

*What can database marketers learn from an election? If the election in question is New York City 's most recent mayoral race, then the answer is: plenty.*

**by Jeff Zabin**



## **Lessons from Mayor Bloomberg**

**O**n December 6, 2005, less than a month after Michael R. Bloomberg won a landslide re-election victory, his campaign headquarters released its spending figures. The amount totaled a

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whopping \$78 million—reportedly, the most ever spent on a non-presidential campaign. More interesting in the context of precision marketing is the fact that nearly ten percent of those funds was earmarked to so-called “voter list development.”

Today, of course, investing resources for compiling and maintaining personal profiles about potential voters in a sophisticated database is par for the course for practically any candidate running for high office. In the 2004 presidential election, the Bush and Kerry campaigns each spent tens of millions of dollars on voter list development, designed to give their respective parties a competitive edge in terms of being able to mobilize and target individuals with customized messages.

To acquire voter information, campaign strategists generally start with the Board of Elections, which sells formatted data that includes peoples’ names, addresses, party enrollment, voting history, date of birth, and gender. These fields can be easily appended with additional information such as phone numbers, voter ethnicities and basic geo-demographic data. The Bush and Kerry campaigns took their voter lists a step further, enhancing the personal profiles with consumer data that included what cars people drive, how many TVs they own and which magazines they subscribe to—nuggets of insight

readily available through any number of third-party list brokers.

### **Straight from the Horse's Mouth**

What sets the Bloomberg campaign's list development efforts apart from those of other recent campaigns is that, in this case, the strategists declined to rely primarily on merged data from public and commercial lists to draw conclusions about individual voters' tastes, concerns, situations, priorities and leanings.

Instead, they took a novel approach. In what may be the most ambitious (and expensive) polling effort in history, they hired a research firm to call voters—hundreds of thousands of them—and ask them questions directly.

Most of the questions were psychographic in nature. The goal was to paint multi-dimensional portraits of voters based not on their racial, cultural or income level differences but on their shared attitudes, feelings and hot buttons. By understanding which issues were important to them on an individual basis, the campaign would then be well-positioned to communicate with them in a context-sensitive manner. A voter who voiced concern about the environment might receive a mailing about Mayor Bloomberg's green record, for example, while someone worried about education might receive an e-mail describing the mayor's high grades in improving the public

school system.

### **Targeting the Fearful and Anxious**

Standard demographic labels like Race, Party and Class did not factor into the voter segmentation scheme. Instead, the electorate was divided up into “thought-based” segments that cut across ZIP Code, age and ethnicity lines—again, with a line of sight to communicating in a more relevant and personally meaningful way.

Consider a segment called “Fearful and Anxious New Yorkers.” Voters in this group were described as workers who depend on the stability of the city's social services and worry about possible disruptions in infrastructure. The campaign strategists put their heads together and decided that the messages most likely resonate with this group, and elicit a positive response, would emphasize Mayor Bloomberg's record in fighting crime, creating jobs and increasing healthcare coverage.

Another segment—“Cultural Liberals”—was comprised of music and fine arts aficionados who shared the strong belief that the New York culture scene should receive high levels of local government funding, despite whatever budgetary constraints may exist. The messages to these voters would be different. For the former, they would revolve around Mayor

Bloomberg's track record of strong fiscal management, while to the latter, they would reflect his own affinity to supporting the arts.

### **When Birds of Different Feathers Flock Together**

If the results of the November election are any indication, the Bloomberg campaign was smart to use psychographic segmentation as the basis for its voter outreach activities. In contrast, most major marketers have been far less successful in dividing up their prospects and customers into clearly defined subsets, each with a personality or lifestyle type that speaks to that group's shared attitudes, outlooks, preferences, situations and, ultimately, their likely levels of receptivity to buying specific products and services.

In fact, many CMOs seem not to fully understand or appreciate the value of psychographic segmentation. They persist in their thinking that demographics are generally "good enough" predictors of the "gross segments" they want to reach. But do factors such as age, education and income level, in and of themselves, really speak to a person's taste in, say, consumer goods or cellular services, let alone their political hot buttons?

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Consider the seemingly generic population of “Wealthy American Consumers,” a group that obviously includes Mayor Bloomberg. According to a survey by Harris Interactive, “Wealthy American Consumers” can, in fact, be divided up into six distinct psychographic segments as follows: “The Deal Masters”; “The Altruistic Achievers”; “The Secret Succeeders”; “The Status Chasers”; “The Satisfied Savers”; and “The Disengaged Inheritors.” If it’s a luxury car, diamond necklace, or designer gown you’re trying to sell, then best to peg your targeting efforts toward the “Status Chasers,” who covet showy displays of wealth, rather than the “Disengaged Inheritors,” who are loath to spend money on such nonessential items.

To be fair, most CMOs would—until now—be hard pressed to justify the investment dollars involved in psychographic profiling— unless their inventory was comprised of high-value items with long or complex selling cycles. Certainly, even before the do-not-call registry, they could not have hoped to pick up the phone and call their prospects and customers (which may number in the tens of millions) with a barrage of questions designed to capture their attitudes and behaviors along various dimensions.

## Using Dynamic Surveys to Decipher Customer Propensities

The good news is that marketers now have a powerful tool at their disposal: online response surveys. With clear objectives in place, and given access to the right tools and expertise, these surveys can be used very effectively to decode personality and lifestyle types in a rapid and non-intrusive fashion, especially given the right incentives (a sweepstakes or discount offer may be all that is required to get people to participate). And, of course, the surveys can be designed to be dynamic in nature, meaning that individual response patterns automatically serve up different tracks of follow-up questions, ensuring that each individual respondent is segmented as accurately as possible based on the overall campaign objectives.

Here's a simplistic example: On vacation, would you prefer to be in ... the great outdoors, an art museum, or your own kitchen? On the weekend, would you prefer to ... trek up a mountain peak, conquer the nearest outlet mall, or make a chocolate soufflé? Stranded on a deserted island, would you prefer to have ... a guitar, a mirror, or a cast-iron skillet? File respondents who consistently select the third option into the customer segment labeled "Quintessential Gourmets." Members of this club may be excellent candidates to receive

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offers for any kitchen utensil that measures, chops, or slices.

Or consider an example from the \$1.5 billion skin care products category. With product lines that include Lux, Pond's and Dove, Unilever segments the skin care market into six groups, including: "Apathetic Annies" (women who spend minimal time caring for their skin), "Age Defying Beauty Queens" (older women concerned with wrinkles, sagging and puffy eyes), and "Jaded Janes" (women who are skeptical of product efficacy). According to Randy Quinn, marketing chief responsible for the global Homecare operation, Unilever uses response surveys and modeling to identify consumers who have skin that's prone to a particular issue, and then markets to them "with a very specific message about the benefits of a particularly formulated product via the Internet, e-mail or a direct mail newsletter."

Sophisticated survey designs may deploy discreet choice analysis. Marketers can use this methodology to simulate all potential offers, and determine which levers a customer would be more likely to respond to. For example: How important is it for you to have ... the best price? A good return policy? A knowledgeable sales rep to explain the different product features? A marketer may offer choices at multiple iterations, using response-based surveys to ask the same questions in

different fashions so as to begin to isolate the various levers that are at the forefront of the purchase decision.

The Bloomberg campaign understood the value of response-based data collection, psychographic segmentation and context-sensitive messaging. In the end, it helped garner Mayor Bloomberg 59 percent of the vote. Businesses that engage in direct-to-consumer marketing programs would be wise to learn from the mayor and to follow his lead.

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***Jeff Zabin** is the co-author of *Precision Marketing* (Wiley, 2004) and *The Seven Steps to Nirvana* (McGraw-Hill, 2001). He is a director in the Precision Marketing Group at Fair Isaac Corporation. He can be reached at [jeffzabin@fairisaac.com](mailto:jeffzabin@fairisaac.com).*