



## TEACHING NOTE

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# The Marketing of Barack Obama

### Prerequisite Conceptual Understanding

- Understanding the strategic planning process in marketing – “What is Strategic Marketing Planning?”, <http://www.allen.com/cgi-bin/gt/tpl.h,content=125>
- Understanding the considerations in segmenting markets and selecting target markets – Philip Kotler, “Marketing Management”, *Prentice-Hall of India Private Limited*
- Understanding the issues in branding – David A. Aaker and Erich Joachimsthaler, “Brand Leadership”, *Free Press*, 2000
- Understanding the growing importance of online marketing – “How companies are marketing online: A McKinsey Global Survey”, [http://www.mckinseyquarterly.com/Marketing/How\\_companies\\_are\\_marketing\\_online\\_A\\_McKinsey\\_Global\\_Survey\\_2048](http://www.mckinseyquarterly.com/Marketing/How_companies_are_marketing_online_A_McKinsey_Global_Survey_2048), September 2007

### Synopsis of the Case Study

This case attempts to provide an understanding of the core issues in the marketing of individuals. When Barack Obama (Obama) announced his candidacy for the American presidency in early 2007, Hillary Clinton (Clinton) was the front-runner in the race and John McCain (McCain) was also a favourite. In a country where racism is still rampant, very few people expected a black man to win white votes. Obama’s victory in the 2008 election was the result of a marketing campaign that was executed with clinical perfection. Obama’s strategic planning was far superior to that of his rivals and proved to be a decisive factor in his victory. He established brand leadership when he ensured that he owned the ‘change’ idea in the voters’ minds. He targeted the right market segments with the right message. He also kept his message simple and consistent throughout the campaign. Obama used many tools of online marketing for the first time in a presidential campaign. His social networking initiatives gave him the biggest ever volunteer group. The marketing of Barack Obama in the 2008 presidential campaign set new standards in the marketing of individuals.

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## Pedagogical Objectives

- To understand the core issues in the marketing of individuals
- To integrate the concepts learnt in strategic planning, segmentation, targeting, branding and online marketing into the marketing of individuals
- To analyse the effectiveness of Barack Obama's strategic planning, market segmentation and market targeting, branding and online marketing in his 2008 presidential campaign.

## Teaching Plan

The Teaching Note and Structured Assignment of the case study follow a specific Teaching Plan [Annexure (TN)-I].

## Assignment Questions

- I. Why do you think Obama's strategic planning played a key role in his election victory?
- II. What are the requirements for successful segmentation? What are the criteria for segmenting consumer markets? How was segmentation and targeting used effectively in the marketing of Barack Obama?
- III. What are some of the characteristics that extremely successful brands share? How was Obama turned into a power brand?
- IV. What are the various tools of online marketing? How did Obama use social networking to organise the biggest ever volunteer group?
- V. How would you plan to market Rahul Gandhi as the next prime ministerial candidate of the Congress party?

## Case Analysis

### I. Why do you think Obama's strategic planning played a key role in his election victory?

Obama was the only candidate in the race for the 2008 presidency to have undertaken strategic planning seriously. He made an early start when he established a campaign team made up of some outstanding individuals. They crafted the Obama campaign's main theme of 'change'. Their early start with the 'change' message was instrumental in ensuring that Obama came to own the change idea in the voters' minds. Change proved to be the overwhelming sentiment when the presidential campaign gathered momentum. Obama was also the first to start a bottom up grassroots campaign style that drew heavily on modern technologies. This also proved to be an extremely successful strategy when millions of Americans were mobilised through the internet and cellular phones. The strategy of getting volunteers involved proved to be the legacy of the campaign. Obama's superior strategic planning outsmarted his rivals even before the race began.

## **II. What are the requirements for successful segmentation? What are the criteria for segmenting consumer markets? How was segmentation and targeting used effectively in the marketing of Barack Obama?**

The requirements for successful segmentation are:

- Homogeneity – The segment should exhibit similar needs and wants.
- Heterogeneity – The segment should be different from other segments in terms of its needs and wants.
- Measurable – It should be possible to assign a number to an attribute of the segment.
- Substantial – The segment should be large enough to be profitable.
- Accessible and Actionable – It should be possible to target the segment. Marketers should be able to target the segment with effective marketing programmes.
- Stable – The characteristics of the segments should remain the same over time.

The variables used for segmenting consumer markets are:

- Geographic variables
  - o Region
  - o Country
  - o Population density
  - o Climate
- Demographic variables
  - o Age
  - o Family life cycle
  - o Family size
  - o Gender
  - o Income
  - o Socioeconomic status
  - o Occupation
  - o Language
  - o Religion
  - o Race
- Psychographic variables
  - o Personality
  - o Lifestyle
  - o Value
  - o Attitude

- Behavioural variables
  - o Occasions
  - o Benefits sought
  - o Usage rate
  - o Loyalty status
  - o Product end use
  - o Readiness to buy stage
  - o Decision making unit
  - o Profitability

Obama's hybrid segmentation of the market was based on age and race and he chose to target the youth and minority segments. The youth segment was traditionally overlooked as politically insignificant and this was the first time a presidential campaign was targeting them on a large scale. Obama felt that this segment was hungry for 'change' and his youth made it easy to appeal to them. A striking feature of Obama's targeting of this segment was the use of many modern technologies for the first time. Obama proved to be extremely successful in winning over this segment. CNN exit polls showed that 54% of white voters in the age group of 18–29 would vote for Obama.<sup>1</sup> This was an outstanding achievement for a black man in a country where racism is still rampant. His race helped him in effectively targeting minorities like Blacks, Hispanics and Asians. Minorities voted overwhelmingly for Obama. Youth and minority voters played a key role in his victory.

### **III. What are some of the characteristics that extremely successful brands share? How was Obama turned into a power brand?**

Kevin Lane Keller has identified ten characteristics that the world's most popular brands share:<sup>2</sup>

1. The brand offers more than what the customer expects.
2. The brand stays associative.
3. Customer's value proposition dictates the pricing of the brand.
4. Right positioning of the brand.
5. The brand maintains consistency.
6. The portfolio of brands is well maintained.
7. The firm utilises all its marketing efforts to build brand equity.
8. The firm knows what a brand means to its customers.
9. The brand is properly supported for a longer period of time.
10. The company checks for brands' performance from time to time.

Obama first sought to ensure right positioning of the brand. When he announced his candidacy for the presidency, he had correctly identified that the overwhelming sentiment in the 2008 election will be a desire for change. His presidential campaign focused its efforts on ensuring that Obama owned the 'change' idea

<sup>1</sup> "Exit polls: Obama wins big among young, minority voters", <http://www.cnn.com/2008/POLITICS/11/04/exit.polls/>, November 4<sup>th</sup> 2008

<sup>2</sup> Kevin Lane Keller, "The Brand Report Card", *Harvard Business Review*, Vol. 78, Issue 1, January/February 2000

in the voters' minds. The publication of his autobiography was a first step in this direction. Once the election campaign started, he effectively repeated the change message over and over again. His personal charisma and oratorical skills drew large crowds. The emotional appeal was driven home with solid and specific policy details. Obama came to own the change idea in the voters' minds early in the race. He also maintained consistency in positioning and message delivery throughout the campaign. The presidential campaign turned him into a power brand.

#### **IV. What are the various tools of online marketing? How did Obama use social networking to organise the biggest ever volunteer group?**

The most popular platforms for online marketing are those that have lasted long enough to develop credibility and appropriate metrics. A recent study of online marketers threw light on the popular formats (ranked by percentage of takers):

1. Search Engine Marketing: 65%
2. Own website: 59%
3. Search Engine Optimisation: 55%
4. e-mail marketing: 45%
5. Social media marketing: NA

The tools of online marketing are:

1. Website
2. Email
3. Social networking
4. Blogging
5. Social news sites
6. Search engine optimisation
7. Pay per click and sponsored listings

Barack Obama had accounts with most high traffic social networking sites and these accounts were very active. But he created his own social networking website, My.BarackObama.com (MyBO), to organise an online community. MyBO gave supporters a voice on his website and proved to be an instant hit. The most popular features were the online tools to coordinate offline action. These online tools were used to make real world connections between people who were hungry for change. Millions of Americans used MyBO to organise local communities on behalf of Barack Obama and even made calls to neighbours about this campaign. Huge pockets of traditionally overlooked voters were mobilised through the internet and cellular phones, turning countless citizens into grassroots volunteers. This social networking initiative gave Obama the biggest ever volunteer group.

#### **V. How would you plan to market the Indian National Congress leader Rahul Gandhi as the next prime ministerial candidate of his party?**

In the very beginning, the Congress party should establish a campaign team of enterprising professionals. They should develop a clear-cut campaign strategy that can take advantage of the overwhelming sentiment during the next general elections. They should settle on a slogan and adopt a bottom up grassroots campaign style that encourages people to participate in large numbers. The branding should seek to ensure that Rahul Gandhi and the Congress party own the campaign slogan in the voters' minds. The key segmentation variables

should be income and age and the key segments to be targeted will be various classes of poor voters and the 'youth'. Rahul Gandhi's youth will make it easy for him to appeal to the youth of India and various classes of poor voters have always formed the bedrock of electoral victories. They can be best reached through organisational functionaries operating at the grassroots level. The Congress party should work to strengthen its organisation and take up issues of concern to poor voters and the youth. Political rallies, newspapers, television and even mobile phones can be used to target them. But online marketing is unlikely to play a key role in India because only a small number of poor voters and youth are internet users.

## Big Picture

The 2008 US presidential campaign of Barack Obama provides a classic framework for analysing the effectiveness of strategic planning, market segmentation and market targeting, branding and online marketing in the marketing of individuals.

## Final Thoughts

Obama marketed himself exceedingly well to win the 2008 presidential election in the US. How should he go about marketing himself over the next 4 years to ensure that he gets a second term in 2012?

<b>Annexure (TN)-I Teaching Plan</b>				
<b>Sl. No.</b>	<b>Analysis Section</b>	<b>Expected Learning Objectives</b>	<b>Forward Linkage</b>	<b>Ideal Duration (mins)</b>
1.	Strategic Planning	<ul style="list-style-type: none"> <li>• Strategic planning process</li> <li>• Choice of Obama's campaign theme</li> <li>• Choice of Obama's grassroots strategy.</li> </ul>	Market segmentation and market targeting	15
2.	Market Segmentation and Market Targeting	<ul style="list-style-type: none"> <li>• Need for segmenting markets</li> <li>• Criteria for segmenting markets</li> <li>• Obama's market segmentation</li> <li>• Target market selection process</li> <li>• Obama's selection of target markets.</li> </ul>	Branding	15
3.	Branding	<ul style="list-style-type: none"> <li>• Characteristics of successful brands</li> <li>• Success of the Obama branding campaign.</li> </ul>	Online marketing	15
4.	Online Marketing	<ul style="list-style-type: none"> <li>• Tools of online marketing</li> <li>• Obama's social networking initiatives.</li> </ul>	Marketing of Individuals	15
5.	Marketing of Individuals	<ul style="list-style-type: none"> <li>• Person marketing process</li> <li>• Importance of strategic planning, market segmentation and market targeting, branding and online marketing in person marketing.</li> </ul>		30
Prepared by the author				