

Building a 1:1 Political Campaign
By Peter Churchill, Researcher,
Institute for Politics, Democracy & the Internet

THE CUSTOMER-CENTRIC ORGANIZATION

For the last fifteen years, Don Peppers and Martha Rogers, probably the leading authorities on customer focused marketing, have been persuading corporations that the changes in the way we communicate that emerged from the Internet revolution have begun to eliminate the underlying basis for mass marketing.¹ In their view, we are surrounded by an increasingly individualized media that requires a company to alter its business strategy in order to understand, anticipate and manage the needs of current and potential customers.² They called it 1:1 Marketing, representing the two-way individual relationship between a company and its customer.

For organizations to successfully adapt their processes to operate in this new world of 1:1 Marketing, they will need to build their companies around their customers rather than their products. They must then target specific customers by aligning what each customer needs with the products the company offers. Organizations that are successful will not only ensure that they remain competitive; they will also make their sales and marketing operations more efficient and more effective.

This 1:1 approach can help companies and campaigns alike to

- Reduce the cost of wasted advertising to un-interested individuals.
- Prevent overspending on low value clients or under spending on high-value ones.
- Make the most of each contact with the customer and improve the use of the customer channel.

¹ Don Peppers and Martha Rogers Ph.D., *The One to One Future* (New York: Doubelday, 1993) Preface, i.

² Stanley A. Brown, ed., *Customer Relationship Management* (Ontario: John Wiley & Sons Canada Ltd, 2000), xix.

- Track the effectiveness of a given campaign more easily, since each response can be individually tracked and recorded.

Tom Siebel, who created the largest Customer Relationship Management (CRM) software company, Siebel Systems, had no doubt that a company must change the way it interacts with customers before it could reap any benefits from his software: “If the fundamental task of the corporation is to sell, then the customer is the ultimate arbiter of the company’s success. Given that, it follows that every action the company takes and every decision it makes must be in support of the relationship with that customer.”³

Political campaigns are no different in these requirements. Most people who vote for a candidate will never actually meet that candidate. At best, they may attend a rally where your candidate appears for a short time to speak. But many more people will come into contact with the campaign, whether as a donor or as an attendee at an event or when a volunteer comes to their door to canvass them. Just as Siebel said that every action a company takes must be in support of its relationship with the customer, so **every action a campaign takes must be in support of its relationship with the voter, regardless of whether it is the campaign manager dealing with a press inquiry, the accountant querying a donation or a volunteer handing out signs.**

WHY A POLITICAL CAMPAIGN NEEDS A 1:1 MARKETING PLAN

Implementing a campaign using the 1:1 Marketing Principles outlined by Peppers and Rogers requires fundamental changes in how a campaign interacts with their voters. A recent example of a campaign that sought to create a two-way conversation with the voter was Howard Dean’s campaign for the Democratic Presidential Nomination. More than any other previous campaign, it used technologies, such as blogs and the social networking abilities of Web sites (including MeetUp.com) to build a genuine two-way

³ Tom Siebel, *Virtual Selling* (New York: The Free Press, 1996), 237.

relationship with voters. As Joe Trippi described it, it was a deliberate strategy to “decentralize the campaign...and let the momentum and decision making come from the people.”⁴

Although Dean’s campaign ultimately failed, he certainly demonstrated that if you enable people to feel part of a campaign and have a stake in that campaign, you will yield results. The relationship with the voters that his campaign fostered greatly enhanced the amount of time and money donated to the campaign, compared with those who chose to pursue the more traditional approach to campaigns.

A successful implementation of CRM in a campaign ensures that the campaign focuses on the voter rather than the candidate or the campaign. Most campaigns lack the time, money and continuity to implement a corporate-style assessment of how they operate. Nevertheless, a good campaign should still be to evaluate its processes based on three criteria:

1. How important is that process to the campaign or the company?
2. Is it effective (i.e. does it make sense to do it that way and does it deliver value)?
3. Is it efficient (i.e. is the process being done properly in terms of speed, output or throughput)?⁵

By thinking in these terms, a campaign should be able to continually ask itself if it operates as a voter-focused campaign, either in terms of involving the voters, improving the campaign’s knowledge about the electorate or delivering votes on Election Day. Just as in business, campaigns often fight the “last campaign,” and do things because “that is the way they have always been done.” Instead, campaigns need to make decisions based on the most effective or efficient way to use new techniques or technology.

⁴ Joe Trippi, *The Revolution Will Not Be Televised* (New York: ReganBooks, 2004), 82.

⁵ Michael Gentle, *CRM Project Management Handbook* (London: Kogan Page Ltd, 2003), 39-40.

In particular, campaigns must ensure that all data is captured in a single, properly managed database. Once this is in place, sophisticated data profiles need to be built, which can then be segmented and used to target different voters with different, more personalized messages using their preferred communications mechanism. As Hal Malchow in his book, *The New Political Targeting*, explains, “At the heart of targeting is a database of voters. How well you can target depends upon the quality of your data and your skills at analyzing it.”⁶

Malchow has for a long-time been an advocate of Chi Square Automatic Interaction Detector (CHAID) – a tool that is used widely in the commercial sector to identify which demographics will respond best to a mailing or phone call. Unlike polling, CHAID analysis uses data compiled from large samples of voters who are only asked one or two profile questions. This data is appended back into an existing contact database. Statistical models are then used to determine which attributes in the database are most effective for identifying the groups the campaign needs to win.

With this information, campaigns can focus their resources on the “right” voters. As Ron Faucheux succinctly put it, “The idea is to use your resources where they will do the most good... use those precious resources on voters who need to be convinced.”⁷ In other words, the more accurately the campaign determines which voters in its database are undecided voters, the less mail it has to send to reach that portion of the electorate, and the more efficient the mailing will be. The savings to a campaign can be considerable, as Malchow explains:⁸

If a persuasion piece of mail costs 50 cents, but only 25 percent of the undecided voters are reached, the effective cost to reach each undecided voter is \$2.00. Using data profiling the list can be segmented more effectively to reduce the amount of mail needed to reach that same group of people. If the same mailing now reaches 43 percent of

⁶ Hal Malchow, *The New Political Targeting* (Washington D.C.: Campaigns and Elections Magazine, 2003), 209.

⁷ Ron Faucheux, *Running For Office* (New York: M Evans & Company Inc., 202), 141.

⁸ Malchow, *The New Political Targeting*, 12.

undecided voters, the effective cost of the mailing is now only \$1.43, since fewer pieces of mail are needed to reach those voters.

WHAT YOU NEED TO KNOW BEFORE YOU START

In capturing this data, there are certain ethical and increasingly legal responsibilities a campaign needs to keep in mind. It also needs to be able to understand and mitigate the risk that the capture and use of the data will alienate the voters. Most people are not aware of how much data about them is publicly available. When the Institute for Politics, Democracy & the Internet (IPDI) mailed people a survey last year asking about their political donation practices, several people challenged where IPDI had obtained their data from, even though the survey packet said their names were taken from the FEC register. While these voters had donated to a campaign, they had no idea this data was then publicly available. Similarly, I am sure some people would find the idea that a campaign knew which newspaper they subscribed to be unsettling, even invasive. So political campaigns should follow the advice of Seth Godin and remember that whenever possible, it is more effective to communicate with people who have opted in to receive your message: “As new forms of media develop and clutter becomes ever more intense, it’s the asset of permission that will generate profits for marketers.”⁹

The core of most CRM implementations is still the introduction of technology to automate processes and collect data that was too often the private preserve of the sales team. As we have already discussed, being able to capture, manage and manipulate the data is crucial. As such, any technology solution in a political campaign should have a few core features:

- **There will only be ONE repository of customer and product data.** Like many organizations in the corporate world, the political world still struggles to be able

⁹ Seth Godin, *Managing Customer Relationships* eds. Don Peppers and Martha Rogers Ph.D. (Hoboken, NJ: John Wiley and Sons Inc, 2004), 222.

to know that a voter in the database is also listed as a volunteer, a donor or an influential in their community.

- **Everyone in the organization must be able to access the data when they need it, whether they are in the office, at an event or at the voter's front door.**
Access to the same source of data at all field offices by synchronizing the data with portable data devices, such as handheld Personal Data Appliances (PDAs).
- **The voter will be able to communicate with the campaign using their preferred method** (e.g. snail mail, e-mail, Web site, telephone). This means every communication channel must be integrated with the central database, including donation systems and volunteer sign up on the Web site.
- **All communications must be attached to the correct contact record.** Each contact record must have a unique identifier.
- **This data will be stored to enable voters to be profiled, segmented and targeted.**¹⁰

Recent developments have made these features easier to realize. In the 1990's, implementing a CRM solution required considerable up front investments in staff and infrastructure to install, configure and maintain the new system(s) making it practical only for larger organizations that could afford the dedicated IT staff. The arrival of companies such as Salesforce.com into the corporate sector transformed this model. Now, a user simply goes to the Salesforce.com Web site and enters his or her user name and password. The system is instantly available and ready to use. All the user needs is a fast Internet connection.

The cost of this software is therefore far cheaper than previous CRM solutions to install and deliver, and it is much easier to perform basic configuration such as adding new fields or loading data. Many of the leading CRM solutions in the political world have similarly adopted this technology model for their own systems, enabling campaigns to implement a solution far more quickly and cheaply and without the need to hire expensive system integrators.

¹⁰ Brown, *Customer Relationship Management*, xii.

The political CRM vendors I talked with agreed that while they will continue to make enhancements to their core systems, they will also look to the commercial sector to enable customers to fully exploit certain features, such as e-mail and text messaging. Although they could easily build the technology to send e-mails, there are other considerations that make it preferable to partner with specialist firms such as ExactTarget. For instance, there is considerable complexity involved in ensuring that the final e-mail can navigate the ISP filters. As such, it makes more sense to tightly integrate the CRM solution with an external vendor's e-mail solution to ensure campaigns continue to get a "best of breed" solution.

The tools and techniques the corporate sector have utilized to implement Customer Relationship Management are becoming more and more common in the political sphere. But just as political campaigns still rely on television advertising when the corporate world is moving increasingly to online advertising, so it will take time for people familiar with the CRM tools available to move into more senior positions, where they are able to demand that these tools are properly utilized. The corporate world has taken many years to begin to fully implement genuinely customer-focused organizations, and it will take time for the political world to catch up. Just as customer expectations forced companies to adopt CRM, so voters will increasingly expect the same from their politicians.