

# A resource-based view of the political party and value creation for the voter-citizen: an integrated framework for political marketing

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**Abstract.** *The study of marketing by political parties has been a steadily growing theme in academia over the past two decades. However, theory of marketing by political parties could be said to be in a pre-paradigmatic stage, as there is no general theory of political marketing. This is not to say a general theory is preferable or even possible, but it does present the discipline with a number of issues and raises many questions about moving political marketing to a stronger theory base. Such a stage of development presents great opportunities for those interested in political marketing to identify and debate many of the important aspects of applying marketing to political campaigns, which raises significant theoretical and practical issues. One such issue relates to the foundation of political marketing, which is being built on by theory from the commercial marketing domain. This does not lessen the discipline, but opens up opportunities to explore the nature of political marketing and debate the transition, smooth or otherwise, of commercial marketing theory into the political domain. It also provides opportunity to discuss the development by political parties of specific capabilities to deliver greater value to the voter-citizen, and what resources and capabilities are needed to do this. These two theoretical platforms highlight two major issues that if brought together offer significant opportunities to advance the discipline of political marketing – these being the resource-based view of the firm and value creation and delivery.* **Key Words** ● elections ● political marketing ● political parties ● resource-based view ● value creation

## Introduction

Only the fittest will survive, and the fittest will be the ones who understand . . . politics.  
(Jean Hollands)

Two activities – politics and marketing – often dominate the social psyche of many societies, having a major influence over individuals and the broader citizenry. The use of marketing by political parties has been a growing theme in academia, with attention being given by some authors to the social and democratic implications of using marketing in political campaigns and by others to marketing management issues in campaigns. The growing body of work on the application of marketing has developed into the sub-discipline of marketing that is now identified as political marketing. Political marketing has achieved a significant position and gained widespread usage in most, if not all, western democracies, and it appears to be spreading with increasing use and sophistication to non-western countries. We now see major developments in political marketing in the USA, Australia, the UK, and even in Turkey, Greece, Russia and the like. Thus, the application of marketing, particularly marketing management processes in elections, has become a major stream of discussion in marketing in recent times (see Baines et al., 2001; Lees-Marshment, 2001; Lock and Harris, 1996; O’Cass, 1996, 2001).

Pertinent here are the views espoused by Baines et al. (2003), Kotler and Kotler (1981), O’Cass (2001) and Shama (1973) and others who have argued that the similarities between commercial and political marketing far outweigh the differences. But to constantly engage in a debate about the similarities and differences and their implications for democracy seems to negate the potential for important advances in political marketing discourse. While there is increasingly a belief that political marketing activities might in fact have a negative impact on the democratic and social system, taking a proactive view of the potential of political marketing to deliver benefits to the political system requires deeper exploration of key issues. Even though the nature of political marketing and its potential negative impact is an important point, we need to move on. While there is still scope for debate and research on the negative aspects of political marketing as these have not been fully explored – particularly in countries such as Australia, the USA and the like – it appears more pertinent to pursue party capability development and value creation (and delivery).

With the increasing use and growing sophistication of political marketing and elections, a fundamental question arises as to what skills and capabilities political parties need to develop in order to deliver political offerings that will assist in building and maintaining beneficial, valued exchange relationships for voters (citizens) from a marketing perspective. This question is an important one, as a fundamental objective of marketing strategy theory and research is to understand how organizations develop and maintain competitive advantages, and how this leads to gains in performance (McNaughton et al., 2002). This objective is relevant to all organizations that seek to compete in a competitive market, and political parties compete in a highly competitive electoral market and seek to achieve high

levels of performance and voter satisfaction. Importantly, on a similar issue Drucker (1954: 79) notes that to ‘satisfy the customer is the mission . . . of every business’, and Slater (1997) argues this is achieved when superior customer value is delivered. These two issues are just as relevant and critical for political marketers (and parties).

Taking on board the development in commercial marketing theory, advances in political marketing use and the growing competitive environment for political marketing, this paper seeks to advance political marketing discourse by discussing key theory in the political marketing context. The focus and purpose sit comfortably as an overarching orientation to pursue the exploration of the key characteristics that impact political party performance in elections.

Given the above issues, this paper focuses on a discussion of the resource-based view of the firm and brings this perspective into political marketing via a resource-based view of the political party and value-creation theory; it identifies and discusses the application of the resource-based view in political marketing. The paper first discusses contemporary political marketing and then focuses on election campaigning and political marketing. This is followed by a discussion of the universal nature of marketing knowledge and the resource-based view of the firm, value-creation and politics. The paper finishes with suggestion of future research directions and agendas.

## **Contemporary political marketing: politics, parties, practices and marketing**

Genuine politics . . . is simply a matter of serving those around us: serving the community.  
(Vaclav Havel)

By introducing the notion of service (serving the community), Havel brings to bear a key issue in politics – service versus representation. Havel also provides an indication of the role of politics and thus we can entertain the notion of satisfying and delivering value to voters in keeping with the views outlined by Drucker and Slater set within the context of service. These issues revolve around two important institutions. In most modern societies two key activities often dominate the social psyche and have a major influence over individuals and the broader citizenry. The two activities are politics and marketing, which influence society’s everyday activity and economic and social directions. Discussions about marketing’s extended domain, specifically in the area of politics, has recently gained some momentum; however, taking account of the specifics of country contexts, debate and research is lagging. Importantly, as yet little research has attempted to examine the nature of political parties and their marketing, except for O’Cass (1996, 1998, 2001), and theoretical elaboration and development is not extensive to date. Essentially, the application of marketing within politics by political parties could be said to be in a pre-paradigmatic stage as there is no general theory of political marketing (Butler and Collins, 1994; Newman and Sheth, 1987). This does not

Table 1

## Evolution of marketing definitions over the last two decades

Definition of marketing	Role of marketing
'Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives.' (AMA, 1985)	Management of customers and markets
'Marketing is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in way that benefit the organization and its stakeholders.' (AMA, 2004)	Collaboration with customers and third parties to deliver value
'Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.' (AMA, 2007)	

lessen the discipline, but opens up significant opportunities to explore the nature of political marketing and debate the transition, smooth or otherwise, of commercial marketing theory into the political domain.

Political marketing has been described as the analysis, planning, implementation and control of political and electoral programs designed to create, build and maintain beneficial exchange relationships between a party and its voters, a government and its citizens, and between government and third-party interest groups including lobby groups, industry association, companies and the like (O' Cass, 2001). Such a definition is rooted in the earlier definition of marketing in the commercial domain. However, more recently marketing has been redefined and undergone some fundamental shifts. As indicated in Table 1, marketing is now considered to be an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing relationships in way that benefit the organization and its stakeholders. The key to these recent developments related to redefining marketing is in using terms such as 'processes' and 'creating, communicating, delivering, and exchanging [offerings that have value]' (AMA 2007; Keefe, 2004). The movement and refinement of the definition of marketing has an important impact on political marketing and democracy.

Taking the question posed above (in the introduction) and placing it within the context of political marketing management and strategy in elections by political parties, the starting point is placing modern democracy within the context of political parties and explicating that modern democracy is party democracy and marketing plays a major role. Contemporary political institutions and practices, and particularly elections campaigns are the essence of democratic government in

many countries, to the point where modern democracy is the creation of political parties and function to serve the party system. Even though in countries such as Australia, the UK and the like, there has been significant growth in single-issue parties (and candidates) and minor parties running in elections, the political system is still often dominated in many countries by two main parties (e.g. Australia – Labor and Liberal USA – Democrat and Republican).

While many countries have specific electoral systems that have peculiar and unique features, there are significant commonalities. An understanding of *how* parties attempt to interact with and influence the voter-citizen, especially through political marketing strategy, is still critical to democratic systems and the sub-system of elections campaigns.

The nature of electoral systems and their development sees a major role for parties and increasingly political marketing. As such, the importance of political parties is central to democracy and to any examination of political marketing. Given the critical nature of political parties and their influence on society, any study of political marketing should have a strong focus on the party perspective of the dyad (party–constituency) as a primary concern for the implementation of political marketing and its impact on the voter-citizen and the democratic process (O’Cass, 2003). Political parties operate in an intensely competitive, constantly changing environment, leading to a growing role for marketing and its increasing sophistication. Since the inception of political consultancy in the 1950s in Europe and the US – especially after the Watergate scandal, which saw an increase in the importance of party funding and the rise of the Political Action Committee – significant resources have been allocated and attention has been paid to election campaigning. In many instances, what have been described as American techniques have increasingly transferred to the rest of the world (Baines et al., 2003). However, only in recent times are we starting to develop a better understanding of marketing in politics, its influence, impact, and the positive as well as negative consequences of such a philosophical and practical foundation for the nexus between politics and society (O’Cass, 2001).

## Political marketing and election campaigning

Humanity is beset by helplessness and despair, and the apparent universal loss of faith in their institutions and political processes to improve their condition. And yet it is clear that there is no other hope for the future but through open and democratic political processes. (O’Cass and Pecotich, 2005)

Like other areas of research, political marketing studies offer the promise of a deeper understanding of campaigning, elections and policy development programs (Baines, 2005) from a marketing perspective (O’Cass, 2002). How parties seek to understand and apply research to influence electoral outcomes via marketing is particularly relevant and important in democratic terms. However, notwithstanding the positive tone of much of the discussion on political marketing, it is a controversial area and there are detractors who argue that politics operates at a higher level than consumer or business-to-business

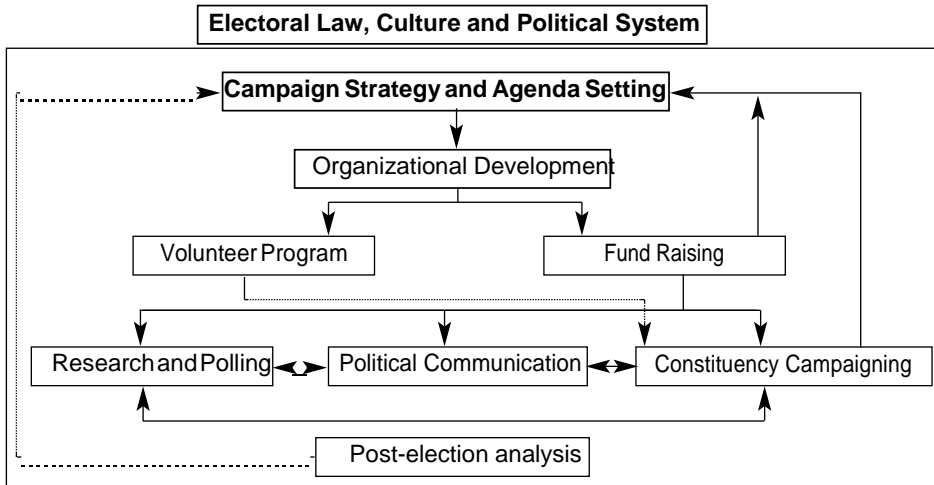
marketing. Nevertheless, this viewpoint and its proponents miss the point. Marketing is being used by political parties and will continue to be used. The issue is to what social and democratic effect, and how parties develop, deliver and manage the political product.

In the context of marketing in election campaigns and the growing sophistication of elections and political marketing, costs steadily rose between the 1950s and mid-90s, after which a dramatic increase in expenditure was seen in most countries and has been growing since. This phenomenon is not confined to larger countries, and expenditure and costs of elections have been steadily increasing (O’Cass, 2004). The upward spiral in electoral spending by political parties in most countries emphasizes the significance of understanding political marketing and its contribution to elections. The democratic process and political marketing are intertwined, as democracy implies widespread participation by citizens and participation is costly. In effect, even with rising costs and increasingly sophisticated campaigns, certain tasks and processes appear in election campaigns universally.

The nature of political marketing and the political market are outlined in Figures 1 and 2. Adapted from Baines (2001), Figure 1 identifies the key actions and processes aligned with political marketing in an election campaign that occur inside a party. Baines (2001) argues that these tasks and processes are generic campaign processes. As such the tasks, processes and their relationships are seen within the context of the political system but are modelled as a closed system in Figure 1. The components and their relationships in Figure 1 represent an attempt by Baines (2001) to outline the marketing planning process within the UK and US electoral systems. The diagram is argued to generically fit both countries and specifically focuses on the key processes. However, the model misses the interaction between party and citizen-voter and responses from them set within the political marketplace.

Figure 2, on the other hand, takes the marketplace perspective focusing on articulating the characteristics and interactions in the political marketplace between party and the voter-citizen. Therefore, Figure 2 outlines the two key players and their primary interactions and flows of activity, and responses to the activity. The model treats the system as an open system, focusing on the characteristics of the two primary parties in an election (party and voter) and how they are linked via the marketing activity, and responses within the context of a competitive environment. Thus, it takes a triadic approach, arguing that while party and voter engage in interactions and encounters via the marketing mix strategy and responses to it, they are (both) also impacted by the competitive environment.

While Figures 1 and 2 both identify specific processes, it is the underlying drivers of these that appear important in the delivery of value to voters. As such, the focus here is not on addressing how specific marketing activities are conducted (which is still not well understood), but on what might be deemed the macro-level issues related to developing capabilities and delivering value. This issue also relates to the effects of marketing on voters’ behaviour and how marketing activities in elections impact actual voter choices through the perceived value received. A



Source: Adapted from Baines (2001)

Figure 1

**The generic campaign management process (UK/USA)**

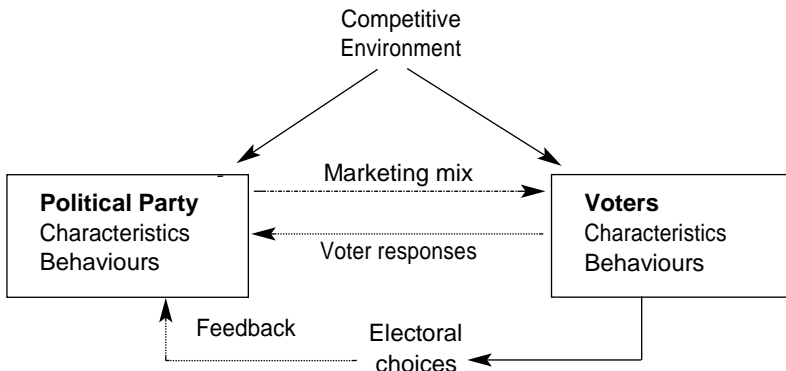


Figure 2

**Model of primary actors and relationships in the political marketplace**

fundamental question concerning political marketing focuses on what political party managers and members perceive their product to be and how they develop and manage the marketing of the product during an election to create and deliver value. This is important: as Reid (1988) points out, the problem of getting elected is fundamentally all about marketing, and parties must determine the scope and nature of their offering across various social

and economic domains, a complex mix of people, policy and programs, and then find the most effective way of communicating the value offering to target voter segments. A small but growing literature on this topic identifies a number of key characteristics that address issues related to the structure and processes of political marketing. This literature is only now starting to focus on the offering, the organization, the 'market' (Baines et al., 2003; Lynch et al., 2006) and processes of applying marketing in politics (Baines, 2005; Butler and Collins, 1994; O'Cass, 1996). The view taken here is that political marketing offers ways of understanding and managing modern politics and that the value of marketing is that it promotes and enables parties and voters to be part of a constructive dialogue (O'Cass, 1996) for policy development and communication purposes in order to create and deliver value to the voter-citizen.

## **Resource-based view, value creation and political parties**

Public sentiment is everything. With public sentiment nothing can fail; without it nothing can succeed. He who moulds public sentiment goes deeper than he who enacts statutes or decisions possible or impossible to execute. (Abraham Lincoln)

Lincoln identifies two key aspects of politics – to understand versus to mould public views. Critical for political parties is the proposition that to understand or mould requires certain resources and capabilities. On this point, the commercial marketing literature offers some insight. The Resource-Based View (RBV) of the firm, espoused by Barney (1991) and Peteraf (1993) signifies a significant role for firm characteristics in organizational performance. In marketing, some effort has been devoted to answering the question of whether performance is driven primarily by competitive intensity or organizational characteristics (e.g. Hawawini et al., 2003; Rumelt, 1991; Schmalensee, 1985; Weerawardena et al., 2006). In accepting the central role of organizational characteristics as an underlying foundation for the RBV, one also accepts that resources and capabilities are central constructs to the RBV. Emerging as a major shift from the industrial structure (or IO) view, which emphasizes the importance of external environmental factors, RBV emphasizes internal factors. The central logic underpinning the shift is the inability of the industrial structure view to explain why some firms within the same industry facing identical conditions outperform others (differ in performance) (Hawawini et al., 2003). The RBV emphasizes resources and capabilities as central to understanding competitive advantage and superior performance in the marketplace (e.g. Amit and Shoemaker, 1993; Day, 1994; Prahalad and Hamel, 1990).

Essentially, the RBV adopts an inside-out approach to strategy and argues that internal factors explain more variance in performance than do external industry-related factors, which emphasize an outside-in approach to strategy (Barney, 1991). Resources are valuable inputs that enable an organization to produce effectively and efficiently market offerings that have value for customers (Hunt and Morgan, 1995; Srivastava et al., 2001). The available resources can be categorized into tangibles and intangibles (Barney, 1991). According to Hunt and Morgan



(1995), tangible resources can be physical, including facilities, raw materials, equipment, cash reserves, and the like, while intangible resources include skills and knowledge of employees, knowledge of customers, competitors, suppliers, and the like.

The connection between strategy and RBV is an important consideration. The strategy implementation approach views strategy as having an impact on organizational dimensions. Specifically, the strategy implementation perspective argues that organizational dimensions are adapted to strategy, which then results in performance-related outcomes (Homburg et al., 2004). Although traditionally organizational dimensions such as structure and systems have been emphasized, with the advent of the RBV and its acceptance in the strategy and marketing literature, capabilities are increasingly being viewed as organizational dimensions that need to be adapted to effectively implement a particular competitive strategy.

Although organizational capabilities are often seen as a resource, subsequent contributors to the RBV highlight the need to distinguish capabilities from resources to provide a better explanation of value creation and service delivery (Teece, Pisano and Shuen, 1997). For example, a firm achieves rents not because it has more or better resources, but because the firm's distinctive capabilities allow it to make better use of its available resources. Unlike resources, capabilities are based on developing, carrying, and exchanging information through the firm's human capital. The capability-based view of competitive advantage suggests that an organization can achieve a competitive advantage through distinctive capabilities it possesses (Pisano and Upton, 1996). The development of capability theory has been primarily founded upon the resource-based view. Businesses must possess and utilize specific processes that are necessary to transform resources into valuable outputs (Day, 1994; Vorhies and Morgan, 2005). Capabilities, manifested in such business processes, are something beyond resources, which are valuable inputs to develop and maintain competitive advantage (Srivastava et al., 2001).

## Universal marketing knowledge

Clearly there is a need to apply what we know of the commercial marketplace in the electoral marketplace. (O' Cass and Pecotich, 2005)

The need to explore and advance our knowledge of market-driven party performance is generally acknowledged, particularly as it is an important component of sustainable competitive advantage (Lynch et al., 2006). The view taken here expands on Day's (1994) framework that argues that organizations can become more market-oriented by identifying and building the special capabilities that set them apart as market-driven, in this case citizen-consumer-oriented political party organizations. However, at present this is a neglected issue in the political domain. The view adopted as an underlying foundation here is that parties as one actor in the marketplace must adopt innovative and entrepreneurial strategies that take account of not only the voter, but also other macro-environmental factors and the party's own resources and capabilities.

If a citizen-consumer orientation is the key to a party's success (i.e. its ability to monitor, prioritize, implement and manage the multiple demands placed on it by all its constituencies) at any period of time, this has considerable implications for society and democracy. The central purpose of political marketing is its ability to enable political parties and voters to make informed, need-oriented political decisions. The value of marketing is that it can be used to promote and enable parties and voters to participate in a constructive dialogue for both specific and broader societal development and fulfilment of social and economic goals. How different views of democracy and marketing have led to different approaches in bringing about an incarnation of the concept of political marketing is becoming important to a greater understanding of democracy and political marketing as a meaningful and valid managerial approach to politics. In the context of political marketing, issues relate not only to the economic efficiencies of monopolies and consumer rights in receiving what has been offered in an election, it is about the provision of democracy itself, via party offerings, and how marketing impacts voter behaviour. However, such debates still do not address the fundamental question of how parties develop specific capability sets that will aid in delivering value to the voter-citizen and whether this will then lead to a competitive advantage.

In reality, the issues related to marketing techniques and new technologies in political marketing may be fundamentally driven by the key organizations within this domain. To focus on the techniques and technology would be focusing on a single side of a two-sided coin – the other side being party characteristics – and to this end during the past four decades study of the attributes of market-driven firms (i.e. political parties) has been a dominant theme in strategic marketing research. The term market-driven refers to learning, understanding and responding to stakeholder perceptions and behaviours within a given marketplace (Jaworski et al., 2000). Firms that are better equipped to respond to market requirements and anticipate changing conditions enjoy long-run competitive advantages (Day, 1994). Despite the growth of literature on market-driven firms, our understanding of these issues for political parties is extremely limited.

The need to explore the role of key party characteristics in advancing our knowledge of market-driven party performance is vital (Lynch et al., 2006). As such, party characteristics should be incorporated into models of how political parties adapt to their environment and how this affects performance. Importantly, market orientation and marketing capability would be critical capabilities shaping competitive strategies in market-driven parties, and party structure and processes play a key role in building and nurturing such capabilities.

The capability-based theory of competitive advantage suggests that a party may achieve competitive advantage through distinctive or core capabilities. Capability-based theory explains the value creation process by assigning a proactive and dominant role to key decision-makers. Distinctive capabilities that enable parties to gain competitive advantage are developed consciously and systematically by the intentional choices and actions of management (Hayes, Pisano and Upton, 1996; Lado et al., 1992). Applying this theoretical view and applying it to the political marketplace initiates the argument that market-driven strategies are precipitated

by a party's key decision-makers, impacted by the specific capabilities that exist within a party. As such, a specific examination of strategic marketing models assists in the generation of knowledge and understanding of the competitive arena in party activities and their impacts on the electoral marketplace. Such impacts include organizational resources, which if developed and deployed correctly should deliver value to the voter-citizen.

While the emergence of the RBV marked a shift in the emphasis of business-level strategy, from industry-driven strategy to internal strength-based strategies, it has received little attention in political marketing. In this area Baines (2005) has identified resource advantage theory as a critical issue in political marketing. As such, the aim here is to examine how the political marketplace functions via two primary issues from the party perspective: RBV and value creation. Within the context of RBV and value creation the principal agents in the political marketplace, the political party and its structures and processes for engaging in political marketing activities (party executives, candidates, politicians and external advisors) are an important focus. It is this focus that may help ensure the development and delivery of party offerings and how this may occur via RBV and value creation and delivery to the voter-citizen.

As such, in the political marketing context the proponents of the RBV would suggest that the strategic resources possessed by the party determine its competitive advantage. In this area, resources would include all party assets, capabilities, party organizational processes, attributes, information, knowledge and so on controlled by a party, which enable it to conceive and implement strategies that improve efficiency and effectiveness (see also Barney, 1991). Although this conception views capabilities as a resource, it is argued here that in the context of the RBV of the party we need to distinguish capabilities from resources to provide a better explanation of value creation and service delivery by political parties. For example, the party achieves rents not because it has more or better resources but because its distinctive capabilities allow it to make better use of its resources. Unlike resources, capabilities are based on developing, carrying and exchanging information through the party's human capital (i.e. members, politicians, candidates and executives). The capability-based view of competitive advantage in the political domain would suggest that a party can achieve a competitive advantage through the distinctive capabilities it possesses and its ability to proactively deploy these capabilities.

Although traditionally organizational dimensions such as structure and systems have been emphasized, with the advent of the RBV and its acceptance in the strategy (Barney, 1991) and marketing literature (Day, 1994), it can be argued that political party capabilities would thus be viewed as organizational dimensions, which need to be adapted to effectively implement a particular competitive strategy. Essentially, in the context of political marketing the RBV of the party should focus on an inside-out approach to party strategy and it implies that internal party factors will impact electoral performance more than external environmental-related factors, which emphasizes an outside-in approach to party strategy (see Barney, 1991; Wernerfelt, 1984).

On this point, Amit and Shoemaker (1993: 35) have elaborated that, 'capability refers to the organisational capacity to deploy resources, generally in combination, using organisational processes to affect a desired end'. Furthermore, capabilities are intangible, would be specific to a party, and are developed over time due to the interactions among the resources within a party. This intangibility results from the embeddedness of the capability in party experience, and learning. The implications for strategic political marketing are that, first, a party's capacity to combine various capabilities such as knowledge of the voters, financial strength, goodwill of their supporters and party leadership is critical; and second, that these capabilities must be developed and refined over time by learning about voters, understanding their needs and wants (as well as key stakeholders) and modifying behaviour and policies.

An important insight provided by RBV is that not all party capabilities can be or will be equally important and consequently potential sources of competitive advantage. On this point several authors have proposed characteristics of capabilities that allow them to be sources of competitive advantage. This paper adopts Barney's (1991) argument that four characteristics allow capabilities to be sources of competitive advantage for a party in that they are, first, valuable in terms of exploiting opportunities and/or neutralizing threats in the party's environment; second, are rare among the party's current and future political competitors; third, must be imperfectly imitable by other political parties; and fourth, strategically equivalent substitutes do not exist in the political marketplace or domain. Therefore, when political parties are planning to develop and exploit capabilities, it is crucial to understand whether such capabilities will provide a source of competitive advantage and thus sustained performance, and this can be gauged by whether the developed capabilities confirm to Barney's criteria and thus can be exploited. However, as Blair alludes, it is about delivery 'this party will, ultimately, be judged on its ability to deliver on its promise' (Tony Blair). Taking on board the notion of delivery in the commercial domain marketing has seen major shifts in emphasis. Marketing is in some ways moving away from the marketplace to the customer, from transactions to interactions, from product-centred logic to service-centred logic and to an organizational function and a set of processes, and from exchanges to long-term relationships (Lusch and Vargo, 2006; Sheth et al., 2000). These fundamental shifts appear to be reflected in the current American Marketing Association (AMA) definition of marketing as 'an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders' (Keefe, 2004: 17). Importantly, these fundamental shifts are also highly relevant to political marketing. They provide the impetus to start a debate about party capabilities and the delivery of value to voters (citizens) within the context of political marketing.

The ability to deliver has as its requisite ingredients specific party and managerial resources and capabilities. It is argued here that delivery means delivering the value embedded in the promises, as Blair identified. In contemporary definitions of marketing, value and value creation, rather than products (i.e. political offerings),

are of central importance and this will be a major challenge for political parties and their marketing activity. Being market-driven is outdated and the future will belong to parties that are value-driven. Value and value creation will need to become the central elements of electoral strategy, and the success of parties will come to depend on the extent to which they create for and with voters (i.e. citizens) what is considered of value by them. This is perhaps the future of party differentiation. However, questions about what constitutes value and how value is created still remain for both marketing scholars and practitioners (Ngo and O’Cass, 2006) and are of central concern in the development of political marketing as a discipline and are particularly important for the citizen-voters. In this context recent work by Lusch and Vargo (2006) may provide a foundation within which to better explore these issues related to value in the political process and elections. What has become referred to as service-dominant logic may provide an over-arching basis in which to place value, and for value creation, during elections. Thus, there appears to be scope for placing value and value creation within service-dominant logic, which advocates the notion that value is created at the intersection of the party (and also government and opposition) and the citizen-voter (the consumer).

Research on value creation, value offerings and service dominant logic is considered a high priority for marketing scholars, but this has not been raised in political marketing as yet. There appears to be a number of practical and theoretical grounds justifying a focus on this in the political marketing literature. From a practical viewpoint, creating value for the voter-citizen has the potential to be a primary source of competitive advantage and may ensure party success. Indeed, the significance of value creation becomes clearer considering the contribution of value creation to satisfying and retaining customers in the commercial domain. This is vital and fits well with the arguments of Drucker (1954: 79) that to ‘satisfy the customer is the mission . . . of every business’, and Slater (1997) that this is achieved when superior customer value is delivered. So a stronger focus on value creation and delivery will yield greater satisfaction from voters. First, voters are generally satisfied and should remain loyal because of the value they receive (O’Cass, 2004). Also, in this context a movement away from goods-dominant logic indicates that understanding service-dominant logic is critical for contemporary political parties. Particularly, being considered an evolution of marketing philosophies, service-dominant logic is the basis for competition and has the potential to improve marketing productivity, decrease voter alienation in society, and foster an aggregate marketing system that is more pro-society. Second, creating offerings which encompass unique benefits and superior value for voter-citizens may contribute to party success, thus reducing the costs of potential failures in the sense of the party’s offering and enhancing party performance. For many parties, successful political offerings (policy platforms) have been seen as engines of electoral success. The single most important factor that may help reduce this risk is a meaningful party–voter interaction in the new development process with an aim of creating superior electoral offerings that are of value to the voter.

In an attempt to highlight the process of creating and delivering value, Figure 3 outlines key components and their relationships in the process of value creation

and delivery using the notion of party orientation and voter orientation in the context of the political offering and value. Specifically, it also identifies the RBV of the party as the initiator of this process and the process as a cycle with the value of the voters being delivered back to the party to initiate resource development and deployment in further rounds of competition.

Figure 3 integrates these issues into a simplified representation of the value creation process for the political offering. It highlights the primary driver of the value creation process being RBV within the context of developing capability sets, within a political party that assists in development and delivering superior voter value. It identifies two primary actors, their roles being the party orientation and voter orientation. The party orientation contains the offering that the party puts into the marketplace for the potential voter and the ultimate value of the voter to the party that is delivered through the offering. The voter orientation contains the party offering perceived by the potential voter and their evaluation of its value to them.

Within the party orientation shown in Figure 3 there are two key components. The first is the party offering, which is the value that a party builds in a particular political offering in terms of attributes related to policy, platforms, relationship-building with specific voter groups, and co-creation of the offering with voter groups to create and deliver programs, policy, etc. The second component is voter equity, which is the party's assessment of the value of the voter to them; it consists of voter acquisition, voter retention, and policy and program cross-selling.

Within the voter orientation shown in Figure 3 there are also two key components. The first is the value delivered to voters, which is the voters' assessment of the value of the party brand. This covers voters' awareness of the party brand and willingness to vote for it; political brand retention – voters' tendency to stick with the party brand; and finally, policy cross-voting – the activity associated with voting for any additional policy programs, candidates, etc. that are related to the party brand. The second component within the voter orientation is the voters' electoral offering equity – the perceived preference for and evaluation of value of what the party offers to the voter. The diagram also highlights the sequential effects of the party offering, how it is perceived by potential voters, their evaluation of it and the value of the voters delivered to the party via their offering. This sets the marketplace interactions between parties and voters within the context of value creation through the RBV framework in political marketing.

Political parties fundamentally have to act as resource integrators to succeed in the development and deployment of resources and capabilities. In this context a political party's structures and processes must enable them to act as integrators of resources through which they can obtain competitive advantage when they possess capabilities that can be proactively converted into value for voters. Within the party–voter interaction, the party and the voter both contribute to value creation and delivery (i.e. co-create) in the marketplace. Thus, the significance of focusing on capability space in the context of value creation for voters is meaningful on both theoretical and managerial grounds. Critically, parties in a given marketplace are not identical black boxes, but are dynamic collections of specific capabilities,

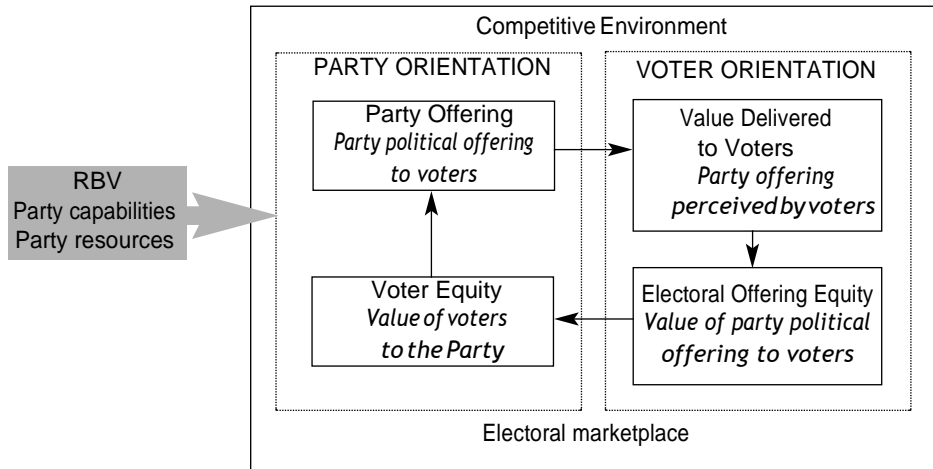


Figure 3

**Political value creation: value offering in electoral markets**

which can be utilized to create value for the voter.

Overall, the notion of capability has been founded upon the resource-based view, which takes an ‘inside-out’ perspective to offer an explanation for party success. Parties need to possess and utilise specific capabilities that transform resources into valuable outputs. Capabilities manifested are something beyond resources and are valuable inputs for parties to develop and maintain competitive advantage. In line with this reasoning, Vargo and Lusch (2004) state that operant resources (e.g. knowledge and skills) and their use are the fundamental source of competitive advantage. While in political marketing we would see resources representing assets possessed by a party, capabilities refer to the combination, development and leveraging of these resources to achieve objectives. Capabilities are a party’s competence in combining, developing and sustaining resources and they are of paramount importance in achieving competitive advantages. Capabilities are those aimed at creating superior value for the voter-citizen and as such represent value-creating capabilities.

**Future research directions and agenda**

Applying the strategy implementation approach, future research could examine important capabilities within political parties that have the potential to contribute to the creation of voter value. On this point a party’s ability to create, disseminate and utilise knowledge or organizational learning may have an important impact. For example, Sinkula et al. (1997) suggest that cultivating a learning culture may indeed become one of the primary means to attain and maintain a competitive

advantage. This contention could be tested in the political marketing domain. Furthermore, as the political environment is characterized by uncertainty, competitive advantage depends upon the party's capability to adapt in a strategic manner. Therefore, a political party's ability to understand and respond could be critical and should be studied. It is arguably the case that these two capabilities play an important role in strategy implementation and are worthy of study in political marketing. Consequently, opportunities clearly exist for empirically examining the role of party capabilities in the competitive strategies electoral performance.

Furthermore, one of the dominant conceptualizations of competitive strategy is that of Miles and Snow (1978), which has been extensively applied in marketing. Therefore, understanding strategy through the Miles and Snow typology to explore the relationships between strategy typology and political party capability, resources and performance would provide an alternative perspective and would be a fruitful extension to the strategy implementation approach. Also, future research may explore the role of value creation and strategic postures adopted by parties.

In moving forward with the resource-based view of the party and value creation research, further work is needed with a view towards extending theory. Future research could explore implications of business orientations, resources and capabilities on value offerings of parties including values perceived by voters, value of the political brand to voters, and value of voters to the party. In particular, the use of brand equity and customer equity could help to extend the current discussion and provide insights into the mechanisms of the value creation process for political parties. This aspect was set out in Figure 3.

Finally, cross-national research is required to test the differences in the contribution of resources and capabilities to electoral offerings and competitive advantage across country contexts. By focusing on such cross-country research, political marketing academics can establish the country-specific versus the generic factors that impact electoral performance delivered via value creation processes through resources and capabilities. As such, there is significant scope and opportunity for research in political marketing in the domain of party value creation and resource-based view of parties and performance.

The examination of issues such as those addressed here will provide electoral commissions, policy makers, parties and citizens with a better understanding of the impact that marketing has and the role it plays in the political system.

## Conclusions

At the heart of the notion of political marketing is the idea that political parties understand the problems facing the electorate and develop policies which seek to solve the social, economic and political problems that they face. This is both in conjunction with the voter through policy interaction and market research, and on their behalf through political leadership, policy development and network exchanges with think tanks and other policy entrepreneurs. This idea should be of primary importance and concern to a nation promoting and defending democra-



cy, and it fits clearly within the domain of improving social well-being, which is significantly driven by a well-functioning electoral system. Recognizing that the democratic process legitimates decisions which are subsequently made by elected parties, affecting the whole of society, it is important that stakeholders in the political and electoral system understand how and in what ways political marketing might be used. There is an increasing shift around the western world towards a consumerist approach to democracy and government. Within such a movement, party resources and capabilities that maximize resource utilization will become a requisite ingredient for electoral success. However, even within the context of the RBV of the party, value creation and delivery are critical.

A 'healthy nation', in democratic terms, should be a concern to all stakeholders in the political system (i.e. government, politicians, voters and academics). To ensure meaningful participation in our democratic system, understanding the nexus between party and marketing is vital. In this context, value and value creation are the central elements of political marketing strategy and the success of parties depends on the extent to which they create for the voter-citizen what is of value to them. Notwithstanding the compelling role of value and value creation, this is a neglected issue in the political marketing literature, and seeking to fill the void in understanding about what constitutes value for the voter and how value is created for the voter-citizen need to become priority. Such endeavours are important to political marketing academics, practitioners, party executives, politicians and voters alike. It is hoped that this article helps fill the lacuna somewhat.

The resource-based view of the party appears to sit well as the repository for the operationalization of creating voter value. Furthermore, based on the RBV of party logic, it is suggested that the capabilities that RBV helps to develop are important in informing political marketing that aspires to deliver to voters what is of value to them. Indeed, it is argued here that ultimately, contemporary political marketing literature needs to undergo a dramatic paradigm shift from market-centric political marketing to voter-centric political marketing, in which creating value for the voter-citizen is a priority and is best delivered via developing specific capabilities through the RBV framework and deploying such resources and capabilities effectively. As such, in response to increasingly informed, sophisticated and value-conscious voters, parties should be committed to value-creation strategies, a strategic space that determines the nature and scope of a party's value creation mechanism.

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