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MEDIA

News analysis

Presidential candidates harness the web to gain a cutting edge

Campaigns are turning online for more than just donations, writes

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Four years ago, Dan Siroker sat behind a computer in Chicago at Barack Obama's 2008 campaign headquarters, developing the first website testing system ever used in a presidential campaign.

He wanted to see if a picture of the president giving a speech on the front page of the website or one of Obama with his wife and children, would inspire more people to sign up for the campaign's email list. After testing three photos and three videos, randomly shown to different users who visited the website, the data showed that millions more people signed up after seeing the family portrait compared with anything else.

"We raised tens of millions of dollars, if not hundreds of millions, in donations by just optimising," Mr Siroker says.

After the election, Mr Siroker, now 28, went to San Francisco to start his own company called Optimizely. The company sells similar A/B testing services to businesses, from Star-bucks to the Guardian newspaper. Now his political customers are signing up too – six full-time staff from Obama's campaign are using Optimizely to increase their donors and volunteers.

With 10 states holding GOP primary elections on Tuesday, and the broader 2012 election season gaining momentum, candidates are looking to Silicon Valley companies like these for more than just campaign donations. Candidates, including Republican Mitt Romney and Mr Obama, are hiring technology companies to do for them and their campaigns what these companies are doing for businesses.

"We're looking for firms that are on the cutting edge," says Zac Moffatt, digital director for the Romney campaign. "Some are technical companies that help us reach greater efficiency and others help us engage with broader audiences."

Mr Moffatt says the campaign is working with 20 technology start-ups and companies. Most of them did not exist before the 2008 election.

Square, a mobile payment company founded in 2009 in San Francisco, is one of them. Its tiny one-inch square credit card reader can be plugged into any smartphone, so small business owners, from hair dressers to plumbers, can process credit card payments easily and cheaply.

Both the Romney and Obama campaigns saw immense potential in the product for streamlining the collection of campaign donations.

Instead of taking peoples' email addresses at a rally and sending them a fundraising appeal a day later in the hope they would send in a donation, volunteers and door-to-door canvassers can now swipe credit cards on the spot.

SAY Media is another company Romney's team has hired. Targeted at the Procter & Gamble's of the world, the company specialises in delivering online advertising to the 31 per cent of the US population that no longer watches live television and therefore never sees the millions of dollars of political commercials broadcast there.

Advertising companies like this, which help businesses manage online video, text or social advertising, are expected to do well out of the presidential election.

In 2012, candidates are expected to spend up to 15 per cent of their advertising budgets online, says Michael Beach, co-founder of Targeted Victory, a digital strategy company in Washington.

That is up from 0.5 per cent in 2008, he says.

Large portions of that will go directly to Google and Facebook. Some will trickle down to the companies that help distribute brand messages across online and social media platforms.

Companies such as Buddy Media, Vitruve and Hearsay Social – all of which help big retailers and chains manage their Facebook pages – have been paid by the political candidates to help manage their social media presence.

In 2004, the internet revolutionised online political donations. In 2008, Face-book was the key player in mobilising people to vote, donate, and volunteer.

In the 2012 election, strategists speculated whether mobile, social or geo-location technology could be the defining technology trend. But Mr Moffatt and others believe this year's theme will be one of "persuasion" – using the internet to influence people and their friends.

“To us, the big game changer is that online will be a voter persuasion medium,” Mr Beach says.

Facebook’s role – with its expanding web of data about 845m peoples’ relationship connections, interests and political affiliations – is likely to be critical. And that will translate to a hefty chunk of advertising revenue for Facebook to showcase to investors during its first few quarters as a public company.

Mr Beach predicts that “Facebook might make more money from political advertisers in 2012 than all online advertisers did in 2008.”



Digital direction: Republican Mitt Romney’s campaign is working with 20 technology start-ups and companies Reuters