voting rather than transactional business custom. However, a reversal of fortunes for both contexts is notable: the increasing concentration on brand management, relationship marketing and customer loyalty in business may be contrasted with the decreasing involvement of citizens in traditional parties and the decline in mass party membership in politics (Whitely, 2010). Political life is dynamic and evolutionary; that reality requires the party organisation to evolve accordingly. It is the ability to retain its heritage while continually revitalising itself that marks a sustainable brand (Urde, Greyser & Balmer, 2007; Aaker, 2004). Juggling these ideas requires deep understanding and subtlety in process, but the perpetual innovation and renewal in the process is critical. The re-invention process is particularly marked in eastern Europe:
[In Poland and Hungary] the liberal Communist regime and mono-ethnic composition of the country permitted a rapid transition from Communist to Social-Democratic party...[The Lithuanian case] shows how its Communist party became the fastest example of a Communist party transforming itself into a Socialist party (Kuzio, 2008, p. 400).

The importance of establishing appropriate strategic responses to changing political party organisation becomes plain. The relationship between a party and its supporters may need to be conceived and managed differently in the light of the changes outlined. In coalitions, engagement with new supporters and funders become necessary as previously non-aligned interests coalesce, and lobbyists and other stakeholders review their political interest portfolios. For party management and organisation, the traditional basis of political party existence – the reliance on established sources of support - needs to be re-examined in the light of new network realities resulting from coalition activity. The extent to which members perceive themselves and their organization to be exclusive or inclusive will have a bearing on how they can relate to potential new partners. Avoiding the traps of deeply entrenched positions in a post-election negotiation necessitates a degree of understanding and political acumen that are less obvious in the UK scenario. In managing the thorny problems of positioning and communication, policy statements and supporters’ declaration will require a greater subtlety than in the past, in order to enable subsequent shifting without seeming to compromise.

As a marker of social affirmation and identity the vote is unrivalled, even by the most powerful brands in consumer markets. The introduction the proposed electoral reforms championed by the Liberal Democrats, such as proportional representation and the fixed timing of general elections, would change the rules of the game for voters. For instance, the assumption of sincere voting in the UK - that the enfranchised simply vote for their preferred candidate - is problematic if coalition is indeed a likelihood. Strategic voting or bypassing the preferred candidate when his or her chances of winning are weak becomes a rational choice, and is a choice behaviour distinctive to political markets (Butler & Collins, 1994). In the German mixed system such behaviour is encouraged because a potential coalition partner needs to cross a vote threshold to take any seats. Thus, the FPD gains support from centre-right voters wishing for a coalition between them and the CDU/CSU bloc. Herrmann and Papi (2007) report: ‘...constituencies of German Bundestag elections...found evidence for sophisticated balloting... whereby voters adjust their behaviour to the electoral situation in their local environment instead of merely going for the most preferred alternative’ (p. 15).

Just how quickly the market can change and overtake unsuspecting party managers was demonstrated by the Dutch 2002 election:
Before 2002 the political and ideological competition between the three major parties...was frozen. None of the [three major] parties could cross the line in the ideological triangle...Fortuyn and the LPF [Lijst Pim Fortuyn]...mobilised a countervailing power against the established parties...Fortuyn's legacy is that...[now] the economic and the cultural dimensions are the dominant lines of conflict in the Netherlands (Pellikaan, de Lange & van der Meer, 2007, p. 282).

If the structural characteristics of the market change in these ways, then political parties and other political institutions will be required to explain the new situation carefully. At the objective level, citizens must understand the new realities such that they can make better choices. Consequently, they require communications at the cognitive level. Subjectively, the parties themselves – who have a stake in the attitudes to new arrangements – will focus on the affective communications in their attempts to convince voters of the merits of their case. Some form of voter education strategy that differentially targets members, supporters, neutrals and opponents is the rational strategic response. Communication targeted at the behavioural level continues, though the actions demanded of party supporters may be counterintuitive.

An analysis of a shift in the UK towards a more “European-like” political structure, in which coalitions become the norm, shows some of the implications for the political offer, party and voter. Segmentation, positioning, communication, loyalty and relationship strategies all require review and revision. Such strategic reappraisal should also be guided by new insights into the value management process as follows.

Process Issues: Defining, Developing and Delivering Value

In political marketing, the three core strategy processes outlined above are the definition, development and delivery of value to the voters. In the first of these, defining value is essentially the marketing process of establishing the match between the requirements of the market and the offer of the provider. For political organisations the challenge is in understanding what the market expects of it – given its heritage, historical position, policy manifesto, past behaviour – and what it believes it can provide relative to those expectations. For a major party used to the control over policy that electoral success brings, the compromise associated with coalitions will be substantial. It may be that the more clear and precise the party platform on any major issue, the less flexible that party can be in negotiating power-sharing.

The value definition of a well-established party, probably with government experience, will alter incrementally over time allowing quite radical changes in historical terms. However,
coalition can dramatically accelerate such change by forcing a party to abandon policy commitments still supported by members and core voters. Unexpected and discontinuous change has the potential to dramatically damage voter perceptions of value. New parties, which are often defined around a more limited range of issues, can also find the core offer severely tested in coalition. The German Greens, sometime government coalition members, have made the transition but not without changing their value definition:

The German Greens (Die Grünen) were neither the first green party, nor the first to be represented in parliament. Nevertheless, electoral success moved them with breathtaking speed across the threshold of relevance to power...Despite their founders’ intentions, the Greens soon began drifting away from amateur-activism (Frankland, Lucardie & Rihoux, 2008, p.19).

It is clear that the process of actually defining what value to bring to the citizenship is extensively complicated in coalitions. New procedures for analysis, negotiation and conformity have to be developed and put in place. Pre- and post-election protocols must be explored, tentative positions must be examined, and interim proposals have to be sanctioned by participating parties. In general, parties even with very different perspectives will find it easier to agree problems than solutions, thereby allowing the tough give-and-take of agreeing solutions to be taken post the election. As a management strategy for campaigning in a marketplace prone to conciliation and compromise, this kind of approach may be expected to become more common in the UK. That situation will necessitate new marketing competencies.

Following the process of understanding demands and aligning ideas, value-developing processes are akin to new product development, and crystallise positions and policies to meet the concerns articulated and aggregated in the definition stage. Political parties are more democratic than firms, of course, and the full expression of views and disagreements at party conferences, committees and other forums is the normal process. For an established party, aggregating the divergent perspectives and needs of coalition partners into a coherent and agreed policy will require new procedures also. Both formal processes and informal “backroom” negotiations will play their roles. Party executives and members also have to get used to new people and sources of influence. These situations can cause real tensions and even crises.

In developing and setting out new policy, party members may find that the compromise required of coalition involves reneging on traditional positions and even values. Naturally, shifting positions will never actually be communicated in such terms. A significant task for this stage of renewal is the management of the communications both within each party, between the parties, and with the media and general public. In responding to such new scenarios, party managers
will recognise the usefulness of a campaign trend that has been steadily escalating - namely that political communications increasingly stress themes rather than issues (Henneberg & O’Shaughnessy 2009, Butler & Collins 1994). Broad-based principles and safe “motherhood” statements are not only easier to agree upon, it is harder to be accused of reneging on them. Ideas are compromised; heritage becomes subject to re-interpretation, and charges of revisionism become a reality. The internal marketing involved is important. Within parties, there needs to be a constant explaining and shifting to accommodate coalition partners. Appeals to “the new realities” and common sense are more important and more common. However, even consensus-seeking *modus operandi* and joint statements of intent come under pressure during the hard business of designing and agreeing resourcing and budgetary measures to put ideas into effect.

The final element in the process involves the actual delivery or implementation of political promises. In commercial markets, delivery involves the channels for execution, and service quality is a central platform for evaluation. In politics, there are two dimensions in this area: one involves gaining office while the other is about more direct objectives relating to performance. Delivering policy goals is more complicated than simply placing individuals in office. Legal, resource and social considerations will set limits to the plans of politicians. Indeed, it may be easier to deliver office than policy. This is also where the principles of politics come into contact with the practice of public administration. This is clearly illustrated by the 2007-2011 Fianna Fáil/Green coalition government in Ireland from which the smaller party found it easier to hold cabinet seats than implement environmental policy in the context of collective cabinet responsibility and tight parliamentary arithmetic (Murphy 2011).

The periodicity of political markets becomes relevant in the context of delivering value. The necessary timeframe for policy implementation is generally far longer than the timeframe for elections – which are effectively the key opportunity for a very direct communication of how citizens feel the government is performing. For coalition governments this is the stage where claims of success, and blame for failure, can threaten agreements. The literature on the delivery outcomes of different types of coalition is established in the political science arena. Kiss (2009) notes the higher budget deficits of coalitions, and the attribution of these to inefficiencies in decision-making. Bawn and Rosenbluth (2006) review the proposition that a government coalition made up of many parties will behave differently from a single party within which exist different interests. They point to the broad responsibility of single government parties to their bases, contrasted with members of multiparty coalitions being held primarily responsible only for a subset of policy decisions.
In the political world, success and failure revolve around delivery outcomes. The electorate cannot evaluate effectively the promises of politicians unless they win power and execute their strategies. In delivering value, then, parties are assessed relative to the expectations of the voters who decide upon their degree of satisfaction or dissatisfaction. The single party governments common in the UK and the multiparty coalitions common in Western Europe will report their progress differently on this account. Achieving office as a result of a coalition pact may not result in the delivery of electoral promises. The minimum that will be communicated is that the policy issue was at least given an opportunity, or that progress was made and that foundations were established. Increasingly, this is the claim made by the emergent populist parties in Europe, such as Dansk Folkeparti (Danish People's Party), which have brought their policy on to the agenda of governing coalitions (Rydgren, 2010). The implications for support both from the electorate, and from current and potential coalition partners, may be considerable: controlling this element of the overall political management process involves both hard metrics and appeals to empathy.

Marketing process strategies designed for political coalition arrangements recognise different kinds of issues. In contrast to the relatively unambiguous lines of accountability of single-party government, joint arrangements demand that parties develop new approaches to agreeing priorities, aggregating diverse political views through democratic mechanisms, and implementing policy through the administration system. Without detailed mechanisms for governing, the business of coalition would be conducted like an endless game of musical chairs and no policy-making would occur (Müller & Strøm 2000).

Conclusion: Insights from European experience

Political marketing theory continues to evolve and claim a credible identity within its parent disciplines. Exploration of the utility of strategy, management, organisation and marketing concepts in the political sphere continues to interest scholars and contribute to understanding of political processes (Newman & Sheth, 1985; O’Shaughnessy, 1990; Baines et al, 2003; O’Cass, 2009; O’Cass & Pecotich, 2005; Harris & Lock, 2010; Smith & French, 2009). Nevertheless, the field recognises a number of critiques, one of which relates to the danger of relying on outmoded theories, concepts and approaches (Butler & Harris, 2009; Henneberg & O’Shaughnessy, 2009; Henneberg, 2004; Palmer, 2002). In this review, it is put that the assumptions underpinning the majoritarian political culture and market in the UK may have hindered theoretical exploration because the UK, like the USA, has exhibited a particular first order electoral market structure. Moving beyond the win-lose, competitive orientation of the first-past-the-post contest means embracing the compromise, collaboration and alternative mindsets demanded by coalition in politics. Coalitions – indeed, any form of collaborative,
inclusive, networked organisational arrangement – must be founded on the principles of relationships. The same kind of paradigm shift required of commercial entities as they change from a transaction orientation to a relationship orientation (see Gronroos 1994, Christopher, Payne & Ballantyne, 2002; O’Malley & Prothero, 2004; Tadajewski & Saren, 2009) is discernable in the normative propositions outlined above for political party management in coalition situations. Henneberg and O’Shaughnessy’s (2009) review in this journal presents a comprehensive case for a relationship approach in political marketing. Recent developments at Westminster, in any case, are following the experience of British citizens in local, regional and even supra-national political forums.

In most European political systems there are a larger number of smaller parties than in the UK. Numerous small parties imply a complexity and unpredictability in coalition formation, and in the resulting government agenda. A future where large parties expect to share power will give an incentive to small parties to form and contest elections. Traditionally in the UK, small parties fail because they do not amass enough support in a particular constituency to win a parliamentary seat, even though their national support might be significant. In classic Hotelling models, in a two party system the challenge is to capture the median voter (Black 1948). In the UK, only large parties can win enough support in particular seats to capture the median voter. This experience is, of course, what motivates the Liberal-Democrats advocacy of electoral reform.

What is observed in many European polities is that there are significant ethnic or religious groupings within the electorate, and few citizens vote for parties targeting groups to which they do not belong. The strategy in such electoral markets becomes one of capturing the median voter within each ethnic or religious grouping. Such electoral fragmentation, be it based on ethnicity, religion or geography, provides a base from which smaller parties can secure a number of seats, and therefore a block in parliament. And seats in a Parliament give the possibility of a role in government through coalition. We might therefore expect that the “Europeanisation” of British politics will include a change in the way parties formulate positions and policies. As a consequence of markets disaggregating like this, however, there is a possibility of what is termed “outbidding”, leading to the adoption of extreme positions. In such a system, the political parties become representatives of their ethnic group. The outbidding theory proposes that compromise behaviour by politicians leaves them open to attack from rivals from within their own community who adopt a more hardline position. The risk is a centrifugal dynamic, with escalating extremism leading to violence, as seen for instance in the former Yugoslavia. Mitchell, Evans and O’Leary (2009) note the risk of a centrifugal dynamic in Northern Ireland, pointing out that the opposing moderate parties - SDLP and UUP - were supplanted in elections by Sinn Féin and the DUP, both seen as considerably more hardline. Subsequently, these two extreme parties have formed a governing coalition. A segmenting of parties based on ethnic
or similar dimensions has the potential to lead to more extreme politics, particularly in terms of ethnic or sectarian advocacy. However, combined with the need for coalition, and hence compromise in terms of actions, the extremism is constrained to advocacy.

The use of a marketing perspective to analyse the outcome of the 2010 British General Election does not take from the significance of the event as a democratic instrument of accountability and popular judgment. The citizen as voter is not simply a consumer of a public service. Similarly, though political marketing researchers have drawn on marketing theory to explore how elites in various political markets can use tools and concepts from business, scholars in this field do not claim that voting is a commercial transaction. Nevertheless, the marketing lens causes the observer to focus differently on the manner in which parties present themselves to the electorate. In this case, it also helps to draw lessons from the experience of party systems in other parts of Europe in which coalitions are the norm. Future research on the British political marketplace should, therefore, augment its analytical toolbox with insights drawn from the experiences of other European countries with which the British system seems destined to converge.

The development of an analytical framework that takes account of the European practice of coalition formation and maintenance will allow scholarship to leave simpler models long-abandoned in the mainstream marketing literature, and address more sophisticated problems with advanced ideas. The analogy of the commercial market is insightful, but can be limiting. For instance, the language in which political marketing ideas are expressed needs to be carefully chosen. Political parties are self-reflecting operators in the market but their electoral stance and coalition deals need to be seen in the context of their historical support base and ideological room for maneuver. Their strategy in the marketplace is not simply promiscuous. It is also path-dependent. As Britain ceases to be a duopoly, the more complex European marketplace offers new commercial parallels.

Political marketing, especially in coalition contexts, is based less on a set of specific promises and more on a set of intentions. The mutability of the political offer is distinctive. So, in order to understand concepts like strategic and tactical voting, there are no obvious commercial models to help. The idea of voting for what a party says it will deliver based on future altered circumstances is based on credence – a considerably more sophisticated model than conventional goods-based models. As researchers, we need to build an understanding of post coalition circumstances that may usefully draw on markets and post purchase evaluations. Counterintuitive consumer behaviour may be mined for insights into politics.
The secret of Britain’s political stability has famously been the incorporation of radical change in practice while exhibiting continuity of form. In institutional terms the UK’s adaptive ability is greatly strengthen by the generality of its coded constitution and the absence of a definitive text. The monarch reigns, the House of Lords still claims ‘upper house’ status and the Kingdom remains united - yet every aspect of real power has mutated into a new reality of function and challenged identities. That is the understanding to underpin a revised marketing management analysis at the political party level. In this context, as exemplified by the possibly apocryphal headline in The Times of 1957 “Fog over Channel; Continent Cut Off”, the British system will undoubtedly adapt to a more European pattern and still be able to show that nothing has changed.
REFERENCES


