

12 Testing the market orientated model of political parties in a non-Western context

The case of Taiwan

Dafydd Fell and Isabelle Cheng

Multi-party politics are a relatively new phenomenon in Taiwan. Its first democratic parliamentary and presidential elections were held as recently as 1991 and 1996 respectively. Taiwan is the sole example of a Chinese multi-party democracy and compared to other new democracies has relatively institutionalized political parties. Moreover, since numerous restrictions on campaigning practices were lifted, Taiwan's parties have rapidly embraced many of the marketing techniques associated with the American model of political communication.

In this study we apply the Lees-Marshment model of market-oriented parties to Taiwan, a country that is culturally and politically worlds apart from the model's British origin. We test whether in the first two decades of multi-party competition the leading parties have become increasingly market oriented. Or have the parties remained either sales- or product-oriented? This puzzle is central to the political science debate over whether parties are primarily motivated by policy, or the desire to gain votes and government office. The second question examined is how can we explain the degree that parties become market oriented? Lastly, we are interested to see whether Lees-Marshment is correct in her assertion that the market-oriented party should outperform rivals that adopt a sales- or product-orientated approach. The analysis for this chapter was based on our observations and content analysis of election advertising of eleven elections between 1992 and 2008. In addition, we conducted elite interviews in 2001, 2005 and 2008 and an elite opinion survey in 2007.

The Taiwanese political market place

The party and electoral system

After almost four decades of authoritarian one party rule, Taiwan's ruling party, the Kuomintang (KMT) began a process of democratization in the late 1980s. The first opposition party, the Democratic Progressive Party (DPP) was formed in 1986 and a year later, Martial Law finally was lifted.

Tables 12.1 and 12.2 show the pattern of continuity and change in the party system since 1986. In the initial period, Taiwan had a one-party dominant system,

176 *Dafydd Fell and Isabelle Cheng**Table 12.1* Party seat shares in parliamentary elections in Taiwan, 1986–2008, %

	1986	1989	1991	1992	1995	1998	2001	2004	2008
KMT	80.8	71.3	78.2	59.6	51.8	54.7	30.2	35.1	71.7
DPP	16.7	20.8	20.3	31.1	32.9	31.1	38.7	39.6	24
NP					12.8	4.9	0.4	0.4	0
PFP							20.2	15.1	0.9
TSU							5.8	5.3	0

Table 12.2 Party vote shares in presidential elections in Taiwan, 1996–2008, %

	1996	2000	2004	2008
KMT	54	23.1	49.9	58
DPP	21.1	39.3	50.1	42
NP	14.9	0.1		
PFP		36.8		

in which the KMT won over three-quarters of seats. This dominance was challenged in the 1990s by the DPP and a second significant opposition party, the New Party (NP). The 2000 presidential election marked the end of KMT dominance and the start of a competitive multi-party system, with the KMT and DPP as the two large parties and the emergence of two new challenger parties, the People First Party (PFP) and the Taiwan Solidarity Union (TSU). From 2000 to 2008 Taiwan had its first taste of divided government. For though the DPP won the presidential elections of 2000 and 2004 and was the largest party in the 2001 and 2004 legislative elections, the KMT in conjunction with its ally the PFP held a parliamentary majority. Following the KMT's landslide victories in the 2008 elections, Taiwan appears to be returning to a two-party system, with the KMT once again the most powerful force.

After the democratic opening Taiwan operated a mixed electoral system, with a multi-member district system in parliamentary contests and a single member district first-past-the-post system for presidential and local executive elections. Following recent constitutional reforms, Taiwan introduced a new electoral system for the parliamentary elections in 2008. The new system is similar to that used in Japan since 1996. Voters have two votes, one for a single member district candidate and another for a proportional representation political party list.

As for voters, in contrast to the weakening of party ties in many mature democracies, there was an increase in the level of Taiwanese voter party identification during the 1990s. Since 1999 levels of party identification have stabilized at approximately 60 per cent. The patterns of seat shares displayed in Table 12.1 suggest a degree of voter volatility. However, party vote shares show considerable stability over the last 16 years, with the two main parties tending to gain around 80 per cent of the votes.

Issue divisions

Like many other new democracies, the European left–right dimension is not the central dividing spectrum for Taiwanese parties. Instead when Taiwanese analysts talk of a left and right they mean a national identity spectrum in which the far left emphasizes Taiwanese identity and calls for declaration of independence from China, while the far right emphasizes Chinese nationalist symbols and argues for unification with China. The KMT has tended to be located on the centre right and the DPP on the left of this spectrum. In addition to identity, the parties have also competed on policy differences related to democratic reforms, social welfare, political corruption, and economic policy. Survey data suggest that parties would be best advised to take a moderate stance on national identity, and rather than focusing exclusively on identity matters, they should also address other salient issues. Nevertheless, Taiwan’s leading parties have a core of supporters, activists and politicians that are more ideologically focused on identity and hold more extreme positions on identity than the average voter. Therefore parties need to find a balance between satisfying the electoral market and maintaining internal cohesion.

Political communication and advertising

Simultaneous with democratization came media liberalization. In the late 1980s restrictions on new newspapers were lifted and in the 1990s there was a huge expansion in the number of cable television channels. By the late 1990s the island had a highly liberalized media market, rated by Freedom House (n. d.) as the freest press in Asia. A result of the explosion in cable news channels was the advent of politics discussion shows similar to the UK’s weekly BBC show *Question Time*. The difference is that in Taiwan these shows are aired every night on up to ten different channels.

Taiwanese political analysts distinguish between the open public face of campaigning, known as the “propaganda battle” and the “private face of the campaign” or “the organizational battle” (Fell, 2007). The latter terms refer to clientelistic practices in which the KMT factions mobilize their clients to vote KMT in return for economic benefits, and factional vote brokers employ emotional and material persuasion to convince voters to support a party candidate. In exchange for political support candidates are expected to offer voters “service,” incorporating diverse areas such as attending weddings or funerals, and even resolving disputes with the police. The liberalization of campaigning restrictions meant that the “propaganda battle” became increasingly influential in determining electoral outcomes. In the late 1980s, it was finally possible to hold election rallies and political demonstrations, and newspaper election advertisements were permitted for the first time. From the mid-1990s, Taiwan adopted a US-style free market in paid television campaign advertising. TV ads soon became the largest item of campaign expenditure. The deregulation benefited the KMT, as its superior financial resources enabled it to massively outspend its rivals. Increasingly large-scale televised election rallies that mixed entertainment and political speeches

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replaced the small-scale local political rallies. The most recent development in political communication has been the use of the Internet, as the main parties have invested heavily in sophisticated websites. There is no doubt that the importance of the modern methods associated with the “propaganda battle” has risen significantly compared to the organizational battle. Nevertheless in many constituencies, parties still need to find a balance between traditional and modern campaigning.

Political marketing techniques in Taiwan

Over a short time period the resource-rich main parties have professionalized their approach to political marketing. According to advertising expert Hong Ya-hui, “In ten short years, the quality of Taiwan’s election ads has overtaken the United States” (interviewed by Fell, 2001). Moreover, while initially the parties’ campaigns were designed by party leaders, increasingly they have made use of political consultants, particularly from the commercial advertising industry. As the KMT’s Mu Min-chu explained, “It’s harder to do propaganda these days, so you have to learn from the advertising companies, to make the ads like Elizabeth Arden” (interviewed by Fell, 2001). The parties have also invested heavily in survey technology since the early 1990s in order to improve their understanding of the product preferences of voters. The results of these polls have been used for the increasingly targeted communication messages adopted by the leading parties.

Political marketing strategy in Taiwan

We now return to the questions set out at the outset, namely, the degree to which parties have become market orientated, how we best account for their market orientation and whether the market-oriented party has a clear electoral advantage. Table 12.3 summarizes the pattern of party market orientation in the 1990s and post-2000 periods.

The KMT in the 1990s

At the outset of multi-party politics, the KMT was still a product-oriented party that was only beginning to learn a more sales-oriented approach. The lack of an opposition party and direct national level elections meant that the ruling KMT was insulated from societal pressures under Martial Law. KMT slogans about “retaking

Table 12.3 Summary of direction of party change in Taiwan on the MOP spectrum, 1991–2008

	<i>Phase 1</i> 1991–1996	<i>Phase 2</i> 1996–2000	<i>Phase 3</i> 2000–2004	<i>Phase 4</i> 2004–2008
KMT	SOP → MOP	MOP → SOP	SOP → MOP	MOP → SOP → MOP
DPP	POP → SOP → POP	POP → SOP → MOP	MOP → SOP → MOP	MOP → SOP

POP = Product-Oriented Party; SOP = Sales-Oriented Party; MOP = Market-Oriented Party

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the mainland (China)” revealed how out of step with public opinion the KMT had become. It was only after the introduction of democratic competition and the growing strength of President Lee Teng-hui’s Mainstream faction in the KMT that the party became more responsive to the political market.

The first full democratic election in 1991 revealed how far the KMT had traveled from its earlier product-oriented party position. Regarding policy, the KMT was closer to the median voter than its challengers. Rather than stressing its pro-unification position, it warned voters of the dangers of Taiwanese independence. This was combined with messages about the KMT’s economic achievements and its record of gradual political reforms. The KMT’s political communication was also superior to its rivals. For instance, its newspaper ads tended to use simple but effective slogans that played on voters’ fears of a Chinese invasion. Nevertheless, the KMT’s transition to a sales-oriented party should not be exaggerated. Even after the legalization of political advertising, the KMT did not initially invest heavily in these areas. Instead it remained reliant on more traditional campaigning methods known as the “organizational battle.” Moreover, the continued strength of the ideologically more conservative Non-Mainstream faction meant that the KMT still needed to give at least lip service to unpopular calls for unification with China.

1993 was a turning point in the transformation of the KMT. That year Lee’s last major rival was removed from government office, leaving his Mainstream faction dominant. He not only tried to drag his party closer to public opinion on the identity spectrum but also continued to try to steal popular opposition policies. There was a significant shift in the KMT’s communication style, with increasing expenditure on political advertising and conducting surveys rather than the previous over-reliance on the “organizational battle.” These measures enabled the KMT to do what most formerly authoritarian parties fail to do, to keep winning elections after the transition.

The KMT was the first party to understand the power of TV ads once the cable TV market was fully liberalized. Being the richest party in the world, the KMT was able to vastly outspend its rivals on TV ads. The party’s communication made great use of its number one asset, Lee Teng-hui, who was actually far more popular than the party itself. Also the KMT was becoming increasingly sophisticated in targeting key social groups that it needed to win over. For instance, in the face of stiff competition from the NP for the support of mainlanders in the 1995 legislative elections, the KMT produced a series of TV and newspaper ads designed to convince that ethnic group that it was the best defender of their interests.

On the policy front, as Lee’s Mainstream faction came to the fore in the party, they had the flexibility to take an increasingly market-orientated approach that was quite distinct from that when policy was dominated by the out of touch elite of the Martial Law era. The KMT tactics showed its awareness of how public opinion was shifting from the center-right to the center-left on the identity spectrum. Although the KMT’s adjustment often infuriated party loyalists, it enabled the KMT to continue to win elections. A number of policy shifts reveal the KMT’s new approach towards popular opposition policies. After condemning the DPP call for attempting to reenter the United Nations in the early 1990s, the KMT did

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a policy flip-flop in 1993 by making this official government policy. By taking a strong line against Chinese military threats, the KMT also won credit from the Taiwanese nationalists, particularly in the 1996 presidential election. The KMT was effective in winning support by taking popular social welfare demands from the DPP, particularly the Universal National Health Insurance program, which featured in KMT ads throughout the 1990s. Therefore by the time of the 1996 presidential election the KMT had reached its most market-oriented point to date.

Despite its electoral success up to 1998, a number of weaknesses in the KMT's product contributed to its eventual loss of power. Although Lee's alliance with local factions enabled him to win the inner party power struggle, it also had serious costs. The local factions were widely associated with political corruption and organized crime. Thus, a number of related scandals involving KMT politicians led to swathes of voters defecting to the DPP or NP. This was ultimately critical in the KMT's loss of power in 2000. As one veteran KMT politician reflected,

I believe that the main reason that Taiwan's people threw away the KMT at the last election (2000) was not that we had failed with public policies, popularizing education, health insurance, development of high-tech industry, in all these areas we were very successful . . . they wanted change as the KMT had done badly on political corruption. (Ting Shou-chung, interviewed by Fell, 2001)

Despite its superior financial resources there were also weaknesses in its organization and communication. The KMT had the greatest access to market polling of any party, with its own polling centre and the resources to commission private polls. However, the hierarchical structure of the party organization meant that such data often failed to permeate the highest levels of the party and thus had little impact on its issue emphasis. There were occasions where the KMT tried to commission surveys that would produce the "desired" results and even refused to accept polls with unfavourable findings (Hsia, 2000). Similarly, though the KMT was able to outspend its rivals in advertising the results were often poor due to the KMT's hierarchical structure. For instance, Hong commented on the KMT's 2000 campaign,

Lien (KMT's candidate) used a number of advertising agencies and there were so many high level figures to please. When the agency was happy with something, big shots insisted on several revisions. When the KMT was satisfied, the advertising companies were not. (interviewed by Fell, 2001)

Similarly, well resourced campaigns produced confused election messages due to poor coordination of multiple campaign headquarters. A former KMT propaganda chief described the party's failed 1998 campaign for Kaohsiung mayor, "It was a five-headed cart. The official residence faction, the wife's faction, city government faction, the PR company faction and the party branch faction. That's why the campaign was such a mess" (interviewed by Fell, 2001).

The DPP in the 1990s

In contrast to the sales-oriented KMT of 1991, the DPP adopted a product-orientation approach. This was the result of an internal shift in the power structure towards the more radical factions. The party focused on radical independence, calling for the declaration of a Republic of Taiwan. While the emphasis on independence and violent actions such as street demonstrations and fights in parliament helped solidify core DPP support, they also scared off middle class or floating voters, limiting the party's scope for expansion. At this point the DPP still lagged behind the KMT in survey technology and seriously misread the mood of popular opinion.

The DPP's 1991 advertising campaign also revealed its product-oriented approach. For instance, unlike the KMT's short but terrifying slogan ads, many DPP newspaper ads were lengthy full-page essays on why a Republic of Taiwan was right for the island. Few voters would have the patience to get through such academic-style arguments. Unsurprisingly, the DPP's marketing failures of 1991 contributed to a humiliating election defeat to the sales-oriented KMT.

Following the DPP's disastrous 1991 election, the party began a long journey from a product-oriented party to first a sales-oriented party and by the 2000 presidential contest, the closest the party has been to a market-oriented party. Throughout this period the party showed itself to be increasingly able to react to market pressures coming from opinion polls and election results to redesign its product. This was not an easy transition, in fact the title of a book by a DPP insider, *DPP: The Pain of Transition*, paints a picture of how hard change was for the party (Kuo, 1998).

It was to be a shift in the internal party balance of power that enabled the party to make such a painful transition from a radical protest movement to a real candidate for central government. The rise of more moderate party leaders such as Hsu Hsin-liang and Chen Shui-bian contributed to shifting the party in a radically different direction in its issue emphasis, policy positions, party image and political communication.

Under Hsu, Chen Fang-ming was the first propaganda chief to revamp the party's advertising. Thus in 1992 the DPP's TV slots looked highly professional for the first time. This trend was continued under the next and first female propaganda chief of any Taiwanese party, Chen Wen-chien. Her campaign was particularly outstanding in 1997, with systematic TV ads and well designed election rallies led by the famous *Spice Girls* campaigning troupe that combined entertainment and shorter political speeches. In response to the rise of cable news channels, Chen Wen-chien successfully designed campaign rallies that would be effective for both a TV and rally audience.

There was also a revolution in the issue emphasis that brought the party closer to public opinion. The DPP formed its survey research department in the early 1990s and during the decade increasingly used surveys to design its campaigns. The party began to conduct regular polls on its party image. These surveys were designed to examine the party's issue and image strengths. These surveys found the party had serious weaknesses among middle class, younger, female, and older

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voters. In policy and party image the surveys showed voters were uncomfortable with its radical Taiwanese independence position, and its reputation for using violence. These were all areas where the DPP made significant efforts to improve its party image to expand its vote share.

Firstly, the DPP's Taiwanese independence position was moderated and de-emphasized. This involved dropping references to a Republic of Taiwan and instead stressing more electorally popular components of Taiwan independence, such as the United Nations reentry appeal and attacking unification. But equally important was the shift into a broader issue emphasis on policy areas that were to be critical in its expansion into the middle class and other social groups where the party was weak. The issue areas were political corruption, social welfare, and gender issues. Surveys showed that these were all areas where the DPP had an advantage over the KMT. Also the DPP was to be increasingly effective at setting the electoral agenda on what surveys told it to be its more favorable election issues.

The DPP's social welfare appeal was begun in the early 1990s and was used consistently throughout the decade. It was effective as almost 60 percent of the population were excluded from the old welfare system. Moreover, even after universal health insurance came into effect, the vast majority of elderly were without pensions and this was to be consistently stressed by the DPP. Once the DPP had a new female propaganda chief, it was able to address its low female support, with heavy emphasis on appeals for child care, child allowances and stress on female victims of crime. Nevertheless, the issue the DPP campaigned most heavily on in the 1990s was political corruption. This appeal was especially effective with urban middle class voters disillusioned with KMT corruption. In repeated campaigns the DPP was able to discredit the KMT, with accusations of vote buying, contract corruption, and embezzlement by high-level KMT politicians.

In order to improve the party image among younger voters, the leadership attempted to change the tone of the election campaigns. In particular, the party discouraged the use of violent antics that had often been used in the late Martial Law era and also reduced the emphasis on what was known as the "Tragic Taiwanese Appeal." This refers to appeals focusing on the suffering of Taiwanese under Martial Law. By the early 1990s, such appeals were less effective especially among the younger generation of voters that had not experienced the height of "White Terror." Analysts regard the DPP's 1994 Taipei "Hope, Happiness, Chen Shui-bian" campaign as the first to make the break from the "tragic" appeals.¹

The party also looked different in terms of its leadership and candidates, as all improved their media image radically. In election debates and on the politics talk shows, DPP politicians tended to be far more articulate than their KMT rivals. For instance, in the first televised debate in the Taipei mayoral election in 1994, the KMT candidate was completely upstaged by his DPP opponent. It became common for KMT candidates to refuse to participate in such activities for fear of losing face.

There were of course campaigns when the DPP product failed, as it shifted back to a more sales- or product-oriented approach. The strength of more ideologically oriented factions meant that there were limitations to how far the party could move

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towards the centre. In 1996 the DPP nominated a radical Taiwan independence leader as its presidential candidate. He ran a single-issue campaign that contrasted sharply with the moderate image that the party headquarters had been trying to mold since 1992. As we can see from Tables 12.1 and 12.2, this produced the DPP's worst election result since 1991. Similarly, the DPP was slower than the KMT to grasp the significance of the new liberalized TV ad market. As a campaign manager commented on the DPP's defeat in Taipei in 1998, "We didn't adjust to media developments. We spent too much money on newspaper ads, but ignored two new trends, the TV ads and the 24 Hour news channels" (Chang Yi-shan, interviewed by Fell, 2001).

Following the DPP's poor electoral performance in 1996 and 1998, it made a number of significant efforts to learn from defeat. Firstly, it improved its TV advertising in the 2000 presidential campaign. The propaganda campaign was highly centralized under one of Chen Shui-bian's youthful advisors Luo Wen-chia, in conjunction with one of the top advertising experts Fan Ke-ching. They created what advertising specialists still regard as the most effective propaganda campaign in Taiwan's electoral history. Secondly, the party tried to change the content and tone of Chen's speeches in response to the new media environment, creating a special speech writing team. Thirdly, the party needed to adjust its policies to give it a more moderate image. On the critical national identity spectrum it passed the *Resolution on Taiwan's Future*, which for the first time accepted the Republic of China as the national title and the position that there is no need to declare Taiwanese independence as Taiwan is already independent. This was a significant moderation for the DPP and brought it closer to the median voter. These reforms along with an emphasis on welfare and anti-corruption meant that the DPP reached its most market-oriented position in its successful 2000 presidential campaign.

The KMT in the post-2000 era

The KMT's defeat in the 2000 presidential election had a devastating impact on the party and led to its most serious internal soulsearching since it lost the Chinese Civil War in 1949. Being freed from the concerns of being the ruling party gave the KMT greater flexibility to adjust its product. The party embarked on a series of radical reforms to its leadership, campaign style and policy positions. These changes have contributed to the party's gradual recovery and eventual return to ruling party status in 2008. A critical factor in this post-defeat transformation was the changing balance of power away from Lee's Mainstream faction towards politicians associated with the Non-Mainstream faction, such as Ma Ying-jeou.

In terms of party leadership, the KMT's initial post-2000 picture was not encouraging as no one challenged the uncharismatic Lien in the first chairman primary in 2001, which almost guaranteed he would be the party's candidate in 2004's presidential election. Although he joined with his former rival James Soong in a joint presidential team and had a huge opinion poll lead six months before the election, they finally lost narrowly. The hierarchal nature of the KMT meant that party ranking rather market appeal determined its presidential team in 2004.

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The leadership has been more market-oriented since the KMT's first competitive party chairman primary in 2005, won by Ma. Under Ma, the KMT reached its most united and popular state since the late 1990s. A key factor in this recovery has been Ma's willingness to take advice from political consultants and polling experts from outside the KMT. As a result, Ma's presidential campaign was targeted on areas where the KMT had performed poorly since the mid-1990s, particularly the south of the island and rural regions. This targeted approach was visible in two of Ma's key campaign projects. The first was known as the "Long Stay," in which Ma would live in rural people's homes and work in the fields with farmers for several days. Secondly, Ma led his campaign team on a 675 kilometer cycle tour from the far south to the far north of Taiwan. Once again, polling data was used to target regions where KMT support level was lower in selecting locations for rest stops.

In terms of policy, the KMT tried to learn from the 2000 defeat in adjusting policy positions of the 1990s, though in some cases this made it actually less market-oriented. One positive move was its attempt to change its damaging reputation for political corruption. The KMT passed regulations designed to avoid nominating candidates linked to corruption. Moreover, as the party had lost both central and most local offices by 2000, it was less vulnerable to accusations of corruption. By 2005 it was apparent that the KMT's efforts had paid off, as DPP government scandals ensured the corruption issue was beneficial to the KMT for the first time, contributing significantly to the party's sweeping local election victory that year.

The party has also taken a popular line in attacking the DPP for its poor economic record and reminding voters of the fine economic times under KMT management.

On the crucial national identity issue, the KMT initially moved away from the market, reverting to more orthodox Chinese nationalist symbols and calling for unification. This was closely related to the strong level of competition coming from the PFP and NP to the right from 2000 to 2002. In the run up to the 2004 presidential election the party again seemed to be moving back to the center, stressing its love for Taiwan, and, though referendums are associated in Taiwan with independence, the KMT allowed a referendum bill to be passed in parliament.

Under Ma it is not clear exactly what the party position on identity is, with mixed messages coming out of the party headquarters. For instance, in 2006 it reiterated that the party's ultimate aim is unification with China. Also it has once again placed heavy emphasis on Chinese nationalist symbols such as Chiang Kai-shek, despite their low popularity. Nevertheless, after Ma had received KMT nomination he made efforts to shift the party back towards the center again. In 2007 Ma began to contest the DPP's ownership of the Taiwan identity appeal. For instance, he published a book titled *The Native Spirit: Taiwan's Exemplary Stories* and has endorsed the KMT referendum proposal to apply for United Nations membership.

While Lee's KMT took a mixed approach between the organizational and propaganda battle, Ma is trying to focus on the latter to make the party electable again. The quality of the KMT's party propaganda has improved considerably

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since 2000. It has been more willing to allow advertising companies to have a free hand in designing products. For instance, in 2001 Fan Ke-ching (who had designed the DPP's advertising in 2000) designed the KMT's election advertisements. The KMT has also attempted to learn from the marketing successes of the DPP. It has invited DPP defectors to advise in KMT election campaigns. For instance, the central advisor to Lien's 2004 presidential campaign was former DPP party propaganda chief Chen Wen-chien. Similarly, like the DPP in the 1990s, the KMT has become increasingly ready to give articulate younger politicians influential campaign positions.

In short, it was the reaction to a disastrous presidential defeat and a shift in the inner party balance of power towards Ma's faction that pushed the KMT towards the more market-oriented approach that contributed to the party's return to power in 2008.

The DPP in the post-2000 era

Like many parties worldwide the DPP struggled to remain a market-oriented party after making the transition from opposition to ruling party. During its 2000 election campaign, it raised unrealistic expectations that it was unable to deliver. Under the DPP, Taiwan suffered its worst economic recession and highest unemployment since the 1940s. It had considerable achievements in improving the social welfare system, particularly in the area of pensions. Nevertheless, the realities of government office made it far less enthusiastic on new welfare pledges than when in opposition.

The DPP also lost ownership of the anti-corruption issue that had been so effective in its rise to power. Particularly after 2004 the DPP was dogged by numerous alleged corruption scandals, some involving the president and his family. Instead the party had often been forced back to rely on the identity issue, despite the fact that opinion polls show voters do not see this as the number one priority. During the DPP's first presidential term (2000–2004) it did attempt to take the center ground on the identity issue, promising not to declare independence and taking a conciliatory line in relations with China. However, in the second term the party returned to radical positions similar to those it had taken in 1991 and 1996, its two most disastrous product-oriented campaigns. For instance, in 2004's parliamentary elections it began calling for "name rectification," a term that can incorporate changing the national title, the names of state-owned enterprises and overseas government offices to Taiwan. Then in 2006 Chen broke one of his inaugural pledges by scrapping the National Unification Guidelines and a year later the party chairman Yu Hsi-kun called for the adoption of a new constitution to redefine Taiwan's official title and territory.

How can we explain the DPP's apparent shift away from the market after 2004? Although the party's access to opinion polls is greater than ever, it would appear that the message was struggling to seep through to those designing party policy. Apart from complexities of being the government party, there were also significant changes in the inner party power structure that contributed to this shift away from

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a market-oriented party. Firstly, Chen's position as president (and party chairman between July 2002 and December 2004) made him the most powerful DPP leader to date. He has been less accessible to those younger advisors that guided him in the 1990s, such as Luo Wen-chia. In fact there were rumblings about his overemphasis on identity to the detriment of social issues in the aftermath of the 2004 parliamentary election setback.

The factional balance of power was also highly influential on the party's post-2000 fluctuations between more market- and sales-oriented marketing on identity. The two most influential positions were the premier and party chairman. When moderates held these posts the party took more market-oriented positions. For instance, while Hsieh Chang-ting was party chairman in 2000–2002 there was a more conciliatory policy towards China. In contrast, more confrontational tactics such as the anti-Chiang Kai-shek campaign of 2006–2007 coincided with the chairmanship of Yu Hsi-kun. Yu's sales-oriented tactics caused criticism within the party, as they further alienated middle-ground voters in the run up to the presidential election in 2008.

Despite these moves away from the market-oriented party model in issue emphasis, the DPP continued to perform well in its political communication. The DPP showed remarkable skill in controlling the issue agenda in the run-up to elections. For instance, a year before the 2004 presidential election the KMT had a huge opinion poll lead, but the DPP was able to maintain the media's agenda on its more favorable issues for almost the whole campaign and thus narrow the KMT's lead and eventually win the election. However, during the second DPP term, though the party still dominated the issue agenda and produced quality advertising, this was unable to compensate for the weaknesses in its political product that ultimately led to the series of electoral defeats to the increasingly market-oriented KMT.

Political marketing trends and conclusion

We have examined the market orientation of Taiwanese parties during the first two decades of multi-party competition. Taiwanese parties have been highly adaptable in designing their marketing strategies in these campaigns. They have reacted to messages from election results and surveys to create a unique hybrid style of political communication that incorporates imported techniques but also local issues and campaign practices.

We have shown that there has not been a linear movement towards the market-oriented party model. Instead, the KMT and DPP have fluctuated between more sales- and market-oriented approaches. We found support for Lees-Marshment's assumption that market-orientation will have significant implications for election results. In other words, a sales-oriented party will generally beat a product-oriented party, and a market-oriented party will generally beat a sales-oriented party.

The most consistently useful variable for explaining parties' market-orientation has been inner-party balance of power. When the party is dominated by more election-oriented leaders or factions, parties have tended to take a more moderate

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and market-oriented approach. In contrast, with more ideologically oriented factions holding the upper hand, priority has been given to ideological orthodoxy, even where this is electoral poison. Another key factor in the degree of market orientation has been the electoral system. Thus for instance, the need to appeal to the majority of centrist voters in single member district presidential elections has prompted leading parties to take more market-oriented approaches, while they have often reverted to core appeals under the multi-member district parliamentary elections. However, the move to a single member district system for parliamentary elections after 2008 may prove a further incentive for market-oriented party practices.

The overall trend towards more market orientation for the leading parties has significant implications for the quality of Taiwan's democracy. The market-oriented approach does not necessarily result in identical catch-all parties. It is our contention that in the case of Taiwan, the shift towards market orientation of parties has positive implications. At the outset of multi-party politics, Taiwan's parties were out of line with the electorate in both their most stressed issues and positions on the central issue dimensions. Election results and public opinion trends have forced the parties to radically adapt their political product to suit the electoral market by moderating their positions and adjusting their issue emphasis.

Note

- 1 Point made by numerous DPP campaign managers in interviews with Fell in 2000 and 2001.

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Interviews by Dafydd Fell

Chang Yi-shan (2001) DPP campaign manager in the 1990s, interviewed October.

Hong Ya-hui (2001) Advertising specialist, interviewed 14 May.

KMT Propaganda Chief (2001) Interviewed October.

Mu Min-chu (2001) Deputy Director of KMT propaganda department, interviewed October.

Ting Shou-chung (2001) Senior KMT legislator, interviewed September.