

Marketing the ALP

by Dave Peebles

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This essay represents my personal views, but I am grateful to a number of ALP members for their feedback.

Introduction

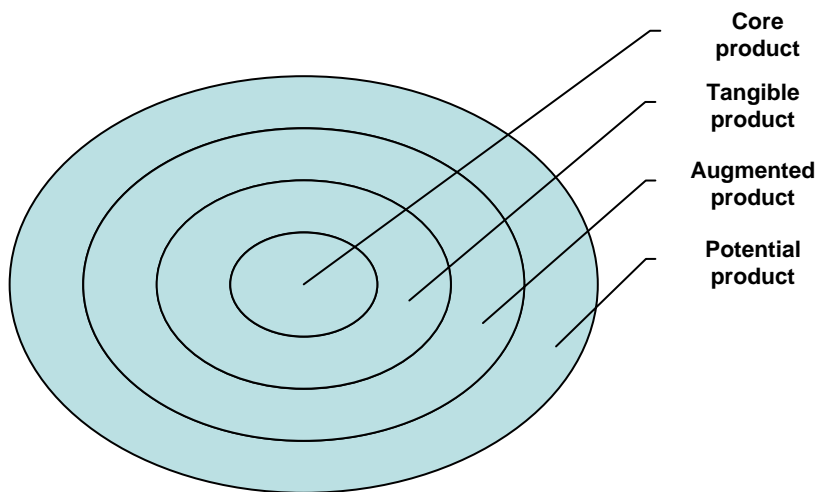
This essay discusses how the ALP must market itself better in order to win the next federal election. The intention is not to suggest that the ALP treat all Australian citizens simply as consumers and somehow win them over through clever advertising (or that marketing critical policies that can change people's lives is the equivalent of selling soap suds). Rather, the intention is to use political marketing concepts to highlight the task ahead for Labor: to develop a comprehensive, integrated approach to selling the party, its policies and its candidates so as to defeat the Coalition.

The importance of an integrated approach is easily demonstrated: good policy that is poorly sold will be ignored; good advertising cannot save bad policy; even a good candidate will struggle to sell bad policy; and a bad candidate will lose both the policy debate and the local community.

The essay covers three main areas: the ALP product - the organisation itself and its policies; the pricing of the ALP product; and promoting the ALP product, through the leader, branding, advertising and local candidates. It then discusses how the ALP could be more strategic in its marketing, and how it must embrace the permanent campaign.

The ALP product

Lloyd proposes that there are four elements to the political party product, which can be represented as follows:¹



¹ See Jenny Lloyd, *Square Peg, Round Hole?: Can marketing-based concepts such as the 'product' and the 'marketing mix' have a useful role in the political arena?*, paper presented at the PSA Conference 2003 'Democracy and Diversity', 16 April 2003.

The *core product* is the basic ideology on which ‘all aspects of a political party are grounded and is central to its very being.’² The least controversial definition of the ALP’s core product would be ‘the pursuit of social justice.’

The *tangible product* refers to the things voters can see: the leader, the candidates, the party’s policies.

The *augmented product* refers to intangible experiences, such as the satisfaction of election promises being fulfilled.

The *potential product* refers to what might happen in the future, and the potential for the party to provide future voter satisfaction.

The political party product is therefore a complex one, with highly interdependent product components.³ Lloyd argues that there must be consistency between all these components. Inconsistency between them can only be remedied through an adjustment of one or the other; if the incongruities persist ‘a credibility gap will remain’, leading to ‘cynicism on the part of the electorate.’⁴ For example, there was a disconnect between Tony Blair and much of British Labour. However, by re-writing Clause IV of his party’s constitution - the socialism clause - Blair was able to promote the appearance of consistency between the core product and the tangible product to the electorate.⁵

In this section, I want to address the issues with the ALP’s tangible product, specifically its policies.

The ALP’s tangible product – meeting voters’ needs

Most commentators believe Labor ceded the debate on national security and/or economic management at the last two elections. Why, in marketing terms, has this been so devastating?

A political party’s challenge is to build ‘brand loyalty and repeat voter exchanges by satisfying customer needs better than opponents.’⁶ This issue of ‘customer needs’ bears close examination. In 1954, psychologist Abraham Maslow theorised that individuals were motivated by a ‘hierarchy of needs’: lower order needs have to be largely satisfied before an individual can pursue higher order needs.⁷ A diagram of Maslow’s hierarchy of needs, from lower order to higher order needs, follows.

² Ibid 4.

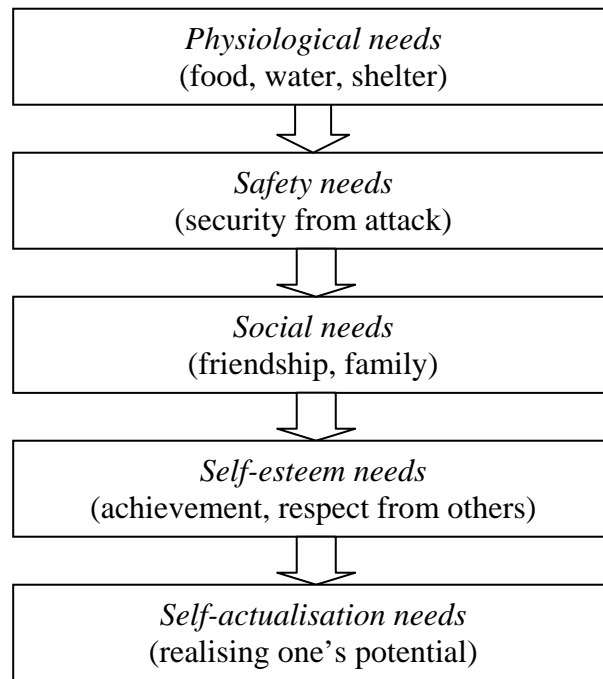
³ Ibid 9.

⁴ Ibid 9.

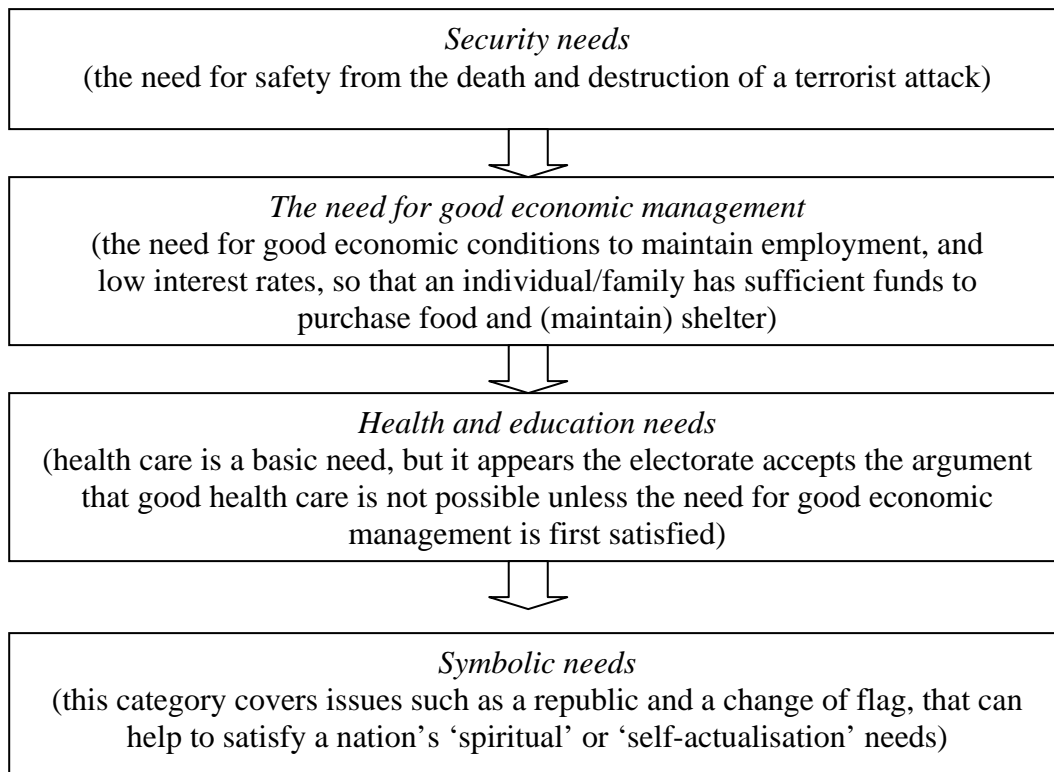
⁵ Peter Ingram and Jennifer Lees-Marshment, ‘The anglicisation of political marketing: How Blair ‘out-marketed’ Clinton’ (2002) 2 *Journal of Public Affairs* 44, 49.

⁶ Aron O’Cass, ‘Political marketing: An investigation of the political marketing concept and political market orientation in Australian politics’ (2001) 35 *European Journal of Marketing* 1003, 1023.

⁷ Abraham Maslow, *Motivation and Personality*, Harper & Row, New York (1954).



To liberally adapt Maslow's hierarchy to the Australian political sphere, we could say there is a continuum of the following needs in the electorate.



This scheme is, of course, a generalisation: for some voters, an issue such as a republic *is* the most important issue. Yet the Coalition’s successful strategy at the last two federal elections has been to market itself as the party best able to manage the state to satisfy voters’ basic needs. In 2004, the Coalition in effect sidestepped Labor’s challenges on integrity in government to instead ask ‘Who do you trust to meet your basic needs?’

The ALP has preferred to focus on health, education and truth in government instead of security and economic management. But without satisfying the electorate of its ability to meet their more basic needs of security and good economic management, Labor will be unable to get voters to focus on the next level of the hierarchy, encompassing health and education. Thus, the ALP needs to market itself as the more effective manager of the state over a much broader range of areas, rather than just health and education.

Pricing the ALP product

In the political context, pricing refers to the cost to the electorate of the winning party delivering the government services it has promised. Political pricing can be expressed simply as:

$\text{taxes} - \text{benefits to voters} = \text{price of product to voter}$

This simple formula captures much of the debate at the 2004 election, where the parties seemingly competed to increase benefits to voters by promising government transfers such as welfare payments and private health insurance rebates. I believe, though, that the relationship between political parties and voters is more sophisticated and can be expressed as follows.

	taxes + government intrusion (regulations, limitations on liberties)
+/-	worsening/improving economic conditions (jobs)
+/-	interest rate rises/falls
+/-	worsening/improving security conditions
+/-	exclusion/inclusion from the political process
-	benefits to the voter (may include intangibles such as pride in country, feeling of security, pleasure at environmental preservation)
=	price of product to voter

This formula better captures the exchange relationship between a governing political party and citizens: what is it that voters are prepared to give up in exchange for services from the state? This formula highlights the pricing challenge currently before the ALP. Voters are factoring the possibility of worsening economic conditions and interest rate rises into the price of the *potential* ALP product. Some are also factoring in worsening security conditions, reflecting concerns about the ALP’s management of the US alliance (against this, other voters believe Australia’s involvement in Iraq has worsened security conditions).

The ALP's pricing strategy at the 2004 election was problematic because its major focus was on the simple formula, of lowering taxes and increasing benefits, to decrease the price of the political product to voters. It did not adequately address the issues that were raising the price of the ALP product in the minds of voters: that the recession and high interest rates during the ALP's last period in government had damaged its augmented product.⁸ A political party is an 'experience product' - the attributes of a particular party and its current composition of ministers are only truly known after the election, so voters are justified in taking into account previous experiences of the product.⁹

The ALP's challenge is to find ways to reduce the perceived risk associated with it. This cannot be achieved through a tactical approach to pricing, with spending policies being released in the closing weeks of an election campaign. Rather, a strategic approach is needed, with economic credentials being built over an extended period to lower the perceived price of the product to voters. Further, the ALP cannot afford to have a pricing strategy that is only a little bit better than the Coalition's. Given the attacks on its economic credentials, the ALP needs a pricing strategy that is obviously superior, demonstrating far greater fiscal discipline. Given the Coalition's profligacy, this shouldn't be terribly difficult.

Promoting the ALP product

The message and the leader

Promoting a political product, like other products, requires a 'simple, direct, believable message.'¹⁰ One practitioner has said 'there's no way we're going to get across detailed policies. It's impossible. The most I can hope to do is to get across broad messages.'¹¹ In political terms, the message is best expressed in the leader's vision. In 1992, George Bush mocked Clinton's 'vision thing', but could not offer a clear contrasting message.

Newman advises using one central vision to connect the party's issues - although parties may be targeting particular segments of the electorate, the vision must provide the thematic consistency to link their policies and promotional strategies.¹² Otherwise, 'the fragmentation of messages across segments... [will] be seen as lacking ideological consistency and credibility and [will] be rejected by voters.'¹³ At the last election, Labor's forestry policy exemplified the difficulties of trying to win two quite different segments, in blue collar workers and environmentally conscious voters.

Recent Australian political history suggests the vision must be simple, positive and broadly pitched, as in Hawke's 'reconciliation, recovery, reconstruction.' At the last election, Latham's main vision of

⁸ See Paul Kelly, 'Howard's politics of prosperity', *The Australian*, 29 September 2004.

⁹ V Wright and J Duan, *Marketing Management*, University of New England, Armidale (2003) 4:9.

¹⁰ 'Differences, Similarities Exist Between Marketing of Candidates and Products', *Marketing News* (Chicago), 7 December 1984.

¹¹ Clare Sambrook, 'Selling the Party: The Campaigners Talk Political Marketing', *Marketing* (London), 12 March 1992.

¹² Bruce Newman, 'An assessment of the 2000 US presidential election: A set of political marketing guidelines' (2001) *Journal of Public Affairs* 210, 212.

¹³ Gareth Smith and Andy Hirst, 'Strategic political segmentation: A new approach for a new era of political marketing' (2001) 35 *European Journal of Marketing* 1058, 1070.

‘opportunity for all’ resonated; but the sub-themes of ‘insiders-outsiders’ and redressing class inequalities did not (few want to view themselves as outsiders, or as guilty of class envy). The sub-themes contradicted Labor’s main message of governing ‘for all.’

Branding

One company president has said his brand is ‘built around the fundamentals of quality, service, cleanliness and value. Everything is done with those four words in mind. There is a relentless and consistent focus on our positioning.’¹⁴ The Coalition is currently better at brand management, which contributes directly to its advertising success. One ALP supporter told me after the election, ‘Costello keeps hammering on promoting the Coalition’s superior economic management. He’s been happy to do that every day for ten years. Any of our people would get bored of that after ten weeks, let alone ten years.’ Yet this is precisely the brand discipline that Labor needs to develop to effectively counter the Coalition’s brand and promote its own.

Advertising

The Liberals clearly won the advertising contest at the last election. Following the election loss, many Labor figures complained about the government’s scare campaign on interest rates. But a scare campaign is hardly an original political tactic - Fraser used it against Hayden in 1980, and Labor employed an effective anti-GST scare campaign in 1993 - so the failure to anticipate and counter a scare campaign represents a marketing failure. We see here the interrelationship between advertising and policy: the Liberals’ advertising campaign succeeded because Labor’s pricing strategy needed greater robustness.

The local campaign

Much depends on the image, skills and abilities of the local candidates promoting the ALP product. It is for the local candidate to bridge the discrepancy between the centralised messages and policies generated by the national campaign, and the needs and circumstances of the local electorate¹⁵ (obviously it helps if this discrepancy is not too large to begin with). Ward suggests a key challenge for parties is to ‘achieve a synergy between their centrally conducted and constituency-level campaigns’, to ‘localise the national.’¹⁶

Mary Porter was elected to the ACT Legislative Assembly in 2004. Mary’s campaign had a small budget, insufficient for TV advertising. However, her adviser, Ian De Landelles (previously a sales manager at Coca-Cola), believed this was not critical. Rather, the key was continual contact with the ‘product’, Mary, and building up a relationship with potential voters - the more voters see of a candidate, the more likely they are to trust them.

¹⁴ Neil Shoebridge, ‘The brand builders’, *Business Review Weekly*, 17 November 1997.

¹⁵ Wright and Duan above n 9, 10:3.

¹⁶ Ian Ward, ‘Localising the National: The Rediscovery and Reshaping of Local Campaigning in Australia’ (2003) 9 *Party Politics* 583, 583

Throughout 2004 Mary spent every weekend at the local market, where 90 per cent of the community shops once every three weeks. She rotated around other shopping centres during the week. Thus, Mary worked over a long period to build a relationship with as many voters as possible through face-to-face communication. In the final week of the campaign, Mary distributed a pamphlet to follow up and remind voters of that relationship.

So Mary and her campaign manager worked very hard on marketing. However, they began with a good 'product', as Mary was well known and respected across party lines for her many years of community service in Canberra.

Mary's election helped secure a majority Labor government in the ACT for the first time. Her success demonstrates the importance of local candidates, as well as the party generally, adopting a strategic approach to marketing.

Towards strategic marketing

Since the 1980s, both major parties in Australia have applied marketing concepts in the management of their campaigns. It is therefore trite to say that the ALP needs to engage in more customer research, to gather more market intelligence. More fundamental is the need to pursue *strategic marketing*: the commitment to 'making long-term decisions which relate the organisation to its marketing environment and direct its marketing operations to achieving long-term marketing goals.'¹⁷ This is challenging because of the increasingly tactical nature of the political contest, where the emphasis is on whether a party is up or down at the end of a 24-hour news cycle.

Yet the consequences of failing to embrace strategic marketing are clear: 'unless an organisation is persistently mindful of the customer and the world of alternatives they face, management decision-making can become somewhat irrelevant.'¹⁸

Lees-Marshment has traced the marketing evolution of the British Labour Party over the course of the 1983, 1987 and 1997 elections (when New Labour was ultimately successful).¹⁹ She argues British Labour had a product-oriented approach in 1983, a sales-oriented approach in 1987 and finally a market-oriented approach in 1997. According to Lees-Marshment:

- a *product-oriented party* argues for what it stands for and believes. It assumes that voters will realise that it is right, and refuses to change its ideas or product even if it fails to gain support.
- a *sales-oriented party* focuses on selling its argument to voters. It retains its pre-determined product design, but recognises that voters may not want it. Thus, the party employs the latest market intelligence, advertising and communication techniques to persuade voters that it is

¹⁷ Wright and Duan above n 9, 1:6

¹⁸ Ibid.

¹⁹ See Jennifer Lees-Marshment, 'The product, sales and market-oriented party: How Labour learnt to market the product, not just the presentation' (2001) 35 *European Journal of Marketing* 1074.

right. Arguably, the ALP employed a sales-oriented approach for the 1998 and 2001 elections, in an attempt to convince voters *twice* that its anti-GST stance was correct.

- a *market-oriented party* designs its behaviour to provide voter satisfaction. It uses market intelligence to identify voter demands, then designs its product to satisfy their needs.

Lees-Marshment concludes that those political parties that have adopted a market-orientation have enjoyed significant electoral success.

It is something of a cliché to describe Tony Blair's 1997 victory as a marketing triumph. Yet this should not disguise the important lessons from his campaign. Blair's campaign commenced from when he won the leadership in 1994, and he worked to develop a thematic consistency between Labour's policies within the 'third way' framework. Blair promised not to dismantle Thatcher's reforms and not to raise taxes, addressing the electorate's concerns about the pricing of the Labour product.²⁰ These efforts convinced the voting public of Labour's modernisation, and ensured the re-branding of the party as 'New Labour' was credible and successful. The campaign promoted the simple messages of renewal and stability, and the campaign was assiduous in its media management. The party's headquarters worked to recruit 'non-traditional' Labor candidates to stand in marginal electorates.²¹

Conclusion

Within the Labor Party it is easy to get caught up in the drama of factional battles, and within Parliament House it is easy to get caught up in the excitement of Question Time. Yet in the longer term, an exclusive focus on these tactical issues is a recipe for irrelevance. The reason is simple – these activities do not win a single new vote for the Labor Party.

I believe that what matters to Australian citizens is a local candidate who they can trust, and policies that will make a difference in their lives. However, in recent elections, Labor has relied on introducing candidates and policies only a short time before the election. A much more strategic approach is needed if Labor is to win the next election, and the lessons from political marketing provide an alternative framework.

Labor must have a clear, simple vision, one which ties together all its policies. Its policies must meet the basic needs of Australian citizens, which means showing policy leadership on the bedrock issues of national security and economic management. The cost of Labor's policies to the Australian electorate must be much lower than the Coalition's policies, both to beat the Coalition on the issue of economic management, and to deal with concerns about the pricing of the ALP product. Labor must be more effective in branding the Coalition, and a more strategic approach is needed to deal with the inevitable scare campaign. Most importantly, Labor must begin marketing its policies and its candidates now.

²⁰ See John Rentoul, *Tony Blair*, Warner Books, London (1995) 377-424.

²¹ See Anthony King, *New Labour Triumphs: Britain at the Polls*, Chatham House Publishers, New Jersey (1998).

The idea that it is possible to win an election campaign and still lose an election is nonsense. The campaign is not six weeks long, it is three years long. Labor has only two-thirds of the campaign left to market the people and policies needed to win national government in 2007.