



Politics Meets Marketing in America's Presidential Race

By John Quelch & Katherine Jocz

Marketing has long been part of the American political process. In 1828 the distinctly non-patrician Andrew Jackson positioned himself as a 'man of the people' during the first U.S. presidential election in which many states allowed voting by non-landowning citizens. The side-by-side comparisons of two candidates in the Lincoln-Douglas debates of 1858—the Pepsi challenge of their day—attracted newspaper coverage throughout the country and made Lincoln a national figure. Since the early days of political campaigns, songs, buttons, posters, rallies and patriotic rhetoric have been joined by every new marketing medium, from radio and television to web sites and blogs.



Marketing's steady escalation in presidential politics has not occurred without controversy. Critics blame it for the current excesses of American political campaigning, culminating in the 2004 presidential campaigns that spent hundreds of millions of dollars on advertising, and saw heavy use of attack ads. Political marketers employ all the tools used to market products and services. But ultimately it's the rules and features of the American political system that account for the unique character of political marketing.

CHOOSING A CANDIDATE IS LIKE PICKING A PRODUCT

On the face of it, the political marketplace in the United States seems similar to the soft drinks marketplace. For a start, both are duopolies. Just as Coke and Pepsi dominate the soft drinks market, the Republicans and Democrats battle for control of the political marketplace. Like the soft drink giants, the two major parties struggle for a momentary advantage or misstep by their opponent. The cola market includes perennial minor players such as RC Cola and store brands. The political marketplace includes minor third parties whose candidates for the presidency, such as Ross Perot in 1992 and 1996 or Ralph Nader in 2000, have no hope of winning but can play a spoiler role.

However, choosing a Coke versus a Pepsi has no long-term consequences. When you're thirsty, you can decide to have a Coke today and a Pepsi tomorrow. Politics isn't like that. Depending on the office being filled, American voters get to elect the occupant every two to six years. Choosing a candidate is thus much more like buying a new car you will drive for four years until you replace it with a new model or brand. But the difference between cars and politicians is that if you are unhappy with your new Chevy, you can turn it in for a Ford whenever you like. Except for the occasional recall, as with Governor Gray Davis in California, all voters must live with the election winners, regardless of their personal preference.

And, of course, in choosing between options, the stakes should be higher in politics. Different philosophies of government are on offer. Whether

the Democrats or the Republicans are in power arguably has a much greater impact on the average citizen's life than whether he or she chooses a Coke instead of a Pepsi or a Chevy instead of a Ford.

One might think that with the stakes so high and the choice so irrevocable, the public would go through an elaborate process of searching for information on candidates and carefully weighing alternatives. Instead, no matter how emotionally involved they may be, most voters appear to choose candidates in exactly the same way they would a beverage or a car, that is, without a great deal of thought.

Some car shoppers are strictly loyal to the Ford brand; others care only about fuel economy; a third group chooses a car just because of its flashy styling. Similarly, many voters base their decision strictly on party affiliation—Republican or Democrat. Others base it on a candidate's position on one or two issues—say, taxes or defence. A sizeable number base it on personal likeability—is the candidate another Ronald Reagan? Or if times seem bad, a disaffected citizen may vote for the 'outsider' candidate, of whatever political persuasion, equivalent to the 'anything but an American car' buyer.

This is familiar territory to marketers. And political marketers use the same kinds of messages to reassure and persuade voters—long on emotion and short on information. As much as people might claim they want to hear details about a candidate's positions on all the issues, media consultants find that information-heavy ads are much less effective than image-driven or entertaining ads. Whether its cola, cars, or candidates, people avoid information overload. Thus, similar to consumer marketers, political consultants bet on which attribute, or issue, is going to be most important to voters. If it's national security, Bush wins. If it's health and education, Kerry wins.

And perhaps voters' heuristics do make sense. The label Republican or Democrat does bundle together a political outlook and positions on issues. The one- or two-issue voter may care so much about a perceived moral issue like abortion that it trumps even economic self-interest. Maybe likeability

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Photo: Kerry-Edwards 2004, Inc. from Sharon Farmer



John Kerry greets George W. Bush at the start of the third presidential debate on the campus of the Arizona State University in Tempe, Arizona

does predict the ability to govern effectively. At least these citizens take the trouble to vote.

THE LAST VOTE COUNTS THE MOST

Regrettably, nearly half of Americans eligible to vote don't even participate in the process, a voting rate much lower than in Europe and elsewhere. The winner-take-all system is partly to blame. Congress, state legislatures, and the presidency are all chosen under a non-proportional system. The only way either major party can prevail is to capture the middle ground of the electorate. There is no room for niche marketing in U.S. politics: since both Democrats and Republicans are aiming at the same voters, their positions tend to converge. As a result, much of the public perceives no differences between the two parties. And because turning to a third party with more distinct, and perhaps preferable, views is basically to throw one's vote away, apathy sets in.

So the biggest segment in the political marketplace is the non-voter, or non-user in marketing terms. The next largest segment is the party, or brand, loyalists on either side—in the 2004

presidential election, roughly ninety percent of people expecting to vote had made up their minds early on and were evenly split between the two parties. The remaining segment is the ten percent of voters who are independent or undecided, i.e. the brand switchers. Just as with Coke and Pepsi, the first task for political marketers is to hold on to their party base. Then, they must attract the segment of independent and undecided voters. Finally, they must find non-voters who fit the profile of likely supporters and motivate them to register and to vote—like a beer marketer persuading teetotalers to become drinkers, but only of Budweiser.

What's interesting is the way political marketing resources are deployed. To put it simply, the overwhelming majority of money is spent to attract the last few votes. In mature markets, Coca-Cola and Ford face the law of diminishing returns. Compared to persuading brand loyalists and brand switchers to buy, the marketing dollars spent to reach infrequent users or non-users yield smaller returns. At some point it is simply not worthwhile. For Coke, the real payoff comes from targeting



heavy users, hoping to further increase their consumption and gaining a higher share of it. In closely contested political races, however, the last few votes that tip the balance for one side or the other are all-important. Political marketers aim most of their advertising messages and dollars at the small group of undecided swing voters.

A further wrinkle in the U.S. presidential election, without a parallel in product marketing, is that it is not a direct national election at all. Instead, it is an election that takes place in each of the fifty states and the District of Columbia to choose the Electoral College. Whoever receives a plurality of votes in a state captures all of that state's electoral votes. What this means is that George Bush receives no advantage from increasing his share of votes from sixty percent in Texas to seventy percent. All that matters in each state is whether he receives one more vote than his opponent.

The result is that by necessity the Bush and Kerry campaigns direct most of their firepower to the undecided voters in the twenty or so swing states that could go either way. Of the roughly one billion dollars in the combined coffers of the presidential candidates and national parties in 2004, more than half was spent on advertising to this small proportion of the electorate—a mere two percent of citizens eligible to vote. For product marketers, this arithmetic just wouldn't make sense.

NO END TO EXPENDITURES

Marketing technology has improved targeting efficiency in political campaigns. However, against the need to win at all costs, there is no bottom line to measure extra marketing investments. Instead of taking advantage of greater efficiency by cutting expenditures, both political parties continue to try to outspend each other. The media are willing co-conspirators, since they benefit from increases in advertising spending.

In order to keep feeding coins into the advertising meter, and, of course, to finance other campaign expenses, the major parties have sophisticated fund-raising campaigns in place. Half a billion dollars apiece is no small piece of change. Although each presidential candidate receives seventy-five million dollars in government financing for the final stage of the race, the remaining funds must be raised independently. Before the McCain-Feingold campaign finance law of 2002, the bulk of money came from corporations, trade unions, and wealthy individuals; under the new regulations the money must come from single donors, who are restricted in the amount they can contribute to any one individual candidate, state party, or national party.

Political campaigns have borrowed and refined all the techniques used by charitable organisations to raise money from donors. Party loyalists, in particular, receive a steady barrage of solicitations via direct mail, telephone, and now e-mail. Celebrities are enlisted for gala fund-raising events. Campaign rallies with personal appearances by candidates mobilise supporters to contribute time and money to the cause.

Many marketers would envy the data warehouses built by the national parties. The Democrat's data warehouse, known as Demzilla, combines voter registration data, census data, and attitudinal data on issues and voting preferences with transaction data on online- and offline-giving as well as click response data for e-mail messages and websites. By mining these databases, political marketing consultants can precisely target committed supporters and likely prospects.

These marketing capabilities, combined with the impassioned views of the pro-Bush and anti-Bush activists, contributed to record-breaking amounts of money pouring into the campaigns. Despite intentions to the contrary, campaign finance reforms proved unable to limit spending. The futility of the reforms is not surprising—because politicians are competing so intensively, in a winner-take-all game, they and their supporters have powerful motives to seize any financial advantage they can.

MOMENTUM MATTERS MORE

Unlike the vast majority of products or services, political campaigns have to peak at a particular point in time, on Election Day. In consumer marketing, this need to create momentum is most comparable to the crucial Christmas season for retailers or the opening weekend for movies.

Over the weeks and months leading up to a blockbuster-opening weekend, Hollywood creates buzz through stories placed in the media, TV guest appearances by stars, movie trailers, and internet sites. Similarly, campaign consultants pitch their 'spin' on each day's events to the media; Bush and Kerry show up on the Leno and Letterman television talk shows; internet sites try to draw in young voters; fellow Republicans and Democrats lend their imprimatur; partisan cable television shows, radio hosts, bloggers, and even movies and books arouse the electorate—all to create political buzz.

A candidate's time is the scarcest campaign resource, and using it effectively is among the biggest challenges. In consumer marketing, the brand is the hero and advertising can enhance it and lend excitement. In politics, nothing is as forceful as personal appearances by the

presidential and vice-presidential candidates or their spouses. In a middle ground between advertising and one-on-one marketing, campaigns are exploiting technology to extend a candidate's time through such means as teleconferencing him or her with a house party of supporters.

Momentum, as the typical sports fan believes, feeds on itself. American political campaigning is a lot like the national sport of baseball—a long haul from the pre-season exhibitions to the final game of the World Series, with frequent gains and reversals in fortunes along the way. Fans and political junkies, sports writers and political commentators closely follow the statistics, looking for signs that a team or

held to be a fair target. Comparative ads for products may cast a competitor in an unflattering light, but very rarely will mount a harsh attack. Why then do negative political ads work? There are several possible explanations.

First, Coke and Pepsi don't sling mud at each other because if they did, consumer taste would eventually shift away from both of them. Both companies have an interest in enlarging the market, not in reducing it. However, in politics, it's only market share that matters, not market size. Negative campaigning may turn off a sizable number of the electorate, but if George Bush succeeds in making John Kerry appear marginally

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candidate is gaining ground, has peaked too early, or has fallen completely out of the running.

In the political arena, statistics and analyses have a powerful impact on candidates' images, and can contribute to a self-reinforcing spiral, where the person perceived as weak gets weaker. To combat 'negatives' and reposition candidates, campaign consultants reach for marketing tools, including focus group testing, to screen every catch phrase or campaign promise. But as in consumer marketing, playing catch-up is a harder game.

Where political marketing excels is in building momentum through word of mouth. At the grass roots level, Bush and Kerry supporters work throughout the campaign season to convince relatives, friends, neighbours or co-workers of the right choice. When it comes to the vital step of translating preferences into behaviour, grass-roots supporters register voters, see they get to polling places on election day, and help monitor vote-counting. This kind of help represents the ultimate relationship between a product and its loyal buyers.

ATTACK ADS WORK

While every political season may seem nastier than the next, campaign rhetoric has always been brutal. Fear and other negative appeals are used in consumer marketing, but not to any great extent. In the consumer world, directly criticising people who deliver a service is considered bad form, in politics the candidate currently and historically has been

less acceptable to actual voters, Bush comes out ahead. Further, using surrogates to deliver the strongest attacks on the opponent, as was frequently the case in the 2004 campaign, minimises the risk of the negative approach backfiring on the attacker.

Second, candidates and the staffers surrounding them are inherently fallible. It is all too easy for an opponent to seize on personal shortcomings or inconsistencies or to magnify one unpopular stance out of proportion. Moreover, it is easier to standardise and improve the way people deliver hamburgers at McDonalds than it is to perfect a candidate who must respond to ever changing and complex events, including attacks by his competitor and opposing special interest groups.

A third explanation is that elections boil down to the twin issues of security and prosperity. Messages suggesting that an opponent cannot provide these raise fundamental human anxieties, and collecting information to resolve these fears or doubts is beyond the capacity of most voters. Certainly, the information search task is more complex than for consumer products and services.

CAN MARKETING HELP DEMOCRACY?

Marketers preach the importance of segmenting the marketplace, targeting, positioning, and tailoring products and messages to meet customer needs. American presidential campaigns are good at



uncovering different segments but limit their product to one standard package of benefits, that is, the positions on issues. Of course, candidates do need to tailor their messages to different audiences, which they do by adjusting the order of presentation and time devoted to each issue. Still, George Bush is admired by political operatives for his ability to deliver virtually the same stump speech presenting his package day after day in campaign stops across the country.

In part, this standardisation happens because the national media are quick to seize upon any hint of two-facedness or insincerity in candidates' pitches to different audiences. And, a candidate who is unvarying has a better chance of establishing a clear brand image. The downside is a candidate's disincentive to modify, and perhaps improve, a policy position, e.g. an attribute, during the course of a campaign—something product marketers are free to do.

At the national party level, marketing could well play a role in updating the Democratic and Republican 'brands'. Today the parties' well-established images are at odds with their political philosophies and actions: for example, the non-interventionist Republicans have become the party of pre-emptive military action, and free-spending Democrats have become the fiscal conservatives. Companies like Ford and Chrysler find that changing brand perceptions can take five to ten years; without an integrated marketing plan, updating a party's image would take even longer. That in the process one or the other party adapts its positions to better suit Americans' needs may be far-fetched but not impossible.

A more immediate contribution from marketing promises to be outreach efforts to increase voter registration and turnout. A new group of voters, representing one-fifth of the electorate, enters the marketplace every four years. Get-out-the-vote efforts by Democrats, Republicans, and non-profits like Rock the Vote and Pew Charitable Trusts, are targeting under thirty-year olds, in particular, reaching out to them in their preferred medium of the internet as well as through traditional grass roots organising. Consumer marketers have also signed on to the vote drive. 7-Eleven stores, for example, hand out voter registration forms to shoppers. As a result of such efforts, and the heated nature of the 2004 presidential campaign, voter participation is on the rise.

Whether the new voters stay engaged will depend on how well the political parties speak to their issues. Here, marketing could potentially play an important role. The main hurdle is the two-party, first-past-the-post electoral system. It forces the parties to compete for the centre rather than niches. With no room for niche marketing, there are fewer interbrand

differences. The average uninvolved citizen, faced with similar choices on the issues, ends up making choices based on personality, which is more attention-getting than policies, or tuning out and dropping out of the political marketplace altogether. Meanwhile, the presidential campaigns use marketing tools primarily to develop and deliver TV advertising messages, and to bring in more advertising dollars through fundraising—a substantial benefit for the television networks and direct marketers if not quite so for citizens.



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