

Numbers,
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The Power of Political Advertising: Lessons for Practitioners

How Data Analytics, Social Media, and Creative Strategies Shape U.S. Presidential Election Campaigns

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Editors' Note

Co-author Carol Davidsen joined Rentrak (which earlier this year merged with comScore, Inc.) in January 2015. Before then, Davidsen was known for her work as director, integration and media analytics for the 2012 Obama campaign.¹ Collaborating with Rentrak at that time, she created "The Optimizer," an analytics tool that combined modeled campaign target data, television set-top box viewership data, local and national commercial inventory rates, and behavioral analysis to discover untapped and efficient commercial inventory for the campaign. She also was responsible for Narwhal, a real-time scalable data integration and campaign application program interface (API) platform that fused together facts gathered about multiple identities into a single unified profile available to every arm of the campaign. Here, she joins her colleagues, Andrew Lipsman and JAR columnist Gian Fulgoni, describing the combined use of data analytics, creative messaging, and social media in the 2012 and 2016 political campaigns—strategies that, they believe, commercial advertisers should take better advantage of to improve efficiencies and effectiveness in their own marketing efforts.

INTRODUCTION

Political advertising has become a massive business, especially during presidential election cycles, and is giving the advertising industry a much-needed boost this year. Spending on political advertising in 2016, in fact, could reach a record \$11.6 billion, 20 percent more than the last comparable election year of 2012, which in turn had far surpassed 2008 figures, according to Borrell Associates.² And, like previous election years, broadcast television is still where the lion's share of that spending will occur, even at a time of lukewarm growth in that media platform compared to the percolating digital sector.

Advertising strategy in the 2016 presidential election cycle essentially picked up from where 2012 left off—further refining micro-targeting and advanced audience segmentation that helped

Barack Obama win a second term in the White House. This time, though, the campaigns have had an even better handle on:

- the use of advanced modeling using massive databases of television viewing to identify micro-targets of persuadable voters (See Figure 1)
- the use of social media to develop a "trusted" voice of authenticity and the rapid sharing of content between fans who trust one another as credible voices of support (Bernie Sanders benefited handsomely from this)
- the use of social networks to secure "earned media" on the ever-powerful television medium (*e.g.*, Donald Trump's often obsessive Tweeting).

The same strategies apply in the commercial world, but only a limited number of brands thus far have really nailed them (O'Neal, 2016; Simon, van den Driest, and Wilms, 2016; Fulgoni, 2015; Association of National Advertisers, 2016).

Recent history can explain the cumulative impact of these strategies on both the political and commercial arenas, and serve as a guide for commercial

¹ "Those Political Ads Are Following You." Bloomberg.com, October 9, 2015. Retrieved June 8, 2016 from <http://www.bloomberg.com/politics/articles/2015-10-09/yes-those-political-ads-are-following-you>.

² "2015–2016 Political Advertising Outlook." Borrell Associates. Retrieved June 8, 2016 from <https://www.borrellassociates.com/industry-papers/papers/2015-to-2016-political-advertising-outlook-august-15-detail>.

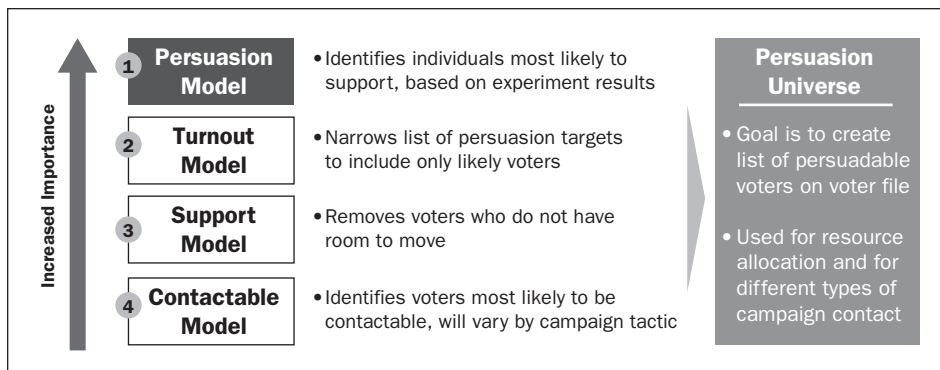


Figure 1 Creating Persuasion Universes in Battleground States

brands to further fine-tune their own strategies in this fast-changing, cross-platform world.

HISTORICAL ANALYSIS

How Advanced Demographics Helped Improve Targeting

One of the major marketing advancements in the political sector since 2000 has been the evolution of micro-targeting and advanced audience segmentation. In 2002, the Help America Vote Act required states to make available digitally voter file data containing name, address, date of birth, party affiliation, and the elections in which a person voted. At the same time, easier-to-use customer relationship management (CRM) systems became more affordable. The 2004 reelection of George W. Bush became the first campaign to strategically combine voter file information with CRM systems, pioneering advanced technologically-driven list cutting for reaching target audiences.

The trend entered the public consciousness in a major way during the 2008 presidential election cycle when Mark Penn—a major contributor to the micro-targeting movement—served as Hillary Clinton’s campaign pollster and primary strategist. Penn—then ceo of the public relations firm Burson-Marsteller and head of his own polling company—was famous for leveraging a variety of databases that

might reveal different psychographic characteristics to give shape to emerging and important voter segments that might tip an election one way or the other.³

This strategy involved more precisely identifying voters or households that might be receptive to a specific mobilization or persuasion message. Political campaigns have access to voter turnout history and party identification of nearly every registered voter in a state or district. When combined with extensive polling of voters, that access allows for the assignment of each voter to a range of specific categories like a perdurability score, or turnout score. This, in turn, allows one to understand a voter’s attitudes and preferences at a particular point in time during the election cycle, and to then devise the right strategies to influence them in the desired direction with highly tailored and specific messages targeted to specific voters.

The Obama Campaign’s Data and Analytics Revolution

In the 1970s, deciding where to buy a placement for a television commercial was a relatively easy task because only three broadcast channels were available in U.S. homes. Even in the 1990s, when Bill Clinton ran for, and won, the presidency,

³ “Clinton’s Power Pointer.” The Washington Post, April 30, 2007. <http://www.washingtonpost.com/wp-dyn/content/article/2007/04/29/AR2007042901661.html>.

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most American households had fewer than 20 channels available to them, and digital Internet advertisements did not yet exist. Today, by contrast, there are several hundred television channels in a typical home.

The 2012 Obama for America (OFA) campaign revolutionized political campaigning by using data, technology, and analytics to simplify the increasingly complicated task of reaching American television audiences.⁴

It is said that necessity is the mother of invention. The 2010 Citizen’s United Supreme Court decision had allowed for a deluge of outside money to enter the election, and big money donations of this nature tended to favor the Republican side. With the stakes high and the inevitability of facing an imposing Super PAC avalanche, the Obama campaign team invented new and better ways of achieving their ends through data. In fact, their efforts laid the groundwork for a new era in commercial advertising optimization, designed for a future that would be increasingly defined

⁴ “Data You Can Believe In.” The New York Times Magazine, June 20, 2013. Retrieved June 8, 2016 from <http://www.nytimes.com/2013/06/23/magazine/the-obama-campaigns-digital-masterminds-cash-in.html>.

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by cross-platform integration and more refined audience segments.

Factors that encouraged OFA leadership to trust data, technology, and analytics in all decision making were:

- the fragmentation of the U.S. television audience;
- increased data footprint of television audience measurement data for the electorate that could be tied back to the voter file;
- the rise of technology deployment on cloud computing solutions, like Amazon Web Services (AWS), that made it possible for short-lived organizations, such as political campaigns, to have high-powered computer infrastructure available to them.

It was clear that the skill sets and tools required to reach American voters had drastically changed. OFA leaders knew they needed to create technical and analytical solutions that would allow them to spend scarce advertising dollars more efficiently, persuade the right audiences with the right messages, and improve the

TABLE 1
Obama vs. Romney:
Ad Spend Outcomes during the 2012 Campaign⁶

Committee	Spending	No. of Times Ad Aired	Cost per Ad Aired
Obama (OFA)	\$333,000,000	562,664	\$592
Romney	\$147,000,000	223,584	\$657

effectiveness of their advertisements. In collaboration with Rentrak, OFA created “The Optimizer”—a media-planning tool that used advanced demographic segmentation to find the combination of television shows that could reach the right audiences at the most attractive CPMs (cost per 1,000 ad impressions).

Prior to “The Optimizer,” television media buyers were targeting content, not audience targeting. The new technology combined micro-target rating information with seller price card information in order to optimize ad spend. The campaign was then able to create a simple arbitrage optimization algorithm against the campaign’s custom target groups, and compare outcomes with how inventory sellers were pricing against gender and age demographics.

A *New York Times Magazine* profile of the Obama 2012 analytics team explains how it worked⁵:

“The Optimizer software would then comb advertising price and viewership data to figure out the top-rated time slots among those on the Obama persuadable list—which could vary from market to market—and then rank them based on which produced the highest concentration of the Obama swing voters at the best rates. The results were striking. The campaign determined that two of the top shows to buy were 1 a.m. repeats of ‘The Insider’ and afternoon episodes of ‘Judge Joe Brown’—shows that were far cheaper than the evening news or

anything being shown on the networks in prime time.”

The OFA’s “Optimizer” has been publicly credited with changing the face of political advertising spending. For the Obama team in 2012, use of “The Optimizer” substantially lowered the cost per television advertisement impression. Obama spent \$592 per advertisement versus \$657 per advertisement spent by the rival Republican Romney campaign (See Table 1).

A post-mortem analysis conducted by National Media, an Alexandria, VA-based Republican ad-buying firm, concluded that the Obama team reportedly spent 35 percent less per television advertisement impression than the Romney campaign⁷ and yet still managed to get more television commercials on air—all by virtue of an optimization system that linked television set-top box data to advanced demographic segmentation schema.

NEW TOOLS, NEW STRATEGIES

Optimizing Reach and Frequency Goals

Even with all of the advances of the Obama campaign around media buying, there was no way to measure what was actually achieved in terms of reach and frequency. Today, post-buy analysis using household-level television data (which was not available during the 2012 campaign) reveals that

⁶ “Mad Money: TV Ads in the 2012 Presidential Campaign.” The Washington Post; data updated November 14, 2012. Retrieved from <http://www.washingtonpost.com/wp-srv/special/politics/track-presidential-campaign-ads-2012/whos-buying-ads/>.

⁷ “Data You Can Believe In.”

⁵ “Data You Can Believe In.”

just 6 percent of the households OFA was trying to reach were exposed to more than 60 OFA advertisements per week.⁸

This was not a desired outcome, but a result that can easily happen when you don't have access to granular reach and frequency data because of sample size limitations in audience data.

In the 2016 cycle, household-level television data covering almost 40 million set-top boxes was made available to campaigns via an API (application program interface) and a constrained utility maximization algorithm. Simply put, instead of just optimizing on costs, campaigns now have the ability to optimize on configurable frequency goals.

The results are striking. When comparing a \$554,000 CPM-optimized buy which was placed during the 2012 election in Las Vegas during a week in October—to a buy that would have been suggested using the newly available household-level data optimizing for desired frequency goals—CPM costs for projected Democratic voters go up from \$73 to \$278, while delivering almost four times fewer overall impressions. Although CPM costs were higher, those impressions should be more effective. The frequency distribution curve can be controlled to move ad buys to television shows that will get more households to see the advertisements at the desired frequency, with fewer households being overexposed. (See Figure 2).

In the 2016 presidential election cycle, campaigns using advanced data strategies have actually paid more for advertisements in order to reach their desired households at the desired frequency distribution.

The Power of Creative Content Across Platforms

Accurate targeting long has been understood to be important in political

Another lesson to be learned from the political sector is the importance of “trusted persuasion.” This refers to the impact of sharing of content across social media.

persuasion. Tailoring the creative message to the target audience is equally critical. Commercial advertisers, take heed: The impact of television advertising copy accounts for as much as 50 percent of the variation in a brand's market share.⁹ With the targeting precision that can be achieved in today's cross-platform world—and with the availability of granular cross-platform audience data—there's no excuse for commercial advertisers not tailoring their message appropriately to their audience.

The Impact of Social Persuasion

Another lesson to be learned from the political sector is the importance of “trusted persuasion.” This refers to the impact of sharing of content across social media. Much like for Obama in 2008 and 2012, social media enabled initially “niche” candidates, like Bernie Sanders and Donald Trump, to gain validation and build supporter bases through people's social networks, where communications from friends are far more persuasive than advertisements coming directly from a brand.¹⁰ This time, the pace has been even more frenetic because these candidates cut through the media filter and went directly to voters. Donald Trump (with close to 9 million

Twitter followers in June 2016) has leveraged social media unlike any candidate in history to reach and persuade voters and create news cycles by Tweeting sometimes more than two dozen times daily.

That kind of activity creates fodder for the television networks on a national scale, creating an opportunity to secure earned media on television (Nagy and Midha, 2014). As of March 2016, it has been estimated that Trump received more than \$2 billion in “free” television coverage in this manner this cycle.¹¹

One big difference with social media in the 2016 election cycle is the apparent authenticity of what some candidates are sharing. Social media is not as tightly controlled by campaign operatives as was the case in the past, and voters are getting a more authentic voice of the candidates themselves. Trump is the best example of this phenomenon.

Implications for Commercial Advertisers

There are several important lessons that commercial advertisers can take from the political sector.

For one, massive, near-census databases of television viewing encompassing tens of millions of TV set-top boxes can be integrated with other important data describing the viewing household. These other data can be demographic or behavioral in nature (e.g. actual brand buying, auto ownership, etc.). The resulting data can be used to develop powerful and granular media

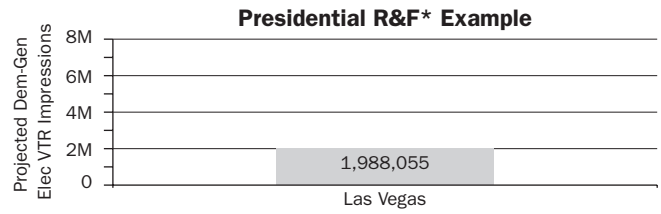
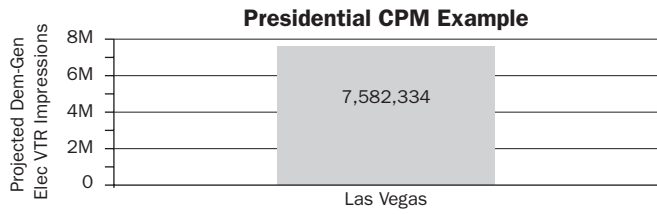
⁹ “comScore ARS Research Highlights Importance of Advertising Creative in Building Brand Sales.” comScore, October 4, 2010. Retrieved June 20, 2016 from <https://www.comscore.com/Insights/Press-Releases/2010/10/comScore-ARS-Research-Highlights-Importance-of-Advertising-Creative-in-Building-Brand-Sales>.

¹⁰ “The Power of Like2: How Social Marketing Works.” comScore, June 12, 2012. Retrieved on July 27, 2015 from <http://www.comscore.com/Insights/Presentations-and-Whitepapers/2012/The-Power-of-Like-2-How-Social-Marketing-Works>.

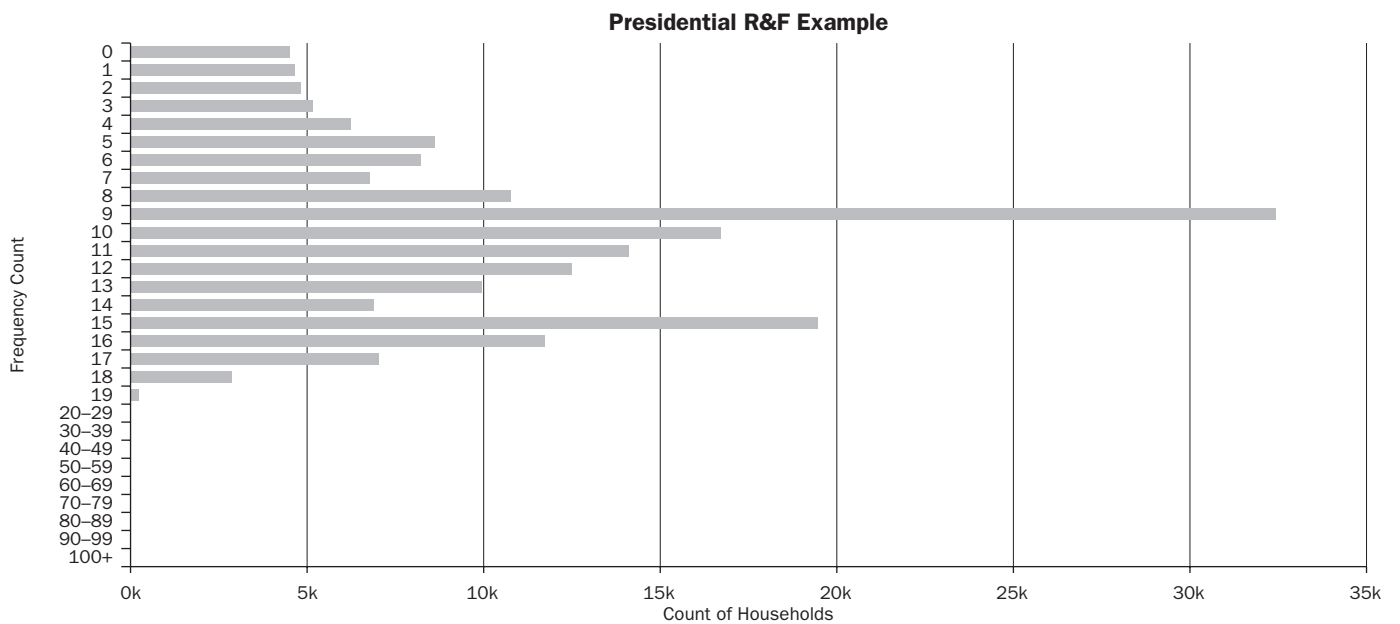
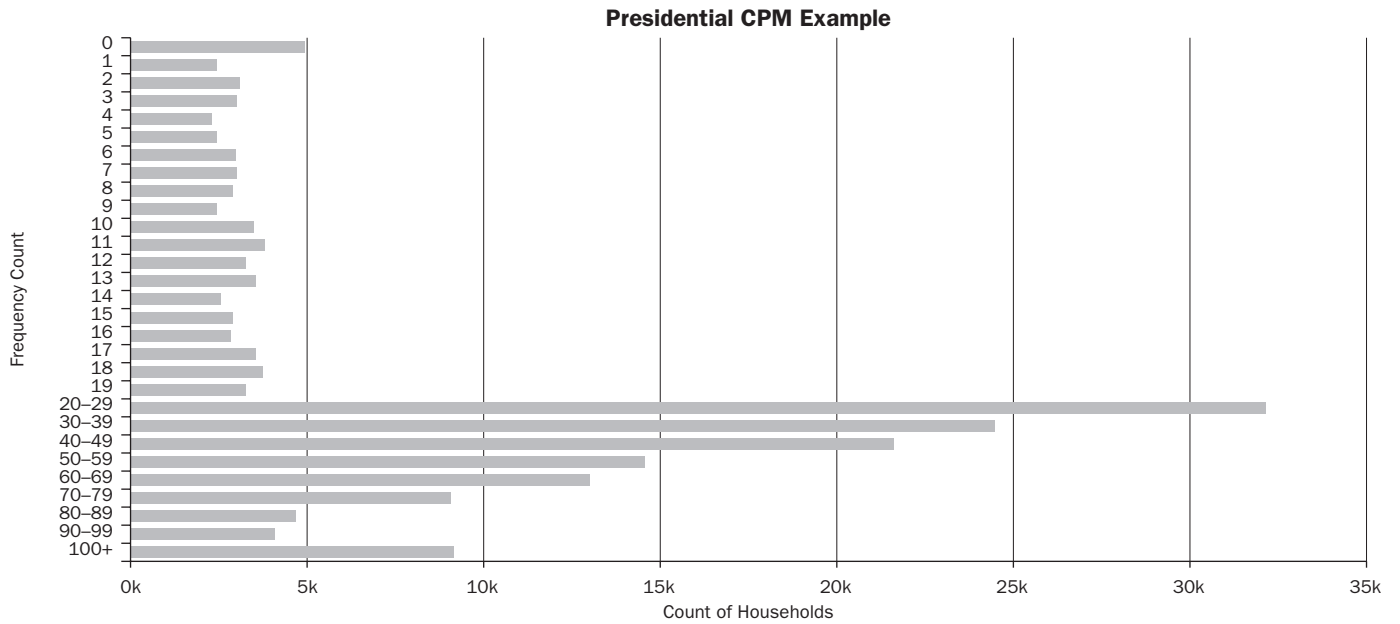
¹¹ “Stunning chart shows how Donald Trump dominated media coverage of the 2016 race.” Business Insider, March 15, 2016. Retrieved June 20, 2016 from <http://www.businessinsider.com/donald-trump-media-coverage-chart-2016-3>.

⁸ Source: Proprietary comScore data.

Costs for a \$554,000 CPM-optimized buy rose to \$278 from \$73 while delivering nearly four times fewer impressions ...



...but the impressions were delivered in a more optimal manner.



Source: comScore data
 * R F r efers to reach and frequency

Figure 2 Improving Delivery of an Obama Ad in Las Vegas in October 2012

plans that allow for improved targeting using combinations of television shows preferred by one’s target audience.

“Optimizers” also can be used to achieve an advertiser’s particular objectives, such as

- maximizing reach,
- minimizing cost,
- reducing over-exposure, and
- targeting competitive brand buyers.

In particular, the size of these integrated databases permit:

- more efficient and effective advertising spending on a local market basis—which previously was not possible because of the small sample sizes of legacy audience measurement databases;
- the targeting of micro-segments (e.g., households with women ages 18–34 years who own a Prius; men ages 55-plus years who own their own home, etc.).

Although current political media planning and buying is highly sophisticated, it is still largely thought of in media silos. But with the increased availability of cross-platform audience data at scale, that will change rapidly. We can expect to see improved reach and frequency optimization across platforms and the ability to reach target segments using the most appropriate media platform. Commercial and political

advertisers would be well advised to follow the same course. **JAR**

ABOUT THE AUTHORS

GIAN M. FULGONI is cofounder and ceo of comScore, Inc. Previously he was president/ceo of Information Resources, Inc. During a career of more than 40 years at the c-level of corporate management, he has overseen the development of many innovative technological methods of measuring consumer behavior and advertising effectiveness. He is a regular contributor to the *Journal of Advertising Research*.

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CAROL DAVIDSEN leads the political technology group at comScore, Inc. She specializes in creating cutting-edge technology to help the political space identify the best places to find their audience across all screens including television and digital in the most cost-effective manner. Davidsen has spent more than 18 years building customer relationship management, billing, and set-top box audience measurement platforms for the cable, satellite, telecom, campaign, and advertising technology industries. Her career

includes serving as the director of integration and media targeting for the 2012 Obama for America re-election campaign.

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