Reputation and Adaptation: Path to Parliament

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ABSTRACT

The purpose of this study is to test the relationship between specific resources and capabilities and political competitive advantage. Via the resource-based view model, it was hypothesized that each one of these resources and capabilities (i.e., experiential and reputation resources and innovation and adaptation capabilities) is positively related to the achievement of political competitive advantage. Data collected from 82 Members of the Nordic Parliaments; a correlation analysis was used. The results showed that reputation resources and adaptive capability are statistically significant in achieving a political competitive advantage. Interesting directions for future research are also provided in this study.

Keywords: Political Marketing, Resource-Based View, Reputation Resources, Adaptation Capability, Political Competitive Advantage

1. INTRODUCTION

This study aims to upgrade political marketing theory by measuring the relationship between specific resources and capabilities and a politicians' competitive advantage via the resource-based view model (RBV). The researcher examined the correlation between specific resources and capabilities (i.e., Experiential and Reputation Resources, and Innovation and Adaptation Capabilities) and political competitive advantage. To reach this aim, this paper provides a brief review of the conceptual background and the methodology behind this quantitative survey follows. The study proceeds with the analysis and presentation of the results and closes with a conclusion and suggestions for future research.

2. LITERATURE REVIEW

Political marketing has been a steadily growing theme in academia over the past decades; however, it seems that still there is a limited general theory (Gronroos, 1990). Most marketing research has concentrated on everything a marketer does to place the product or service in the hands of potential customers, including diverse disciplines like sales, public relations, pricing, packaging, and distribution (Kotler, 2000). Marketing concepts are quite applicable to political marketing (Shama, 1975). One such concept is the resource-based view (RBV). The RBV is a basis for the competitive advantage of a firm and lies primarily in the application of a bundle of valuable tangible or intangible resources at the firm's disposal (Penrose, 1959).

Important attempts were made by scholars to apply the RBV in the political parties' performance (Lynch, Baines, and Egan 2008; O'Cass 2009; Voola and O'Cass 2010). However, still more research is necessary to effectively address critical issues relevant to the topic. The above-mentioned studies led this study to attempt to fill an important gap in the political marketing literature by discussing the role of specific resources and capabilities in the achievement of a politician's competitive advantage as a unit.

2.1 Conceptual Background

Due to limited research in political marketing, this study may bring important business characteristics to politics in an attempt to build a model of resources and capabilities that could act as drivers to a politician's competitive advantage.

2.1.1 Experiential Resources

Experiential resources refer to knowledge gained from the firm's operational experience, which helps identify and match customer needs and anticipate new market trends. Knowledge is an intangible resource that takes time to develop and is accumulated through exposure to environmental audits, information provided by industry advisory boards, and other sources (Leonidou et al., 2012).According to Lee (2001), winning candidates are more experienced and enjoy a high electoral success rate and an incumbent politician has a higher probability of winning the election even though the candidates are ex-ante identical. The incumbency advantage is the electoral success that an incumbent party enjoys if the incumbent runs for re-election, over and above the electoral outcome that would have occurred if a new nominee for the party had run in the same district.

2.1.2 Reputation Resources

In marketing, reputation is viewed from the customer or end-users perspective and concentrating on the manner in which reputations are formed (Fombrun and van Riel, 1997). Reputation is for politicians what a product is for a company; the more prominent a politician is the more fragile his or her reputation becomes. It extends to their personal life which means everything they do reflect their reputation. Where they eat, what they drive, and who they know in both their personal and political life are continuously evaluated by the media and the public (Pettersson and Karlström, 2011).

A new approach regarding reputation in the new era was given by the University of Michigan (Coursera, 2018). The University of Michigan stated that data are being processed by algorithms to draw conclusions; to form something like opinions. This combination of data and algorithms creates a new digital reputation which increasingly shapes our life, from recommending purchases and suggesting friends to prompting actions based solely on our digital footprint.

2.1.3 Innovation Capability

Hurley and Hult (1998) introduced two innovation constructs into models of market orientation: innovativeness and the capacity to innovate where innovativeness is the notion of openness to new ideas as an aspect of a firm's culture and the capacity to innovate is the ability of the organization to adopt or implement new ideas, processes or products successfully. Innovation represents an organization's "first use ever" of a new product, service, process, or idea (Pierce & Delbeq, 1977, p.28) andisused to sustain long-term firm performance (Wang and Ahmed, 2007).It is something original and more effective and, as a consequence, new, that "breaks into" the market or society (Frankelius, 2009, p.41).

2.1.4 Adaptation Capability

Empirical evidence suggests that adaptive ability is a source of both sustainable competitive advantage and success in new product development (NPD) and commercialization (Hurley & Hult, 1998). Adaptability and innovativeness have received increased academic attention as both input and output factors in business processes (Tuominen, Rajalab, Kristian, & Mollerb, 2004).Although the contemporary literature on political parties has made significant progress with regard to elaboration of models of party adaptation and change, it has failed to confront the challenge of developing theories of party or politicians as individuals' formation that can also be applied to cases other than the Western European parties of the late nineteenth and early twentieth centuries (Van Biezen, 2005).

2.1.5 Competitive Advantage

At the end of the 19th century, Chaharbaghiand Lynch (1999) stated that the term competitive advantage refers to the ability gained through attributes and resources perform at a higher level than others in the same industry or market whereas, in the early 20th century, Ronald (2002) found that superior performance outcomes and superiority in production resources reflect competitive advantage (Ronald, 2002). To gain competitive advantage, a business strategy of a firm manipulates the various resources over which it has direct control and these resources have the ability to generate competitive advantage (Rijamampianina, Abratt, and February, 2003). It is the increase of "popularity", "superiority", and "leadership" over competitors (Leonidou et al., 2012).

3. DEVELOPMENT OF RESEARCH HYPOTHESES

The Leonidou et al. study (2012) became an example to build the questions of this study and to transfer the theory to the political marketing of a politician. The conceptual model comprised four hypothesized associations between key constructs and performance (Figure 1).
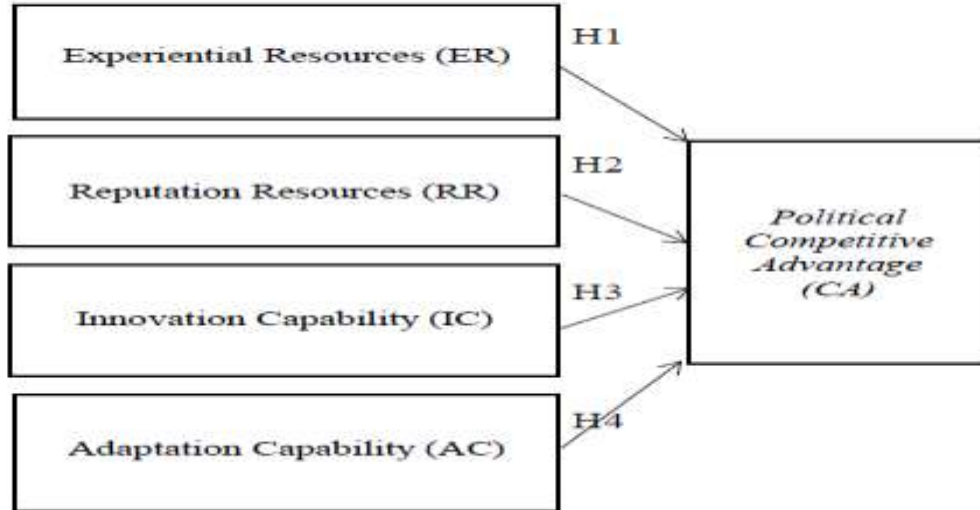

Fig. 1: The Conceptual Model

H1. The politician's Experiential Resources (ER) are positively related to the achievement of Political Competitive Advantage (CA).

H2. The politician's Reputation Resources (RR) are positively related to the achievement of Political Competitive Advantage (CA).

H3. The politician's Innovation Capability (IC) is positively related to the achievement of Political Competitive Advantage (CA).

H4. The politician's Adaptive Capability (AC) is positively related to the achievement of Political Competitive Advantage (CA).

4. RESEARCH METHODOLOGY

This quantitative study took place in the Nordic Countries (Norway, Sweden, Denmark, Finland, and Iceland). MP's who participated in the study completed an online questionnaire. A questionnaire link was designed with Survey Monkey online software (Survey Monkey, 2018); Survey Monkey automatically exports data into an Excel spreadsheet. According to the official page of each Nordic Parliament, there were 800 MP's in 2017. All MP's received an e-mail invitation to participate (with a Survey Monkey link). Email addresses were randomly selected from each country's parliament official website. The process resulted in 82 completed questionnaires. The questionnaire was distributed and returned between 1February and 31 March 2016.

The questionnaire used a structured approach with closed statements and was based on a 7-point Likert rating scale (1932). Thus the range captured the intensity of the MPs' feelings for a given item (i.e., experiential resources). The statistics used in this study were as follows: (a) the mean; (b) the standard deviation; (c) Pearson correlations (1895) to measure the linear relationship between the variables (Rumsey, 2018); and lastly, statistical hypothesis testing. The p-value is a number between 0 and 1 and interpreted in the following way: A small p-value (typically ≤ 0.05) indicates strong evidence against the null hypothesis. Statistical results are presented in Table 1.

Table 1: Statistical Analysis

	Mean	St. Deviation	Cor. (CA)	p-value
Experiential Resources (ER)	5.28	0.90	0.53	4.692
Reputation Resources (RR)	5.05	0.82	0.20	0.042
Innovation Capability (IC)	4.92	0.95	0.43	0.090
Adaptation Capability (AC)	3.63	1.14	0.09	0.001
Competitive Advantage (CA)	4.24	0.82		

5. PRESENTATION OF RESULTS

5.1 Respondents' Demographics

The majority of the respondents were men (60%); 40% were women. Ninety percent of the respondents were college or university graduates, 5% were High-School graduates and only 5% had less than high school education.Five percent were between 18 and 29 years old, 30% were between 30 and 44 years old, 35% were between 45 and 54 years old, 25% were between 55 and 64 years old, and 5% were 65 years old or older.

5.2 Reliability Test

A reliability test was conducted based on Cronbach's alpha (1951) to measure the internal consistency of the questionnaire. A satisfactory level of reliability is 0.70 or greater (Nunnaly, 1978). This study's scales are considered valid and reliable since all the values were greater than 0.70 (Table 1).

5.3 Hypothesis testing

H1. The politician's Experiential Resources (ER) are positively related to the achievement of Political Competitive Advantage (CA) -The correlation value (0.53) shows an uphill moderate positive relationship between Experiential Resources and Political Competitive Advantage.The results are not significant with a p-value of 4.692.

H2. The politician's Reputation Resources (RR) are positively related to the achievement of Political Competitive Advantage (CA) - The correlation value (0.20) shows a weak positive relationship between Reputation Resources and Political Competitive Advantage. The results are significant with a p-value of 0.042.

H3. The politician's Innovation Capability (IC) is positively related to the achievement of Political Competitive Advantage (CA) -The correlation value (0.43) shows amoderate positive relationship between Innovation Capability and Political Competitive Advantage. The results are not significant with a p-value of 0.090.

H4. The politician's Adaptation Capability (AC) is positively related to the achievement of Political Competitive Advantage (CA) -The correlation value (0.09) shows a weak positive relationship between Adaptation Capability and Political Competitive Advantage. The results are significant with a p-value of 0.001.

6. CONCLUSION

This study showed that reputation resources and adaptive capability are statistically significant in the achievement of a politician's competitive advantage (Table 1). Although correlations were weak and moderate, these preliminary results bridge an important gap on the general theory and practice of the political marketing of politicians, as units and build a valuable framework for further research.

7. SUGGESTIONS FOR FURTHER RESEARCH

Given that the sample of this study is small, future research could build on this framework, i.e., more resources and capabilities could be identified and tested among a bigger number of participants. Further research could also validate the findings of this study using data obtained from other countries (i.e., the USA). Last but not least, new research could also consider the voters' views (not only the politicians' views).

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