



## **E-Voter 98**

Measuring the Impact of Online Advertising for a  
Political Candidate

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A Case Study

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DecisionTree

In cooperation with

***The New York Times***  
***Electronic Media Company***

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# Table of Contents

## E-Voter 98 Study

<b><u>Preface</u></b>	<b>Karen Jagoda</b> .....	v.
-----------------------	---------------------------	----

<b><u>Forward</u></b>	<b>Ed Reilly</b> .....	vi.
-----------------------	------------------------	-----

### **Section**

<b>I.</b>	<b>E-Voter 98 Study Results</b> .....	1
-----------	---------------------------------------	---

***Nick Nyhan***

Objectives.....	2
Glossary of Terms.....	3
Methodology.....	4
Study Design.....	5
Sample.....	6
Major Goals and Findings.....	12
- Shift in Perception.....	13
- Recall.....	16
- Undecided Voters.....	17
- Party Affiliation.....	18
- Political Activists.....	21
- Web Usage.....	24
- Shift in Awareness.....	25
- Aided Awareness.....	26
Other Polls for Comparison.....	27
Ancillary Findings.....	28
Appendix.....	30

<b>II.</b>	<b>The Broader Implications</b> .....	32
------------	---------------------------------------	----

***Karen Jagoda, Nick Nyhan***

<b>III.</b>	<b>View from Inside the Campaign: Why Online Advertising</b> .....	37
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***Alan Gould***

<b>IV.</b>	<b>The New Media Promise: One-to-One Communication</b> .....	40
------------	--	----

**What the Public Sector Can Learn from the Private Sector**

***Peter Lenz***

<b>V.</b>	<b>Other Points Where Politics and the Internet Intersected in 1998</b> .....	45
	Media Revisionism and Political Redirection.....	46
	<b>Gary Arlen</b>	
	Looking Over Your Shoulder: The View From a Political Donor.....	48
	<b>John Cullinane</b>	
	Web of Hate: Sociology of the Extreme Right on the Internet.....	51
	<b>Jeffrey Graham</b>	
	Cyber Politics and Arm Twisting.....	52
	<b>Tom Jolly</b>	
<b>VI.</b>	<b>Resources and Contacts</b> .....	53
<b>VII.</b>	<b>Epilogue</b> .....	57

## Preface

The E-Voter 98 Study was conducted to begin to measure the impact of online advertising on voter opinions. The intent of this publication is to stimulate debate regarding changes coming about as a result of the intersection of politics and the Internet. As the rate of information flow increases and the means by which citizens obtain information about candidates and issues becomes less mediated, opportunities to target individual voters becomes ever more valuable. The Internet is an environment where targeting voters takes on new forms and possibilities.

No other studies have been done to evaluate the potential of this new advertising medium for political purposes. Media planners have not been able to determine the value of Internet advertising as they can with traditional media. As a result, most political strategists have ignored the possibilities due to the lack of evidence that political online ads work.

In 1996, a handful of politicians had Web sites. Campaigns in 1998 began experimenting with e-mail, online fund-raising and more functional web sites but no real effort went into creating online political ad campaigns. My initial research revealed many reasons for not including such a campaign. That was probably a missed opportunity for many candidates.

Our research has led us to believe that Internet advertising should be part of an overall political media budget; that political strategists need to educate themselves about the Internet environment; and that further research is needed to understand more about online constituencies.

In order to broaden out the picture, included are four essays that reveal other points of strategic intersection of the Internet and politics: media revisionism, fundraising, special interest groups, and arm-twisting.

For the election in 2000, we wouldn't be surprised if campaigns at every level have a line item in their media budgets for online advertising just as they do for television, radio, cable, and other media. Measures of success will be expanded to include the impact of the Internet on voter opinions. How much money and where those dollars should be spent on the Internet will be the subject of much discussion.

With thanks to those skeptics who so patiently explained why this was a subject for the future and those enthusiasts who see the possibilities now.

Karen A.B. Jagoda  
Turtleback Interactive  
Washington, DC

January 1999

## Foreword

There is no doubt that the Internet has proven itself as a powerful vehicle for disseminating information. But is it really an effective marketing vehicle? That is the question on the minds of many senior decision-makers. Before the Internet can be perceived as an advertising tool at par with traditional communications vehicles, such as television, print and radio, it will need to demonstrate “financial accountability,” proving that it can deliver an acceptable return on investment. Only then will online banner advertising be seen as a crucial component of the marketer’s toolbox.

In the complex world of communications measurement, it is very difficult to create a “laboratory experiment” that provides an honest evaluation of whether a specific advertising vehicle works. There are simply too many outside stimuli influencing consumer opinion to be able to pinpoint which vehicle is affecting behavior. In order to be able to effectively measure the impact of a particular advertising vehicle, it is necessary to isolate the vehicle while all others remain constant.

Through the cooperation of The New York Times and The New York Times Electronic Media Company, we were able to do just that. In the recent high-profile gubernatorial elections in New York State, we found a unique opportunity to take a relatively unknown quantity – a political candidate – and test the impact of online banner advertising on the electorate. Peter Vallone, the Speaker and Majority Leader of the New York City council, was the only candidate to utilize banner advertising as part of his media mix, whereas all other candidates relied entirely upon traditional forms of advertising.

Our original goal was to better understand whether or not online banner advertising is effective. While we feel this study has taken us one step closer to answering that question, we understand the need for further research and dialogue on this subject. In the end, further research will allow us to provide senior decision-makers the information they require to better understand the financial return they are getting on their online advertising expenditures.

As you read on, you will find one more tool in evaluating the value of political banner advertising on the Internet. We hope that E-Voter 98 will provide our subscribers with a unique and valuable perspective into the role that the Internet can play in moving people’s perceptions.

Edward J. Reilly  
Chief Executive Officer  
Westhill Partners

# **Section I.**

## **E-Voter 98 Study Results**

# E-Voter 98 Study Results

Nick Nyhan

## Objectives

The main objectives of E-Voter 98 were to:

- < Quantify the attitudinal impact of Vallone for Governor online banner advertising;
- < Determine if the mere presence of the online advertising had any impact on:
  - Favorability ratings
  - Unaided and aided awareness
- < Provide the first set of empirical research data on the topic of online political advertising and its attitudinal impact on people who are exposed to it.

## Glossary of Terms

Click-Through: The action of placing a computer mouse cursor on a web site banner, button or hyper-link which when clicked-on leads to additional content. Also, an online marketing term used to describe how many people clicked on or what percentage of banner impressions were clicked on (“this banner campaign got a click-through rate of 2%”).

Banner Ad: The most common form of online advertising, similar to small billboards, can be different sizes and can include animation and different frames to accommodate a timing, sequenced effect.

Cookie Technology: A small alphanumeric tag that is placed on the user’s hard drive at the time of first entering the site, sometimes accompanied by registration, but not always.

Server Logs: The data that is stored on the computers of the web site and/or the ad delivery system, keeps track of site activity and what ads were delivered. This can be made more detailed through the use of cookies.

Exposed Cell: A segment of respondents that WERE EXPOSED to the stimuli (in this case the Vallone banner ads).

Control Cell: A segment of respondents that were NOT EXPOSED to the stimuli.

Unaided Awareness: Respondents’ level of awareness as measured in questions that do not reveal the name nor identifying information on the subject being measured (i.e., “Who are the candidates that are now running to be the next Governor of New York State?”). Most often takes the form of an open-ended question where respondents write in their answers. Unaided awareness is considered the hardest to achieve since it is top-of-mind for respondents.

Aided Awareness: Respondents’ level of awareness as measured in questions that do reveal the name and/or identifying information on the subject being measured (i.e., “Are you aware of a candidate for the Governor of New York State named Peter Vallone?”). Most often takes the form of a closed-end question. Aided awareness is an important measurement but considered secondary to unaided awareness in terms of its significance.

Online Survey: An online survey is essentially like any traditional survey but the survey is conducted over the Internet. An online survey usually contains both closed and open-ended questions. It is a self-administered questionnaire that respondents can take in two forms, either as an e-mail or as an html (web) page. In the html version, an online survey can incorporate many of the quantitative rules that are used in traditional telephone surveys, such as skip patterns, required question, blind questions, quotas, sample blending, and stimuli rotation.

Data-Parsing: Data-parsing is a term used to describe the process of blending two or more discrete data sets together to create a new data set. This technique is employed when researchers want to enhance the data they have about a particular sample.

## Methodology

The methodology for E-Voter 98, designed in consultation with The New York Times Electronic Media Company, created a data-capture process that would meet the following criteria:

- < Highly Accurate: it had to stand up to inspection and be considered sound research;
- < Privacy Protection: The policy of The New York Times on the Web is to ensure that information about people in their database is secure and NOT released to outside vendors;
- < Easily Duplicated: as this was a case study, it was important to create a methodology that could be duplicated in the future for purposes of comparison.

With the above goals in mind, E-Voter 98 employed a quantitative methodology centered around an online survey and data-parsing techniques from two discrete databases. Features worth mentioning include:

- < Random Sampling: all New York Times on the Web users in New York State had an equal chance of being selected;
- < Large Sample Size: 1,357 completed questionnaires (margin of error = +/- 3%)
- < Blind Questions: respondents could not determine study objectives from questions;
- < Proprietary Software: DecisionTree's proprietary software allowed for CATI-like features employed in phone surveys, such as:
  - Stimuli rotation;
  - Data integrity (inability to change answers previously submitted); and
  - Duplicate screening;
- < Real-World Impact Measurements: exposure to banner ads was "passively measured" so that respondents were not aware of the exposure measurements as they occurred.

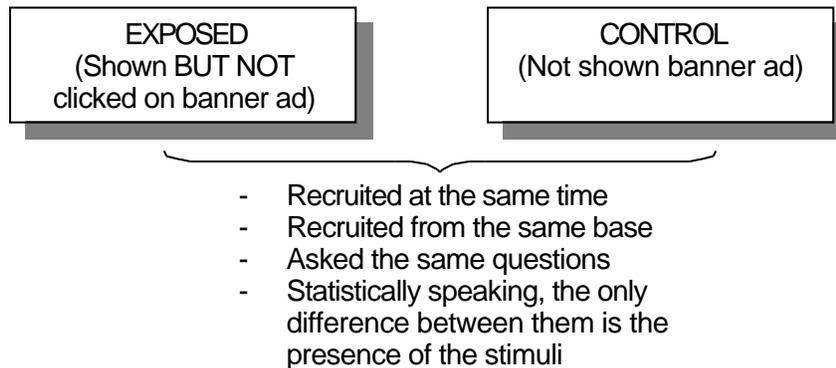
### *Caveat*

The E-Voter 98 data was not intended to enumerate the size of the online voting population of New York State, nor was the data weighted to reflect the voting habits and population of New York State. The experiment did not need to do that. E-Voter 98 was designed to measure the impact of online advertising on those exposed, not predict its impact on the actual election.

## Study Design

Based on a classic methodological design for testing the impact of marketing / advertising / communications, the experiment centers on the comparison of attitudinal data obtained from two groups of respondents: those who were EXPOSED and those NOT EXPOSED to the stimuli. Any differences in the attitudes of two groups can then be attributed to the presence of the stimuli.

### Respondents Fall Into 1 of 2 Cells\*



The determination of ad exposure was based on “cookie” data – computer logs stored on the computer server, which hosts the web site for The New York Times on the Web.

Data was stored in the computer logs keeping track of which banner ads were delivered to each New York Times on the Web site user. This allowed us to determine the cell assignment for a given respondent (Exposed or Control cell).

Cell assignment was double-checked by The New York Times Electronic Media Company through extensive log analysis. The attitudinal data collected through the survey was to be segmented by behavioral “cookie” data, enabling us to separate the attitudes of those exposed to the stimuli from those who were not exposed.

[For a more detailed explanation of the Methodological Design, see *Appendix*.]

*\* Note: There was a third cell for those who clicked on the banner ads. Yet, we have chosen not to include these respondents in our discussion of the results. This decision was based on two reasons: 1) the objectives for E-Voter 98 focused on the attitudinal impact of banners on people who did NOT click on the banners; and 2) because click-through rates are generally less than 3% of impressions, we had only a small sample of respondents that had actually clicked on the banner ads.*

## Sample

In order to put the results in the proper context, it is necessary to first describe the sample that served as the basis for this study. Like all studies, the sample is a key determinant to the quality of the research.

Working with Peter Lenz, the Director of Research at The New York Times Electronic Media Company, and his team, the E-Voter 98 team developed a respondent selection process that delivered a truly random sample.

How the sample was created and drawn: The E-Voter 98 sample was drawn in a random fashion from the database of over 800,000 registered users of The New York Times on the Web who live in New York State. E-Voter 98 generated a sample of 1,357 respondents. With a sample that size, the margin of error is +/- 3%.

The buy was targeted to appear ONLY to those users who were registered in New York State. Computers at The New York Times on the Web determined who was exposed and at what frequency based on the size and duration of the buy. All site users who met the target criteria had an equal chance of being exposed to the stimuli. Of course, the more one used the site, the greater likelihood of being exposed. The recruitment strategy was designed to coincide with the buy in order to ensure that E-Voter 98 could draw a sizeable sample from the target audience for both the exposed and control group. This allowed The New York Times on the Web to utilize their entire database for fulfilling the buy, but still allowed the E-Voter 98 team to draw a control group before they were all potentially exposed.

Over the course of approximately two weeks (from October 17 to November 3), potential respondents were randomly selected by computer at The New York Times Electronic Media Company. The random sample was pulled and e-mailed at select intervals over the two-week fielding period so as not to bias the sample by only taking people from certain dayparts or weekparts.

Those pulled by the computer were sent an e-mail with a request to participate in an online survey – they were not told of the topic survey in the e-mail. Included in the e-mail was the web site address for the online survey, which was hosted on the DecisionTree web site. As an incentive, respondents were told that there would be a random drawing to select five winners of \$200.

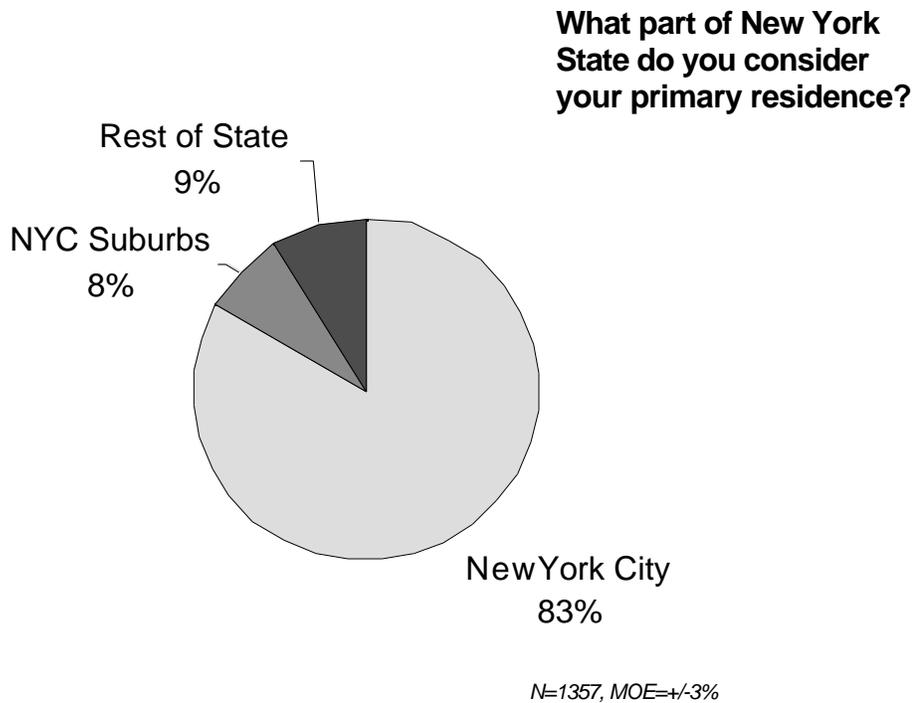
The methodology was designed to protect the privacy and the personal information of The New York Times on the Web users involved in the study. At no point were the names, addresses, phone numbers, e-mails, nor any identifying information released outside of The New York Times.

Through custom programming, unique User IDs were assigned to each respondent as they passed into the survey. This ID was imbedded into their survey data. The aggregate survey data was collected by DecisionTree and then sent back to The New York Times on the Web where they appended demographic data to the attitudinal data – using the unique User IDs to match records. Survey data, along with the demographics was then sent back to DecisionTree for analysis.

## Geography

The Vallone media buy was targeted to users of The New York Times on the Web who lived in New York State. Accordingly, all of the E-Voter 98 respondents had their primary residence within New York State.

Like The New York Times on the Web site database of registered users, our sample saw a heavier representation from New York City (83%). The sample also had representation from the suburbs of New York City, defined as Westchester and Long Island (8%), and all others areas of the state (9%).

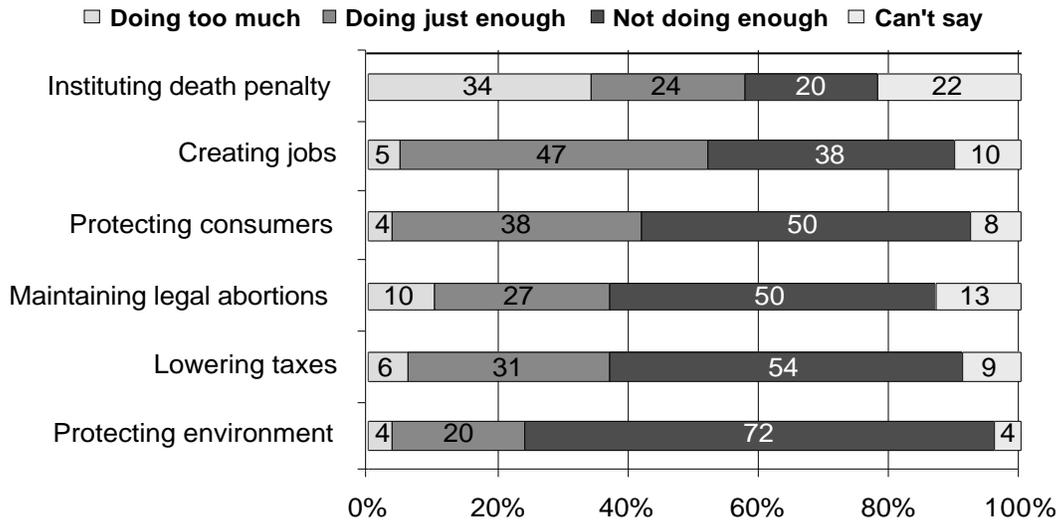


## Views on Government on Issues

Drawn from New York State and the City, our sample could be classified as being somewhat “left” of the political center.

As the issue-grid below illustrates, three-quarters (77%) feel that the Federal government is doing just enough or could be doing more to maintain legal abortions. One third (34%) feel the Federal government is being too aggressive on instituting the death penalty. Approximately 3 out of 4 (72%) feel the Federal government needs to do more to protect the environment.

**For each of the following issues, please tell us if you think the Federal government is “doing too much,” “doing just enough,” “not doing enough,” or “not doing enough.”**



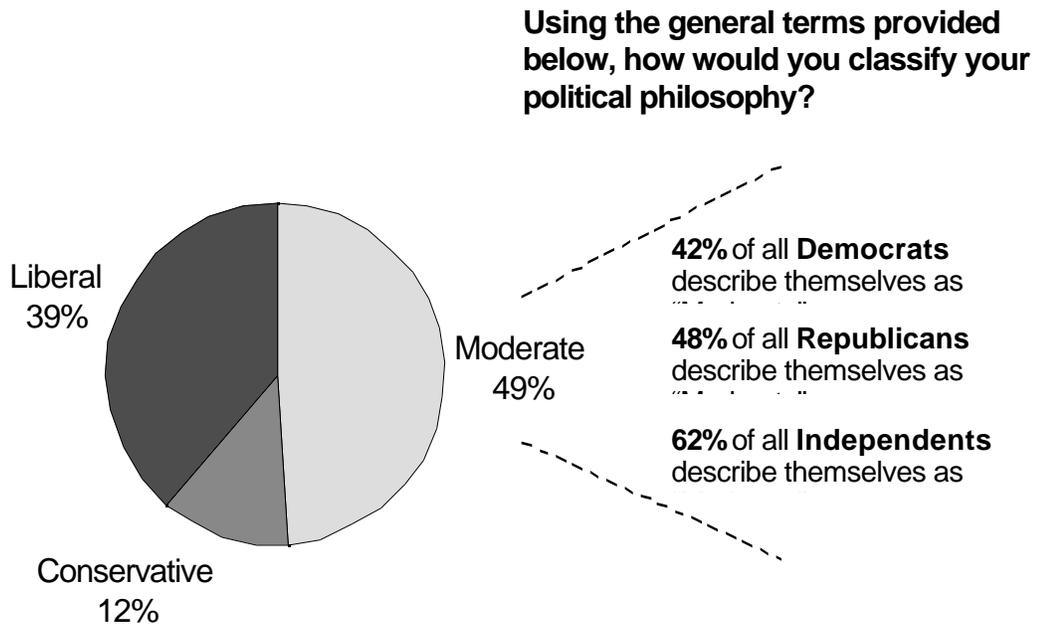
N=1357, MOE=±3%

## Political Orientation

Supporting the notion that our sample was somewhat left of the political center, 88% of the E-Voter 98 sample put themselves in the “moderate” or “liberal” camps.

When respondents were asked how they would define their philosophical position: half (49%) said “moderate,” 39% said “liberal” and only 12% said “conservative.”

Breaking down the “moderate” segment by party affiliation, it shows that most of the Independents (62%) consider themselves “moderate.” Approximately half of Republicans (48%) and a little less than half of Democrats (42%) consider themselves “moderate.” Thus, 1 out of 2 of the Republicans in our sample chose the “moderate” label as opposed to “conservative.”

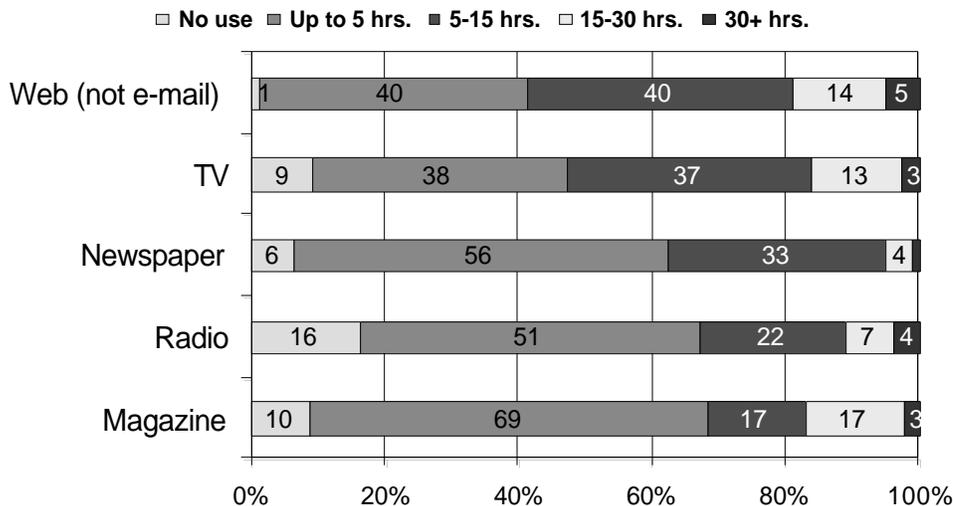


## Media Consumption Habits

Recruited by e-mail and interviewed online, it is not surprising to find that the E-Voter 98 respondents use the web frequently.

Over half (59%) use the web 5 or more hours during the course of a typical week. Yet, this is similar to findings in other studies web usage in general. According to the 9<sup>th</sup> Annual Georgia Institute of Technology GVI study released in May 1998 ([http://www.gvu.gatech.edu/user\\_surveys/survey-1998-04/](http://www.gvu.gatech.edu/user_surveys/survey-1998-04/)), about one third (33%) spends 10-20 hours using the web each week. By comparison, 40% of the E-Voter 98 sample spends 5-15 hours using the web each week (note that our scales are slightly different and that may explain the slight variance.) GVI found that 26.4% of respondents use the web for more than 20 hours a week while E-Voter 98 found that 19% use the web for more than 15 hours a week. GVI found that 40.9% use the web for less than 10 hours per week and E-Voter 98 found that 41%. Thus, loosely stated, the E-Voter 98 sample has similar web usage habits as the Internet as whole (as determined by GVI).\*

**During a typical week,  
approximately how many hours do  
you spend using the following  
information sources?**



*N=1357, MOE=±3%*

We recognize that viewers use many forms of media. Television, newspapers, radio, and magazines are still widely used. While there have been studies suggesting the Web is supplanting TV in terms of the media habits for certain segments, it would appear from this data that the Web is added to the media mix, another layer as opposed to a replacement.

\* GVI states that their method of banner recruitment most likely resulted in a sample that generally spends more time online. The more time a person spends using the web, the more likely they were to be invited to participate in the study. This results in a slight bias in the GVI sample towards people who are online more often.

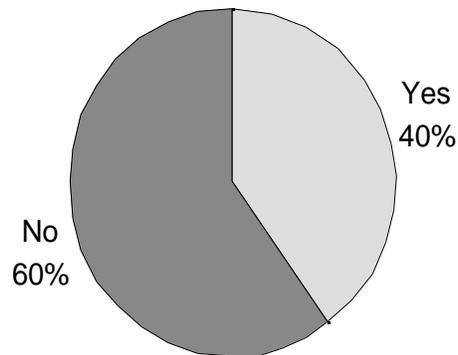
## Voters and the Internet

According to the New York State Board of Elections, there were 4,985,932 votes cast for Governor in the November 3, 1998 election. One of the most important questions the E-Voter 98 team needed to have answered was--what percentage of the actual voting population in November 98 used or had access to the Internet prior to Election Day?

There were two sources that helped us define this percentage. Each substantiates the other.

According to VNS Exit Polls from the 1998 elections, 40% of voters report that they use Internet regularly. According to traditional polling data from The New York Times/CBS Poll taken two weeks before the November 3 election day, 40% of registered voters have "ever used" the Internet.\*

**Have you ever used a computer to connect to the Internet, the World Wide Web, or an online service like AOL?**



*NY Times/CBS Poll, 10/21-25/98,  
Registered Voters  
Sample: 1,357 MOE= $\pm$ 3%*

Using the 40% figure and comparing it to the number of NY voters who actually voted on November 3, it can be surmised that there were 1.99 million NY voters who had access to the Internet at the time of the election.

To political observers who say that the Internet has never won an election, that may have more to do with the level of spending and effort to date rather than the number of voters who use the Net. It would appear, at least in New York State, that there is an opportunity for a candidate to use the Internet to impact the attitudes and perhaps the votes of almost two million people now.

\* *These results are based on a New York Times/CBS News poll of 1,791 adults taken by telephone, October 21 to 25 (sub-sample of registered voters was 1,235).*

## **E-Voter 98 Major Goals and Findings**

Goals: The Vallone online advertising creative was multi-faceted. It was designed to:

1. Lower favorability ratings for Pataki among residents of New York State;
2. Increase awareness about Vallone among residents of New York State.

Findings: The two major findings are that:

1. **Significant Shift in Perception:** the Vallone online advertising was successful in its first objective by negatively impacting Pataki's favorability ratings;
2. **No Shift in Awareness:** the Vallone online advertising was not successful in the second objective of raising Vallone's awareness.

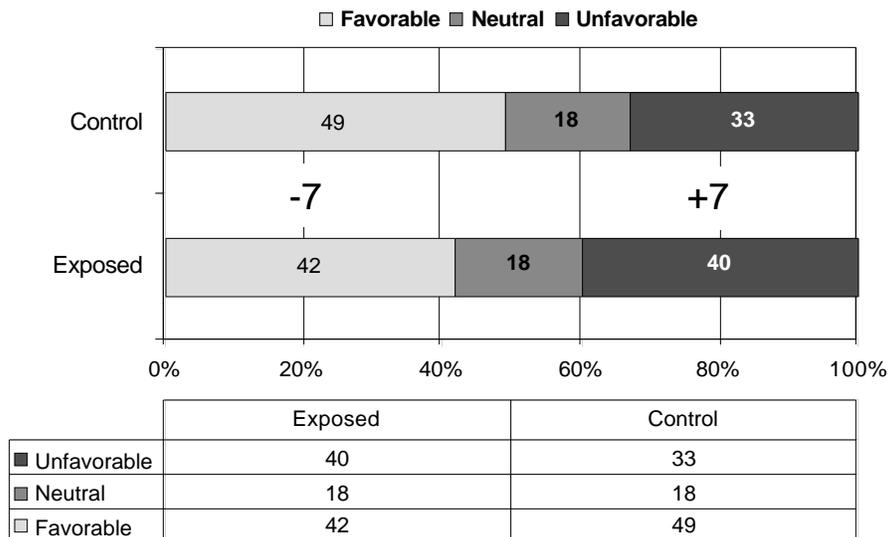
Thus, it would appear we have documented proof that negative advertising works in cyberspace too. We will examine these findings in more detail in the following sections.

## Significant Shift in Perception

The research is significant in that it provides empirical evidence that the mere presence of online advertising for a candidate can significantly impact the attitudes of those exposed to the advertising. This is clearly evident when comparing Pataki's favorability ratings between those EXPOSED to the banners and those that were not exposed (CONTROL).

### George Pataki Favorability Ratings

Based on what you know about each of these candidates, is your opinion of each candidate favorable or unfavorable?

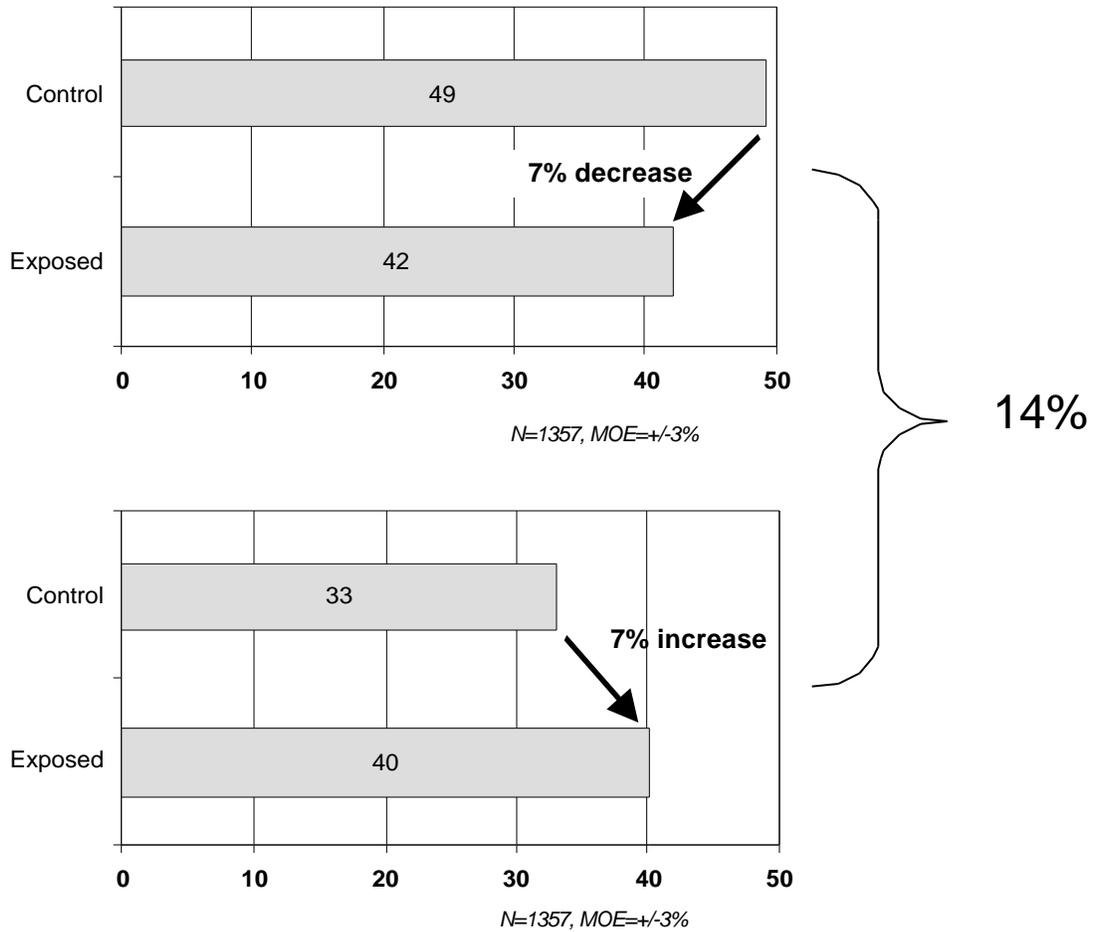


N=1357, MOE=+/-3%

As the chart shows, Pataki's favorability ratings were 7 points lower among the EXPOSED cell compared to the CONTROL cell. This finding alone is statistically significant at a 95% confidence level\*. This finding is further bolstered by the fact that the data also shows a 7 point increase in Pataki's unfavorable ratings.

\* 95% Confidence Level: This means that if you were to ask these questions to the population as a whole, statistical theory stipulates that in 19 of 20 cases these results will not differ by more than 3% in either direction.

In both cases, the negative shift could have merely moved attitudes into the “Neutral” category. Yet, with both ends of the favorability spectrum shifting 7 points in the negative direction, it demonstrates a substantial 14 point negative shift in Pataki’s overall favorability.



It is important to note that ALL of those in the EXPOSED cell DID NOT CLICK on the banner ads which would have brought them to the Valone web site. Thus, it serves as compelling evidence that the mere presence of the banners and their negative-Pataki message had an impact on people even when they did not click on the banner ad.

## **Sub-segments**

Further analysis of the data demonstrates that Vallone's online advertising campaign seemed to have a stronger impact on certain sub-segments. They are:

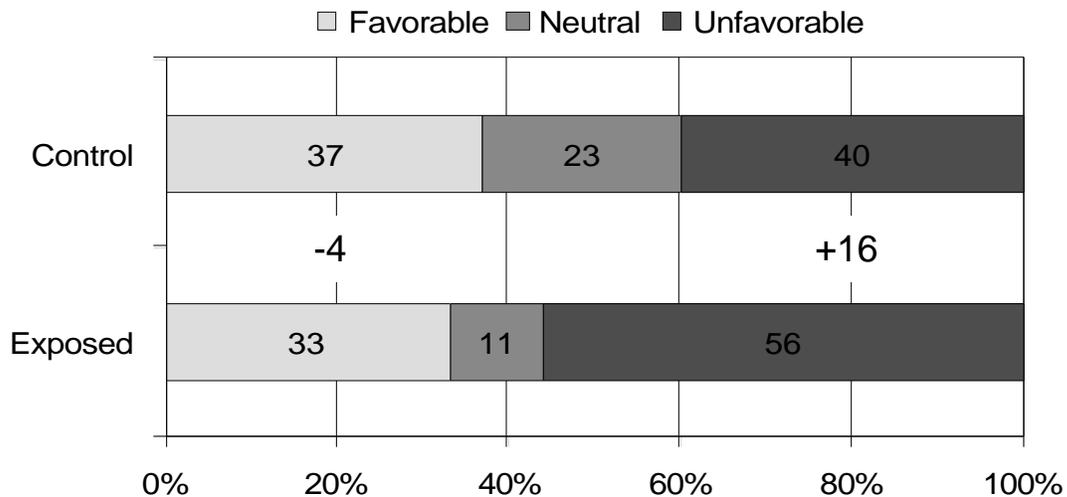
- < Respondents who recall seeing the banner ads;
- < Respondents who are undecided voters;
- < Respondents who consider themselves Independents or Republicans;
- < Respondents who are NOT political activists;
- < Respondents who use the Web 5+ hours per week.

## Recall Seeing Vallone's Online Ads

Only 20% of those EXPOSED to Vallone banner ads recall seeing Vallone banner ads. Among those respondents, there is an even higher impact on Pataki's favorability ratings as compared to the sample as a whole.

As the chart shows, the unfavorability rating for Pataki is 16 points higher in the EXPOSED groups as compared to the attitudes of those in the CONTROL cell.

### Respondents Who Recall Online Ads: Pataki Favorability Ratings



N=259, MOE=±6%

*Note: It is not uncommon in research to find that many people who are in fact exposed to stimuli are not aware of it. This may have been compounded by the fact that much of the Vallone creative did not mention Vallone until the very last frame. These banners start with images of Pataki and D'Amato and the Vallone ID does not come for approximately 5 seconds after the banner animation begins. E-Voter 98 knows these people were in fact exposed based on the server log data on The New York Times on the Web computers.*

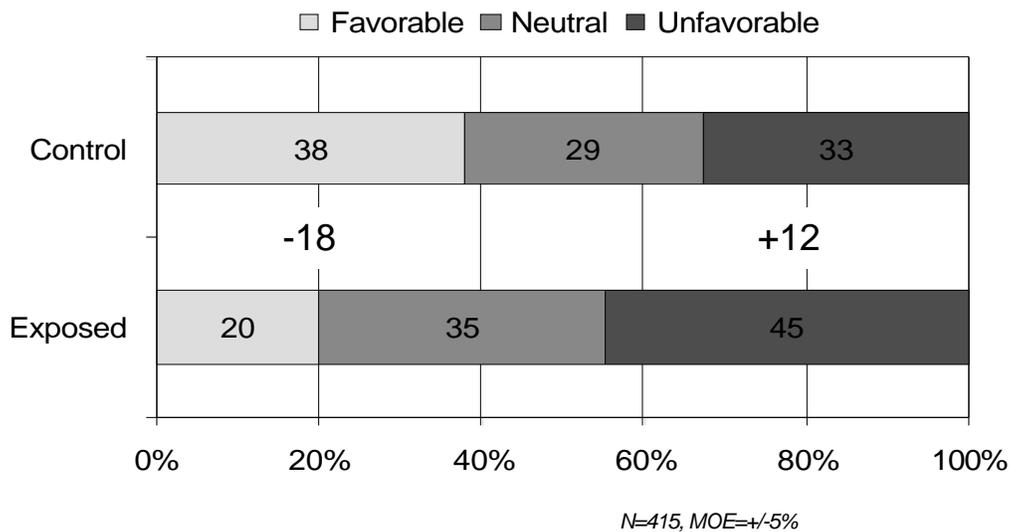
## Undecided Voters

Online advertising had a significant impact on the attitudes of undecided voters - those respondents who at the time they took the survey declared that they had not yet decided on who they would vote for in the election for New York State Governor.

The data shows that Pataki's favorability suffered significantly as a result of the online advertising. Pataki's unfavorable numbers went up 12 points and his favorable numbers went down 18 points. This is statistically significant, even though the sample was 415 respondents. The total impact was a 30% shift.

These findings underscore the notion that online advertising, like other media forms, can be most impactful on people who do not already have pre-formed opinions about candidates.

### Undecided Voters: Pataki Favorability Ratings



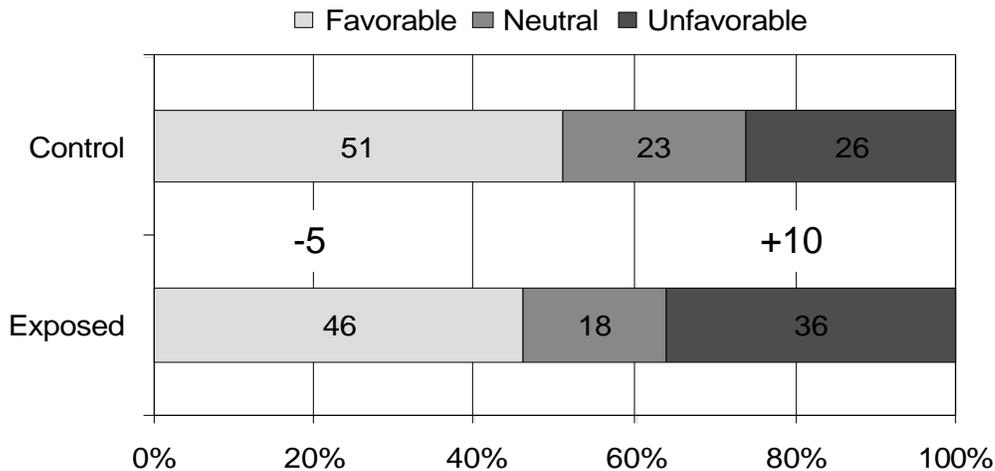
## Political Party Affiliation

When comparing the impact of the online advertising campaign across people in different parties, the data shows that the online advertising had a greater impact among both Independents and Republicans.

### Independents

The fact that Independents are impacted may not be surprising. These voters have weak or no ties to one political party and would be likely to fall into the more fickle “swing” vote category.

### Independents: Pataki Favorability Ratings



N=341, MOE=±/5%

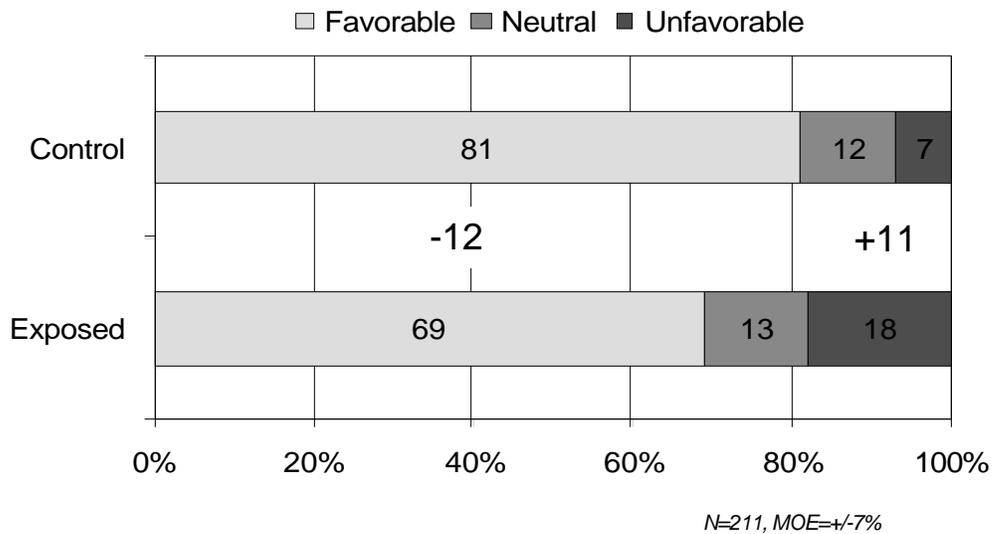
Political strategists would presume that Independent voters are more easily influenced by advertising than party loyalists. That is not to say that voters could NOT be moved by this form of advertising, but the attitudes of the party loyalists would not easily be changed by one small online banner ad campaign.

*Note: The E-Voter 98 sample included only 341 self-described Independents. This made it difficult to break down the sample into smaller segments such as CONTROL versus EXPOSED groups or Favorables versus Unfavorables. While not always statistically significant, the data provides good directional insights. We believe that this is an interesting area to explore through additional research.*

## Republicans

The data also indicates significant change among the attitudes of Republicans. Cross-tabbed data shows that Pataki's favorability shifted considerably as a result of the banner messages. Perhaps this is due to the fact that 48% of Republicans described themselves as "moderate" and they reacted negatively to the Vallone messages that cast Pataki as being more right-wing than Sen. D'Amato. While the E-Voter 98 team did not have data to determine if those people actual changed their votes, it does raise the question as to whether online advertising is an effective medium for influencing "swing" voters.

### Republicans: Pataki Favorability Ratings



*Note: The E-Voter 98 sample included only 211 self-described Republicans. This made it difficult to break down the sample into smaller segments such as CONTROL versus EXPOSED groups or Favorables versus Unfavorables. While not always statistically significant, the data provides good directional insights. We believe that this is an interesting area to explore through additional research.*

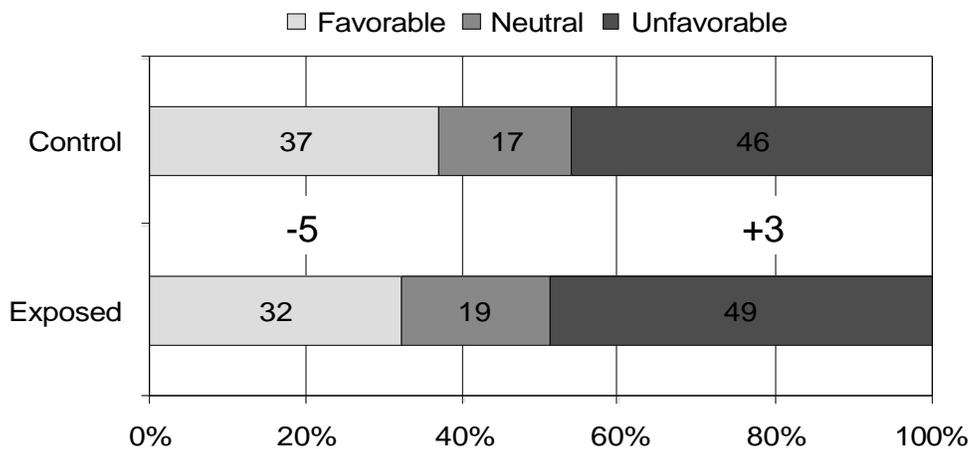
## Democrats

Among the respondent segment that consider themselves Democrats, there is a slight movement in terms of Pataki favorability, but not at the level of the movement witnessed among the Independents and the Republicans.

When compared to the Republican reaction, it raises an interesting question: why did the advertising have a greater impact on Republicans than Democrats?

Our hypothesis is two-fold: 1) This may due to the fact that the Democrats surveyed already had strongly held beliefs about Pataki being that he is in the opposing party. 2) Half of the Republican segment consider themselves “moderate.” The ads, which were designed to portray Pataki as being more to the “right” than Sen. Al D’Amato, may have been more successful in convincing Republicans that Pataki was more extreme than they initially thought, whereas Democrats may have already seen him as being to their “right.”

### **Democrats: Pataki Favorability Ratings**



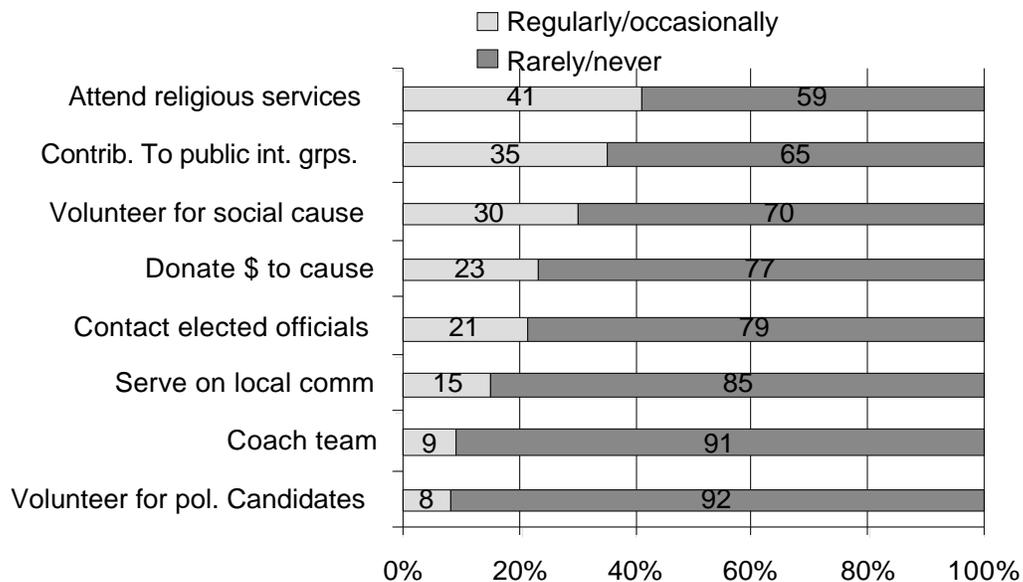
*N=727, MOE=+/-4%*

## Activists vs. Non-Activists

As part of the survey, respondents were asked if they participated in a series of activities and how often. Respondents could specify their level of participation as “Regularly,” “Occasionally,” “Rarely” and “Never.”

Overall, it would appear that the highest levels of activism could be characterized as more social and religious as opposed to political in nature. Having said that, political activism is in fact present among a sizeable minority of the sample. This may not be surprising given the source of the sample (The New York Times on the Web). Over a third (35%) indicated that they participate and/or contribute to public interest groups (ie. Sierra Club, Christian Coalition, NOW). One out of five (21%) have contacted their elected officials, but only 8% say that they have volunteered for a political candidate. Good news for fundraising online: a quarter (23%) donate money to political causes/candidates either occasionally or regularly.

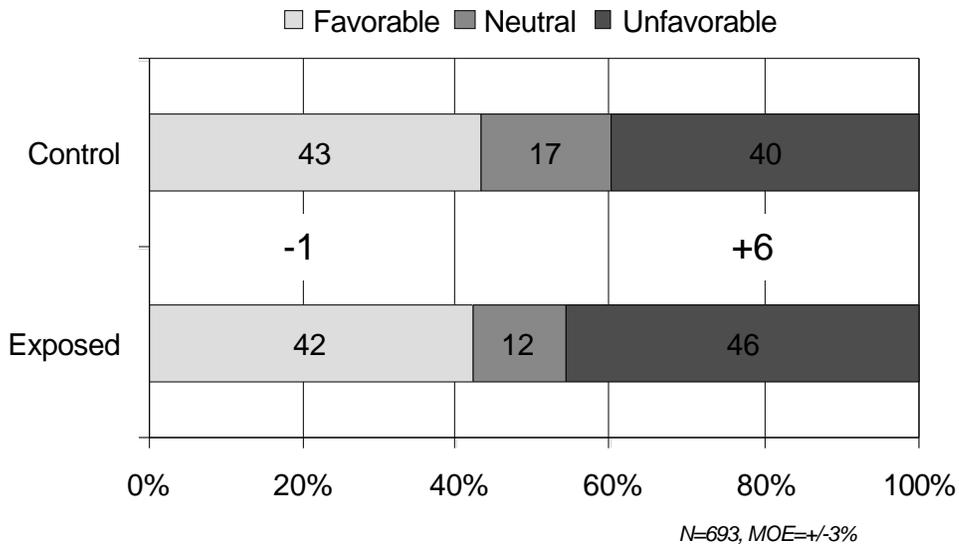
### Which, if any, of the following activities do you participate in and how often?



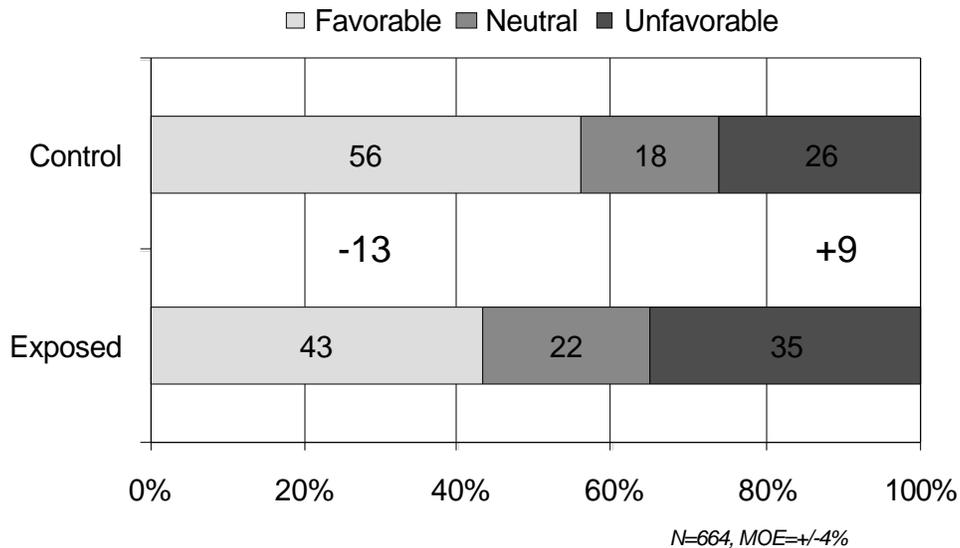
N=1357, MOE=±3%

In order to determine if the banners were only potent on those who were “political activists,” the E-Voter 98 team used the activities listed above to categorize respondents into two groups: political activists and non-activists. Those that participated in political activities either “regularly” or “occasionally” were put into the ACTIVIST segment. All others were put into the NON-ACTIVIST segment.

### Activists: Pataki Favorability Ratings



### Non-Activists: Pataki Favorability Ratings



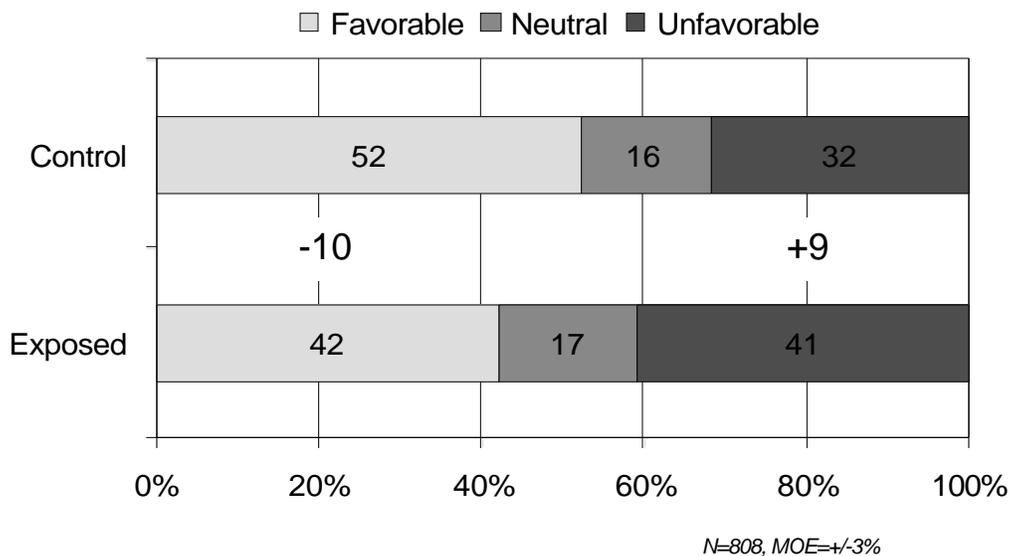
The data demonstrates that the banners had more impact on NON-ACTIVISTS than ACTIVISTS. NON-ACTIVISTS exhibit a 22 point negative shift in Pataki's overall favorability rating. ACTIVISTS exhibit only a 7-point swing in total.

Perhaps because ACTIVISTS may have more firmly held beliefs prior to being exposed to the banners, it would appear they are not as easily moved by this – or any type of advertising.

## Use the Web 5+ Hours a Week

As one might expect, the impact of the banners was stronger among those respondents who use the Web more often. The chart shows Pataki favorability ratings among those who use the Web 5 or more hours per week. There is a substantial negative shift of 19 points.

### Respondents Who Use the Web 5+ Hours a Week: Pataki Favorability Ratings



This could be explained in two ways: the medium has more impact on those who use it more often – a result of familiarity, or, that those who use the Web more often were exposed to the Vallone banners more than those who use the Web less often. Unfortunately, the E-Voter 98 research team did not have exposure level or frequency data, preventing us from determining how often they were exposed to the stimuli. A practical conclusion would be that if people use sites more often, then they are probably exposed more often. Thus, the impact of the banners is more pronounced.

### No Shift in Awareness

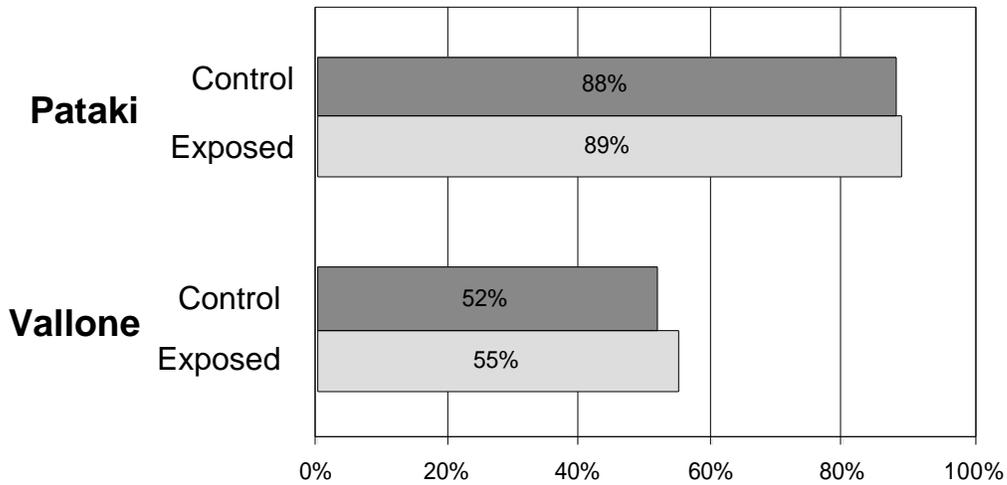
While the results demonstrate that the online advertising was effective in negatively impacting Pataki's favorability, the advertising did NOT however achieve the objective of raising levels of familiarity for candidate Peter Vallone.

#### Unaided awareness

In the unaided awareness question, we see no statistically significant differences between the EXPOSED and CONTROL cells. This is clear evidence of the fact that the online advertising did not raise awareness among people exposed the stimuli.

Most of the advertising (which can be seen at [www.gcgroup.com/online\\_vallone.html](http://www.gcgroup.com/online_vallone.html)) emphasized Pataki and the positioning Vallone wanted people to see. In fact, the animated banners which featured the talking-head creative, showing Pataki and D'Amato talking to one another, did not mention Vallone's name until the last frame. It may be that many people scrolled down, and didn't see the entire banner, thereby avoiding the Vallone branding effort altogether.

**When you think of the candidate(s) now running to be the Governor of New York State, who comes to mind? [Open-ended]**



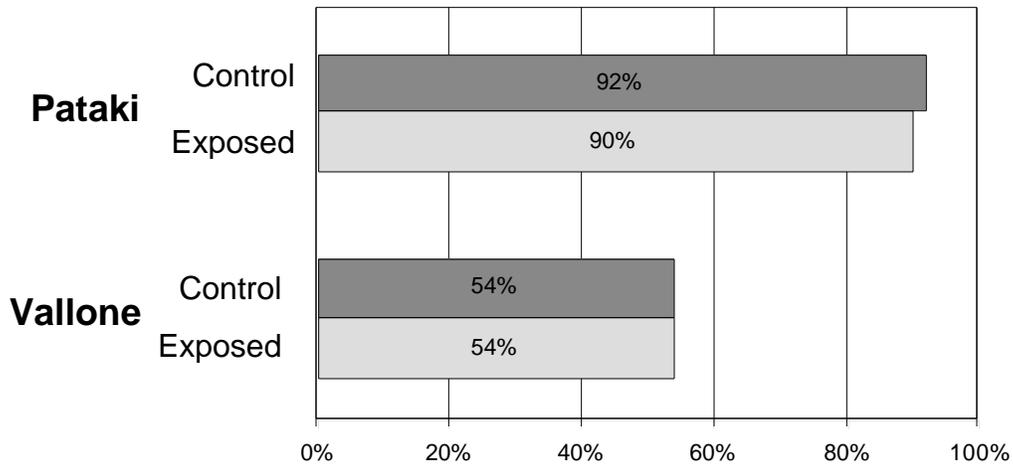
N=1357, MOE=+/-3%

## Aided awareness

In the aided awareness question, the Vallone creative also failed to move the needle. Here, the question was about “level of familiarity” as opposed to straight awareness (our hypothesis was that many people would be aware of both candidates after names were revealed and we wanted to see if advertising made respondents *feel a higher level of familiarity with the candidate.*)

But as the results show, there was no impact made by the stimuli. The results from the EXPOSED and CONTROL group are, statistically speaking, identical.

**Please review the list of candidates below and tell us what your level of familiarity is with each candidate?** [List also included McCaughey Ross and Golisano]



*N=1357, MOE=+/-3%*

## Other Polls for Comparison

It is worth comparing the results from the E-Voter 98 study with data from other political polling organizations that also looked at the favorability ratings of these same candidates.

Poll	Pataki		Vallone		Notes
	Fav.	Unfav.	Fav.	Unfav.	
<u>Quinnipiac College</u>	55	18	18	13	10/20-25, 1,065 registered voters; Margin of error +/- 3%; Subsample: 547 likely voters; Margin of error +/- 4.2%
<u>Marist Institute</u>	67	27	46	25	9/23-24, 615 registered voters; Margin of error +/-4% Subsample: 351 likely voters; Margin of error +/- 5.5%
<u>Mason/Dixon Polls</u>	59	19			10/29, 1096 registered voters; (600 likely voters); Margin of error +/- 3%

Overall, the polling data from the other sources demonstrates that Pataki enjoyed favorability ratings that were generally high and constant through out the campaign season.

Caveat: These comparative poll numbers are offered only as a reference point. They may or may not be comparable to E-Voter 98 results due to the fact that fielding times were slightly different, methodologies were different, sampling was different and in fact, the way the questions were asked may have been different (favorability questions, however, are generally uniform).

That said, it does reflect a steadiness in Pataki's numbers and that by itself provides a positive context for the E-Voter 98 findings. It is difficult to say that the variances in attitudes between the EXPOSED and CONTROL group were due to external circumstances when other numbers reflect little if no change in external circumstances.

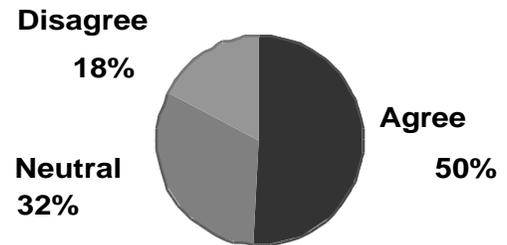
## Ancillary Findings

In addition to the questions about candidates, E-Voter 98 probed for information regarding the Internet's role in political decision-making. The data shows that the Internet is widely accepted by respondents as a vehicle for obtaining political information. In some cases, it may even make the difference in terms of who gets their vote.

**Q: Did you agree or disagree with the following statements:**

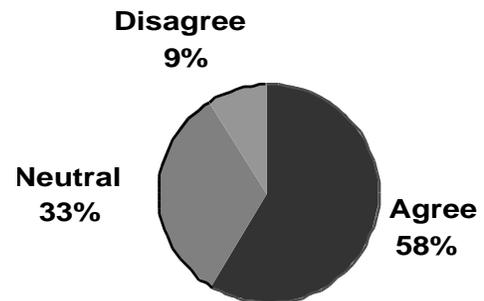
**#1: A candidate who puts his/her record online is more forthright about their past.**

- Trend: Independents appear to agree with this statement more strongly than Democrats and Republicans (not statistically significant).
- No differences emerge when comparing gender, likelihood to vote, income, age or online usage.



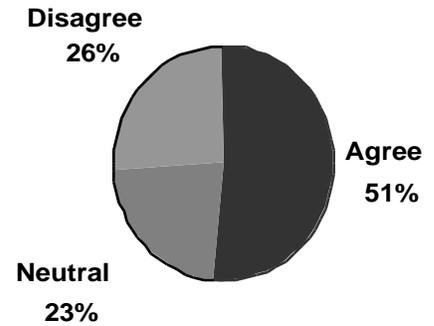
**#2: The Internet allows me to get the information I want about candidates.**

- Trend: The younger respondents are, the more likely they are to agree with this statement (also reflected in income, but less so).
- Trend: The more respondents use the web, the more they agree with this statement.
- No differences emerge when comparing gender, likelihood to vote, or party affiliation.



**#3: If I was undecided on who to vote for, I would use the Internet to help me make my decision.**

- Trend: Republicans (56% agree vs. 18% disagree) are more likely to agree with this statement than Democrats (49% agree vs. 29% disagree).
- Trend: Again, the younger the respondents are, the more likely they are to agree with this statement:
  - 18-24: 58% agree vs. 36% disagree
  - 25-49: 51% agree vs. 25% disagree
  - 50+: 36% agree vs. 41% disagree
- Trend: Again, the more respondents use the web, more likely to agree with this statement.
- No differences emerge when comparing gender and likelihood to vote.



## Appendix

### *Cell Assignments*

For the purposes of this study, two cells were created: EXPOSED and CONTROL. A third cell was also created but was not important for our study. That was the CLICKED cell. This consisted of a small number of respondents who, according to their cookie data, actually clicked on the Vallone banners which would have brought them to the Vallone web site.

Our study was focussed on those respondents who DID NOT click on the ads. This was done because most people do not click on most banners. Industry click-through rates are less than 1% on average. Thus, most ads will achieve a click-through rate somewhere in this range. Conversely, most online ads will experience a 97-99% EXPOSED rate (ad impressions that were delivered but not clicked on).

### *Visual Schematic of the Methodology*

In order to gain access to The New York Times on the Web, visitors must first register on the site. Thus far, over 6.1 million people have registered in their database.

At the time of the E-Voter 98 study, The New York Times on the Web database had approximately 800,000 people who were registered as residents of New York State.

The Peter Vallone campaign had produced a series of banner ads with various messages and in various sizes. Using the ability to target banner ads to people based on their site registration information, the Vallone banner ads were set to run throughout The New York Times on the Web with the targeting criteria that they appear *only to those site visitors who live in New York State*.

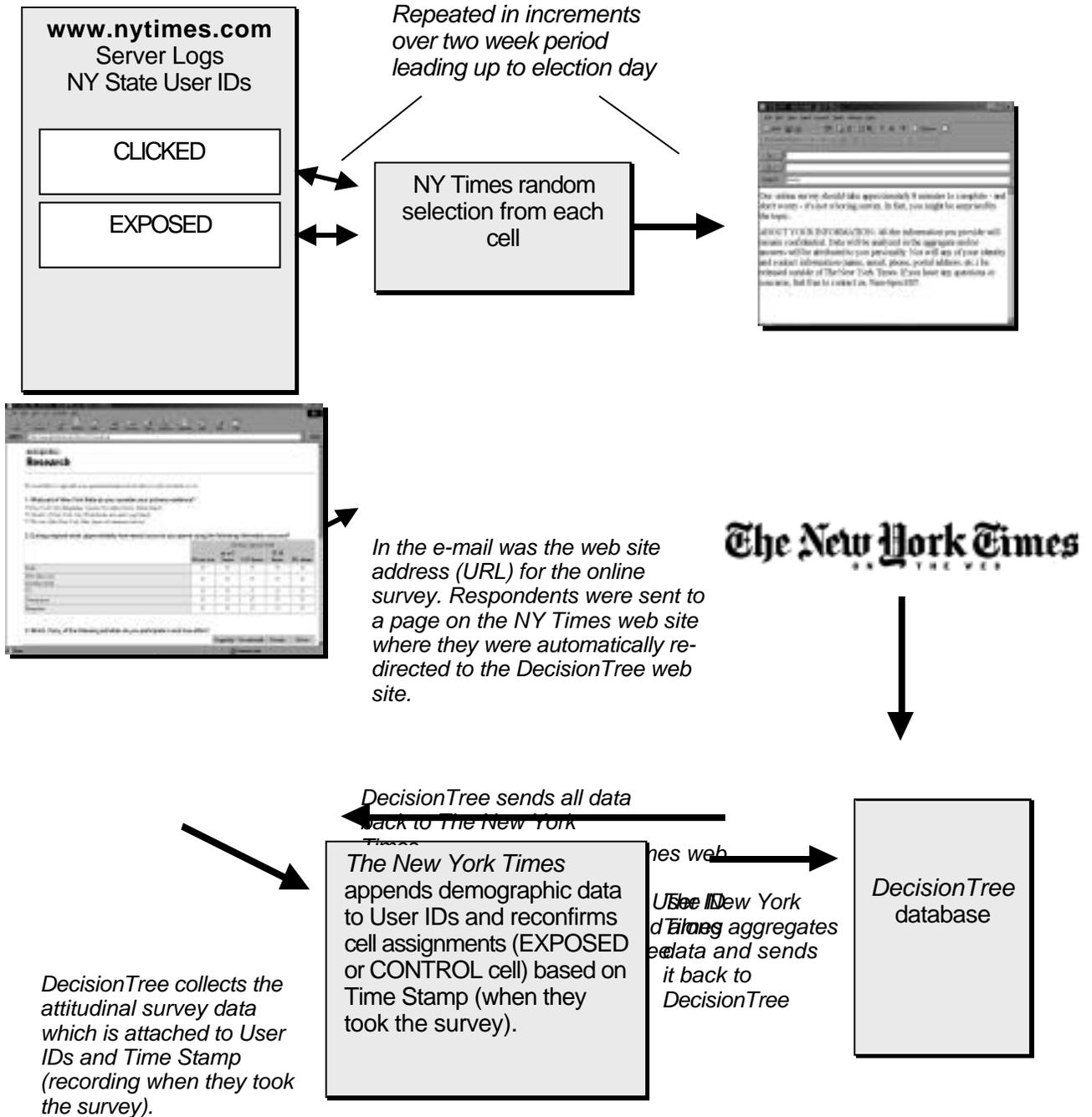
Therefore, if you were registered as living in New York State and used The New York Times on the Web site during the period of the Vallone banner buy (October 17-November3), you *may* have been shown a Vallone banner ad. If you had registered as living in Texas, you would never be exposed to the Vallone banner ad – even if you went to the same web pages as the visitor from New York State. This is one of the micro-targeting capabilities of the medium.

The study was aided by the fact that the computer kept track of who saw what. In other words, the ad serving system that manages and controls the delivery of The New York Times on the Web site banner ads keeps a record of ad exposures by individual. Thus, the server logs would be able to discern:

- whether or not a particular User ID had been exposed to ads
- the time (date and hour) of exposure(s)
- whether or not that person clicked on the ad

Storing this type of data is made possible through the use of a “cookie” – a small alphanumeric tag that is placed on user’s hard drives at the time of registration. Cookie technology is used by many web sites because it allows them to track visitors and their activity on a site; the computer is able to retrieve the cookie file it placed earlier and determine the identity of users electronically.

After the Vallone campaign had been running for at least a week and there was a sizeable sample of people who had been exposed to the stimuli, The New York Times on the Web began e-mailing people from their database asking them to take a short online survey.



# **Section II.**

## **The Broader Implications**

# The Broader Implications

Karen Jagoda and Nick Nyhan

Opportunities for political advertising are changing. What keeps some from exploring new approaches seems to be the fact that people do what they know works. The changes brought about by the Internet are not yet well enough understood to clearly see how the political world is affected. We are though, beginning to be able to identify new ways in which people form their political opinions, decide to contribute money, and voice their opinions.

The challenge is to overcome obstacles standing in the way of taking advantage of these powerful new means of communication for political purposes.

## Myths

E-Voter 98 dispels three myths about political online advertising:

- Political online advertising doesn't matter.
- Political online advertising doesn't work because people don't click.
- Political online advertising doesn't reach the right people.

### **Political online advertising doesn't matter.**

Those looking to communicate their political messages must begin to see the Web as more than an interesting aside. Candidate web sites and e-mail are only some of the ways to draw attention in a race. Banner advertising placed in targeted Web environments can also be a cost-effective means for reaching those voters likely to vote.

In a study conducted by Elaine Kamarck of Harvard's JFK School of Government, it was found that in 1998 election sites:

- Senate: 72% had sites
- House: 35% had sites
- Gov: 95% had sites
- 78% had positive info only, 22% had both positive and negative info on it
- 11% allowed for credit card donations.

E-Voter 98 shows a significant negative shift in favorability ratings for a candidate who was a likely winner. It's only a matter of time until an online ad campaign used in a closer race has some significant impact on the outcome of that race.

The presence of the Web as a relatively new source of information has been described many ways – with some feeling that the Web would likely supplant other traditional mediums such as TV, radio, and print. Others predict a “convergence,” specifically between the Web and the TV, but it could just as easily include print and radio.

Over the last three years, researchers have witnessed how people incorporate the Web into their life at different times, creating distinct “media-cocktails” depending on the information

they seek, the urgency of their needs, and socio-economic factors like their age, education and income.

Online audience are more likely to vote and be educated about issues. In Wired Magazine’s Digital Citizen study done in conjunction with Luntz Research, 48 % of “unconnected” [Americans who did not use the Internet] could name the Speaker of the House versus 79% of the “Connected.” properly identified him as Newt Gingrich. It goes on to reveal that 60% of the “Connected” report that they always vote in federal, state, and local elections (December 97).

One of the real challenges posed by the Web was summarized neatly by Joe Nye, Dean of Harvard’s Kennedy School of Government, who said: “when information is free, the scarce commodity is attention.”

### **Political online advertising doesn't work because people don't click on ad banners.**

E-Voter 98 was **not** a study about the effectiveness of a candidate's Web site but we have seen that online ads can drive some traffic to a site. The message on the banner and the placement of the ad will ultimately determine the "click-through rate" but we have seen no evidence to suggest that political online advertising will get any dramatically different click-through rate than other effective online advertising.

What E-Voter 98 data does show is that there are attitudinal shifts in a statistically significant sample of people who did **not** click on any banners. This reveals a mass medium capacity for online advertising—with the ability to impact hundreds of thousands of voters.

As in traditional advertising, 50% of advertising dollars spent are for brand awareness – in this case candidate name recognition -- and 50% for direct marketing but it is hard to tell which is which. Seeing the banner counts.

More research and experimentation needs to take place so that political strategists can begin to understand how to put online media results into context. How do we measure the true effectiveness of television, radio and other traditional media in relation to the effectiveness of the Internet? How is a dollar spent online different from one spent in traditional media?

### **Political online advertising will only reach cyber-geeks most of whom are not likely to vote.**

The Internet has begun to look more like America. Women, minorities, seniors and geographically remote potential voters are increasingly using the Internet to find out about candidates, register their views and contribute money. According to the New York Times/CBS poll, 40% of the New York voting population has access to the Internet. This is in line with the access penetration in the general population of the US.

Mitchell Moss, NYU Taub Urban Research Center found that New York City had the largest Internet presence of any city in the US. He measured by number of domain name registrations in New York City. New York City followed by San Francisco, Atlanta, Miami, Seattle, Boston and Austin. (August 97) So while New York is a little ahead of the technology curve, it is really no different than other large cities where connectivity to the Internet is increasing rapidly.

By filtering viewers, controlling the frequency of ad exposures, and the position of the ads within Web site pages, online ads can be a very cost-effective way to reach desired audiences.

The undecided and swing voters may be key to winning a race. Does online media have a greater ability to change the attitude of these voters than other media? E-Voter 98 indicates that some sub-sections of the population may be more likely to be affected by an online ad.

## Moving Forward

What are the next steps? The E-Voter 98 Study team suggests that political strategists:

- **Put a line item in the campaign media budget for online advertising.**  
If there isn't a category for the expenditure or it is assumed that the Web site development group will take care of online advertising, an effective online campaign will not be possible. What percentage of the budget and how those dollars are spent comes next.
- **Educate yourself about how to effectively use online advertising for getting across a candidate's message.**  
Find out which Web sites reach desired audiences. Test ad banners. Negotiate rates for campaigns on ad networks as well as individual sites, search engines and portals.
- **Research the media profile of the candidate's constituency.** Knowing how many potential voters are online and how they use the Internet can provide opportunities for rapid response, moving "swing" voters, and encouraging those not likely to vote.
- **Determine the degree to which targeted voters are going to news sources directly instead of relying on traditional media for information.**  
Markle Foundation research found that voters like "non-mediated" communication. Though the Web is more work and not as relaxing as TV, the viewer is more engaged when online. Does this provide a potential for greater impact of ads seen in this medium? What is the role of the infomediary, those forums which have sprung up to provide bipartisan exposure to candidate views, in this non-mediated world?
- **Mind the Independent voter.**  
A January 3, 1999 Washington Post article notes that there seems to be a trend towards an increasingly nonpartisan electorate. While there are many reasons given why this trend is accelerating, it is interesting to note "the rise of advertising that allows individual candidates to pitch their qualities directly to voters" is given credit for contributing to the phenomenon.

E-Voter 98 found that when comparing the impact of the online advertising across people in different parties, that online advertising had a greater impact than expected among Independent voters. "Party allegiance is getting weaker every year, and there are no

signs that will change," said Curtis Gans, director of the Committee for the Study of the American Electorate.

- **Begin building opt-in e-mail databases.** Knowing who your constituents are allows for instant polls, rapid response, fund-raising, getting attendance at candidate appearances, and encouraging citizens to vote.
- **Aggressively use the Internet to reach desired audiences.** Larry Grossman, Former President of PBS and NBC News, described the Net as a "populist medium moving towards direct democracy." He also said the net was "the most important political tool in the future – but not necessarily for the good."

Candidates should use the Internet intelligently—they can be sure that their opponents will be considering the same options.

## **Section III.**

### **View from Inside the Campaign: Why Online Advertising**

# View from Inside the Campaign: Why Online Advertising

Alan Gould

## Political Online Advertising

The number one rule for advertising a political web site is that the site had better be worth visiting. For those who do not click on the ad or visit the site as a result of seeing the ad, online advertising needs to help “brand” the candidate and the campaign’s key issues. With that in mind, the Vallone for Governor Campaign agreed to build a robust and highly informational web site during its primary campaign. Vallone agreed that if he won the primary, the campaign would engage in an online ad campaign as part of its overall communications effort in the general election.

The campaign was open to the idea of online advertising, as it was to other alternative voter contact programs because of Governor George Pataki’s 30-point lead in the polls and his 20 million dollars in the bank. The Vallone campaign knew it was never going to be able to match Pataki’s spending on television ads; its goal was to run a credible TV campaign and use the web to supplement its outreach efforts.

### *Online Strategy and Buy*

As the general election approached in September, it became clear that the campaign did not have the resources necessary to reach, inform, and persuade a large online audience. It also became clear that the media was going to focus on the more competitive US Senate race between Al D’Amato and Chuck Schumer. Accordingly, we adjusted our online goal -- to jump start reporters’ interest in the governor’s race right after the Democratic primary on September 15, 1998 by doing something new. Using online ads, we would reach a limited number of highly motivated voters and engage them in a discussion of key issues that the media was ignoring.

Unfortunately, even this modest plan had to be delayed until the first week in October because of Vallone’s severe fundraising problems. Although the campaign was unable to raise the money necessary to mount an effective television ad campaign, it still proceeded with an online buy. With our limited budget, we decided to run banner ads for four weeks on the New York Times on the web. We chose The New York Times on the Web because in New York State it reaches the largest number of news oriented users and studies of web users have indicated that news oriented web users are highly likely to be registered voters (we estimated that 70% of The New York Times on the Web users would be registered voters). The original online media plan included web sites whose viewers were more female and younger, but again, with our reduced budget, funding one impactful buy on The New York Times on the Web was going to be difficult enough.

Since The New York Times on the Web users have to register basic geographic and demographic information to gain full access to the site, we could target our advertising by zip code. Our targeting goal was to reach suburban voters around New York City, where Pataki’s support was the greatest and Vallone’s name identification was the lowest. Because

a large number of suburban residents work in New York City during the day, we also targeted Manhattan to receive ads. We were eventually able to reach 150,000 unique viewers and deliver more than 600,000 impressions.

### *Online Creative*

The New York Times on the Web offered small, medium, and large banner sizes. With the small and medium banner sizes, we wanted to build Vallone's name identification and association with three key issues: Education, healthcare, and choice. With the larger banner size, we wanted to connect Pataki to the more unpopular and controversial D'Amato by showing that on education, healthcare, women's issues and NY State finances, Pataki was actually worse than D'Amato. For this, we created four irreverent yet informational ads, which were designed to take advantage of the higher than average educational and income levels of The New York Times on the Web users.

### *Online Results*

Given an environment where the incumbent Governor maintained a 25-30 point lead in the polls throughout the election and outspent Vallone 10 to 1 on television, we were pleased that our online ads were able to double traffic to our web site on a daily basis. During a race that the media had decided was over in September, we were able to generate over 600,000 hits to our web site.

## **Section IV.**

### **The New Media Promise: One-to-One Communication What the Public Sector Can Learn from the Private Sector**

# **The New Media Promise: One-to-One Communication What the Public Sector Can Learn from the Private Sector**

**Peter C. Lenz**

## **Company Background**

The New York Times Electronic Media Company is responsible for electronic development of the content and brand of The New York Times newspaper, as well as the creation of original Times branded content.

In the consumer market, our products are available via the Web; content of The New York Times newspaper on our web sites (nytimes.com and nytoday.com), a customized news service for Netscape users – New York Times Direct, Microsoft’s IE Channel, The New York Times Channel on Pointcast, employment classifieds on Careerpath, and from distribution arrangements with Internet Service Providers and other consumer points of access.

In 1996, when The New York Times on the Web site went live (www.nytimes.com), we began a process of systematic research both to establish the credibility of the New Media environment for publishing our content and the viability of the environment for advertising.

We have been open both to private and academic research as well as business journals publishing case studies on this new environment.

Thus, when we were approached to work with Turtleback Interactive and DecisionTree to participate in this research project on political advertising, we began a series of discussions which led to implementation of this research, and ultimately this report.

## **Our Business Model**

Since the inception of nytimes.com, we have taken a flexible approach towards potential revenue streams; designing technology into the site to support advertising, transaction capabilities (commerce), and premium services.

Advertising drives most of the revenue for The New York Times on the Web and it is where we see meaningful scale developing in the future. We expect the pace of growth will increase, both as new online advertising opportunities are made available via new technologies and as advertisers recognize and quantify the value of the audience.

We are committed to getting the right formula – through continued R&D and by leveraging technology against our database and our proprietary decision support system.

This study validates for political advertising what has been recognized for other areas of consumer advertising online; digital systems are practical and effective at delivering messages for “one to one marketing.”

## **Hits? Impressions? No – Users!**

Fundamentally, online advertisers seek online users – so any discussion of Web advertising must begin with user based information. This is, after all, the ultimate promise of the web for advertisers – “one to one” marketing – targeted messages to targeted audiences.

The metrics evolution has come slowly. Three years ago when the site went live, advertisers asked most often about “hits.” Some asked about “page views.” The environment has not changed much in the past year or so -- the universal metric of online advertising exposure is “impressions,” not users.

We championed a user focus when our product was introduced to the market, reporting advertising performance by users as well as ad impressions and “ad click throughs.” With more sites offering “memberships” or customization, and others leveraging browser id (vs. site id) based ad serving, measurement is heading towards a user focus.

Our marketplace success confirms that taking advantage of information at the user level adds a high level of credibility with online advertisers, delivering useful, practical information as they monitor and evaluate their advertising programs.

## **Decision Support System – Knowledge of Your Audience, Acting on It**

If we believe that users are fundamental to advertisers, the conversation must turn to measuring users and the characteristics of a user base.

The New York Times on the Web registers 100 percent of its users as a condition of use. Everyone who passes through our service is recorded in our Decision Support System.

With a Decision Support System (DSS) of 6.1+ million registered users, growing at more than 15,000 new users per day, The New York Times on the Web currently has the largest database of any news site.

We have invested significantly in technology enabling us to leverage this database. Our Decision Support System is an Oracle based data warehouse - which provides real time longitudinal access to registration data (zip code, gender, income, readership of The New York Times newspaper, and e-mail preferences), and detailed behavior data for a rolling three month period. This includes demographics, technographics on users (their operating system, type and version of browsing software used), and the referrer field (site they accessed prior to being at our site), transaction and usage behavior history, and contact and promotion tracking. This tool provides us with a means of identifying segments of users for delivering targeted content (editorial and advertising).

Transactions and commerce from our site are also tracked. User information relative to advertising –ads they were exposed to, and click-through activity is also captured. Response to marketing e-mails and records of other customer contact are also maintained.

Advertising and commerce partners are provided 24 hour, 7 day a week access to online reporting of daily and cumulative activity; segmented by variables key to them (age, gender, etc.).

## Delivering Value to Advertisers

Within this interactive framework, advertisers can manage messaging user by user and by segments of users.

Some advertisers target specific groups of users, based on either a known or desired demographic profile. Typically then, the analysis of response focuses on performance of multiple creative options, demographics, position relative to content, and user behavior. This provides the opportunity to maximize the efficiency of the medium, and make adjustments even for campaigns that are in-flight.

Other advertisers opt for more elaborate programs. Based on the DSS, advertisers can manage their messaging not only by user characteristics, but by varying the exposure of the message they desire to deliver, for instance using e-mails in addition to ad banners.

## Audience Attractive for Political Advertising

The online audience, specifically users of The New York Times on the Web, are attractive to advertisers relative to their demographics, and their psychographic profile. Qualitative research conducted by James J. Partner of Village Marketing Inc. characterizes users as follows:

Intelligent, well educated, and informed.

Actively seek out high quality information from a variety of sources to satisfy specific areas of interest, either professionally, personally, or both.

Driven by a strong sense of curiosity and inquisitiveness; they are discriminating in their sources of news and information, and want the ability to control their information environment.

Users are online for several key reasons; they are looking for utility and convenience, out of curiosity, and the desire to keep current.

Its worth noting that in contrast to other media, users of the web have generally not developed firm habits regarding sites visited. Thus recognized media brands have high value in attracting new users and maintaining user loyalty.

## Factors that Optimize Advertising Effectiveness

Lastly, we would like to provide an overview of the learning that has been developed in the *Electronic Media Partner Program*. This research program allows advertisers to obtain consumer reactions to their ads, as they are running on our web site.

Well over one-thousand online advertising executions from more than a dozen categories of advertising have been evaluated in the past three years. While advocacy campaigns have run in the past, only as of late have one of those advertisers become an "ad partner". Previous research has not included political advertising.

We have distilled some of the key points here, as it applies to the category of political advertising.

### 1) *Consumers must perceive tangible value in the advertising.*

Articulate an end-user benefit early in the script. This establishes immediate relevance to your target audience and engages them in the messaging process.

If the advertiser, whether a political candidate or a brand, is not well known -- interest in this form of communication is very limited. If your candidate's name is not well recognized, consider having the message stand-in for the "brand" -- by making the cause, benefit, etc. the end benefit for the user. Users respond to a clear benefit (i.e., something new they did not know, an easy way to get more information, or a direct and straightforward call to action).

2) *Consider the loading time needed for the creative; many users do not have "state-of-the-art" computers and software, or have no patience for excessive download time.*

Ad banners, which are graphic intensive or use technologies which require browser "plug-ins" are more likely to be ineffective -- users do not want to tie up their screens while graphics or "plug-in" software loads.

Use live motion/action to attract attention, but *not* animation for the sake of being noticed. Flashing cursors, graphics, and icons are not functional elements, and are likely to generate negative feelings towards the advertisement.

3) *Identify the candidate prominently in the icon.*

Identify the candidate by name in all banners unless you are certain your audience will recognize the graphics treatment and associate with a specific candidate.

Ads that do not clearly identify the advertiser are less likely to generate interest.

- *"If I don't know what the advertisement is for, I'd never look at it."*
- *"I have no idea what it is for or who it is for...I'd never look at it and I enjoy advertising."*

4) *Consider the Media Habits of Your Audience*

Develop online advertising that is synergistic with efforts in other channels. Replicate logos, themes, tag-lines, etc. that appear in other media efforts.

## **Section V.**

### **Other Points Where Politics and the Internet Intersected in 1998**

## Media Revisionism and Political Redirection

Gary H. Arlen

The Internet explosion – as evidenced by the 5,000 political sites for candidates, issues and parties during the 1998 campaign season – is the latest manifestation of the symbiotic relationship between media and politics. Especially in the electronic era (starting with radio three generations ago), the two sectors have depended on each other and designed many of their efforts to capitalize on the other's activities and structure.

Sunday morning "public affairs" TV shows thrive on this alliance (although some TV executives might prefer to use the hours for programs that generate higher revenues); nonetheless, the interview show format survives, albeit modified from its original premise of the 1950s, when it was designed to create newsmaker headlines for Monday morning publications after a slow-news weekend.

More significantly, the national political parties' restructuring of their quadrennial convention formats in 1996 reflected the decision by TV networks to curtail gavel-to-gavel coverage. Obviously, the political changes of recent decades (e.g. emphasis on state primary elections) removed the suspense and drama of national conventions, but the networks' decision about coverage forced the parties to develop "prime time" agendas to package their message for media.

Now the Internet – with its built-in interactivity and endless supply of channels – threatens to overturn the comfy alliance. Politicians and news organizations can design the most impressive Web sites, but they still have to steer audiences to their material. All sectors are exploring and experimenting with the new tools, including online advertising, polling, message-testing, "push technologies," e-mail advisories, hyperlinked Web sites and old-fashioned cross-media directives (the ubiquitous "www" on posters, flyers, TV and print advertising, etc.). With some discomfort, news sites are linked to campaign sites – allowing readers to jump from objective reporting to in-depth political messages, and perhaps blurring the path between them.

At the extreme, the Internet could make online at-home voting just as feasible as online at-home automobile registration. Indeed, as the governmental process itself shifts to self-service applications on the Internet, this new medium (delivery mechanism, information/transaction vehicle) changes the ways in which citizens relate to media and to politicians.

The arrival of the Internet complicates the politics/media melange of convenience. Unlike the in-your-face impact of print headlines or television, the Internet is generally an on-demand medium. As politics has moved increasingly toward advertising-based campaigns (rather than intellectual debates), the Internet has introduced a process that lets voters bypass or altogether ignore the carefully designed campaign message. Through cyber-publications, chat-lines, bulletin boards or other online connections, voters can obtain information without the usual media or institutional filters and interact with sources they choose – taking away politicians' ability to spin. Especially in advocacy issues, this direct connection with the voters may prove fatal to campaigns with a weaker message – or lesser abilities to present it to voters.

With the arrival of new media, come other new challenges: it's harder to measure results of Web usage. Not surprisingly in the recent campaign, candidates maintained their traditional

media efforts (which were more measurable and comfortable) while experimenting with Web sites and e-mail electioneering.

Beyond the media issues are complex factors such as the balance of First Amendment rights and new media. For example, will the rules of political broadcasting (fairness, equal time) apply to the Internet or Web? Ostensibly, there is no reason for such involvement – yet cable TV, with its plethora of channels, has been subjected to these rules. As the Web drifts toward a broadcast business model, might some sites be scrutinized to see if they fall under the same requirements?

Also lurking around this redirection of the politics/media alliance are bigger issues affecting society at large. The over-wrought issue of "haves and have-nots" (i.e. access to the Internet) is very relevant. Even the most optimistic forecasts rarely foresee more than 60% to 80% of American homes having access to interactive media (Internet or something else in the future). That may disenfranchise groups who lack the money, education or other resources to participate in the electronic community.

Media and political organizations – like all other Internet site developers – face similar barriers today. They have to learn how to use the tools and capabilities of this new medium, while also moving their symbiotic relationship to a new plateau. On these interactive steppes, the old rules do not necessarily apply. New rules will be devised to suit the goals of each party – and may help voters and the democracy itself.

# Looking Over Your Shoulder: The View From a Political Donor

John Cullinane

For political donors like myself, the first thing you have to get used to when you attend fundraisers is the feeling that everyone you meet is looking over your shoulder. The types of people you generally meet at fundraisers - real estate developers, nursing home executives, managers from legal or government regulated businesses -- rarely have any interest in you as the donor. They are too busy looking for the candidate's arrival or someone else that can do them some good. That is why many major contributors will give to both parties. After all, it's about business and access, not necessarily ideology. Funders, like voters are sensitive to being ignored.

For politicians, money is where they find it. They don't care where it comes from as long as it is reasonably legal. Politicians can never have enough money, either for the upcoming election, or for the one after that. It makes me wonder: how many good candidates have we lost or never seen because just the thought of devoting so much time to raising so much money is anathema to them. Fundraising has become the first test of a candidate today: do they have the stamina to go to countless fundraisers and make tens of thousands of fundraising calls. Why do they do it? Because they know they will need it for television.

I am sure am I not the only one who sees the irony in our current political system: most candidates cannot afford to spend time in a dialogue with average voters because they have to spend so much time raising money to send their message to average voters over the airwaves. Thus, up until election day, our democratic system is set up for one way communication - there is very little in it that could be considered democratic in the sense of allowing the people to interact with the candidate.

After years of making donations, attending and organizing countless fundraisers, I can say with some authority that there is something fundamentally wrong with our current political system and its reliance on these fundraising tactics. Most insiders would probably agree.

My sincere hope is that the Internet will change our political fundraising system for the better: As donors, we have the power to expedite this process. Here are some constructive steps that those of us in the fundraising community can take to improve the system using Internet technology:

## **Contributors Should Urge Candidates To Bypass Television**

Most of the money others and I have given ends up in the pockets of the broadcasters, particularly TV networks. Yet the American people own the airwaves and, by law, these airwaves are supposed to be used "for the benefit of the people". Efforts to get media companies to provide free air-time for political candidates has met with a howl of protest from media executives. Since the networks will NOT provide free air-time, the only long-term way to raise money in a more equitable and democratic fashion is to bypass television.

You can do that with a sizeable sector of the population via the Internet. Contributors should earmark donations for the Internet - force campaign managers to put line items in their budgets for online media and the development of interactive applications. Yes many campaigns get Web sites, now considered standard issue. But campaign consultants need to be pushed further. There needs to be more investment in it, including media, direct e-mail databases, online events, secure fundraising applications and cross-marketing with other sites.

### **Donors Should Encourage TV Networks to Promote Political Web Sites**

At the present time, television networks are obligated to run a certain number of Public Service Announcements. At the very least, television networks should run PSAs listing the candidates' Web page or e-mail address. This would make it much easier for the interested voter to get these numbers. It combines the advertising power of TV with the potential of the Internet by helping create the "community of interests" that are so important.

### **Create "Coach Class" Perks for Low-Dollar Online Donors**

Wealthy Democrats are often interested in "ego perks" such as an invitation to the White House. Republican contributors are most often from corporations who are looking for changes in legislation that will benefit their companies and/or industries. In an online environment, potential donors will also need "perks" but these perks have to be scaled down in order to be practical and executable. Ultimately, the best type of perk is to feel that you have access to the candidate and he or she will listen to what you have to say. This can be accomplished efficiently online, through live chats with the candidate, or through e-mail based Q&A sessions. The Internet will enable actual interaction without having to be a big shot or big donor.

### **Replace "Special Interest Groups" with "Communities of Interests"**

As we have seen since the Internet started to take off, people are forming new associations and communities that exist only online. In some cases they are local, but they can easily be national or even global communities. The challenge to candidates and campaign managers will be creating communities for campaigns, be they issue or political campaigns. These "communities of interest" can be established online at little or no cost. There are even companies that enable the building of online communities. As other research has shown, a large majority of the online population is registered to vote (83% according to a recent Georgia Tech GVU Study). They represent a powerful swing vote that can be won over with compelling online content and interaction. Candidates that begin to take advantage of the Internet today will be even more successful as the convergence of TV and Web continues. Imagine how powerful it would be when a candidate can launch a spot online and collect thousands of e-mail addresses from people who want to support the cause. This will happen in our lifetime.

### **Create Direct E-mail Databases for Fundraising**

Political consultants are just beginning to grasp the potential of the Internet. In fact the users are ahead of them. Sending an electronic message to everyone in a candidate's district with the opportunity to learn more about the candidate's background via a homepage is a good way to begin. To date I have received only one such message. In another case, I read a very complimentary article about a candidate that included his web site address. As a result, I was able to learn a great deal about the candidate. I also wanted to contribute to his campaign but the contribution segment of his home page didn't work. However, this will change as

candidates and their consultants figure out how to use the Internet more effectively. This is going to happen because most Internet (e-mail) users, according to studies, are well educated, interested in politics and are swing voters.

## Conclusion

In summary, here are some ways that those of us in the fundraising realm can improve the system by using technology:

Donors should earmark money given to campaigns for Internet-related activities, such as online advertising, e-mail, online events, as well as dynamic-content Web sites

Both parties should initiate low-dollar fundraising drives online. Give people online access to "special" information through the Net for a nominal fee. And just like traditional fundraising does (or tries to do), make sure donors who give online get some sort of acknowledgment by the candidate or the party-powers. We do not want people to feel they are on an anonymous list sitting on someone's hard drive.

The national parties should cull lists from their field operations and build national databases of e-mail addresses that can be used by candidates to appeal to voters and potential donors. Additionally, both parties should install secure e-commerce software on their servers so end-users can make donations by credit-card online.

So, it's just a matter of time. This is good for America because it will begin a trend to democratize our democracy by shifting the power from large donors to many small contributors. Also, these individuals will be able to communicate their concerns on issues directly to the candidate. Until then, at the very least TV, as part of its free public Service Announcements (PSAs) should provide this information at convenient times, and often. But instead of holding my breath, I will urge candidates that I give to go online and I urge other donors to do the same. That way voters and funders alike will become more active participants in the political process.

## **Web of Hate: Sociology of the Extreme Right on the Internet**

**Jeffrey Graham**

Marginalized, strapped for funds, distrustful of others and scattered across the country, extreme right groups have traditionally found it very difficult to recruit and organize. Most of the various Ku Klux Klan, Skinhead, and Neo-Nazi groups have found it next to impossible to reach out to the broader population with their highly stigmatized messages. Having to rely on word of mouth, the distribution of crudely printed pamphlets, and other costly and labor-intensive means of recruitment and coordination, lack of communication has posed a serious barrier to the growth and success of these respective, related movements.

For more than a decade, the Internet has helped these groups overcome this communication barrier. Beginning in the 1980's, members exchanged information and ideas on self-contained electronic bulletin boards. With the advent of the World Wide Web, a broadly popular aspect of the Internet, electronic communication has become part and parcel of the political communication strategies among extreme right groups.

The Internet has allowed even the smallest groups to reach out across time and space to recruit new members. Thomas Leyden, who was a Skinhead recruiter for 15 years before renouncing racism, recently told the Anti-Defamation League: "I'd say there are probably as many racist recruiters on the Net as there are on the street now...they're saying, 'Let's get the bright kid when he's 12, and by the time he's 18 or 19 and going to college, we've already indoctrinated him.'"

Just as crucially, the Internet provides a tool for communication and coordination within the extreme right. Bulletin boards, chats, and online literature have begun to take the place of clandestine meetings and yearly conventions. The power of the Internet has emboldened and energized many fledgling groups organized around anti-Semitism, homophobia, and racism. When it comes to the Internet, leaders like David Duke are true believers. In his online article "The Coming White Revolution: Born on the Internet", Duke writes: "I believe that the Internet will begin a chain reaction of racial enlightenment that will shake the world by the speed of its intellectual conquest."

The World Wide Web, with its broadly popular reach, has been an important part of the extreme right's communication strategy. There are hundreds of sites on the Web that tell various versions of rage and hate against homosexuals, Jews, and non-whites. Equally important, however, is the extreme right's use of a more prosaic Internet element: e-mail. Email is used to keep members of electronic mailing lists informed about newsworthy events, upcoming meetings, and provides a forum for the exchange of ideas. A dozen major lists overlap in content and many members post and cross-post messages. It is also used to reach out, discreetly, to potentially sympathetic audiences. A recent posting came with this note: "This is the kind of cute commentary which can get a lot of circulation among mainstream Whites--the kind of thing office workers fax and e-mail to each other. Help get it started." It is thought that the right message, forwarded in and among e-mail lists across the country and world, has the potential to spread like wildfire.

### **Cyber Politics and Arm Twisting**

## Tom Jolly

Cyber politics has made its own unique impact on Washington. Newly elected officials quickly learn that the world of free lunches, casual golf outings and smoke-filled rooms that once greeted their predecessors has been transformed into a much more impersonal one. According to a recent survey, over 91% of the congressional staff, and 58% of the *Members* in Washington now spend their time surfing the Net -- and apparently with good reason.

Members of Congress now receive virtually all the information they need -- schedules, agendas, bills, committee reports, home town newspapers -- even transcripts of the President's afternoon press conference -- via the Net. They use the Web to keep track of how much money their likely opponent is raising for the next election, to keep up with the latest political gossip -- and most recently, to access many of the documents involving the current impeachment proceedings. Congressmen and Senators even have a new cyber "perk" -- each Member is entitled to maintain his or her own official Web site, funded by the taxpayers.

With rules, rituals, traditions, and technology changing, interest groups are scrambling to find new ways to get Congress' attention -- and they too are turning to the Web. If Members of Congress and their staffs are getting everything else they need from the Web interest groups are learning that they must find a way to get *their* information on those monitor screens in congressional offices as well.

So information that lobbyists formerly delivered personally over lunch or dropped off at the office can now also be found on the Web. Grass roots firms that used to orchestrate thousands of post cards, letters, and phone calls now orchestrate targeted e-mail. Advocacy advertisements, until recently, the exclusive province of traditional media, are now beginning to appear as banner ads on websites monitored by the Congress and opinion leaders.

Will the advent of cyber politics and the demise of free lunches and golf outings affect the role that personal political relationships have traditionally played? One Washington political veteran summed it up thusly: The Web can be a very useful tool, but until a way of electronically twisting a Senator's arm is invented, personal political relationships will continue to be a significant part of the Washington scene. He added, "these are *not* the kind of relationships that are likely to be developed in electronic chat rooms anytime soon!"

The lobbyist is right -- some things change, some stay the same. Personal political relationships in Washington today are as important as ever -- but cyber politics and policy has added a whole new dimension to how Washington operates. Those who choose to ignore this will have a difficult time doing business with the growing number of cyber wonks and cyber pols who are quickly becoming the new Washington "establishment".

# **Section VI.**

## **Resources and Contacts**

## Resources and Contacts

### **E-Voter 98 Web Site**

[www.e-voter98.com](http://www.e-voter98.com)

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Gary Arlen is president of Arlen Communications Inc., a Bethesda, Maryland, research company which has analyzed the development of "new media" for more than 20 years -- back to the days when cable TV, satellite and home video were in that category. Currently concentrating on Internet and broadband convergence services, Arlen specializes in applications and content delivered via interactive technologies. Arlen's clients include publishing, entertainment, education, financial services, and transmission companies as well as equipment manufacturers.

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John Cullinane was a pioneer in the computer software industry. He founded the first company to specialize in computer software as a product, the first to have a public offering, the first to be listed on the New York Stock Exchange, and the first to reach one billion dollars in valuation. He currently invests in high tech companies as well as promotes peace in Northern Ireland through jobs and economic development.

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Alan is President of Gould Communications Group, a firm specializing in advocacy on the Internet. GCG's most recent clients include Peter Vallone for Governor of New York; Eliot Spitzer for Attorney General of New York; NY21 Agenda for the Future, and The Brennan Center for Justice.

Alan is a former Senior Managing Director of Bozell Sawyer Miller Group. He is a graduate of Georgetown's School of Foreign Service, and holds a public policy degree from Harvard's JFK School of Government and a JD from New York University School of Law.

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Jeffrey Graham is Research Manager for Blue Marble Advanced Communication Group, a full-service marketing and commerce company specializing in new media solutions based in New York City. Previously he taught Internet research at New York University, where he received a Masters degree in New Media in 1998. Mr. Graham has worked as a market research consultant for a number of firms worldwide.

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Turtleback Interactive was created to address the strategic needs of clients as they develop Internet based business plans. As President of Turtleback Interactive, Karen Jagoda's focus is on identifying complex Internet related questions that need answers and finding partners interested in pursuing solutions. In addition to establishing the E-Voter 98 Study, another current Turtleback initiative involves working with the State of Maryland to develop an e-business strategy to encourage economic development throughout the State.

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Tom Jolly is Chairman of Jolly/Rissler, Inc., a Washington government and public relations firm. He is also co-founder of the InForum Group which created INCONGRESS™, ([www.incongress.com](http://www.incongress.com)) a subscriber-based interactive Web site used by major interest groups to communicate their positions on legislative issues to the Congress and the public.

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As Research Director for The New York Times Electronic Media Company, Peter is responsible for all primary and secondary market research, audience usability, user-interface, advertising research, and advertiser reporting.

Previously, Peter worked as Research Director for Dun & Bradstreet Information Services, responsible for new product development, advertising and communications tracking, and development of customer usage reporting. Throughout the 1980's, Peter worked with Mapes & Ross, Inc., a leading communications and advertising research company. Peter holds a Master's degree from Princeton and Bachelor's degree from Boston College.

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For over 5 years, Nick Nyhan has been working in the areas of public opinion and technology. His background includes traditional market research, political communications, and strategic development for online applications.

In 1995, Nyhan founded the company now known as DecisionTree, considered by the Internet World a "pioneer in conducting online research." Their clients include Ford Motor Company, Sony, US Air Force, Chrysler, Berthelmsman, Nat'l Federation of Independent Businesses, Mellon Bank, Easter Seals, and Intel.

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Ed Reilly is the Chief Executive Officer of Westhill Partners. Mr. Reilly has served as a communications strategist for a diverse range of clients who are frequently experiencing a rapid transformation in their market circumstances or managing a crisis, which threatens to disrupt their normal business practices.

Prior to founding Westhill Partners in 1998, Mr. Reilly was Vice Chairman of Bozell Sawyer Miller Group and Chief Executive Officer of KRC Research, the market research division of Bozell Worldwide. Mr. Reilly has also served as Director of Policy for the Governor of Massachusetts and Assistant Secretary of Environmental Affairs in Massachusetts.

# **Section VII.**

## **Epilogue**

## Epilogue

Conducting the E-Voter 98 study and witnessing the swift changes in the political use of the Internet over the last year has only made us realize how much more exploration needs to be conducted to begin to make projections about proper use of political dollars online. A wide range of factors will determine the potential of the Internet in our democracy as we approach the election in 2000. It is our belief that the E-Voter 98 Study sheds a great deal of light on the task at hand.