

CSI : McCAIN

How McCain Lost The Election
And The Marketing Lessons To Be Learned
From The Loss

Let me be clear: this is intended as a business and marketing discussion, far more than a political one.. These are not presented in any particular order of priority.

Where's The Big Idea?

The man I consider to be THE smartest “ad man” of all time, who bridged and married traditional or image advertising with direct-response advertising, David Ogilvy, famously, constantly asked and demanded: *where's the big idea?*

Great presidential campaigns and great advertising or marketing campaigns share this required component; they promote a simple, easily understood, desired big idea. In this campaign, Obama correctly assessed the public mood to, above all other considerations, including logic and reason, be eager for “change.” While it wouldn't be the smart slogan, campaign insiders referred to their pitch as “any change at any cost”, meaning no details mattered. The evidence of its impact was found in exit polls, and, anecdotally, in my own conversations with people I thought would know better, be smarter or be more attuned to their self-interest but still voted for Obama: when asked why, they answered that they felt we had to have “change”; pressed, most could not enunciate any specific change they anticipated; but most insisted that McCain would not bring change. The Obama campaign managed the double feat of picking the right big idea and then sticking with it and hammering it home to the public consciousness.

A few classic ad campaigns similarly based on a single, simple big idea: the Pepsi Generation, which connected people to an aspirational idea; I drink Pepsi therefore I am. It borrowed its premise, incidentally, from Ogilvy's eye-patch ads for Hathaway shirts. It is kin to Hefner's ‘What Sort Of Man Reads Playboy?’ ads in his own magazine, making reading Playboy a smart, sophisticated thing to do, rather than an embarrassing thing to be concealed. The recent Cadillac campaign making the point that any and every luxury car has the same leather, computer, GPS, etc., but the question is: when you turn on your luxury car, does it return the favor? contains clever sexual innuendo, and is a big idea. Unfortunately, it's ill-matched with Cadillac, and consumers have not been willing to make the leap. An equally big leap, though, has been made with the big idea campaign successfully executed by Subway, starring Before-and-After Jared, re-positioning the chain from fast food to weight loss. Big ideas can succeed or fail, but a successful big idea is essential.

McCain initially ran with “experience” as his big idea – even though it had already been proven a failure in Hilary’s contest with Obama, even though it reinforced his chief disadvantages (age, connection with President Bush). When it became apparent this approach was too limited in demographic appeal, the campaign became about nothing, *for* nothing; only against Obama – and, while negative campaigning and negative comparison advertising is frequently effective when narrowly and briefly applied, it has never worked as an entire campaign or as *the* big idea of a campaign. Ultimately, the McCain campaign had, first, a flawed and failed big idea – actually one viewed by most as a small idea; then no idea at all. Great campaigns have “for-something” big ideas.

Further, McCain’s choice of “experience you can trust” displays a major misunderstanding of the present day marketplace that many business owners make constantly. For “experience” to work, “credibility” must matter and it no longer does. The internet has convinced people to do banking with banks that have no buildings, to buy from companies that have no stores, and it has erased any sense of place, time or history; the mutual funds company created online yesterday can appear every bit as large and sophisticated as one 100 years old. In the entertainment industry, the instant wonder-boy graduated from ‘American Idol’ has achieved equal status with the singer who has paid his dues over years or even decades. Everywhere you look, credibility has lost its cache and significance. What does matter is “authority” and “believability”, not “credibility”, and it’s vital to appreciate the difference.

Obama’s “hope you can believe in” relieved him of any need to argue the experience issue; his big idea makes it irrelevant. Further, it focuses on “belief” ie. the taking of things on blind faith, rather than the exercise of reason. It was the perfect big idea for the candidate with little experience or credibility, matched against a candidate almost certain to attempt relying on his experience. (Ironically, Obama’s assembled economic team and State Department contains zero change, is comprised of Wall Street insiders and Clinton retreads, with more combined inside-Washington experience than any previous administration in our lifetimes.)

One of the great marketing lessons here is that the chosen big idea must be appropriate and believable when advanced by its spokesperson, product or company. Your big idea must be a big idea *you* can sell. However, you dare not restrict yourself only to the most obvious big idea that applies to you or that is easiest and most comfortable for you to sell. Marketplace realities must be fully considered.

Sensitive To Criticism

John McCain was painfully worried about and was greatly affected by the opinions of those other than his likely, obtainable voters. McCain has been in Washington since dinosaurs roamed the earth. He is an acceptance-seeker overly concerned with what his colleagues of both parties and the media think of him. So it was easy for them to intimidate him, embarrass him and bully him into pulling his punches and softening his attacks on Obama. McCain never went all in.

Whatever past friendly relations McCain had with the media were based on his bedeviling Republicans and conservatives, not being their standard-bearer. Yet he remained excessively sensitive to media criticism and easily and quickly influenced by it. And equally sensitive to the expressed opinions of the Washington D.C. crowd and his Senate “pals” on both sides of the aisle. As a result, just about any time he did throw a punch at Obama, we heard him apologizing for it hours later, actually denouncing himself. He refused to use the Reverend Wright, Farakhan and Ayers connections as a whole, refused using Michelle’s anti-American statements, vomited all over himself on national television apologizing for and contradicting Palin’s 100% correct assertion that being a ‘community organizer’ hardly qualified anyone to be president, and on and on and on. He ran a campaign of near daily retraction, re-statement and apology, all in response to criticism from people who would never vote for him anyway. This, more than any other factor, may account for his loss.

As many of you know, I was greatly influenced by, and have been a serious student of Dr. Maxwell Maltz’s work summarized in his 30-million cop bestselling book ‘Psycho-Cybernetics’, and in the up-dated book I co-authored with him, ‘The NEW Psycho-Cybernetics’. One of the core principles of Psycho-Cybernetics is immunity vs. sensitivity to criticism. Hyper-sensitivity to criticism about anything, from any one or any group is an Achilles heel no warrior can afford – whether your battles are in a political or other public arena, in business, in creative or artistic pursuits. The need for acceptance and approval is always dangerous, but doubly so when it supercedes desire for successful results, and these two goals are very often in opposition with one another, represented by the quote: “You will never find a statue erected honoring a critic, but you will find many statues erected to honor those most criticized.”

The marketing mistake is caring about the opinions of anyone *but buyers*. In marketing, only the buyers get a vote; everyone else’s opinions – even your own – are irrelevant, and must be considered as such. To win in advertising, marketing and sales you need the highest immunity to criticism you can possibly cultivate. The more sensitive you are to either unqualified or irrelevant opinion, the less successful you’ll be.

Pick Your Battles Carefully

The media liked McCain going on ‘The View’, and pundits talked about it as being courageous and smart, at the same time they rejoiced in the slaughter. I call his going on ‘The View’ brain-dead stupid. Not a vote there to get. More things to go wrong than go right, bad odds. Same with ‘Letterman’ and ‘The Daily Show.’ Waste of time and needless vulnerability. McCain engaged in far too many of these futile meanderings.

In marketing, you need to put yourself in environments where you can win, your proposition has high probability of being welcomed, and then sell everyone you can who can be sold there; trying to convert the resistant is almost always a mistake.....or a luxury to be indulged only after/in addition to maximum success with your ‘high probability’ prospects. In McCain’s case, huge numbers of votes went by the wayside in the small business community, in the evangelical community, and in the core

conservative community, possibly deliberately sacrificed in favor of the foolish idea that they could be more than made up for by attracting “moderate independents”.

An analogy, for example, would be the marketer of a program intended to help students get top grades in school. The best prospects are parents of children getting good grades, probably college bound, and enrolled in one or more paid activities outside of school; the worst prospects are parents of children doing very badly in school and in desperate need of the assistance offered. You’ll go broke pursuing the latter group.

This also gets us to....

Financial Disadvantage

McCain fell into a classic trap: competing in a contest with a severe resources disadvantage vs. his competitor. As it got to the final weeks, Obama was able to out-spend McCain 4-1, in some places as much as 10-1 on advertising, not to mention handing \$800,000.00 to Acorn to subsidize massive new voter registration (and sanctioned fraud on a grand scale), putting a lot more money into paid ground troops (in Ohio 10 to 1). McCain erred in sticking to his pledge to operate within the limits of public financing after Obama backed away from his promise. McCain needed \$400-million minimum. He also failed to marshal full support from outside resources. The NRA, for example, came in late with a measly \$10-million. Go look at what MoveOn.org and its sister 527’s spent for Obama. The DNC even claims \$15-million *in debt incurred* to fund get out the vote efforts.

The business corollary is: you MUST avoid such lopsided contests unless you are the one with the advantage. You have an opportunity a political candidate may not: carefully picking your battles and defining your own battlefield. For example, the small store that goes head to head with Wal-Mart after the same customers with the same or similar products via the same media used in the same way is certain to lose; Wal-Mart has a bazillion times the resources. The small retailer must go after sub-sets of the market Wal-Mart ignores, can’t or won’t serve, using media Wal-Mart doesn’t, offering a combo or products and services Wal-Mart won’t or can’t.

McCain also diverted resources from his best opportunities to his worst. **Anytime you pursue low probability prospects, you must spend considerably more time and money per converted buyer than when pursuing high probability prospects.** In the McCain case, he knew from git-go he was operating with a huge money disadvantage against Obama, and that should have prohibited pursuit of the lower probability, higher cost voters – at least until profoundly successful at securing all the high probability voters. Given double digit poll advantage in categories representing core Republican support, then and only then might have McCain sensibly spent money reaching out to less likely voters. Instead, from the beginning, and often it appeared randomly, he wasted staff, money, time, travel and energy going into hostile and unproductive territory. Had the financial positions been reversed, and McCain been the one with the much bigger war chest (as was George Bush’s position in his two campaigns), this could have been

successful. But being the guy with the tight budget, you dare not wage a broad, diversified and expansive campaign. Given the huge Obama money advantage, thus huge McCain disadvantage, the only hope McCain had from the outset was NOT to try competing head to head. He had to completely ignore all hopelessly unfriendly territory....and be certain to dominate the friendly territory.

For most businesses, the friendliest and most fertile territory is their present clientele, especially their most recent buyers; next their marginally active customers where opportunity to increase frequency of patronage exists; next, past, inactive customers – yet most business owners “under-market” to these buyers, erring in taking them for granted and in under-valuing their potential, in favor of directing resources into less friendly territory.

One of the worst aspects of the McCain campaign, that put him at such enormous financial disadvantage beyond the simple, direct dollar for dollar spending disadvantage vs. Obama, was his **lack of supportive, strategic alliances**. McCain’s core constituency was really the media (until it deserted him), not the conservatives in the Republican Party who can be counted on for both direct and indirect financial support and organizing efforts. Consequently, many of the outside advocacy groups/527c’s, notably including those led by conservative father-figure Richard Viguerie basically “sat it out”, while those groups on the other side, led and financed by globalist George Soros, spent and advertised aggressively and expansively. The largest single organized forces on the conservative side – the NRA and evangelical Christian organizations and churches – were late, grudging and miserly in their support; their liberal counterparts – unions and black churches and ministries – threw everything they could muster behind Obama. Even the conservative media, Limbaugh et al, gave bare minimum support to McCain, and he foolishly short-changed them, while liberal mainstream media did everything it could to advance Obama. McCain found himself – and largely put himself – without the essential strategic alliances needed to win. **The business lesson here** is that, in today’s complex marketplace and business/financial environment, it is virtually impossible to succeed independently, without a spider-web of connections, affiliations, alliances, reciprocal sharing of assets, resources and information. Today’s most successful companies, small or large, are far more co-operative than competitive.

Outmaneuvered On The Ground

From exit polls, this picture emerged:

% of Voters Reporting Direct Contact from Campaigns

State	Obama	McCain	Gap/McCain Failure
Nevada	50%	29%	21%
Colorado	51%	34%	17%
Indiana	37%	22%	15%
Virginia	50%	38%	12%
Pennsylvania	50%	39%	11%
Iowa	41%	30%	11%

Florida	29%	20%	9%
N. Carolina	34%	26%	8%
Missouri	44%	37%	7%
Ohio	43%	36%	7%
Wisconsin	42%	39%	3%
W. Virginia	29%	31%	(+2%)
TOTAL ADVANTAGE....			119
AVERAGE GAP			9%

In all but one of the battleground states, the Obama campaign had a superior direct contact rate. In-depth analysis shows direct correlation between these gaps and Obama's over-performing or under-performing against polling data based projections, a lot of detail I won't bore you with here. Further, the above list does not reveal another advantage Obama created: his team focused on intensified direct voter contact in certain 'tipping point' places late, such as four in-person contacts to targeted voters on Tuesday vs. a sloppier, less efficient, widespread contact effort of the McCain campaign. In essence, each 10-point advantage in contact translated into a 3-point gain above projections in actual votes. But this only reveals the "hard math"; it can't account for the even more significant word-of-mouth factor leading up to election day ie. were those contacted directly more also more likely to talk to their family, friends and neighbors more than those contacted directly less...thus getting more like-minded or persuaded voters to the polls? Logic says: certainly. So the 9% average equated to, roughly, a 3% vote advantage, may have been multiplied via word-of-mouth by 3X or 4X, providing a true vote advantage of 9% to 12%. It's also significant that McCain had this contact-failure gap dominate the entire battleground map; he didn't win some, lose some; he didn't tactically sacrifice some territory in order to dominate others; he failed at this aspect of the game, period.

The marketing lesson here is simple: direct contact with customers matters, and neither mass advertising or product advantages can trump it. Success requires a solid ground game. It's up to you to determine for yourself what such a ground game is, in your particular business. For the local, professional practice, it may be whether or not staff wears their crisp, clean uniform jackets with practice identity when leaving the office during the day for lunch or errands or leaves them hanging on hooks in the back room, carries business cards and "talks up" the practice or not; the scripted positive language used in the office; the doctor's post appointment concern calls to new patients; the use of outbound calls as steps in recall and event campaigns. For the author, it may link to how accessible he makes himself to his readers via blogs, book signings, webinars, teleseminars, speeches. **In short, though, the challenge is to bridge the distance that exists in most business settings and create the sense or feeling of a relationship; to actually "show up at the door, to visit over a cup of coffee". Even at a lesser level of (simulated) intimacy, customers appreciate the effort; the handwritten thank you note arriving in mail vs. none or a cursory e-mail; the thank-you gift related to their hobby rather than a stock item drop-shipped from a vendor; the call on their birthday even if left via voice-broadcast but in your voice.**

Personally, I kept track this year via simple stick-count, and I personally ‘touched’ over 4,300 of our 20,000 to 25,000 Glazer-Kennedy Insider’s Circle Members™ at least once, via handwritten note on something they sent me, returned to them; sending them a clipped article; answering their correspondence; quick hallway conversation, signing a book, taking a photo at an event; mentioning them by name in a publication, etc. – but also multiple ‘touches’ of best Members. This is a very big number. It takes time. I haven’t a single “form letter” used in my personal office. I don’t believe in them.

More so in a difficult economy than at other times, winning the “contact gap” vs. your competitors could prove vitally important.

When You Take For Granted, You Lose

McCain suffered from entitlement-itis (as did Hillary in the primaries), perpetually surprised and irritated at Obama’s success and feeling that he (McCain) deserved to win based on his past – his years of service, his personal sacrifice for his country, his experience, his relationships carefully cultivated with political and media connections. Key word: past. **The business equivalents are** belief in the unicorn of “customer loyalty”, belief you have earned future patronage with past performance. Such beliefs may seem sensible, especially if you are 50+; they *were* once valid. Today you only get what you earn today. Past is in no way prologue.

He Blew The Big Opportunities

Economist and bestselling author Thomas Friedman says “a crisis is too good to waste.” The \$700-billion bail-out was a big opportunity. McCain could have ridden into Washington as The Maverick On The White Horse and boldly, courageously stood in the way of the stampede to socialism; insisted on calling to Washington a large consortium of America’s richest investors, entrepreneurs and industrialists to help craft policy to encourage immediate private investment cures – and to then step to the plate with hundreds of billions before permitting any government funded or run bail-out; defied Bush and Paulson; put Obama in the box with the insiders; and won the support of the enraged public. He chose, instead, to settle for a photo op, aiding the cobbling-together of a bad plan with 80% public disapproval, and then slinking out of town. His “go along to get along” habit so deeply ingrained by his years in the Senate sunk his boat at the dock.

Another big opportunity presented itself in his reluctant choice of Governor Sarah Palin: a riverboat gambler move I disapproved of from the beginning – but if doing it, you’ve gotta go all in. It was immediately evident she had the natural instincts, charisma, confidence and ability to energize base voters in doldrums, draw huge crowds, and drag the public and media spotlights away from Obama – at a price, but you must be willing to pay the price when attempting to gain such a benefit. She should have been turned loose to hit the road alone in swing states, to battle the media, despite the certain gaffes and messes requiring clean-up. Instead, **he/his campaign made choices out of fear. No one should ever gamble with ‘scared money.’** If not prepared to turn Palin loose, she should never have been chosen.

Incidentally, if you have seen any of the Sarah Palin interviews after the election, you've seen a much more confident, conversant and capable woman than you saw during the campaign. It is increasingly apparent that the McCain campaign hacks and handlers were afraid to, as the cliché goes, let Sarah be Sarah; attempted scripting her to the nth degree; and *made her* dysfunctional. When McCain chose her, I immediately told conservative friends he'd made a terrible mistake, in sacrificing his case against Obama's lack of experience and qualifications (of limited value, yet the card he was committed to playing), and teeing up a Dan Quayle situation for hostile media. At the time, these friends argued with me; social and fiscal conservatives were personally thrilled with her. Over-eager for a Ronald Reagan. But the lesson there is, you can't afford to cater exclusively to your own preferences when designing and packaging your products. In truth, contrary to media portrayal, she is inarguably as qualified or better qualified than Obama; she has, after all, actually run a business, been a successful governor, met payroll, managed budgets, and so on. But the old adage, perception is reality, applies. "The SNL Factor", first used deliberately (as Chevy Chase now proudly admits) to damage Gerald Ford, has since been honed to perfection by SNL, Jon Stewart, and late night comedians who have abandoned all pretense of fairness or equality.

Now, here's the mistake and the lesson of the Palin episode: if you commit yourself to a particular human asset, you can't then try making it into something it is not. Pick carefully, then give the person full opportunity to utilize his or her strengths. This is very akin to the occasional client of mine who hires me, pays me a large fee to craft their marketing messages and write copy, then interferes, to "tone down" the copy or insist on presenting it in a more image conscious way or cut the 48 page booklet down to 36 to save on printing and postage cost – don't hire *me* in the first place. I fired a client for this very reason several weeks ago. Sarah should have fired the McCain handlers too, chasing them off with her moose gun if need be. She has undoubtedly learned some valuable lessons about all this.

In any "campaign" – political or marketing or business development – you have to assemble the best resources you can, including your personnel. It is foolish to get Thoroughbred racehorses and ask them to move slowly, carefully, methodically, or to get cows and ask them to sprint at high speed. This begs the evermore important question: do you have the right person doing the right job? I constantly see professional practices sabotaged by having some sort of Battleaxe Bertha snarling at people at the front desk or when answering the phone....or working tables at somebody's seminar, a poorly dressed, slump-shouldered, unenthusiastic soul snared out of the warehouse to do double duty. Etc.

In business, every once in a while, a huge opportunity presents itself, and it often involves taking a stand or going in a direction unpopular with associates, staff, others, or taking a dangerous risk. Avoiding bold initiatives, playing it safe all the time is illusion; it is its own vulnerability.

McCain was severely handicapped in capitalizing on the big opportunities presented during this campaign by his low immunity to criticism, his lack of big idea, and his futile attempt to be all things to all people. **The marketing equivalent here is clear and simple:** you can only dominate chosen market(s) by sacrificing others. If try to sell to everyone, you wind up selling to no one.

***Insurmountable Disadvantage Requires
More Bold, Decisive, Aggressive Action***

To be totally fair, McCain was (also) a victim of circumstances. Had it not been for the economic crisis as all-consuming news story and national conversation, the Acorn voter fraud story could have been Obama's Watergate. Jesse Jackson's promises about an Obama administration's sea-change toward "the Zionists" could have swung Florida to McCain by a safe margin. Joe Biden's promise of terrorist attacks or other foreign threats' testing of Obama could have been used to bring the discussion back to national security. But these things could not capture and hold attention in competition with Dow-watching by the public and panic pandering by the press. So, admittedly, McCain faced an uphill battle from the beginning, and saw the hill become Mt. Everest while climbing it.

But using this as excuse is like a team losing a game to a last second 55-yard field goal or over one bad call by a blind ref – you shouldn't be in such a weak position in the first place. Many business owners who suffer or fail during the recession will cast themselves as victims of circumstances, and they may find acceptance as such from many sympathizers. Not from me. Weakness and vulnerability in business does not *suddenly* occur. In life, it does: the unexpected diagnosis with a life threatening or debilitating disease; loss of spouse or partner without warning; a drunk driving through an intersection into you. But in business, no. The recession evolved and developed and offered ample advance warning before suddenly accelerating to hurricane strength; there was notice, time and opportunity to prepare – including, for you, cautions from me over many months about strengthening your customer relationships, targeting more affluent customers, "ruthless management", etc. To paraphrase our Peak Performance leader Lee Milteer, victims of circumstances in business, to great extent, volunteer.

McCain's weakness, flaws and vulnerabilities as a candidate, the risks of an economic melt-down revealing itself during the campaign, the financial disadvantage were all evident well enough in advance of their points of greatest impact to have countered them, but doing so would have required much smarter, bolder and more aggressive action. Underdogs at extreme disadvantage can't run as cautious incumbents.

The business lesson of the straw that broke McCain's back – the Wall Street crash, economic crisis and media and public fixation with it to exclusion of all else - is that some such extreme disruption can occur to anyone, any business, at any time, and if you're in business long enough, will occur in yours. We are all so negligent about disaster preparations. We need reserves, we need back-ups, we need Plan-B's, we need margins of error and most of all we need the strength that comes from the best possible

relationships with valuable customers; and that comes from the knowledge and confidence required to make money at will.

The other lesson has to do with what Napoleon Hill described as 'accurate thinking'; accurate assessment of the size of the mountain you intend to climb, the difficulty of the task, the resources required, the extent to which you must move "outside the box of norms" to try to win.

Obviously, some of the circumstances of this campaign were not of McCain's making. But then, the circumstances any of us confront are usually not entirely of our making or under our control either. But our decisions always are.