

Memo: Why Obama Won and Hillary Lost!
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For: Colleagues and peers of Louis Perron
People interested in winning elections
From: Dr. des. Louis Perron

**Perron Campaigns Election Update:
Why Obama Won and Hillary Lost!**

That's it! The Democratic candidate for the 2008 U.S. Presidential election is Barack Obama. Hillary Clinton, who was still leading the pack for the Democratic nomination at the end of 2007, has given her concession speech. How could a junior Senator in his first term beat the former First Lady? The battle between Obama and Hillary is indeed fascinating and confirms several campaigning rules.

1. It's the message, stupid!

Hillary's campaign is a perfect example for a mismatch between the political demand and offer. They were running on experience and the achievements of the Clinton administration. The democratic primary electorate, however, was looking for change and fresh faces. During the entire last year, the Clinton team tried to portray Hillary as a stateswoman. The fact that the first woman in the White House would actually mean radical change was never an issue during the campaign. It was only towards the end when Hillary started to bank on that card – when it was already too late.

Obama, on the other hand, had a crystal clear message. It was short, understandable, believable and exactly what voters were looking for at that point in time. Indeed, depending on the surveys there are currently two thirds to three quarters of Americans who think that the country is moving off the wrong track. Further, Obama is a great messenger. I simply don't know of anyone who watched an Obama speech and who was not deeply impressed.

2. The value of early surveys

Surveys are never a prediction of electoral results. This is why we have to be very careful with surveys that were taken weeks or even months before the election. The surveys are not wrong but one has to be careful with the interpretation of the results. Early surveys mostly reflect the awareness of the candidates. For the case of the U.S. primaries this means the following thing: Hillary was leading Obama in the surveys during 2007 (sometimes by 30%) simply because she was much more known than he was. During a campaign, voters get new and additional information about the candidates and can quickly change their opinions. Especially in an environment with a volatile public opinion such as in the U.S. it is dangerous to sit on an early lead. But this is exactly what the Hillary team did while Obama and his team were working and fighting.

3. Successful election campaigns are like a guerrilla attack!

Successful election campaigns – and in particular successful Presidential campaigns – are managed and run by young and hungry people. Someone that has been conducting surveys for the White House for years and who has big lobbying contracts around the world is not enough hungry and aggressive anymore. That's exactly the case for Mark Penn, who has been conducting the surveys for Hillary until recently. The other people in the Hillary team as well are long-time trustees of the Senator. The result is that the team is not challenging, questioning and fighting enough.

Barack Obama, on the other hand, has an excellent campaign team. David Plouffe, the campaign manager, and David Axelrod, the media producer, are known names in the U.S. political consulting industry. However, it is their first chance to make a President and as a result, they are extremely hungry, focused and hardworking.

The Obama campaign has invested massive resources into mobilizing and turning out young voters. It is the only example I am aware of where such an effort focusing on young voters has paid off. It is that strategy which led Obama to a surprise victory in Iowa, which instantly changed the dynamics of the entire campaign.

After Hillary won a comeback a few days later in New Hampshire, the Clinton team expected to knock out Obama on Super Tuesday, February 5. Yet, the race was still a tie once the votes were counted on February 5. While the race was hanging in the balance, there was an important difference between the two candidates. The Obama

team was prepared for the next states, while Hillary was not. She had to lend her own money to the campaign in order to continue. Barack Obama, on the other hand, had already opened headquarters in the following states and was on the air with advertisements. It was during that period of time that Hillary lost the nomination.

Not everything about a winning campaign is good. Not everything about a losing campaign is bad.

There are some things that the Clinton team did very well. At first, the Clintons are the ultimate comeback kids. During the entire campaign, observers and analysts called her dead several times, but she continued to win states. After the surprising loss in Iowa, Hillary had only five days to realize a comeback in New Hampshire.

Election campaigns are about showing differences. The Clinton team became better and better in doing exactly that. They carefully used opposition research to show contrast with Obama. An excellent example for this is the CNN Debate before the South Carolina primaries (watch the clip on: www.youtube.com/watch?v=zIHxXzezC1w). After weeks without a win – and with Obama seriously outspending her - she managed to win six out of the final nine primaries.

The General Election: Obama vs. McCain

Many observers have said that the long and intense primary fight between Obama and Hillary has damaged the Democratic Party. I disagree. The two candidates brought millions of new voters into the political process. Today, the U.S. are notably more democratic in terms of voters registration and preferences as compared to four years ago.

It is also new in American politics that the Democrats have more campaign funds than the Republicans. Indeed, Obama raised a record of \$265 million. This is also a result of the long and intense contest. Finally, one should also not forget that the Democrats had the attention of the media and the public for themselves for weeks. For example, the media gave only minimal attention to McCain's tour to the forgotten places of America.

This being said, the General Election will be much more difficult for Democrats than what many people think now. Sure, George Bush is the most unpopular President of

American history but he will soon be a lame duck. The longer the campaign will last, the more the focus will be on the two candidates and the less George Bush will matter.

Obama currently leads in the nationwide Gallup tracking polls. But when it's all said and done, an American Presidential election ultimately is about influencing a few hundred thousand voters. These voters are a special bunch consisting mostly of white males and Catholics. They tend to have a low income and live in a handful of states. Obama lost many of those states such as Florida, Ohio and Pennsylvania. A new poll conducted by Democracy Corps is exploring what party voters trust to handle specific issues. Among independent voters, Democrats have only a 3% lead on the economy. As for taxes, Republicans lead Democrats by 16%. Among white, non-college educated males, Republicans lead Democrats by a stunning 35% on taxes. Another poll conducted by Quinnipac University in the three swing states of Florida, Ohio and Pennsylvania goes into the same direction. Among white non-college educated voters, Hillary got 45%, Obama only 33%. Same picture in Florida and Pennsylvania: Obama gets 12% respectively 10% less than Hillary.

We should also not underestimate John McCain. Four years ago, John Kerry offered him the Vice Presidency but McCain declined, assuming that he can go for the top post four years later. McCain was a prisoner during the war in Vietnam. He was offered to be released from prison but McCain declined because other American soldiers have been in the same prison longer than he was. That tells us something about the will and perseverance of John McCain. This pays off especially with independent voters among which the surveys show the two candidates running even. A recent report of focus groups conducted by political consultant Peter Hart for the University of Pennsylvania Annenberg Public Policy Center reveals another interesting point. Independent voters have very limited information about both candidates at this point in time. They know about McCain's military service and associate Obama with change, but not much more.

Please do not get me wrong. I am not predicting that Obama will lose. My forecast is that it will be a close and interesting race where the polls will continuously change. Factors that are beyond the control of the campaign teams such as the health of the candidates or the situation in Iraq could be decisive in the end.

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News about Perron Campaigns

Since the beginning of the year, there were elections in several Swiss provinces/states/cantons. Perron Campaigns was involved in two of them (St. Gallen, Schwyz) and helped two Governors win difficult races. In addition to the two Governors, we also consulted with a successful bid for State Senator. I regularly commented on the U.S. primary campaign on Bloomberg television and CNBC. If you would like to get a CD with the interviews, kindly email us. In addition to Asia and Switzerland, Perron Campaigns is now also active in Eastern Europe (Romania). And, we have new contact information in Switzerland:

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Thank you for your attention and best regards

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