Understanding Political Market Orientation

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Abstract

This article develops a conceptual framework and measurement model of political market orientation that consists of attitudinal and behavioural constructs. The article reports on perceived relationships among different behavioral aspects of political market orientation and the attitudinal influences of such behavior. The study includes structural equation modeling to investigate several propositions. While the results show that political parties need to focus on several different aspects of market-oriented behavior, especially using an internal and external orientation as cultural antecedents, a more surprising result is the inconclusive effect of a voter orientation on market-oriented behaviours. The article discusses the findings in the context of the existing literature in political marketing and commercial market orientation.

Keywords: Political market orientation, political marketing, political behavior, party behaviour, attitudes.

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> "A market-oriented approach to political elections is becoming increasingly inevitable everywhere in the world because of the number of fundamental changes that are occurring today and will continue in the foreseeable future." (J. Sheth; foreword in Newman, 1994: ix)

Sheth wrote about the importance of a market orientation for political campaigns more than ten years ago; today the use of marketing is ubiquitous not only at election time (Newman, 2005), but also as a *modus operandi* of parties throughout the whole electoral cycle as part of the so-called permanent campaign (Nimmo, 1999; Sparrow and Turner, 2001). Whilst the concept of a market orientation receives lots of attention in the commercial marketing literature (Deshpandé, 1999; Harris, 2002; Lafferty and Hult, 2001), non-profit marketing in general and political marketing in particular have yet to receive the true benefits of this approach (Henneberg, 2004; Padanyi and Gainer, 2004).

The amount of research into political marketing is still growing exponentially but tends to concentrate on qualitative and descriptive studies or on a *post hoc* rationalization of political events, primarily elections (Henneberg, 2002; Henneberg and O'Shaughnessy, 2007; Scammell, 1999). This study addresses several of the conceptual deficiencies of the extant literature by utilizing a quantitative method, building upon the foundation of published conceptual and qualitative work in political marketing and mainstream marketing theory and carries out an investigation of construct relations in political market orientation. The main objective is a better understanding of the relationship of specific market-oriented organizational attitudes towards different political stakeholders on the one hand, and certain market-oriented behaviors by parties on the other. This is an important area for political marketing research as synthesising the latent and explicit needs and wants of diverse stakeholders within the political system (e.g., voters, competitors, lobby and interest groups, and the media) into legislation is crucial to responsible democratic governance (Coleman 2007), and can provide an analytic framework for understanding current developments in party organisation research (Heidar and Saglie, 2003). In addition to this, the research provides a tool for political organizations to assess the drivers of market orientation as part of the party's strategic orientation. As such, the outcomes of this study are aligned with the MSI Research Priorities for the Marketing Productivity community which put metrics allowing assessing and managing the impact of marketing strategies at the top of the research agenda (MSI, 2005).

This article develops a conceptual framework by discussing market orientation and its relationship with the political sphere, and then derives the specific construct of political market-orientation. Following this, the article develops different constructs as part of a model and several research propositions. After a discussion of the research design, the article presents the findings and analysis, and closes by elaborating on the implications of the study as well as suggesting further research.

Conceptual Framework

Whilst some scholars argue that the practice of marketing management by political actors like parties, candidates, single-issue groups or governments predates that of commercial organizations (O'Shaughnessy, 1990), the academic study of the political marketing activities arose as an outflow of the discussions surrounding the applicability of marketing to nonprofit organizations that flourished in the late 1960's and early 1970's as part of the widening of the scope of marketing discourse (Arndt, 1978, 1982; Enis, 1973; Hunt, 1976, 1983; Kotler, 1972; Kotler and Levy, 1969; Levy, 2002; Luck, 1969). However, interest in the marketing tools and concepts used by political candidates and parties first became sedimented in academic studies about twenty years ago (Harrop, 1990; Newman and Sheth, 1985, 1987; O'Shaughnessy, 1990; Smith and Saunders, 1990). Today, political marketing is a rapidly growing area of nonprofit marketing, both as a multi-billion dollar industry (Johnson, 2001) and as an academic sub-discipline (Newman, 1999, 2002).

However, the application of marketing theory to the political sphere is not without difficulties (Egan, 1999; Henneberg and O'Shaughnessy, 2007; Lock and Harris, 1996) which explains some of the still existing methodological and conceptual shortcomings in research on political marketing (Henneberg, 2004; Scammell, 1999). As with the marketing activities used by other types of non-profit and social organizations (Andreason, 1994; Kotler and Andreason, 1991), political marketing has its own quirks compared to commercial marketing. Differences are, for example, the characteristics of the underlying exchange interactions that are often non-reciprocal, deferred, mediated, involving public goods, thus demonstrating a more complex morphology than traditional commercial exchanges (Henneberg, 2002; Lock and Harris, 1996). Volunteers with lower barriers to entry and exit are more important for political marketing campaigns (Butler and Collins, 1994; Granik, 2005; O'Shaughnessy, 1990), and other distinctive characteristics of political marketing activities include negative and comparative advertising (Banker, 1992; Kaid, 1991; O'Shaughnessy, 2002), the service and essentially promised-based nature of the political offering (Lock and Harris, 1996; Scammell, 1999), and post-electoral collusion (coalition building) affecting pre-election tactics in some electoral systems (Bowler and Farrell, 1992). Most authors argue that these differences do not necessarily hinder the use of contemporary marketing concepts in specific research on nonprofit organizations but must sensitize researchers to a careful adaptation of marketing research constructs (Egan, 1999; Henneberg, 2004; Lock and Harris, 1996; O'Cass and Pecotich, 2005).

Market Orientation and the Political Sphere

Despite being first introduced in the 1960's (Levitt, 1960), Kohli and Jaworski (1990) and Narver and Slater (1990) proposed the first rigorous conceptualizations, as managerial behaviors and organizational culture, respectively. These articles precede many more that develop and empirically test the concept further (e.g., Jaworski and Kohli, 1993; Kohli, Jaworski, and Kumar, 1993; Langerak, 2003; Slater and Narver, 1995). In more recent years, the two underlying approaches to market orientation have been synthesized, based on the argument that the behavioral and the cultural approaches are interdependent: the successful implementation of market-oriented behaviors will be difficult without a market-oriented organizational culture and attitudes that supports them, and *vice versa* (Gainer and Padanyi, 2005; Griffiths and Grover, 1998; Harrison-Walker, 2001; Hult, Ketchen, and Slater, 2005; Powpaka, 2006). Common to both approaches is an emphasis on customers as well as the wider network of stakeholder interactions, the importance of information (knowledge about stakeholders), an inter-functional coordination, and an organizational responsiveness by taking action (Gray, Matear, Boshoff, and Matheson, 1998; Lafferty and Hult, 2001; Slater and Narver, 1998, 1999). Market orientation is therefore not simply reacting to explicit customer demands or the sole preserve of the marketing department but is an organization-wide responsibility towards listening and responding to the latent and manifest needs and wants of the manifold actors present in the markets in which the organization exists.

Many nonprofit applications of the concept of market orientation exist, for example, charities (Balabanis, Stables, and Phillips, 1997), the public sector (e.g., Caruana, Ramaseshan, and Ewing, 1999), hospitals (Wood, Bhuian, and Kiecker, 2000), and public service organizations

(Gainer and Padanyi, 2005). However, interest in the concept of *political* market orientation is rather recent. Despite the commercial marketing literature's emphasis on the holistic nature of an organization's market orientation (Gray *et al.,* 1998; Slater and Narver, 1995), most work on political market orientation adopts a fundamentally narrow voter-oriented view (Lees-Marshment, 2001a, 2001b; Lilleker and Lees-Marshment, 2005; O'Cass, 1996, 2001a, 2001b). Lees-Marshment (2001a, 2001b) proposes a normative, eight-stage process model of the market-oriented party (MOP), developed from a case study of the British Labour and Conservative parties with inspiration from Kohli and Jaworski's (1990) work. However, this model is little more than a procedural interpretation of general principles of a voter orientation without clearly addressing the conceptual innovations inherent in the literature on market-orientation (Hunt and Lambe, 2000). O'Cass (1996, 2001a, 2001b) uses Kotler and Andreason (1991) and Kohli and Jaworski (1990) as a foundation for investigating how senior active party members understand the marketing concept and market-orientation and provides empirical results for the Australian context.

These existing studies on political market orientation do not measure the diverse aspects connected to the organizational competence of market orientation: O'Cass (1996, 2001a, 2001b) only investigates the perceived importance of members *contra* voters in the context of an election, and Lees-Marshment's (2001a, 2001b) MOP model suffers from conceptual problems relating to a short-term approach, a narrow focus on voters, and unclear and mixed operationalizations in different countries (Lilleker and Marshment, 2005) and is arguably only useful for analyzing large, centralized challenger parties in duopolistic party systems (see the case studies in Lilleker and Lees-Marshment, 2005; Coleman, 2007, and Ormrod, 2006, for critiques).

Political Market Orientation

The seminal concepts of mainstream marketing (Kohli and Jaworski, 1990; Narver and Slater, 1990) inform on the political market orientation (PMO) approach used in this article, synthesized in line with arguments proposed by Griffiths and Grover (1998), Harrison-Walker (2001), Gainer and Padanyi (2005), and Hult, Ketchen, and Slater (2005). Ormrod (2005) provides the following formal definition of political market orientation: A market-oriented party exists when "*its members are sensitive to the attitudes, needs and wants of both external and internal stakeholders, and* [use] *this information within limits imposed by all stakeholder groups in order to develop policies and programmes that enable the party to reach its aims*" (51). This definition includes the whole political marketing exchange cycle including policy implementation issues (Henneberg and O'Shaughnessy, 2007). Based on this understanding of PMO, the model is an adaptation from Ormrod (2005, 2007) and Ormrod and Henneberg (2006), incorporating recent developments of the concept of market orientation (e.g., Harris, 2002; Harrison-Walker, 2001; Lafferty and Hult, 2001; Slater and Narver, 1995, 1998). The empirical investigation of the conceptual model of PMO analyzes the member perceptions of the interplay between managerial (behavioral) and organizational (attitudinal) constructs.

Development of Propositions

Explicating the Behavioural Constructs of a Political Market Orientation

An understanding of the actions and behaviors that a political party needs to exhibit in order to be market-oriented is the base for the specification of the construct of PMO, and a behavioral chain covers the constructs of information generation, dissemination, member participation, and consistent strategy implementation (Harrison-Walker, 2001).

Information Generation: The basis for successful political marketing activities is appropriate information about issues such as target voter expectations, needs, and wants, together with the activities of competing parties and public opinion (Newman, 1994, 2002). Both O'Cass (1996, 2001a) and Lees-Marshment (2001a) underline the importance of information generation behavior for PMO, and this behavior includes market research methods employed by all relevant party functions or hierarchies (Dean and Croft, 2001). In line with the commercial conceptualization (Gray *et al*., 1998), individual party members also generate market-related information (Ormrod, 2005). Therefore, member interactions, proprietary voter studies, focus groups, discussion rounds, and interactions with external information aggregation institutions are pivotal behavioral traits of PMO.

Information Dissemination: The horizontal and vertical dissemination of market intelligence within the political organization characterizes another crucial behavior of PMO (Kohli and Jaworski, 1990; Kohli *et al*., 1993; Lafferty and Hult, 2001). Informal or formal processes which comprise both party professionals (e.g., candidates/politicians, campaign and communication managers) and rank-and-file members are important to the development and implementation of successful political marketing strategies and tactics (Ormrod 2005).

Member Participation: Another aspect of PMO concerns the actual creation of a coherent political marketing strategy, incorporating tactical and ad hoc communication, advertising, as well as policy development issues, candidate selection processes, or funding negotiations (Rogers, 2005). While this aspect of PMO's basis is a shared interpretation or sense-making of the gathered market intelligence (Harrison-Walker, 2001), generating successful political marketing strategies links to the involvement of a variety of internal stakeholders in the resulting decision-making process (Ormrod, 2005). This process includes inactive members and associated institutions (e.g., trade unions with socialist parties). As such, the depth of the participation of the members of political organizations can be radically distinct from that of commercial companies.

Consistent Strategy Implementation: The last behavioral PMO construct refers to the need for consistency in the implementation of the political marketing strategy. A characteristic of political campaigns is often the immediate reaction to and rebuttal of other parties or candidates' activities. While such rapid rebuttal capabilities are themselves part of the political marketing strategy (Baines, 2001), the resulting marketing actions must stay within the framework of the overall party strategy as developed by all members. The importance of consistency is underlined when one considers the implementation of, for example, party election strategy. This is not simply via party professionals (e.g., candidates or communication managers) engaging in interactions with voters or the media but also through the efforts of the many volunteers who provide a physical, human face to the mediated image (Butler and Collins, 1999; Lebel, 1999). Consequently, the actions of these individuals need coordination to ensure consistent strategy implementation.

A review of the literature on market orientation reveals the assumption that the behavioral constructs are ordered in a chain as antecedents of each other with positively reinforcing effects (Kohli and Jaworski, 1990; Lafferty and Hult, 2001), leading to modeling each construct as exhibiting one main effect, which leads to the first proposition:

$P_{1a\text{-}c}$: *Information Generation behavior relates positively to Information Dissemination; Information Dissemination relates positively to Member Participation; Member Participation relates positively to Consistent Strategy Implementation.*

Explicating the Attitudinal Constructs of Political Market Orientation

In line with Kohli and Jaworski (1990), the expressions of political market orientation are the organizational factors enhancing or impeding PMO behavior, that is, the four constructs outlined above. The literature shows that different categories of stakeholder orientation characterize the attitudinal antecedents of the behavioural aspects of PMO (analogously to

Greenley, Hooley and Rudd, 2005; Griffiths and Grover, 1998; Harrison-Walker, 2001; Slater and Narver, 1995). The model includes constructs covering the relevant stakeholders of voters, competing parties, media and other external actors, as well as the internal constituents of the party (i.e., party members or associates).

Voter Orientation: A customer orientation is central to commercial market orientation (Lafferty and Hult, 2001; Narver and Slater, 1990) and the analogous voter orientation (Henneberg and O'Shaughnessy, 2007; Newman, 2002; Sparrow and Turner, 2001) is an important determining construct of a political market orientation (Lees-Marshment, 2001a; O'Cass, 1996; Ormrod 2005). The construct comprises a party-wide interest in the opinions of members, target voters, as well as the general public The expectations and needs and wants of these groups are at the core of political marketing as well as policy considerations (O'Cass and Pecotich, 2007), and thus such an attitude impacts positively on all the behavioral constructs of PMO:

$P_{2a\text{-}d}$: Voter Orientation relates positively to Information Generation, Information Dissemination, Member Participation, and Consistent Strategy Implementation

Competitor Orientation: Besides an attitudinal focus on voters, the commercial market orientation literature stresses the importance of understanding and being aware of competitor actions and capabilities (Harrison-Walker, 2001; Narver and Slater, 1990). Bowler and Farrell (1992) and Butler and Collins (1996) identify that making allowances for the activities of other political actors is an important aspect of political marketing success, and is thus another important antecedent impacting positively on PMO behavior:

$P_{3a\text{-}d}$: Competitor Orientation relates positively to Information Generation, Information Dissemination, Member Participation, and Consistent Strategy Implementation

External Orientation: Besides voters and competitors, the political marketplace includes other stakeholders that are important for political parties. While research on the moderating effect of a general external orientation is not extensive in the commercial marketing literature (Selnes, Jaworski, and Kohli, 1996; Slater and Narver 1994), for political competition the wider environment has come under scrutiny in relation to political marketing (Dean and Croft, 2001). The media influences party and campaign behavior, and therefore understanding the phenomenon of mediated political exchanges is important (Lock and Harris, 1996; O'Shaughnessy, 1990; Róka, 1999). Furthermore, work exists that emphasizes the importance of an orientation towards lobby and single-issue groups (Harris, Gardner, and Vetter, 1999) as well as donors (Henneberg, 2002) and non-member politically active individuals (Heider and Saglie, 2003), leading to the fourth proposition:

$P_{4a\text{-}d}$: *External Orientation relates positively to Information Generation, Information Dissemination, Member Participation, and Consistent Strategy Implementation*

Internal Orientation: The extant literature discusses the importance of all party members in conjunction with member influence on consistency and perceived legitimacy of political decision-making and strategy implementation (Johansen, 2002; Lees-Marshment, 2001b). An inclusive attitude of party members into party activities is important as this predisposition may provide the necessary information gathering as well as dissemination competences necessary for successful political marketing. Grassroots involvement in politics and campaigning through an active orientation towards the potential contribution of even inactive members will therefore have positive effects on PMO behavior:

$P_{5a\text{-}d}$: *Internal Orientation relates positively to Information Generation, Information Dissemination, Member Participation, and Consistent Strategy Implementation*

Data and Variable Construction

An operationalization of the PMO model can investigate the propositions, based on the perceptions of relevant actor groups directly related to the party, e.g., politicians, party professionals such as campaign managers, party activists and members. This use of multiple respondent groups in each organisation is in line with studies in the commercial (Schlosser and McNaughton, 2007), and political marketing (O'Cass, 2001a) market orientation literature.

Pre-test and Sample

An initial review of the marketing and political science literature provides the foundation for a pool of items. However, this item list does not render a comprehensive coverage for all of the constructs. Because the model of PMO constitutes an innovative development, it is necessary to create and extensively pre-test a parsimonious set of new items in three stages (Johnson, Sohi, and Grewal, 2004). From the initial pool of items, fourteen international academics who have knowledge of political marketing as well as quantitative statistics pre-tested 61 items using a multi-method approach. Each respondent considered one party and answered the 61 items scored on a 5-point Likert scale. The experts received extreme definitions of high and low levels of the eight PMO constructs together with an equivalent definition of a market-oriented party and asked to place the chosen party on a 0-100 scale. As a result of the expert pre-test, three items were deleted as unreliable and the scale was increased from a 5-point to a 7-point in order to provide a greater variance. A proxy sample of politically active students (n = 45) were the subjects of a second pre-test. The 7-point scale did not present a problem for the respondents and several items were either deleted, rephrased to take respondent comments into consideration, or combined into new items. A third pre-test (using the remaining items) with a further proxy sample of students and academics (n=10) showed that no further changes in the items were needed.

The main study uses data collected from two main parties in a European multi-party system based on proportional representation. Both parties are currently in opposition, representing together around 16 per cent of parliamentary seats. The collection of data took place in the autumn of 2006 using an internet-based questionnaire (WEBSURVEYOR 2006). An e-mail invitation that described the investigation was sent to the respondents, together with a hyperlink to the actual questionnaire.

The study uses different key informant groups for each political party such as elected members of parliament, professional campaign managers, and rank-and-file members (controlling for the different activity levels of the respondents) to minimize potential common method bias (Bagozzi, Yi, and Phillips, 1991; Kumar, Stern, and Anderson, 1993). 15,000 randomly selected members of the two political parties received e-mails. 3183 questionnaire responses were usable for the study, a response rate of 21.2 per cent (with a 49-51 per cent response split between the two parties). Non-response bias is tested by using Armstrong and Overton's (1977) approximation that late respondents are more likely to be similar to non-respondents. No significant differences exist between the fastest and the slowest thirds ($p < .05$) in the means of the responses for the constructs used, supporting the assumption that non-responses are not problematic.

Variable Operationalization

As the observed variables in the model are manifestations of underlying constructs, each construct uses multiple items in a reflective measurement model for operationalization (Bagozzi and Baumgartner, 1994; Diamantopoulos and Siguaw, 2006; Diamantopoulos and Winklhofer, 2001; Jarvis, Mackenzie, and Podsakoff, 2003). All items used a 7-point, Likert-type scale, and an inspection of descriptive statistics (mean, standard deviation, kurtosis, skewedness and Mahalanobis' D^2) enabled the identification of non-normal items or respondents who followed a ceiling or floor response pattern. This led to the removal of one item from the analysis due to skewedness and kurtosis values above the cut-off levels recommended by Hair, Money, Samouel, and Babin (2003). A further five items were removed after a principal components analysis (PCA) was carried out using varimax rotation. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and anti-image correlations (AIC) were also satisfactory for both the attitudinal (KMO = .769, all AIC > .5) and behavioral (KMO = .928, all AIC > .7) constructs.

Alternative Model Development

The results of the PCA suggest an alternative model (Model 2), where the External Orientation construct has a two-factor structure: the first sub-construct consists of items related to an orientation towards external individuals on constituency-level and the public sector (EOlocal, as in Model 1), and the second the media and lobby groups (EOlobby). Investigations of these two groupings are not widespread but are nevertheless in line with recent work by Heidar and Saglie (2003). Using a political science framework, Heidar and Saglie (2003) argue for the existence of what they term the network party that involves lobbyists and the media as well as non-aligned but politically active local citizens in party policy development, although these outsiders have no official status or membership in the party. Splitting the External Orientation construct can therefore relate to the distinction between a micro and a meso level of external orientation. An alternative Model 2 investigates the best fit with the data by including both EOlocal and EOlobby constructs, leading to the following proposition:

> *P_6 :* *A two-factor External Orientation construct shows better fit in its relationship with the behavioral constructs of Information Generation, Information Dissemination, Member Participation, and Consistent Strategy Implementation than a one-factor External Orientation construct.*

Analysis and Results

Measurement Results

The assessment of the causal model uses the SmartPLS 2.0 program (Ringle, Wende, and Will, 2007) and follows Hulland's (1999) suggestion for a Partial Least Squares model; first, the reliability of the measurement model is tested, and then the structural model itself. Assessing the adequacy of the measurement model uses individual-item reliabilities, the convergent validity of the measures associated with each construct, the discriminant validity, and predictive relevance. The process of removing the lowest loading item continued iteratively after each estimation until the results for each construct were satisfactory. Hulland (1999) recommends a minimum individual-item loading of .70 or more, implying a shared variance of at least 50 per cent between the item and the construct (Hulland, 1999); Table 1 shows that this prerequisite is generally fulfilled, with the loadings of only two items falling below .65. Convergent validity was evaluated through using construct composite reliability as well as the average variance extracted (AVE) of the used variables (Fornell and Cha, 1994; Fornell and Larcker, 1981; Hulland, 1999). The AVE of all constructs in the model exceeds .5 with all constructs possessing a composite reliability of more than .70, indicating that the model displays good convergent validity.

Table 1 here.

Stone-Geisser's Q^2 determines the predictive relevance of the measurement model (Geisser, 1975; Stone, 1974). Of the 25 items, four have negative Q^2 values (part of the competitor and external orientation constructs). The following analysis takes this into consideration when interpreting the results for these constructs. Finally, the AVE measures for any two constructs exceeding the constructs' squared correlations determines the discriminant validity of the constructs (Table 2). As the highest squared correlation is below .4, this condition exists (Hulland, 1999).

Table 2 here.

Proposition Assessment

The assessment of nomological validity is by the measure of explained variance (Sarkar, Echambadi, Cavusgil, and Aulakh, 2001), which indicates the proportion of a construct's variance that the determining variables included in the postulated model account for (Hulland, 1999). In order to provide a good explanation of a dependent latent variable, R^2 should exceed 0.3 (Gefen, Straub, and Boudreau, 2000). Three of the four endogenous constructs (ID, MP and CSI) score .37, .45 and .40 respectively, whilst IG is slightly below at .20 (see Table 1).

As a next step, the propositions are assessed against the structural model. The Partial Least Square estimation supports Propositions 1a-c (see Figure 1). The behavioral constructs relate positively to each other in a strong chain, exhibiting significant structural equation coefficients of .41, .51, and .54 (for IG→ID, ID→MP, and MP→CSI, respectively). For the interaction between the attitudinal and the behavioral constructs, Voter Orientation does not exhibit all the proposed relationships. Propositions 1a and 1d are non-significant (VO→IG, VO→CSI). Voter Orientation (-.15) impacts negatively on Information Dissemination, reversing the effect expected effect of Proposition 1b. The effect on Member Participation is significant but weak (.05) and in line with Proposition 1c.

Competitor Orientation has a significant but weak positive effect on most of the behavioral constructs (between .07 and .08, supporting Proposition 3a,b,d) with the coefficient for CO→MP being non-significant (rejecting Proposition 3c). However, for both External Orientation and Internal Orientation, all structural path coefficients are significant and positive as posited by the propositions. The effect of External Orientation weakens within the behavioral chain. Whilst the effect is very strong in relation to Information Generation (.32), this effect weakens for Information Dissemination, Member Participation, and Consistent Strategy Implementation (.15, .14., and .07, respectively). This result supports propositions P4a-d. Internal

Orientation shows a significant positive effect of medium strength on all four constructs of the behavioral chain, thus also supporting Propositions 5a-d.

Figure 1 here.

Alternative Model Testing

In addition to the theoretically derived Model 1, Proposition 6 proposes an alternative Model 2 with a two-factor operationalization of External Orientation (i.e., EOlobby and EOlocal). Repeating the Partial Least Squares estimation process for Model 2 reveals that the EOlobby construct possesses good convergent validity, discriminant validity, and predictive relevance (all individual item loadings > .6, AVE = .58, CR = .80, Q^2 = .21, all squared correlations < .05) (See Table 3). EOlocal results are the same as for Model 1. However, results for the path coefficients for Model 2 reveal that EOlobby→IG and →CSI are insignificant, and EOlobby→ID and →MP are either negative (-.13) or very small (.01). Finally, comparing the R^2 values for both models shows no improvement for Model 2. The relevant R^2 results for Information Generation (Model 1 = .20, Model 2 = .20), Information Dissemination construct (Model 1 = .37, Model 2 = .38), Member Participation (Model 1 = .45, Model 2 = .45), and Consistent Strategy Implementation (Model 1 = .40, Model 2 = .40) show that no significant increase in model fit exists by introducing a more complex model structure. For reasons of parsimony and the very small change to the values of the path coefficients, P_6 is therefore rejected.

Table 3 here.

Discussion

Summary and Discussion

The present study investigates the concept of political market orientation in the context of political parties, specifically the perceived relationships between the attitudinal orientations and behaviours of the PMO construct. The dataset uses individual party member responses to analyze the perceived interplay between attitudinal and behavioral aspects of PMO to provide a better understanding of the drivers of market-oriented behavior. As such, this study contributes to a specification of market orientation in the political sphere as suggested by Ormrod (2005, 2007) and O’Cass (2001a, 2001b).

The results show that a behavioral chain characterizes different activities of a political market orientation. The analysis supports evidence that a very strong relationship exists between information generation, information dissemination, and the involvement of members in policy decision on the one hand, and a consistent implementation of policies and strategies on the other. This suggests that in the short term, political parties can focus on all behavioral aspects of a political market orientation in order to provide superior results in terms of consistent strategy implementation. With regard to the attitudinal antecedents of the different behavioral traits of PMO, this study identifies a strong internal as well as external orientation towards the wider public as the most important cultural variables with positive influence on all aspects of the behavioral chain, also facilitating a greater consistent strategy implementation in the short term. However, a well-developed competitor orientation does not exhibit the same degree of influence, while an orientation towards voters showed no significant or even negative influences on PMO behavior. If a party wishes to develop a more market-oriented posture with regard to the importance of voters and competitors, then a long-term approach is required. This can be achieved in several ways. For example, if a positive relationship already exists between the party orientation towards voters and member behaviour, then action can be taken to reinforce perceptions of the importance of voters. If, however, there is a negative correlation then the process begins with uncovering whether the attitude towards voters is negative. If this is the case then a focus can be placed on the importance of understanding voter needs and wants, with the subsequent short-term negative impact leading to a long-term positive development. If there is a positive attitude towards the importance of voters but a negative correlation with the behavioural constructs then the focus is on understanding the dynamics of the interaction. Finally, if the orientations towards stakeholders and member behaviours do not mutually reinforce each other (there is no correlation), then members have to be made aware of the importance of the stakeholder group, after which the link can be developed.

Some of these results provide rich starting points for further discussions. For example, the data contradicts the often repeated assumption that parties following a political marketing concept have to be customer-oriented (Lees-Marshment, 2001a; Newman, 1994, 2001; O'Shaughnessy, 1990): according to the analysis, a voter orientation does not contribute to a political market-orientation as internal and external foci are the main drivers of such a perceived organizational stance. These results may be partly due to the fact that the examined parties are in opposition (i.e., challengers) (Butler and Collins, 1996) and try to provide a clear brand profile by focusing on ideological (internal) roots which could also explain the negligible impact of the media, and lobby and interest groups. As such, they possess the characteristics of a leading party (Henneberg, 2006) and point towards the need to understand the relationship between strategic stances and the political market-orientation concept. The contextual or moderating aspect of a strategic leader or follower stance may affect the relative importance of especially the attitudinal elements of PMO.

The results provide some direct managerial implications for political candidates, campaign managers, and party policy directors. The importance of a wider inclusion of party members in the development and subsequet implementation of party policy and strategy is evident, exemplified by the high perceived correlations between the Member Participation and Consistent Strategy Implementation constructs. A strong culture of involving not only party members at all levels but also other external stakeholders who have a vested interest in the party implying a two-way interaction between the party and external political stakeholders, is also important. Using the provided constructs and operationalization, parties can better understand the nature of their organisation's PMO, especially the perceived cultural/attitudinal orientations towards different stakeholders that can therefore become part of a strategic decision by the party regarding the organizational make-up and the intended behavioral norms.

Limitations and Further Research

Whilst a large empirical data set provides the foundation to the study, the party system constrains the responses; a comparison with a majority-based or a presidential electoral system will therefore allow for an analysis of contextual variables. In addition to this, the importance placed upon the rank-and-file members in the political marketing literature (e.g., Butler and Collins, 1999; Lebel, 1999) warrants further research centred around the possible differences that exist between party professionals, active members and inactive members. In the exploratory study, the focus is also on the interplay between attitudinal and behavioral constructs of PMO. A further development needs to take organizational performance outcomes into account, thus changing the level of analysis to the organization itself. The overall strategic orientation of the party may impact on the organizational issues related to a political market orientation, in line with literature on the configuration theory which posits that the organizational morphology (i.e., attitudes as well as behaviors) need to be aligned with one of several possible strategic positions (Olson, Slater, and Hult, 2005; Slater, Olsen and Hult, 2006). The deviation between an ideal organizational set-up, based on the intended strategic position, and the actual organizational traits provides a fit index that links to performance (Vorhies and Morgan, 2003). Using such a logic that builds from configuration theory allows for extending the concept proposal of political market orientation.

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Table 1: Construct AVE's, composite reliabilities, Q^2 and R^2; item loadings. (R) indicates a reversed scale

Internal Orientation (AVE = .55, CR = .79, Q^2 = .14)	
• The influence of each Party member reflects their position in the Party hierarchy (R)	.69
• Politicians have the most influence in Party policy development (R)	.74
• All members have an equal influence in fundamental Party decisions	.80
Voter Orientation (AVE = .68, CR = .87, Q^2 = .37)	
• A trade off is made between the opinions of the electorate on the one hand, and the Party's ideology on the other	.81
• In general, the opinions of potential voters affect the extent to which the Party is guided by its ideology	.90
• The opinion of the electorate affects the direction of the Party in most cases	.77
Competitor Orientation (AVE = .57, CR = .71, Q^2 = -.06)	
• The Party is willing to cooperate with its competitors	.91
• If the Party has to cooperate with another party, the opinions and policies of the other party are seriously taken into account	.55
External Orientation (AVE = .59, CR = .74, Q^2 = -.08)	
• Most local level issues are not seen as important in the Party (R)	.72
• Individuals active at the local level are able to influence Party policy, irrespective of whether these individuals are Party members or not	.81
Information Generation (AVE = .56, CR = .79, Q^2 = .17, R^2 = .20)	
• The Party makes a point of finding out what members think	.86
• Information is gathered from interest groups regarding their specific opinions	.69
• The Party rarely gathers information and opinions directly from voters (R)	.67
Information Dissemination (AVE = .54, CR = .85, Q^2 = .31, R^2 = .37)	
• The organizational structure of the Party means that the voice of every Party	

member can be heard	.73
• Elected Party members keep rank-and-file members informed about their work	.79
• The party leadership (e.g., elected politicians, Party professionals and active volunteer members) rarely listen to rank-and-file Party members	.76
• All Party members pass on any information that could help other members in their work for the Party	.70
• All Party members know which party member to contact if they have a question about Party policy on a particular issue	.68
Member Participation (AVE = .56, CR = .84, Q^2 = .29, R^2 = .45)	
• Party members directly contribute to strategy development	.77
• Most changes to Party strategy are discussed extensively before the final decision is made	.69
• All Party members are consulted before any decision is made regarding Party policy	.69
• All Party members have a real influence in strategy development	.84
Consistent Strategy Implementation (AVE = .54, CR = .78, Q^2 = .11, R^2 = .40)	
• The Party leadership implements what has been decided by Party members	.75
• Party members play an active role in implementing Party strategy	.79
• Party strategy is known by all members	.65

Table 2: Average Variance Extracted (AVE; bold on diagonal) and squared construct correlations (below diagonal)

Construct	1	2	3	4	5	6	7	8
1. Internal Orientation	**.55**							
2. Voter Orientation	.01	**.68**						
3. Competitor Orientation	.00	.00	**.57**					
4. External Orientation	.07	.00	.01	**.59**				
5. Information Generation	.09	.00	.01	.15	**.56**			
6. Information Dissemination	.13	.03	.02	.13	.28	**.54**		
7. Member Participation	.16	.00	.01	.15	.27	.39	**.56**	
8. Consistent Strategy Implementation	.12	.01	.02	.09	.21	.35	.37	**.54**

Table 3: Construct AVE's, composite reliabilities, Q^2 and item loadings of the EO lobby construct. (R) indicates a reversed scale

External Orientation (lobby groups) (AVE = .58, CR = .80, Q^2 = .21)	
• Good relations with many commercial lobby and interest groups are important to the Party	.62
• Interest groups in general do not influence Party policy (R)	.81
• Most commercial lobby groups do not influence Party policy (R)	.84

Figure 1: PMO Model 1, showing significant pathways at .01 level (*)