

WHITE PAPER

LESSONS FROM THE OBAMA CAMPAIGN

How the 2008 Barack Obama
Presidential Campaign Used
Performance Advertising
to Deploy a Revolutionary
Branding Campaign

SEPTEMBER 2009

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Executive Summary

In this white paper, we will discuss how the 2008 Barack Obama Presidential Campaign deployed a high-ROI branding campaign. First, the campaign collected contact information through Cost-per-Lead display banner advertisements. Then, they engaged voters through email, mobile, and social marketing programs.

Introduction:

During the 2008 Presidential campaign, Barack Obama built a brand out of two simple words: hope and change. No matter what one's political inclination, the campaign has been widely praised as an extremely forward looking campaign. It changed both politics - and marketing. As *BusinessWeek* stated, "When the book is written on this election, it should not be titled 'The Making of a President,' but 'The Marketing of a President.' Barack Obama's campaign is a case study in marketing excellence."

The campaign did what many brand marketers aspire to accomplish: a consistent, recognizable brand identity with strong recall and positive association. While they used a number of channels to advertise, the Obama campaign relied heavily on online advertising to connect with the American public.

Connecting to Voters and Donors through Online Marketing

Two months before the election, Obama's campaign deployed a performance branding program to reach and engage voters in critical swing states. They used high ROI vehicles, placing the bulk of advertising investment against CPC (Cost-per-Click) and CPL (Cost-per-Lead) advertising.

The campaign's strategy was consistent with current market trends, which show a pattern of increased spending towards performance pricing models. According to the IAB (Interactive Advertising Bureau), performance-based media accounted for 57% of internet advertising revenues in 2008 and is expected to increase significantly this year. By focusing on performance advertising, the campaign was able to pay only for clicks or leads acquired.

The Obama Presidential Campaign directed most of their advertising dollars to Google for CPC paid search. In addition, they used CPL advertising to collect the contact information of interested voters and potential donors, and paid only for qualified sign-ups. In 2008, the Obama campaign spent more marketing budget on CPL advertising with Pontiflex than they spent with WashingtonPost.com.

There already exists a wealth of best practices related to CPC advertising on search engines. In this white paper, we will look specifically at how the Obama campaign used CPL advertising to connect with the right people in a timely manner and acquire leads - the contact information of people who were passionate about the Obama campaign. These marketing leads were brand-specific and not resold to other candidates.

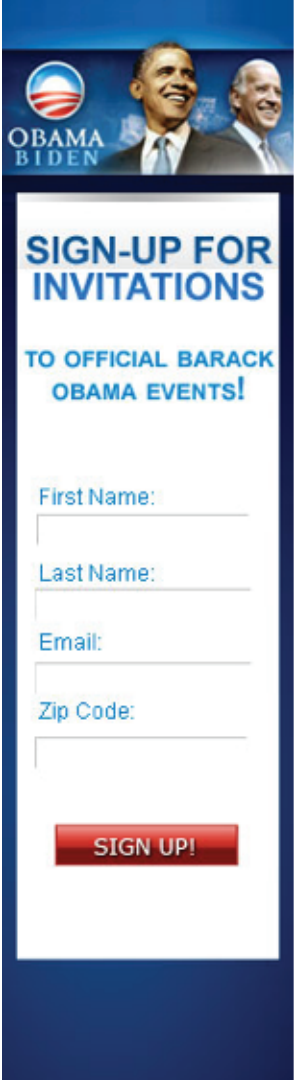
The Obama campaign partnered with Pontiflex to run a three step performance branding program. In the first step, they collected contact information from potential voters. Then, they engaged prospects via email. Finally, they drove action through community sites, social networks, and mobile devices to encourage votes and increase donations. Here's how they did it:

1. Acquired contact information through high ROI display banners

To build a strong database and connect with critical voters in swing states, the Obama campaign deployed AdUnit X banners: high-ROI display ads wherein they collected contact information within the banner ads and paid only for qualified sign-ups, not for impressions and clicks. The ads ran on premium publishers with compelling calls to action.

User information was captured within the banner – no landing page was needed. This resulted in vastly improved conversion rates and ROI.

Obama's team also prioritized simple campaign management. With Pontiflex serving as a single point of connection, they were able to manage all of their campaigns in one place and connect to the entire market. Pontiflex is open, which means that there were no restrictions on publishers, and transparent, which ensured that the campaign knew exactly where their ads were running and could track performance by publisher. They were also able to automate the laborious, manual processes such as issuing insertion orders and tracking creative. Instead, they focused resources on achieving their goals.



OBAMA BIDEN

SIGN-UP FOR INVITATIONS

TO OFFICIAL BARACK OBAMA EVENTS!

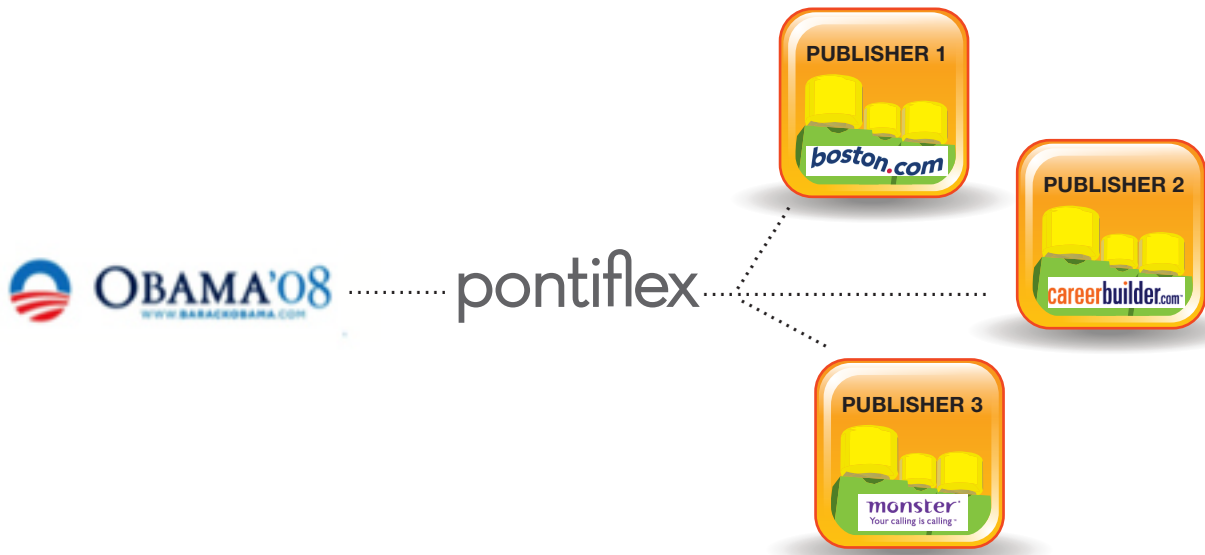
First Name:

Last Name:

Email:

Zip Code:

SIGN UP!



2. Engaged with email

With the database of marketing leads they acquired, the 2008 Barack Obama Presidential Campaign sent a regular cadence of emails to acquired leads with information about key issues and invitations to town halls, etc.

Sending timely emails to potential voters and donors was a key component of Obama's marketing strategy. By communicating regularly through a newsletter program, the campaign was able to maintain a steady stream of messages to an audience base who (because they opted in through the CPL banner ads) was predisposed to pay attention.

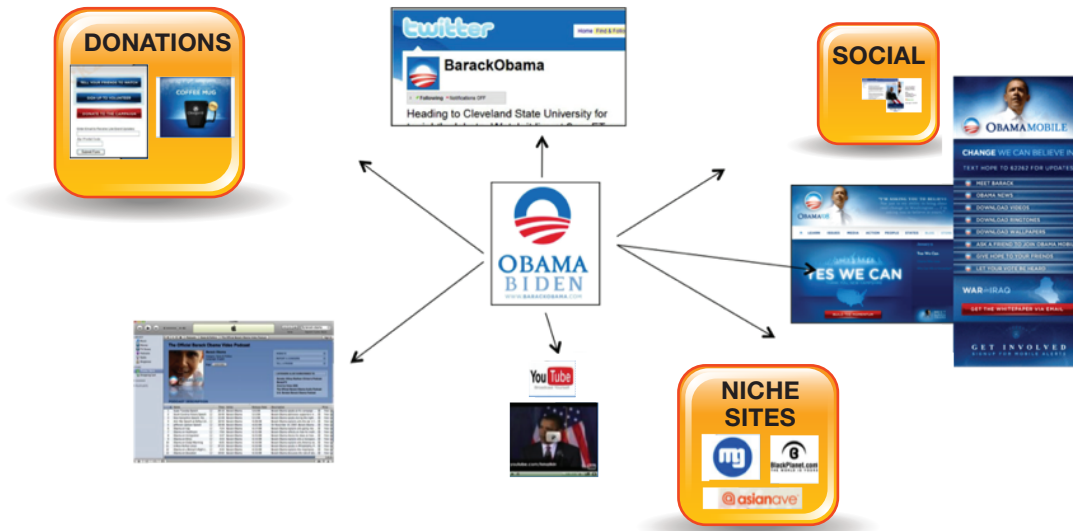
Email marketing is an extremely effective tool for marketers:

- A study by the Direct Marketing Association estimates that the ROI on an email address is \$43.05.
- Noted direct marketing expert Stan Rapp estimates that the ROI on an email address is \$118.
- In a 2008 study released by Datran, 80.4% of marketers chose email as the best provider of ROI.

By using CPL advertising to collect email addresses and then deploying a robust email communication program, the presidential campaign not only laid the foundation for a strong branding effort, they also maximized ROI. Because with CPL advertising, they paid only for qualified sign-ups, they were able to eliminate waste from their display banner media program. Then, by relying on email, they were able to get even further returns.

3. Branded in Relevant Ways

In addition to using it as a tool for information sharing, the Obama campaign also used email to direct voters and donors to multiple engagement vehicles: Facebook pages, social communities, donation pages, Twitter forums, YouTube videos, and mobile apps. The Obama iTunes app had over 30,000 messages. The campaign's Facebook page had over 3 million supporters; and over 100,000 Twitter followers.



Conclusion:

The 2008 Barack Obama Presidential Campaign marked a different kind of political campaign, and a different kind of advertising, too. By connecting to the right people through Cost-per-Lead display banner ads, they were able to achieve a strong branding presence with unparalleled ROI. By then using email to communicate regularly and drive to engagement vehicles like social networks, Twitter forums, community sites, and more, Obama's campaign was able drive concrete, measurable results in the two critically important months leading to the election.

About Pontiflex:

Pontiflex offers advertisers a single point of connection to the entire performance advertising market. Through Pontiflex, advertisers can run ads on websites, social networks and mobile apps, and connect to the right people no matter where they are.

Pontiflex enables advertisers to run ads on a Cost-per-Lead (CPL) pricing model. Advertisers pay only for people that have signed up for their advertisements, and not for wasted clicks or impressions.

Examples of engagement vehicles include the Graco Nation community site, the HP/Snapfish e-newsletter, and the Kimberly-Clark "Enjoy the Ride" loyalty program.