Abstract
Party leaders in Westminster systems are important, the focus of attention of the media, public and fellow politicians. When there is a change in party leadership, academic analysis has tended to focus on the ‘elective ability’ of the new incumbent as the reason for the change, and debated their potential success in improving the electoral performance of the party. This paper, however, looks beyond this narrow criterion for leadership success and offers an analysis of leadership change and performance using a broader political marketing framework. Drawing on examples of recent party leadership changes in the UK Conservative Party and the New Zealand National Party, we focus on the new leader and her/his relationship to the party organization, the party ‘product’ and party ‘promotion’. We analyse a wide range of factors behind both the selection of a leader and their ability to succeed in their goals once elected. Both parties provide ample opportunity to understand some of the constraints on party leaders to manage and change their party, and enhance our understanding as to why leadership change does not always have the desired effect of improved electoral performance.
Introduction
Political marketing is a well-acknowledged phenomenon in the politics of western liberal democracies, with marketing being used by political parties, parliaments and public services. Cases such as New Labour suggest marketing is an effective key to success, but as research has grown, examples have come to light that indicate that changing a political organisation so that it responds to public demand is not such an easy exercise. Even when parties try to become market-oriented and respond to public demand, and elect new leaders to do so, many different factors prevent that leader from implementing a political marketing approach.

Leadership within a political party, like any political or business organisation, is crucial to the success of political marketing. If a party is to engage in marketing activities and make the required changes to its organisation, policy and communication strategy, the leader plays a vital role in ensuring enough members and politicians accept the new design. Traditionally, whenever a major party elects a new leader, the selection attracts significant attention from journalists and academics, but observation tends to focus on the ‘elective ability’ of the new incumbent: their personal characteristics, their policy attitudes, their public image.

Whilst acknowledging the importance of such factors, this paper examines leadership in relation to political marketing in particular, both in terms of leadership selection and performance once elected. To do so, it draws not on typical ‘success stories’ such as New Labour but recent party leadership changes in the UK Conservative Party and the New Zealand National Party where political marketing has been tried and appears to have failed. We analyse a wide range of factors behind both the selection of a leader and their ability to succeed in their goals once elected. The paper therefore provides a more critical view of the utility of the political marketing approach, highlighting some of the constraints on party leaders to manage and change their party, whilst providing a slightly different perspective as to why leadership change does not always have the desired effect of improved electoral performance.

Political marketing and leadership

Traditional political science perspective
Party leadership contests in parliamentary systems have received significant academic attention. The focus of this attention, however, has tended to be quite narrow. Often the concern has been with the actual rules and procedures for selecting leadership challengers (Alderman, 1999 and 1992; Peabody, 1984; Punnett, 1992; Weller, 1985; Davis 1998). Those studies that have widened their focus have still tended to hone in on personal characteristics of the candidates and most particularly on the ability of the candidate to bring about victory or

Traditional perspectives naturally have some validity, but also lack appreciation of the rise of political marketing. In a study of Blair and Major leadership in the UK, Foley (2002, 1-2 and 4) observed that traditionally leadership has been viewed as follows:

‘While leaders have clearly been a recognisable component of the British political system, their exact position and status have usually been left open to question, and very often to considerable suspicion.’
‘in many respects, political leadership has been regarded as superfluous to British governance’
‘party leaders are primarily leaders of parties within parliament and, therefore, are continuously dependent upon the support of their fellow MPs for their position’
‘the role of personal leadership has often been dismissed as something of only peripheral significance in British political life’

Furthermore, Foley (2002, 3) contends that ‘the study of leadership in British politics has generally languished in a state of conspicuous underdevelopment. Analysis has imitated constitutional tradition.’

Such traditional analysis neglects changes in the political market place that have placed increasing importance on the leader as a crucial part of the party ‘product.’ Leaders are highly visible, therefore, in an era where parties need to be market-oriented to win elections, so must the leaders. Furthermore, leadership is crucial to manage the change associated with becoming market-oriented, particularly for parties in opposition that lose successive elections.

From a political marketing perspective, the elective abilities of leadership contenders are still an important consideration and the procedures for leadership elections are relevant contextual factors. But the marketing approach considers leadership challenges and leadership changes by incorporating a number of other variables in the analytical framework that are either ignored or downplayed by the traditional approaches. We also feel that a political marketing perspective casts light on why leadership changes often ‘fail’ — that is, why new leaders do not improve the party’s electoral performance.
Political marketing perspective

Political marketing is a growing phenomenon, as organisations such as legislatures, interest-groups, the media, health services, political parties and educational institutions are applying marketing concepts and techniques to help them achieve their goals. No longer is political marketing conceived simply as about spin or snappy slogans in election campaigns: it is much more about behaviour, as well as organisation, policy design and leadership (see Lees-Marshment 2001b, Scammell 1999).

It is currently argued that for major parties to win elections, they need to become market-oriented: understand the demands of the public, and design a ‘product’ to suit (Lees-Marshment 2001). The party product includes many different factors: policy, organisation, symbols, constitution, traditional, ideology, activities such as party conferences, membership, communication staff - and the leader. Indeed, the Party leader is a crucial aspect of the party product, even in a non-presidential system. Leaders are the most visible indication of what the party stands for and what it is likely to deliver should voters elect it to government. Political marketing theory argues that parties need to become market-oriented to win elections - part of this is the leader. The leader needs to be popular, in terms of leadership style, party leadership style, characteristics, speaking style etc. As Foley argued, there is a ‘leadership market’ (2002, 189) leaders are now ‘public commodities that are continually probed, tested and evaluated for their leadership qualities’ (2002, 5).

Furthermore, the leader plays a crucial role in leading the quest to become market-oriented - in leading the party through all the stages and behaviour necessary to create a product that the electorate will want. The ability of leaders to change their party, and therefore their party management skills, are also crucial in this. The difficulty is that, in practice, parties elect leaders according to other factors, and leaders experience difficulties in implementing political marketing. Leadership can then, over time, become a serious obstacle in party marketing, and in the effectiveness of political marketing in restoring a party’s electoral fortunes. It is also the first test of whether a leader could govern - if they cannot run their party, how can they run a government? As Foley (2002, 192) concluded, ‘leaders have to market their parties by marketing themselves and their ability to provide national leadership and effective governance.’

This paper will explore these themes, focusing on where marketing has been attempted by parties not in government but in opposition. It analyses the Conservative Party in New Zealand and the UK, choosing these cases as examples of where political marketing has been tried but failed and there have been problems with the leadership.
The UK Tories

In Britain, New Labour appeared to have followed the market-oriented party model successfully since 1995. The Party provides a classic example of a market-oriented party: Labour changed their core policy - indeed their entire product including leadership, unity, and organisation - to reflect dominant voter concerns. Furthermore, they continued to use market intelligence once in government. They have enjoyed two landslide electoral results since using political marketing in this way. Research has also suggested that when parties deviate from that model, they lose support: therefore it is rational for any party leader wishing to make their party electable to engage in political marketing.

However, since losing heavily in 1997, the Conservatives have failed to follow suit, despite significant attempts to do so. Between 1997 and 2001 they were led by William Hague, a former management consultant, who began his leadership determined to implement political marketing ideas and approaches. The Party nevertheless lost the 2001 election, only gaining just one more seat despite all political marketing efforts and changes made during 97-2001. The current leader, Iain Duncan-Smith, also elected on a platform of change and reform and desire to make the party re-electable, is facing similar if different problems: a basic lack of success in re-designing the party to bring it in line with voters desires. Qualitative research inside the Conservative Party has identified crucial awareness of the need to change, of the public’s viewpoints, but despite this, the external public image continues to be a negative one.

Both cases are a problem for political marketing: why is the leader not able, willing or effective in making the party electable? Why does the political marketing model, which seemed so good for New Labour, not work? The potential difficulty is that political parties are large organisations and include not just the leader, but other senior party figures as well as members. Changing the organisation will not necessarily be as simple as the market-oriented concept suggests. Political marketing therefore presented a series of challenges or potential weaknesses for party leaders.


In the 1997 election the Conservative Party lost 177 seats including seven members of the cabinet and their share of the vote was just 31%. The infrastructure of the party was demoralised and defunct. It then elected William Hague as its new leader. William Hague was a management consultant

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1 Unlike previous studies of party marketing, this project conducted extensive primary research which looked ‘behind the scenes’ to uncover what went on inside the organisation. It involved analysis of substantial party and public documents and written correspondence and in-depth semi-structured interviews with key party figures and staff at both the London and Edinburgh central offices in the Tory Party in the summer and autumn of 2001. Attempts were also made to re-interview key staff members and other figures covering development/membership, communication, research and policy in February 2003 to cover the leadership of Iain Duncan-Smith and developments in the Party since 2001. Primary research for the Conservative Party conducted in the summer of 2001 was funded by a grant from The Carnegie Trust. Lees-Marshment would also like to thank the MPs and staff who agreed to be interviewed. It should also be noted that attempts were made to contact other relevant politicians such as William Hague and Michael Portillo, but were unsuccessful: for example Hague replied that he was too busy writing his own book!
by background and recruited a successful businessman, Archie Norman, to help him reform the Party and make it market-oriented. The new leader adopted a cognizant strategy to use political marketing.

**Understanding voter demands**

Firstly, he tried to re-connect with British voters and identify their concerns. After losing in 1997, there was a period of internal assessment and consultation resulting in the paper *Our Party, Blueprint for Change* (Conservative Party 1997). The Party conducted significant post-election analysis. It commissioned formal polling of voters’ opinions, including focus groups focusing on former Tory voters. Nick Sparrow, senior analyst ICM, conducted polling for campaign. This intelligence informed the re-design of the Party’s organisational and constitutional structure. The Party engaged a large-scale informal version of market intelligence called *Listening to Britain* (LTB). LTB consisted of a long series of meetings where politicians listened to audience discussion. Attendance varied from around 20 at the local seminars to 160 at themed meetings such as that attended by Hague in February 1999 for sports administrators at Loughborough University. A representative from Central Office or the constituency attended each meeting and a report from this was then fed directly into the policy renewal process’ (Francis 1999 and MacDonald 2001). Hague also set up policy groups consisting of MPs, members and outside experts. Even after the Party had moved into designing its policy, it continued to collect feedback on its ideas. Stuart Hogue, a campaign officer in CCO handled feedback via leaflets and the web-site on early policy ideas (Hogue 2000). Formal polling was also conducted right up until the election. Overall, the Conservatives did engage in significant market intelligence. They appeared to be doing everything right - at least at this stage of political marketing.

Marketing generally is a complex process consisting of many inter-connected activities. Models exist simply to indicate how organisations might use the concepts and techniques: in reality, it is always more difficult in practice. However, marketing models indicate factors which research has shown to be important in the success of a business to sell their product to a customer. Business cases show that any serious fault in just one aspect of the process and the entire product falls down. Politics is no different. Having collected the opinions of the British electorate, Hague needed to design and implement a product that would reflect such views.

**Creating a popular product**

At first, the new leader made some significant if subtle changes in the Party. LTB resulted in the creation of *Listening to Britain: A Report by the Conservative Party* (Conservative Party 1999) which identified key voter concerns in significant detail. For example, it discussed education, but more specifically concerns about too much paperwork for teachers, falling basic standards and too much government interference. This was used to develop initial policy ideas (Lansley 2001b). Responding to market intelligence, Hague
attempted to take the Party in a new direction on policy, arguing that it should focus on improving state provision of public services rather than looking to the market and simply reducing taxes. In April 1999, the Deputy Party Leader Peter Lilley delivered the RA Butler Memorial Lecture, arguing that, ‘Conservatism is not, never has been and never will be solely about the free market.’ The speech was designed to mark the beginning of a new ‘compassionate’ Conservatism. A number of policy guarantees, also designed to be believable and give the Party delivery credibility, were created:

**Conservative Guarantees, October 1999**

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

These policies had promise - they were designed in response to voter demand, located in the policy areas voters were most concerned about. Another area of success for Hague was organisational change. After much consultation, the Party adopted a new framework and structure, to try to reform what was essentially a very ad hoc, traditional way of operating and modernise the Party (see Conservative Party 1998a). The Party’s rules over funding were also revised, responding to voters concerns about this issue. Other changes were made in the management style of the Party, particularly at Central Office. Hague appointed Archie Norman as the Party’s Vice-Chairman or Chief Executive, with special responsibility for organisational reform. Norman altered the structure and organisation of Conservative Central Office (CCO) considerably, even knocking down walls to create an open-plan office design. His aim was to ‘change the organisation... take out the hierarchy... bring in bright new people and change the culture’ (Norman 2001). The changes made working within the Conservative Party more effective as old formal hierarchies were removed in favour of more flexible, fluid internal communication and interaction between departments and all levels of staff (Mannan 2001). When interviewed, Norman openly indicated that he attempted to introduce behaviour used in the business world.
The leader also tried to encourage a broader range of candidates to stand for office: it constantly spoke of the need to get more women candidates and those from ethnic minorities into the Party. It went out to look for suitable candidates (see The Conservative Party 1998a and Hague 1999b) and tried to support women who stood for the first time. Christina Dykes, Head of Development, recalled ‘I was looking in particular at what women want, what women want to encourage them.’ Guidelines on interviewing candidates were widely circulated to selection committees: ‘we produced a video’ on how they should act which went to all local associations (Dykes, 2001).

Hague also set up a new Cultural Unit to encourage participation of ethnic communities and established a ‘listening link’ with ethnic communities and organisations. This ensured that all press releases went to the ethnic media, provided a link between the Party and ethnic events, and offered substantial support for candidates from ethnic backgrounds (Mannan, 2001; Norris, 2001). Steven Norris, the Party’s Vice-Chairman, visited such candidates in their seats before and during the election to give them support and publicity (Mannan, 2001).

‘Market intelligence on the membership’ (Lees-Marshment and Quayle 2001, 208) also led to an important transformation in the Conservative Party’s attitude towards members during 1997-2001. For example, Dykes said (2001) ‘the idea that we as politicians can sit in our ivory towers and people come to us I think is generally accepted that it is gone now. There are too many competing factors... in the political system.... we have to go out to them. Tell them who we are, why they should become members.’ Voting rights were introduced for individual members and the membership was also balloted during 1997-2001 on several occasions. The Party also devised new forms of participation. Conservative Network was launched to offer a social and political programme to attract young professionals and provided training in skills needed for candidates, such as media management, presentation, speech writing (Dykes, 2001). It encouraged participation of professionals, especially the young, through socio-political events that offered ‘something for everybody’ (Mannan, 2001). Conservative Future was created for those members aged thirty and under (Pugh, 2001). The Party also adopted direct marketing mail techniques associated with business, using the company Archibald Ingall Stretton, to increase revenue and membership numbers (Chambers, 2001).

**Barriers to political marketing: a problem of leadership or party?**

However, despite Hague’s efforts, such designs did not get through the Party and political marketing therefore proved rather ineffective. It is almost like a car manufacturer creating the prototype or design on computer for a brand new type of car, created according to public desires, correcting all the weaknesses of the old design, and showing it off and publicising it, but when it comes to
the actual production, those on the factory floor simply reverted to type and so the cars which come off the product line and into the showroom in time for purchase on election day are little different to the old, unpopular ones the public already refused to buy.

In terms of policy, firstly Lilley’s speech and the attempt to focus on public services caused an internal row and put pressure on Hague to abandon a market-oriented strategy. Secondly the guarantees created out of the LTB programme were gradually abandoned overtime and all but disappeared by the time of the actual election. Voters were left to wonder where the guarantees had gone. This also undermined Hague’s strength and he lost the will to continue to pursue the focus on public services. As Archie Norman (2001) observed, ‘we lost confidence in the reform programme.’ The strategy then changed to ‘getting core supporters to turn out’ (Senior Campaign official). The focus moved to minority issues such as the asylum and the euro. This was a problematic move as: Lansley (2001b) argued, ‘it would have been a damn site better if we’d stuck closely to the Listening to Britain outcome and to the Common Sense Revolution policy document rather than allow ourselves to be drawn onto other things.’

In terms of encouraging women candidates, for example, the leader’s initiatives appear to have had little impact: one applicant recalled being asked what would happen if she went into labour when there was a three-line whip: as she noted, ‘in the business world such a style of interviewing is illegal.’ (Daily Telegraph 2 September 2000). Another young, high-flying lawyer was asked who her husband would sleep with whilst she was at Westminster during the week. This clearly did not follow the MOP model. Internal culture left over from before 1997 proved a barrier to Hague’s intended changes. In terms of ethnic candidates, the story was similar. There were several black and Asian candidates and a higher number of women than before. Even then, overall there were still only 94 women candidates, 15% of the total. Within the Party’s top 170 seats only 29 were women and there were no Asian/black candidates. Additionally, from mid-1999 policy changes and off-the-cuff comments by individual party figures ensured that Hague ‘inadvertently had managed to create the impression… that the Tory Party was full of people who were vaguely xenophobic and vaguely homophobic’ (Norris 2001).

On membership, despite Party efforts, the average age of members remained high and membership dropped from alleged 350,000 in 1997 to an accurate official figure of just 300,000 by the time of the election in 2001. Part of the problem is these type of socio-organisational, almost cultural, reforms take years to have any effect: as Dykes (2001) observed, ‘there is no quick delivery on what I’m doing.’ However other problems were that whilst the national organisation might attract new members, it was left to the local associations to

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2 This account was told to the author whilst attending a Conservative Party Conference in 2002.
involve them in activity and the local level did not prove so amenable to Hague’s marketing ideas as he might have hoped.

Overall, although the culture of the top of the Conservative Party changed remarkably and the idea of a market-orientation was accepted extremely quickly by the Hague leadership, for political marketing to work change needs to occur at all levels of the Party. There was resistance to the idea of adopting a market-orientation throughout the Tory Party right from the beginning of Hague’s leadership. The MP for Kensington and Chelsea, Alan Clark, wrote a letter to *The Times* newspaper, criticising Hague for trying to tell the party to give ‘a blank cheque on a small coterie of management consultants to proceed as they think fit’ (The Times 20 September 1997). Archie Norman (2001) recalled that ‘there was always a tension between the reformers and the people who just didn’t believe it.’ Added to this was party disunity, disagreement over European policy, and defections from the Party to Labour or the Liberals. Overall, the product was not implemented effectively: disunity, watering down, defections and lack of cultural change at lower levels of the party prevented this. It also meant that the product communicated to the electorate was incoherent and therefore significantly reduced any potential benefit from popular aspects of the product. This was a problem for the Party: as the model suggested and Steven Norris (2001) observed, taking the ‘analogy straight from business to a political party,’ the strategy needed to be implemented and change made ‘from top down to the bottom.’

However some of the responsibility for this could be laid at the door of the leader. One fundamental problem for Hague was that he was unpopular. Although he was an effective debater in the House of Commons, Hague lacked public standing throughout his time as leader. The Party knew this from their private market intelligence - for example, its’ focus groups continually responded ‘get rid of Hague’ when asked what single thing would make them likely to vote Tory again. Rather than change the leader, in August 1999 the Tories changed the way they worded questions in focus groups! They asked instead what one change - other than getting rid of Hague - could make voters more likely to support the Tories. Furthermore, results were kept away from the shadow cabinet - against the general principle of disseminating results of market intelligence throughout an organisation. But, the main point is that as leader, Hague was unpopular, and therefore despite all his marketing understanding and talk he himself made sure an important part of the product was unpopular and not what voters wanted. A complexity arises from marketing parties: the leader is a crucial, public part of the product, yet they are selected at least in part by parliamentary MPs, who do not necessarily choose what voters would want. Hague’s selection was conducted internally according to elite-designed party rules and was more a result of other contenders being knocked out: hardly a market-oriented approach.
Furthermore he was an ineffective leader. He could not manage the Party or get it to use political marketing. Hague suffered from a lack of internal support. He was a fairly determined leader but lacked the political strength to push through his reforms to the extent of controlling his party’s actual behaviour. As Steven Norris (2001) said, it will not work to make a statement about the direction of the Party and then not back it with actions, particularly with issues of racism: you ‘have to be absolutely clear that there is no compromise on this.’ Hague’s leadership was repeatedly ignored, criticised and challenged. For example, in October 1999, John Major the former Tory leader, criticised Hague’s strategy and the Party’s behaviour as right-wing. There were also continual talks of potential challengers to the leadership.

The communication and campaigning aspects of political marketing were, therefore, pretty much irrelevant: they could not save an unpopular and disorganised product. Although the Party appointed other staff with relevant experience, particularly in the area of communications (Norman 1999b), an extremely high number ended up resigning or were sacked. For example Michael Simmond, Director of Marketing and Membership, resigned after it was discovered he leaked sensitive material to media. Gregor MacKay, Hague’s Press Secretary, was sacked after the row over Lilley’s speech. Communications did become more professional but proved ineffective. Many Tories bemoaned the media’s lack of interest in what the Party had to say, particularly the new policy ideas contained in the 1999 Common Sense Revolution. Another obstacle was that the media did not report internal changes: Dykes (2001) noted how ‘a lot of the changes that have happened since 1997 are sort of things that the press would never pick up, they are never really going to be advertised.’ Organisational changes in terms of membership and candidates are important for a political party, but ‘is not the sort of thing the press are going to write huge articles about.’

The lack of attention from the media to the Party’s attempts to move in a market-oriented behaviour would appear to have encouraged a communication strategy of focusing on issues that would gain attention even if it were not of a market-oriented nature. Firstly, the main thrust of communication from 2000-2001 was focused on issues not so important to voters: in his New Year message for 2001 Hague identified tax cuts, crime and Europe as the main political battlegrounds. These were not what voters were most interested in. Secondly, policies in these areas were interpreted as populist. For example, on crime, Hague’s policy on self-defence was criticised by police and lawyers as well as the opposition parties. Thirdly, the focus on crime, asylum and Europe opened the Party to accusations of racism. Hague’s speeches on asylum was perceived and portrayed as harsh and critical against refugees, and therefore, by default, as racist. Even the Party’s own senior figures such as Clarke, Major, Heath, and Howe claimed Hague was taking the Party in an unelectable right-wing direction!
The Conservatives also failed to communicate an alternative product to Labour: as Lansley (2001b) conceded, ‘the message of who we were was confused.’ Criticism of the government was not enough to encourage voters to return to the Tories. The Party appointed a little-known Scottish advertising agency Yellow M to design its advertising, but communication was generally negative. The Party began a ‘Keep the £’ mini-campaign which it took around the country with posters, banners and stalls, in the style of old-fashioned campaigning. This seemed more geared to the more patriotic and traditional Conservatives. Other communication attempts were too intense: for example in the summer and autumn of 2000 the Party launched one policy initiative after another. They also lacked a big idea or theme that would hold them all together. As a Senior Conservative official (2001) involved in the campaign noted, ‘we were not devising messages and then crafting them in ways that would appeal to the media.’

In terms of the actual campaign, as Lansley (2002) noted, the 2001 campaign ‘illustrated forcibly the truth that elections are won and lost over four years, not four weeks’. It was quickly marred by two factors: division due to failed implementation and focusing on issues voters did not consider important. The Tories focused on law and order, tax and Europe (Crawford, 2001), with the issue of asylum receiving significant attention towards the end. However, this gave the impression of a Party that was ‘out of touch’ and unresponsive to voter demands. The campaign simply did not reflect the issues (the economy and public services) that voters were most interested in. The Conservative Party ended the campaign with the same share of the vote as when they had started.

The election results reflected how, despite progress constitutionally and organisationally, Hague had proved unable to change the party to make it market-oriented and attractive enough to voters. The improvement on 1997 was therefore only one seat, 1.2% on popular vote, whilst Labour enjoyed another landslide: not much of a success story for political marketing.

The weaknesses of the Conservative product can also be seen in other measures of support: the failure to increase membership, the lack of a mid-term drop in Labour support, and opinion polls. Surveys (ICM, Gallop, MORI and BES - British Election Study) confirmed the weaknesses of the Party product in detail. The data shows that voters were most interested in the NHS and education: issues that the Party chose not to focus on and which a majority of voters did not think a Tory government would handle well. Only 17 per cent of voters thought that the Conservatives had the best policies for the country as a whole (MORI poll 15 May 2001 for The Times). All polls showed Hague in a poor position when voters were asked who would make the best Prime Minister. The Conservatives also lacked governing and delivery competence. For example only between 30 and 32% of voters believed they were the best party to handle the economy (Gallup/Daily Telegraph poll 6 June 2001) and only 9% thought
the Tories were the most clear and united about what its policies should be (MORI poll 15 May 2001 for *The Times*).

Hague had made significant efforts to make his Party more responsive, but they were thwarted by internal disunity and problems at the grass-roots so that although voters were dissatisfied with Labour they did not see a Tory product ready to buy. All attempts at political marketing by the new leader had failed, leading to questions about both the utility of the approach and Hague himself.

### A new leader, new era? Iain Duncan-Smith, 2001 onwards

However, the good thing about politics is that, generally speaking, life goes on, and after the 2001 election the Tories received an opportunity to elect another new leader to see if they could do better. One thing the Tory leaders - Major, then Hague - got right was that when they lost the general election, they were willing to leave office without a fight. Unlike with the New Zealand Party, there is little to say, therefore, about why the leaders were replaced. They left of their own accord, though it was presumably because they had failed to do their job. Hague was replaced by Iain Duncan-Smith.

**Selection of the new leader**

What is of interest to discuss is how/why the Party replaced Hague with Iain Duncan-Smith (or IDS as he likes to be called). IDS was elected in September 2001 on a platform of change and reform and desire to make the party re-electable. The leadership election was held during the summer under new rules that gave the membership a vote. It was not a particularly market-oriented choice, more internally oriented to suit the traditional, right-wing section of the Party. IDS was from the right-wing of the Party, and not as popular with the public and youth as other leader contenders such as Michael Portillo. Portillo would have been a much more market-oriented choice: he had already made moves to reach out to the wider public, but he had enemies internally. He lost by one vote in the second round. As one MP said after Portillo was de-selected, ‘The Tory Party? That’s it. We’re out of business.’

Although the membership had a vote, it was only after the parliamentary party had selected two candidates; the problem was that the remaining MPs after the 1997 losses and then the 2001 election was itself out of touch, and in any case the membership was also unrepresentative of the broader UK political marketing. The lack of a market-orientation in these two ‘faces’ of the Party meant that an un-market-oriented leader was selected: not a good start for a Party wanting to reform to win the next election.

### Try, try, try again: another attempt at using marketing?

Iain Duncan-Smith has indicated signs of attempting to re-connect with voters. He has spoken of the need to get back in touch with voters, appointed the

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Party’s first woman Chairman Teresa May, and pursued a policy strategy of reaching out to the vulnerable in order to win back middle-class caring voters. Market intelligence has been conducted, not only in the form of polls and focus groups - they currently use YouGov for example (Tait 2003) - but the views of the public and party have been solicited on many topical policy issues. For example views were sought on bullying in schools and the results reported on the Party web-site (see http://www.conservatives.com/show_campaign.cfm?obj_id=25535&CAMP=1). As John Tait from CCO’s policy unit explained, they have also sought intelligence from think tanks, businesses, relevant professional and the Conservative Policy Forum (Tait 2003). The CPF has been used to test ideas as well as generate new policy initiatives; not all ideas are taken on board but they are ‘always considered’ (Tait 2003). IDS also initiated a major policy review by a new Policy Unit. However, this remains to have significant positive impact on voters and IDS could be heading for similar problems to Hague.

**Product re-design: potential marketing strategy**

On the positive side, IDS has attempted to return to the early days of Hague and made a ‘strategic choice when [he] took over as leader of the Party to concentrate on the public services.’ In doing so, in an attempt also to address past weakness and ‘find new and counter-intuitive ways to present Conservatism’ (Tait 2003), the Tories have adopted the theme of protecting the vulnerable in order to encourage caring voters amidst the middle-class to support the Party once again (Tait 2003 and informal conversation with senior figure in the Scottish Party Leadership, autumn 2002). IDS made several high-profile visits to a rundown council-house estate, Easterhouse, in Glasgow, not only gaining good photo-opportunities, but emphasising a different Conservative approach to be concerned about deprived areas not just the well-off middle classes. This is also a potential area of Labour weakness: a section of society the old Labour party used to focus on but the re-designed, marketed Labour has not felt able to consider that substantially in the process of becoming electable.

This approach has filtered through to the Scottish Tories, and speeches by other senior party figures: for examples David Willetts stayed in a disadvantaged part of Birmingham and spoke on poverty; Olivier Letwin spoke out about low-income neighbourhoods. On a visit to Wales in May 2002 IDS declared to his Party that ‘we must be a party that speaks for vulnerable people as well as for the rest of society, and we are becoming that party again,’ and subsequently visited a day-care centre for people with learning difficulties. The overall strategy has also been seen filtering through to other policy areas such as pensions, social security, poverty and domestic violence. In November 2002 the Party launched a campaign to tackle domestic violence, working with Womens Aid, NSPCC and the Police Federation. While the Tories are unlikely to ever win a seat in Easterhouse, this strategy may by default win support in other areas where people are better-off but have a social conscience.
and concern about low-income, high crime areas. Tait (2003) said that contrary to criticism, the approach was ‘not a sham’ and was an attempt to show that the Party was right-wing on the economy but left-wing on the public services; and that it did believe ‘we can get a better deal with those from lower socio-economic backgrounds.’

In terms of detailed policy, early documents have been issued on crime, parental choice in education, social housing and railways. In October 2002, the Party launched a document entitled ‘Leadership with a Purpose: a Better Society’ (Conservative Party 2002). In this, IDS set out five goals:

- An education system in which no child is left behind
- A health service in which no patient is left waiting
- Reversing the conveyor belt that draws young people into crime
- An end to insecurity in old age
- A society in which every person has a worthwhile part to play

All five goals appeal to represent all sections of society, not just the middle-class, or traditional Tory voters. They all hint at focusing on the vulnerable and those in need of support, at improving all aspects of life - not simply the economic side or money in people’s pocket. This indicates a new strategy and approach for the Conservative Party, even a realignment, which would respond to previous weaknesses of the Party being too uncaring and too focused on wealth-creation.

The document was launched at the party conference, to which organisations which would not normally be invited addressed the conference, including National Council for One-Parent Families. The conference also saw speeches about the need to avoid criticising lone parents, and support struggling single-mothers. The chairman, Theresa May, told activists the party had to shed its image as the ‘nasty party.’ There was a session on domestic violence, a topic that had not been discussed before.

IDS has indicated greater strength than Hague as leader. Steve Norris (2001) observed that IDS was proving a stronger leader, for example telling the 3 MPs who were members of the right-wing Monday club to be either in the Party and out of the club or to leave. When IDS found out about Edgar Griffen, the party activist who was linked with the British National Party, he got rid of him immediately. IDS also refused to be a member of the male-only Carlton club. IDS also sacked shadow agriculture minister Ann Winterton after she made a racist joke at a rugby club dinner in May 2002. He also supported Alan Duncan when he came out as the first openly homosexual Tory MP in July 2002.

In terms of communication, the images of IDS and David McLetchie in Glasgow hit headlines and grabbed media attention, completely challenging the stereotypical view of typical Tory agendas. Teresa May, the new party chairman, has
also sent a different message, with vibrant and varied clothing as well as strong policy messages that the Party needs to change. They have used slogans such as *No child left behind* to convey the new approach, borrowed from the US Republican Party (Tait 2003). New technologies are being explored, with the 2003 new year message from the leader sent out by DVD to constituency associations. The idea that the Party can both help the vulnerable and not increase tax on those well-paid though, as staff themselves pointed out, is ‘harder to explain’ (Tait 2003) and therefore presents a communication challenge.4

**Failure to carry through: thwarted by confusing direction and implementation again?**

Duncan-Smith faces similar problems to Hague: a basic lack of success in redesigning the party to bring it in line with voters desires. Qualitative research inside the Conservative Party has identified crucial awareness of the need to change, of the public’s viewpoints, but despite this, the external public image continues to be a negative one.

The same problems that thwarted Hague have come round again. One example is the row over changes to gay child adoption where in November 2002 IDS insisted the shadow cabinet oppose the rights of gay and unmarried couples to adopt children and shadow minster John Bercow resigned over it. As with Hague’s initial proposal to focus on the public services, Duncan-Smith’s strategy of focusing on helping the vulnerable needs to be fully implemented if it is to be effective. Political consumers are critical and sceptical: as an Easterhouse resident commented ‘Iain Duncan Smith is just trying to get headlines. When the Tories were in power before, they targeted single mothers and other people like that. Now they expect us to believe they care.’5 Visits to Easterhouse were criticised by the Scottish press because the problems are perceived to be at least in part due to previous Tory governments. Although the goals written in the October 2002 document have potential, like Hague’s 1999 guarantees, they have to be carried through the Party right until the next election if they are to have a positive affect. Another issue is that the Party is taking time out to consult the members internally (Tait 2003), so that it has yet to communicate a strong, clear set of policies. Although this aids internal party cohesion and democracy, it leaves less time for the Party to convey a strong alternative product in time for the next general election.

Other indications about other aspects of the product do not look good: in terms of candidates, very few of the candidates selected for the next general election so far are women. As Christina Dykes, Head of Development and

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4 I attempted to interview a staff member in the area of communications in February to explore this issue and communication in general, but the administrative staff filed the letter incorrectly; an interview has now been set up but it will be the end of April, after this conference.

5 The Scotsman, 25 march 2002.
candidates, noted, candidates are an important part of the product - they are ‘who we put up as the public face’ (Dykes 2003). In consultation with an occupational psychologist, the Party changed the first stage of assessment to a more professional assessment which tests a matrix of skills, favours women and men equally and indicates what skills candidates have (Dykes 2003). This can then be used to develop appropriate training and support mechanisms.

However, yet again, there is an internal obstacle: the problem remains at the constituency association level, which no one in the Conservative Party seems strong enough to tackle - and it is not something the leader has done anything about. The system in reality is unprofessional when it comes to the constituencies, despite the important of this selection stage. Not just women, but single young men are being put off after trying to get selected and meeting an unprofessional wall of opposition to anyone who doesn’t have their wife and three kids in tow. It is an important part of the product the leader should change if they wish to make the whole Party electable. However not everyone in the Party has grasped that the product is wide-ranging: as Dykes (2003) observed, some still think ‘political parties offer policies, full stop. The idea they have to offer a shape of a party is new.’

The shadow cabinet consists of many ‘old hitters’ from the Thatcher-era, such as Michael Howard, with more modern marketers like Archie Norman and Andrew Lansley being out of the picture. Such leadership decisions must be questions when the Tory Party faces somewhat of a Catch-22 problem already. Although qualitative research shows that the Conservatives have since 1997 attracted new, young, capable people into its organisation, until this is visible to voters however the Tories will not attract support, and the Tories may not attract support until this is visible to voters. The Parliamentary Party and leader needs to ensure it offers a popular product at the top level to win votes which will see the new people get into power - or bring younger people to the top and into public visibility more quickly. The 2001 PCP remains as in 1997: at least partly a remnant of the pre-1997 period and badly in need of improvement. There is a kind of blue-class ceiling in the Conservative Party stopping the new talent attracted by Hague’s management style that needs to be removed to shine through and be allowed to attract the electoral appeal it potentially has. IDS does not appear to have done much to respond to this, apart from the appointment of Teresa May as Chairman. He may therefore go the same way as Hague: beginning as a reform, using market intelligence, designing initial frameworks but failing to implement them and therefore never seeing any positive affect on electoral results.

In terms of public support, the Conservative Party as a whole continues to poll around 30% (source: MORI), never seeming to go very near Labour’s higher average. A poll published in October 2002 (YouGov, Telegraph, October 6) indicated that only 10% of voters thought the Conservatives look like a
government in waiting. The strategy to re-position the Party did not appear to have worked, with 70% still regarding the Tories and the party of the rich.

Leader problems
IDS was selected over Ken Clarke and Michael Portillo. Clarke suffered from being too old and linked to previous (failed) Tory governments when Chancellor of the Exchequor. Portillo, though, made moves to move to the centre-ground, to be open to the young and minorities. He was expected to win, but lost in the second ballot by one vote. As one MP said after Portillo was de-selected, ‘The Tory Party? That’s it. We’re out of business.’ IDS comes from the right of the Party; is a family man and served in the Scots Guards. During his election campaign his did, however, speak of the need for change. He argued ‘we must broaden the base and the appeal… we need again to demonstrate that the party is open to all those who share freedom, enterprise, responsibility and tolerance but have too often found the party unwelcoming’ (19 June, 2001).

Nevertheless, IDS himself is not a very popular leader. Although some respect comes for a quiet, serious approach to politics he continues to attract poor roll ratings, and not just amongst the public but Conservative voters (see http://www.mori.com/digest/2002/c021101.shtml for further details). Not only are the public not satisfied with his performance, worst still, few have much of an impression of him at all, as Roger Mortimore commented, ‘his failure to make an impression on the public prevents him from having any chance of putting his policies across to the public.’ Once again, a leader elected to change the Party and make it more electable is thwarted by their own inability to be popular.

Furthermore, like Hague, Iain Duncan-Smith has also suffered from internal criticism and threats to his leadership in the autumn-winter of 2002. In November 5 2002 IDS responded by making a public statement about colleagues who had sought to undermine his leadership. In quite unusually direct comments he stated:

   Over the last few weeks a small group of my parliamentary colleagues have decided consciously to undermine my leadership...

   If we are to be taken seriously as an opposition, as an alternative Government for this country, we have to work together.

   The Conservative Party wants to be led. It elected me to lead it in the direction I am now going. It will not look kindly on people who put personal ambitions before the interests of the party.

   My message is simple and stark, unite or die.

The difficulty with this, however, is that like Hague and Major before him, this type of approach is unlikely to work. Especially when it could be argued that criticism of his leadership was due to his stance on gay adoption, a stance that was not popular or market-oriented, and appeared right-wing - exactly the sort of side the Party needs to avoid if it is to be re-elected. Perhaps the problems with political marketing in this case come from a failure of both leaders to adopt a market-oriented and stick to it, through and through.

In summary, both cases indicate a number of reasons why political marketing failed or is failing to improve the electoral standing:

- Party history
- Party internal culture, organisation and attitude to change
- Effectiveness of communication strategy to show Party change (when pursuing market-oriented strategy)
- Not following early policy themes through to manifesto and election
- Party unity
- Leader popularity
- Leader ability to manage the Party

These clearly raise questions for the political marketing approach.

**The New Zealand ‘Conservatives’**

In many respects the New Zealand Labour party followed the British Labour party in following a market-oriented party model from the mid-1990s onwards. This has contributed in no small measure to the party’s two successive election victories in 1999 and 2002. The Labour Party imitated its British counterpart most notably in adopting the credit card pledges and emphasising the party’s commitments to delivering on its (small number) of promises.

The National Party, on the other hand, has since 1998 suffered two severe electoral defeats (in 2002, its worst ever), changed its leader twice (with current rumours of yet another leadership change in the offing), the party president twice and is undergoing a period of self-criticism that has raised questions regarding the party’s organisational structure, policy processes, candidate selection, and goals and principles (*New Zealand National Party Strategic Review Recommendations to 2003 Special Conference*).

As we will see below, both leadership changes were motivated by the belief in the elective abilities of the new leaders — that they would improve the party’s electoral fortunes at the upcoming election (1999 and 2002). In both cases, however, the new leaders led their party to its two worst post-war electoral
defeats! From a narrow perspective of leadership change, we may conclude that the party simply got it wrong — that the new leaders had not got the charisma or other personal characteristics deeded necessary to boost the party’s flagging popularity. While this may have some validity, it overlooks political marketing considerations, in particular the fact that the leadership changes were partly motivated by the desire to ‘re-brand’ and ‘re-position’ the party and this involved a wide range of other changes to the party’s structure, candidate selection and policies. On this point, however, it is important to note that new party leaders did not always intend to take the party in a market-oriented direction And secondly, what also needs to be taken into account is that a major reason why the new leaders ‘failed’ to take the party in a particular direction — whether market, sales or product oriented — was due to opposition within their own parties — quite apart from any of their own personal failings.

**Jenny Shipley**

**Sales-oriented phase: November 1997-December 1999**

Jenny Shipley replaced the previous party leader and Prime Minister, Jim Bolger, in November 1997. There were a number of reasons for her elevation to party leader but chief among these was the feeling among both MPs and party members of a need to reposition the party more clearly and to ‘breathe fresh air into a tiring administration’ (National had been in power since 1990). At the time Shipley became leader, her party was in a government coalition with the small centrist party, New Zealand First, led by the populist Winston Peters. During this coalition, Shipley had been a key figure in the “Campaign Fightback” of National MPs who believed too many policy concessions had been given to NZF in the areas of economic and social policy. Shipley was famous for her repeated comment of “how many more dad rats do we have to swallow” as yet another policy concession was made to Winton Peters’ party.

Shipley, therefore, became leader in order to pursue a sales-oriented path rather than market-oriented. The belief was that the party had lost its distinctive ‘brand’ or identity by being in coalition with New Zealand First. This was despite the party’s own market intelligence telling the party that voters had had enough of ‘fee market’ policies and that Shipley, as a former health and welfare minister who oversaw cuts in these areas, was perceived as ‘flinty and heartless’. There was the belief that National under Shipley could convince the electorate that what the National Party stood for was in fact ‘centrist’ and not ‘right-wing’, that on-going asset sales was ‘normal’ and deregulation was not simply ideologically motivated. Shipley believed that the ‘centre’ would be receptive to the values of self-discipline and the work ethic. In other words, the electorate was to be persuaded to adapt to the party and not vice versa.

This sales or even product-oriented approach of National was a godsend to the Labour Party which was able to reposition itself unopposed as a centrist party, a position it has proved hard to dislodge from since.
In terms of policy product design, the Shipley administration foreshadowed the possibility of further tax cuts, continuing asset sales, some corporatisation of roading administration, further privatisation in health, the abolition of the agricultural producer boards, splitting up of the Electricity Corporation, and the further removal of import tariffs. Tariff cuts on motor vehicles were announced in December 1998. The budget of May 1998 included cuts to sickness benefits for new beneficiaries, opening up to private competition of the state monopoly on workplace accident insurance and flagged future asset sales. In September 1998 in response to the Asian crisis, the government announced its “Policies for Progress” which included cuts to the value of pensions.

It seems incredible that such a raft of radical policy proposals could be offered to a New Zealand electorate that was clearly unreceptive to further changes in their lives following a decade and a half of deregulation and restructuring that was unparalleled in other industrialised democracies. But Shipley weakened the communication links between herself and those who could have signalled to her the inadvisability of her chosen policy path. The Communications Strategy Committee (Comstrat) that Shipley had inherited form Jim Bolger was allowed to become defunct. Comstrat had been set up in 1991 and was composed of senior press secretaries, select backbenchers and damage-control experts. Its job was to deal with political hot spots before they got out of control and to allow the PM to focus on the ‘big picture’. Without Comstrat, Shipley not only found herself increasingly dragged into micromanagement of departmental affairs, but she was not sufficiently forewarned about the potential unpopularity of some of her proposed policies. Furthermore, more communications led to some of the proposed policy changes being misrepresented to the public. By the time Shipley decided to resurrect Comstrat in November 1998, much of the damage had been done.

The Comstrat experience reflected the overall weakness of Shipley to develop a close-knit team of advisers who she could use as a sounding board. Instead, she saw herself as her own chief strategist and one of the complaints of her administration was that she did not seek or receive quality advice. Shipley sought to project an image of a government characterised by firmness, by clarity of purpose and conviction of certitude (MG Business, May 11, 1998, p. 6). What was projected instead was an inflexible, conviction-style politician whose leadership, credibility and management abilities were all seriously questioned in the run-up to the 1999 election.

In an attitudinal poll by TV3/CM in November 1998, a majority of respondents thought Shipley tended to talk down to people (64%), was rather narrow-minded (51%), too inflexible (56%), rather inexperienced (54%) and was out of touch with ordinary people (67%) (Metro, January 1999, p. 44). And on all these indicators, Shipley fared much worse than Helen Clark, the leader of the Labour Party. In public opinion polls, Shipley did not fare any better. After a
honeymoon period of around 6 months following the leadership coup, Shipley as ‘preferred PM’ and the National Party lagged well behind Helen Clark and the Labour Party. At the end of 1998, support for the National Party was less than it had been before the ousting of Jim Bolger and there was nearly a 20 percentage point gap between Labour and National.

Ironically the product that the National Party had to offer at the 1999 election bore little resemblance to a radical programme that Shipley had mooted during the previous year and a half. The radical proposals were either watered down or were simply abandoning in face of widespread unpopularity. In the end, modest tax cuts were all the party could offer to distinguish itself from its main rival the Labour Party.

Shipley had attempted to soften her approach and image in mid-1999 but this tended only to create the impression of a party that was uncertain and directionless, and did little to dispel the association of the party with the free market policies of the 1990s. Jenny Shipley was simply unconvincing as someone who had seen the errors of the past.

At the 1999 election the National Party lost 5 seats while Labour picked up 12 and National moved into opposition for the first time since 1990.

*Market-oriented Phase: December 1999-October 2001*

The election defeat appeared to galvanise the National Party into trying to modernise itself and revamp its image. After 9 years in power, there was a view prevalent amongst both MPs and members, that the party had lost touch with important sections of the electorate and that there was a need to ‘reconnect with the centre’. This represented a shift away from the pre-election period when Shipley had seemed convinced that it was the electorate that needed to be ‘persuaded’ to move to where the National Party had positioned itself rather than the party go to the where the voters are: the difference between a sale-oriented and market-oriented party.

Shipley in imitation of the strategy adopted by the UK Labour and Conservative parties, and Helen Clark for the New Zealand Labour party in the mid-1990s, embarked on a ‘listening’ exercise in 2000. In particular Shipley travelled widely on the road with an agri-rural caucus team to try to stimulate support for the party in the provincial areas of New Zealand — once a bedrock of National support which had wavered somewhat at the 1999 election. In image terms, Shipley attempted to try to present a more flexible and pragmatic image to people and in regard to this enlisted the help of a new communications team appointed in the wake of the 1999 defeat. Shipley was ‘remade’ to look less haughty, less inflexible, more open and more willing to admit mistakes made during her period as prime minister.
Shipley also set up teams of MPs to develop restatements of the values underpinning party principles and policies. Team leaders were to travel and plug into foreign think tanks and the aim was to get new policy out to the public well in time for the next election in 2002. Bill English, deputy leader of the party, was given the task of coordinating these teams in July 2001 when it appeared their work had become stalled.

At the April 2002 National party regional conference, Shipley talked of rebranding the party as a ‘radical conservative’ party. This reflected the dilemma that Shipley faced of trying to appear to voters as different to Labour which was occupying the centre ground, but also different to ACT, the party on its right flank. National ran the risk of either appearing just like Labour or just like ACT, and in both cases losing voters because failed to convince that it was neither one nor the other.

A significant event during Shipley’s term as leader was the election of a new party president in July 2001. The incumbent, John Slater, was defeated by Michelle Boag. Only twice before in National Party history had an incumbent president been challenged, and in all three cases it reflected rank-and-file discontent with how the party was being run. Boag had previously worked for the National Party and was also a public relations manager. Boag campaigned for the presidency on the platform of the need to rebuild the party from the grassroots upwards and to involve the young, ethnic minorities, the busy and successful in creating a new party image which would help the party reconnect with its traditional supporters and those outside its traditional areas of support. She made it clear that she wanted to change the ‘attitude, strategy and communication’ of the National Party caucus (Listener, June 2001, p. 22). To try to attract people to the party, she set up a web site called ‘StopTheRot’ and organised Fresh Ideas meetings where people were invited along to a meeting ‘to talk about whatever in politics they wanted to talk about.’

At the conference at which Boag was elected, there were already signs that her wish to widen the party’s appeal was supported in some quarters of the party. There was a strong Maori contingent at the conference that successfully blocked a proposal to hold a referendum on abolishing the Maori seats. Earlier, in May 2000, at the National Party’s Southern Region conference in Dunedin, Nick Smith had called for the party to build its base in the Maori and Pacific Island communities.

Maori and Pacific Islanders are not a traditional source of National support and the attempt to widen the party’s reach to them was not without its critics within the party (see later). Even more controversial was Boag’s call for a ‘new broom’ to sweep away the party’s ‘dead wood’ when it came to selecting candidates for the 2002 election. In August 2001 Boag made a speech referring to long-serving MPs “who had given valuable service to New Zealand over the
years, but now had to move on.” Following the speech several former cabinet ministers (Max Bradford, Doug Kidd, John Luxton) announced they would retire at the forthcoming election. Two other incumbent MPs — Brian Neeson and Warren Kyd — found themselves deselected (a rare occurrence in the National Party). New candidates that Boag recruited included Hekia Parata (Maori and a former high-ranking bureaucrat), Dale Stephens (Maori, former male model and TV presenter), Glenda Hughes (former athlete and publicity consultant), Allen Peachiey (headmaster of Rangitoto college), John Keys (millionaire merchant banker), Guy Salmon and Stephen Rainbow (prominent environmentalists), Judith Collins (youthful lawyer), Don Brash (former Reserve bank of New Zealand governor)

There was criticism of these new selections with the view that Boag was not so much getting rid of dead wood but cutting into solid timber or at least was replacing dead wood with mature old oak — a reference to the ages of Brash (61 years old) and wood (53). The deselected MP Brian Neeson viewed the selection of Brash and Wood as a step ‘back to the future’.

In addition to Boag, the party also appointed a new director-general, Allan Johnston who, along with Boag, was a members of the 2002 campaign committee. Johnston set about carrying out a communications audit of the party’s databases and e-mail marketing. He claimed to have increased membership by 15-20% which was welcome news to a party whose membership had fallen from an estimated 150,000 in 1975 to just 20,000 in 2001.

Despite the reservations about both Boag’s strategy and her style of doing things, there was the hope within the party that she could give the party the dynamism and attitude that had been lacking since the 1999 election defeat. There was also the feeling that a new president was only the prelude to a new party leader — that Shipley was too much associated with the past and that any efforts to re-package the party would be compromised while she remained leader. It was not with great surprise, therefore, when Shipley was replaced by her deputy, Bill English, three months after Boag became president.

**Bill English**

English considered himself a pragmatist, someone who would be able to dislodge the Labour Party from the centre ground. On becoming leader, English stated “We are after a couple of hundred thousand people. We need to reach out to a lot of voters who voted Labour last time and need to vote for us this time”. (*Dominion*, 10 October, 2001).

Even before he became leader, English had been aware of the need for the party to broaden its appeal. In a speech in March 2000, he spoke of the need for the party to broaden its appeal to the ‘young and brown’ and to shift the party away from an image of being just a party for the rich. There was a need
to win back from Labour the votes of middle-income New Zealanders who felt insecure under neo-liberalism and who had never been able to elevate themselves into the ‘very rich’ group. As we shall see, English faced a problem in trying to adopt a ‘broad church’ appeal as this made National look indistinguishable from Labour. And by asking the party to reach outside its ‘comfort zone’ and appeal to Maori and Pacific Islanders, English faced opposition from within his own party.

Like his predecessor, English tried to reconnect with voters through a series of regional tours that was intended to take in 54 towns in 35 days. Unfortunately, English was in midst of these tours when the election was called in mid-2002. He had, however, already set about trying to redesign the party’s product. English wanted to distance the party from the radical image of the 1990s of ‘sweeping deregulation and a strong anti-welfare line’ but he also wanted to shift the party away from the ‘ordinary bloke’ image of the Muldoon era. In April 2002 English announced the party’s new economic policy that promised cuts in personal and corporate taxes to encourage economic growth which in turn would allow for extra spending on health and education. This was followed by later policy announcements on the management of state assets (as opposed to their sale), plans to boost skills in the workforce and encourage innovation, and reintroduce competition to ACC.

Despite English’s efforts, however, the new policy looked anything but new and its communication to the voter was poorly executed. From the voters’ perspective, the National Party seemed to be sending mixed signals: that there could be tax cuts and more spending on health and education. It was never clearly set out to voters that the tax cuts were only for the well-off and would affect very few people; but that tax cuts for New Zealand’s ‘wealth generators’ would be sufficient to stimulate investment, jobs, growth and return more revenue to the state than that foregone with the tax cuts. It was also not clearly spelt out to voters that National was going to focus on the quality of services provided in the wealth and health sectors, not just the quantity spent. National, therefore, lost credibility in this regard. It may have been good policy but it was bad politics. Mixed signals were also sent to Maori voters. On the one hand, efforts were being made to recruit Maori onto the party’s list; English had even gone to the effort of learning Maori and had achieved a credible accent. Yet when the party’s Treaty policy was announced, it set out that all claims were to be lodged by 2003, and all historical claims to be resolved by 2008. That these dates were ‘goals’ rather than deadlines, was not a distinction clearly spelt out to Maori — again an illustration of poor party communication — and gave the impression that National differed little from the right-wing ACT party on this issue.

The party leader is a crucial factor in communicating party policy to voters. Although English, unlike Shipley, was more genuine in his commitment to a market-oriented rather than a sales-oriented approach, like Shipley he had an
image problem. When he became leader, the party experienced no upsurge in opinion poll support that usually accompanies a change in party leader. Six months after he became leader, support for the party was at its lowest for two years and as preferred PM, English had just 10% support; only 36% believed English a capable leader — compared to 82% for Helen Clark (TV3-NFO Poll). The image problem worsened the longer he was in the job. Between 2002 and 2003, attitudinal surveys found that the number of people who believed he had more style than substance, talks down to people, is narrow minded, inflexible, inexperienced and out of touch, all increased, while fewer people believed he had sound judgement, honesty, a lot of personality and understanding of New Zealand’s economic problems. Polls also showed that the efforts to widen the party’s appeal was not helping to recapture traditional supporters. An NBR-Compaq poll of April 2002 gave National only 17% of support of retired workers, 26% of middle-income voters and 22% of Wellingtonians.

2002 election Campaign
The National party’s four week campaign for the July 2002 election was probably the worst in its history. Even in the run-up to the election, the omens were not good. Tina Symmans, the party’s communications director, had come up with some original ideas to try to improve on English’s languishing image and draw attention to National’s message — an inference that the message was OK, it’s just the way it is covered by the media that is the problem. In May 2002, a fundraising calendar was produced of Bill English - “Man of the Year Hot Shots”. The 40 year old leader appeared as the pin-up for each month, photographed diving, shearing sheep, playing rugby, talking on the phone, boxing...Two thousand of the calendars were printed, retailing for $25 each. In the same month, the National Times appeared, which was a glossy magazine featuring on its cover Bill English turning sausages at the family barbecue with his wife draped all over him. This was the first of a planned regular series of paid inserts in the Sunday Star Times weekend newspaper and other local publications. Up to 400,000 copies of the glossy 8-page magazine were distributed. English himself justified the magazine on the grounds that it was too difficult “to communicate new-look National in sound bites on TV”. That may have been so, but the magazine was deemed a failure in terms of a communications device with poor layout, photos of a dismal standard, unoriginal articles and interviews (National Business Review, 20 May, 2002).

Then in the month prior to the official election campaign English participated in a three round boxing contest in aid of the Fight for Life charity. While this may have been a publicity stunt designed to refashion English’s image of being too nice, too civil and not aggressive enough, it was a stunt that did little to improve the party image, being a possible turn-off for women, a blood sport and promoting outmoded maleness — with the possibility that English could have ended up blooded and sprawled on the canvas (which did not happen).
The four-week campaign proper by National was dismal and few were surprised by the election night outcome — a loss of 12 seats and 10 percentage points of the party vote. This was the party’s worst ever election result. After the election, the party set up a three party panel to review the campaign whose brief was to seek comments from the party on the “lessons National can learn and carry forward to the next election.” The review panel reported to the party at the end of August 2002 with one of its key recommendations being a call for an urgent review of the running of the National Party. This in turn led the party’s Management Board to undertake a strategic review of the National Party, calling for submissions between October 2002 and February 2003. The recommendations arising from the strategic review were then subject to discussion by Special Conference of the New Zealand National Party on 12 April 2003.

The campaign review panel identified a number of shortcomings in the party’s campaign.

*Policy.* There was a failure to devise policy well in time; no policy releases had appeared until seven weeks before the election and then all (over 40) appeared at once, with no targeting of any specific groups. Only eleven policies were checked by the party organisation for consistency and coherence.

*Campaign Strategy.* There was no organised campaign for the party vote or even a ‘two tick’ vote with the result that some candidates in safe Labour seats were only campaigning for an electorate vote. This was partly the result of English wanting local candidates to ‘reconnect’ with voters but in an MMP environment was detrimental to the party’s overall performance.

*Campaign Committee.* Consisted of Bill English, Michelle Boag, director-general Allan Johnston, deputy leader Roger Sowry, MPs Murray McCully, Sue Foley (chief press secretary), Tim Grafton (party strategist) and Tina Symmans (campaign communications director). Criticised for having no agreed strategy, no agreement on campaign chairman, no timeline for the campaign, and failed to sufficiently canvass opinion from outside the committee.

*Advertising.* Lack of central control. No generic hoardings until final week of campaign. Some candidates failed to use National colours (blue) on their billboards; in Canterbury the local organisation used a billboard and slogan of Bill English used nowhere else in New Zealand. Judith Collins, the candidate for Clevedon, when she asked for a template for a business card, flyers and billboard, was told “Well, we've got a billboard one, but the others you can just do as you like” (*New Zealand Herald*, 30 November, 2002). The campaign committee decided to use few, expensive TV ads to promote Bill English rather than cheaper and more frequently aired ads on how National was different to Labour; only late in the campaign was it decided to change to the latter. The final TV address looked as if English ‘was at his own funeral’ with the picture and sound out of sync (*New Zealand Herald* 4 August, 2002)
Post-election changes: moves away from a Market-oriented strategy?
In the aftermath of the election and in light of the review of the campaign, various developments occurred.

First, Bill English undertook a comprehensive media training package coordinated by Sue Foley. The aim was to lift his presentational skills and this involved elocution lessons for a Wellington speech teacher to get him to speak more clearly, stop shouting and to rectify his propensity to roll his Rs. His pudding bowl style haircut and badly cut suits were also addressed in the belief that this image did not appeal to latte-sipping Aucklanders.

Second, personnel changes were made with Boag resigning as party president at the end of August 2002 and being replaced by Judy Kirk. Boag’s departure was almost inevitable particularly given the high profile she adopted over candidate selection — fewer than half of ‘her’ recruits were successful at the election. Kirk was the central north island divisional chair and was seen as the antithesis to Boag — a backroom worker and publicity shy. And while Boag had had no hesitation in involving herself in the business of the leader and his caucus, Kirk made it plain that “My job is to promote the National party. Bill English is the leader of the National Party.” (New Zealand Herald, November 30, 2002).

Within caucus, English reshuffled the opposition front benches demoting two members of the so-called brat-back — Nick Smith and Tony Ryall. The other members of the brat-pack were English himself and Roger Sowry who retained his number two position and deputy leadership. The significance of the demotions were that the brat-packers were seen as the leaders of a new generation of National MPs who would help rejuvenate the party, to modernise the party. Boag and then English were seen as a part of the modernising strategy — getting rid of the ‘dead wood’ and widening of the party appeal. While the old guard had reluctantly gone along with the new strategy, its failure to improve the party’s electoral performance in either 1999 or 2002, weakened the position of the modernisers.

Third, there was yet another redesigning of the party product after the election defeat. Efforts to woo the Maori vote were quickly abandoned. In a speech to the Directors’ Institute in November 2002, English called for “one standard citizenship for all” which was a switch back to National’s traditional stance of claiming no special privileges based on ethnicity. This was in line with the views of senior MPs in the party such as Murray McCully and Maurice Williamson who had been unhappy with the previous ‘softly, softly’ approach to Treaty issues. Williamson went as far as to lay part of the blame for the heavy 2002 defeat on the attempts to woo the Maori vote. “For every Maori vote we were expecting to be able to bring on board by being soft on Treaty issues, I
think we were alienating at least 10 votes in the Takapuna, Pakuranga, Remuera, Fendalton areas of the country” (Dominion Post, 22 August, 2002). In a later speech (January 2003) English also hinted that National may no longer support separate Maori seats and opposed the reserving of seats on local governments for Maori. National’s only Maori MP was demoted in the caucus reshuffle and was not even forewarned of English’s one citizenship speech.

In other policy areas, the narrowing of the party’s appeal was further evident. Williamson again was one of the most outspoken against the efforts by English and the brat-pack to make the party attractive to everyone. For Williamson, “Every time in the past where I’ve felt we were doing things that were really good, we’ve always had a group of people that hated us. Right now no one hates National. We are treated with such indifference, and that’s a recipe for oblivion” (Dominion Post, November 30, 2002).

There is some doubt as to whether Bill English shared the view of Williamson. But nevertheless, he appears to have decided to adjust the party’s policies in line with the critics within his own party. In a major speech on 22 January 2003, English stated “The New Zealand Party is a mainstream Party. It stands for: enterprise, personal responsibility, strong families and communities, freedom and choice, limited Government, national and personal security, and one standard of citizenship” (speech at Channel View Lounge, Takapuna, Wednesday 22 January 2003).

Later that month, Don Brash gave a significant speech to the Orewa Rotary Club. Although Brash was had only entered parliament in 2002 and was headhunted by Boag, nevertheless he was part of the traditionalists in the party. As former Governor of the Reserve Bank, he was economic orthodoxy personified (and, for that very reason, vilified by many on the left). He had been put in charge of coordinating the party’s policy reviews on education, health and economic issues and was the party’s finance spokesman and number three in the caucus. In his speech, which Brash claimed was a personal view rather than that representing the party, he talked about greater emphasis on teaching reading, writing and arithmetic, about the need to reintroduce work for the dole, for an expanded role for the private sector in hospital care, an end to proactive Treaty legislation, increased spending on police and defence, and a check on environment-friendly lawmaking that imposes extra cost on businesses. Such a list of policy prescriptions was ‘traditional’ National Party. English fell in line with this policy direction and endorsed a tougher line against welfare beneficiaries in a March 2003 speech while Williamson called for drug testing of beneficiaries. As a former health minister and a cabinet member when ‘work-for-dole’ schemes were last in operation in the 1990s, English is probably well aware of the impracticability of the drug testing and work for dole schemes. And there is little popular support for them either. At the same time they are cheap political slogans that have the desired effect of distinguishing National from Labour — and Labour’s softer approach to welfare
has not met with much success in reducing beneficiary numbers. There is also wide support for the Brash and Williamson line in caucus — other ‘back to our roots’ supporters would include Clem Simich, John Carter, John Key, Richard Worth, Lockwood Smith, Murray McCully and Katherine Rich.

The redesign of National policy is intended to recapture core voters who defected to the right either to ACT on economic issues or to New Zealand First on Treaty, law and order, and immigration issues. While there is some logic to this, it means the centre ground is abandoned to Labour, and even if National does win back traditional voters, it will have taken these votes from potential coalition partners. In an MMP environment, no party can hope to win enough votes to govern alone. So while National seems to be traversing a path away from a market-oriented party to a sales or even product-oriented one, it cannot hope to win enough support to return to power.

The experience of the New Zealand National Party and its leadership changes, raises some interesting issues with regard to political marketing. First, political parties cannot be treated as unified actors. The leader, other MPs, the party president, rank-and-file members all may have differing views on what kind of marketing strategy the party should pursue. A new leader may be selected to take the party in one direction but may be thwarted by opposition within their own party. Secondly, there is no linear or unidirectional development in a party’s marking strategies. Parties can and do shift back and forth between the three types of party identified by Lees-Marshment. In the case of Bill English, we even witness the same leader switch from a market-oriented approach to a sales or product-oriented one. Third, the electoral environment is an important variable to consider. Under a PR electoral system, you are likely to have a multi-party system with a range of small, medium and large sized viable parties — and coalition governments will be the norm. In such a situation, a party’s marketing strategy is influenced by whether the party is a small niche party which wishes to just target a small segment of the electorate, or it is a medium or large sized party seeking a wider segment of the electorate. Is the party flanked by potential coalition partners or coalition opponents? This too will influence its marketing strategy.
Conclusion
This paper has examined political marketing and political leadership through two case studies: the UK conservative Party and the New Zealand National Party. Our analysis demonstrates the importance of viewing leadership changes within the wider perspective of political marketing strategies.
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