

THE 2008 US
PRESIDENTIAL ELECTION
WAS LOOMING AND
CANDIDATE BARACK
OBAMA WAS IN THE
PROCESS OF PULLING
TOGETHER HIS CAMPAIGN
BUDGET. WHILE HIS
FELLOW CANDIDATES
WERE RELYING ON
MAJOR DONATIONS AND
CONCENTRATING THEIR

CHAPTER 8

**VIRALITY AND
COMMUNITIES:
OPPORTUNITIES IN
DISTRIBUTION**

advertising budgets in traditional media outlets, Obama was online mobilizing the passion and dedication of Internet users to create a fiercely devoted community of enthusiastic, if financially lacking, contributors. In short order, the seemingly paltry donations provided by his vast online community soon began adding up, and ultimately they proved significant enough to make Obama the first presidential candidate in history to bypass public financing in the general election.

The figures are truly unprecedented. Obama received contributions from more than two million donors and maintained a database of more than 450,000 backers who, according to an article in the *NY Daily News*, served as “an army of surrogate fund-raisers who [had] become his secret weapon.” He managed to raise \$91 million in the first two months of 2008 alone, much of it coming in the form of mere \$25 and \$50 contributions from his passionate online community.

The soaring triumph of Obama’s online campaign, as seen in Figure 8.1, was not so much a flash in the pan as it was the culmination of a well-planned and thoroughly executed effort. A masterful web and mobile strategy along with traditional media plays—who could forget the Obama infomercial that swept across television airwaves just one week before the US election?—helped him rally ambassadors and advocates who would further spread his campaign to their own friends. Obama understood how to activate the intense passion of empowered Internet users and actively sought to build relationships with dedicated individuals, online and offline, who would serve as his own grassroots army.

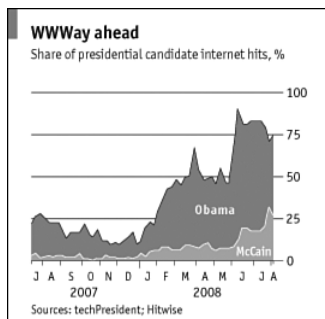


Figure 8.1

Obama's internet hits clearly defeat McCain's.

The first presidential hopeful to make waves with his successful Internet strategy was candidate Howard Dean during the 2004 election. Though Dean grew a considerable online fan base and vowed that, “If I give a speech and the blog people don’t like it, next time I change the speech,” his problem lay in the gap between the Internet audience and the political center. The energy that spun out of his Internet support was never part of a larger cohesive campaign and ultimately fizzled for lack of an outlet. Dean was unable to coordinate between traditional campaigning methods on one end and the self-organizing and transparent Internet-based methods on the other. The lack of cohesion caused the overall campaign to collapse in the early phase of the election. Nonetheless, the initial success of the Web campaign offered a glimpse of things to come.

Building on Dean’s strategy four years later, Obama managed to effectively connect his inner and outer political support systems to coordinate and harmonize the two circles—think of the spokes on a bike wheel connecting the hub to the outer rim (see Figure 8.2). Barack Obama captured the zeitgeist of a new era of transparent communication and was able to successfully engage with supporters at all levels. For its part, the

online world found a political champion, and they continued to eagerly support his every move, all the way to the White House.



Figure 8.2

Obama's core campaign and self-organizing supporters connect and organize through social networks. Their collective efforts put Obama on the road to victory.

BUILDING A GRASSROOTS ARMY

The runaway success of Obama's Internet campaign rests primarily on three key factors, first among them a significantly larger financial investment in the online arena than those of his opponents. Obama's campaign spent 10 to 20 times more on banner ads and sponsored links than his fellow candidates, running ads across a wide array of sites ranging from large newspapers such as the *Boston Globe* to political blogs such as Daily Kos and the Drudge Report. The second key factor in the campaign's success was its lack of direct, in-your-face sales approaches. Clicking on an Obama banner ad led users

not to a donation page, but rather to a form where they could sign up for campaign event invitations. Only *after* submitting the form were visitors asked to make a donation. By avoiding outright sales tactics, Obama confirmed his sincerity and sent supporters a clear, though unspoken, message: Allegiance is more important than money. The third factor of Obama's campaign, and the one that would take his message from a core group of ardently devoted followers and straight into the general public, lay in his advisors' deep understanding of the online world.

MOST SOCIAL CHANGE IS DRIVEN NOT BY INFLUENTIALS, BUT BY EASILY INFLUENCED INDIVIDUALS INFLUENCING OTHER EASILY INFLUENCED INDIVIDUALS.

—DUNCAN J. WATTS, PETER SHERIDAN DODDS
("INFLUENTIALS, NETWORKS, AND PUBLIC OPINION FORMATION," *JOURNAL OF CONSUMER RESEARCH*, DECEMBER 2007)

Obama's campaign understood the Internet's vast capacity for networking and the possibilities for virally spreading a message, as long as that message was considered meaningful, authentic, and valuable. They also understood the value of giving people something to believe in, and just as importantly of empowering them to actually *do* something about it. With empowering online mantras like: 'I'M ASKING YOU TO BELIEVE. Not just in my ability to bring about real change in Washington... I'm asking you to believe in yours,' Obama harnessed the power of social networks and viral communication to connect with

the masses. And with that, the American people ushered in the world's first internet presidency.

Obama's first step was to out-organize and out-mobilize his opponents by leveraging preexisting tools on popular social networks to provide supporters with a place to gather and share opinions and comments. More than 500 Facebook groups and 100 widgets (bits of software that fans can easily embed in their profiles across popular social networking sites) formed around his campaign, most of them unofficially created by fans and supporters. Membership in the groups skyrocketed, with one group reporting more than 200,000 registered users within the first month of its creation.

Throughout his campaign, Obama comfortably led the online presidential race for popularity on MySpace and Facebook. The presidential hopeful then launched his own social network, MyBarackObama.com, which invited supporters to create a profile, blog their campaign experiences, plan and attend events, find other supporters, and help raise funds for the campaign.

Obama understood the old political system with precinct captains and ward-heelers and knew these roles could now coordinate their activities through social software and mobile applications. Even the self-organizing Facebook and Twitter groups, following Reed's Law, formed grassroots political action committees with subgroups responsible for field operations, rallies, finance, and blogs. With platforms such as MyBarackObama.com and a variety of tools across other social networking sites, Obama could further engage with people

who ordinarily wouldn't go out of their way to get involved with politics in an environment that was more familiar to them.

As Todd Zeigler of the Bivings Group, a DC-based Internet communications firm that works with Republicans noted in a February 16, 2007, *Washington Post* article called "Young Voters Find Voice on Facebook": "The key point here is that the support for Obama on these social-networking sites is not being driven by the campaign itself. It is something spontaneous as opposed to something the campaign itself is orchestrating. This shows a real enthusiasm for Obama's candidacy among young people that you aren't seeing for any other candidates at this point." See page 99 for a diagram of Obama's Internet success.

"EVOLUTION" AND VIRALITY

Fat or Fab?

Wrinkled or Wonderful?

These were the questions raised by the "Campaign for Real Beauty," a marketing effort on the part of Unilever's Dove brand that prominently featured "normal" women in its ads instead of the usual, industry-standard fashion models. The campaign included everyday women with varying body types in an attempt to introduce a newly expanded view of what is considered "beautiful." As part of the campaign, a television ad titled "Evolution" first aired during the 2006 Super Bowl. The ad showed a time lapse sequence of a woman sitting down in front of a camera, being adjusted and tweaked by a multitude of makeup artists and hair stylists, being photographed in

How Obama Reinvented Campaign Finance

NO SMALL CHANGE

Barack Obama is the first major candidate to decline participation in the public financing system for presidential campaigns. He's found a more effective way to raise money – by leveraging the power of the American people through online Social Networks.

\$122 million
BARACK OBAMA

INDIVIDUAL CONTRIBUTIONS LESS THAN \$200

2000 election
\$8.8M
G.W. BUSH

\$6.7M
AL GORE

\$32M
JOHN KERRY

2004 election
\$43.8M
GEORGE W. BUSH

\$37M
HOWARD DEAN

\$27.7M
JOHN MCCAIN

2008 election

A Little History

Traditionally, candidates developed relationships with a handful of corporations and wealthy individuals who could provide large sums of money to a national campaign.

In 2002, legislation passed limiting individual contributions to \$2,000 (\$2,300 in 2008) for primaries, and another \$2,000 for the general election. Campaigns then relied on "bundlers," fundraisers who could influence their network of friends to make maximum individual donations.

Thanks

Thanks

The wealth pyramid

EVERYBODY ELSE

The Internet speaks

The Internet roars

The rest is history

A 2004 study found that less than one percent of Americans contributed more than \$200.

During the 2004 presidential primary, Howard Dean raised \$27 million online.

In January, Obama set a record for donations in one month: \$32 million, \$28 million of which was raised online.

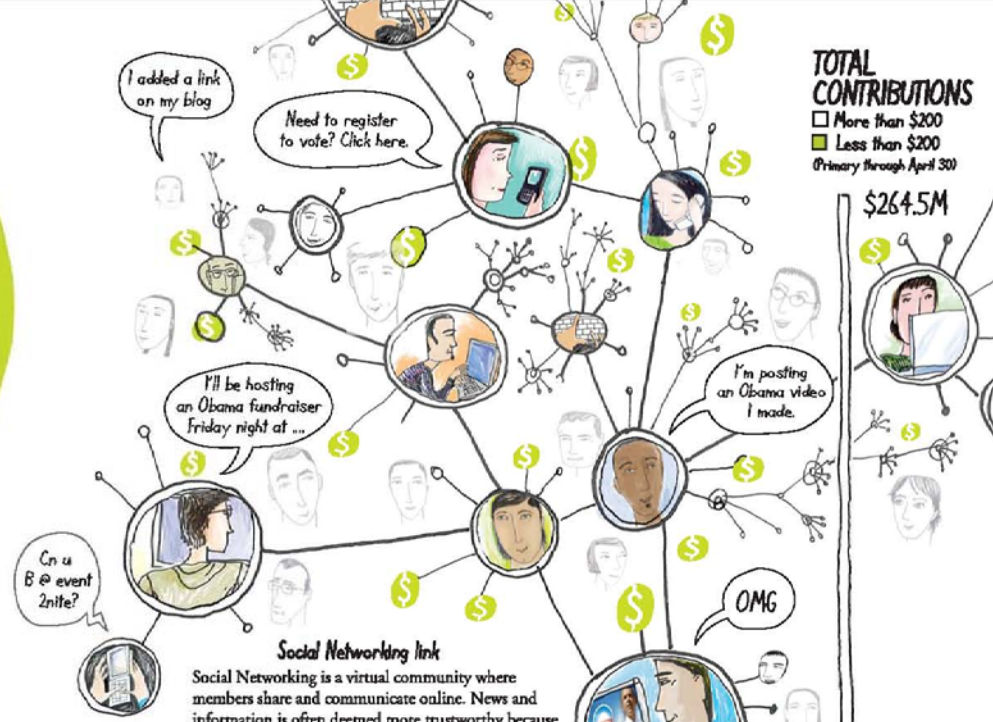
June 5, Obama became the Democratic nominee for president.

Obama's Start Up

By the time Obama entered the race, Hillary Clinton had already secured the party's top donors and most successful bundlers.

Obama needed a creative way to raise money. The former community organizer hired 24-year-old Facebook cofounder, Chris Hughes as his campaign's online organizer.

When stadium-sized crowds started showing up for Obama, supporters weren't asked to make donations. A ticket to the event required only an email address for later communications from my.barackobama.com.



Social Networking link

Social Networking is a virtual community where members share and communicate online. News and information is often deemed more trustworthy because it comes from a peer within a network, rather than from the media or other outside source.



It all starts with one

Obama's website provides social networking tools that allow individuals to operate as independent fundraisers, organizers, and influencers in support of the candidate. Did it work?

\$55M Obama donations made in February

0 Fund-raisers attended by Obama in February

TOTAL CONTRIBUTIONS
 □ More than \$200
 ■ Less than \$200
 (Primary through April 30)

\$264.5M

\$88.2M

OBAMA MCCAIN

Sources: FEC, The Campaign Finance Institute, The Center for Responsive Politics, George Washington University



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