

APPENDIX F: BRAND BUILDING EXAMPLE FOR TED CRUZ CAMPAIGN

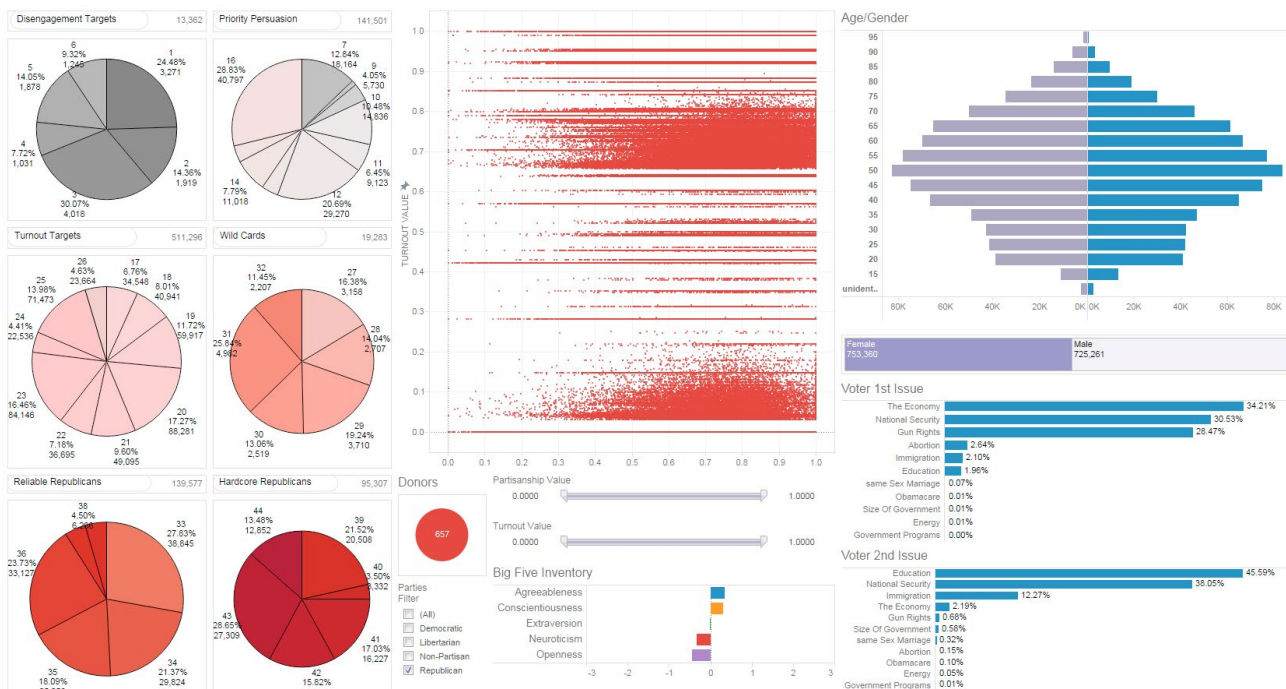
Behavioural Microtargeting will enable the Cruz campaign to segment and communicate with voters in a deeper and more textured way than ever before. By clustering voters according to their personality type, priority issue and demographic data, Senator Cruz can maintain and further cement his connection with his base, while simultaneously identifying and making contact with new groups that will be receptive to different elements of his evolving brand.

ENGAGING THE BASE AND BROADENING THE TENT

Senator Cruz has been extremely effective at raising his profile to national prominence, and has established solid conservative credentials that will make him the first choice of the Tea Party wing of the Republican Party, should he choose to run for President in 2016. He has also gained a level of esteem among the national media as a Thinking Man's Conservative, who is respected for his intelligence and ability as a lawyer, legislator and politician. He has connected with and established a solid base, and now is the time to broaden his appeal and expand his field of supporters.

The Current Ted Cruz Supporter

Using the donor file provided by Senator Cruz's team, we have built a psychographic model representative of the typical Cruz supporter in North Carolina. We found that the typical Cruz supporter shares many things in common with a typical 'mainstream' Republican voter, but is essentially more extreme in terms of their personality traits, and their tendency to be male, married and affluent.



- Older (strong focus in the 55-85 age range)
- Richer (mostly in the top two income deciles)
- Married
- Very high in Agreeableness and Conscientiousness
- Very low in Extraversion, Openness and Neuroticism
- Top issues are National Security, Gun Rights

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The New Ted Cruz Supporter



- The mainstream Republican voter tends to be high in Conscientiousness and Agreeableness
- Bread and butter issues like the economy, education and national security are their priorities
- People who are high in these two traits tend to be very organized, cooperative, altruistic and goal-oriented – they respect leaders who demonstrate these qualities
- They are very polite, and messaging that carries a softer and less combative tone will be most effective in connecting with this type of voter
- In order to broaden the appeal of the Ted Cruz brand, the candidate's messaging to this group should focus more on issues like economic growth, and less on more divisive issues like government shutdowns and immigration
- Senator Cruz should highlight his background as the son of an immigrant who achieved the American Dream the old fashioned way – through hard work, dedication and playing by the rules (all conscientious qualities)
- His impressive achievements as a lawyer and legislator will garner respect from conscientious voters, and his backstory will humanize his image and will make agreeable voters warm to him

Senator Cruz is a dynamic outsider who beat the odds and proved the naysayers wrong by winning his Senate seat in 2012.

He has never been afraid to stand up for what he believes in, even when it's less politically expedient. He is the kind of energetic, 'can do' candidate that the American people are craving. Someone with the intellect and ability to guide America in an increasingly uncertain and hostile world, with a solid core of deeply held beliefs as his compass.

The path to victory entails connecting the right messages, with the right voters at the right time.

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THE PROCESS

- Develop detailed psychographic profiles of the groups of voters that constitute Senator Cruz's base
- Identify and segment groups of voters in the periphery of Senator Cruz's base, who have similar characteristics to current supporters
- Develop messaging to directly target persuadable primary voters in the periphery, persuade them to become supporters and donors and expand Senator Cruz's core support

How it works

As an example of how psychographic messaging can be used to influence voters and develop a political brand, in the 2014 Mid Term Elections SCL was contracted by John Bolton Super PAC to undertake a \$5m personality-targeted digital advertising campaign with three interlocking goals:

1. Persuade voters to elect Republican Senate candidates in Arkansas, North Carolina and New Hampshire
2. Elevate national security as an issue of importance with the electorate
3. Increase awareness of Ambassador Bolton's Super PAC

Independent studies conducted towards the end and immediately following the election clearly demonstrate the power of personality-based messaging in persuading and influencing target voters.

Some of the strongest results came out of North Carolina. This was arguably the most competitive race of the mid-term elections, as well as the most expensive race in US history. By taking a completely different approach from other outside groups, the Bolton Super PAC campaign was able to cut through the noise and deliver messages that had a real impact in defeating Kay Hagan and sending Thom Tillis to the US Senate.

SCL segmented the persuadable and turnout target voter population in North Carolina to identify several key groups that could be influenced by the Bolton Super PAC message. We then developed advertising and direct mail messages designed to appeal directly to specific groups' personality traits, priority issues and demographics. Below are some examples.

North Carolina Group 3:

This group was mostly women and skewed younger. They were highly neurotic. Their top issues were education, the economy, national security and immigration.



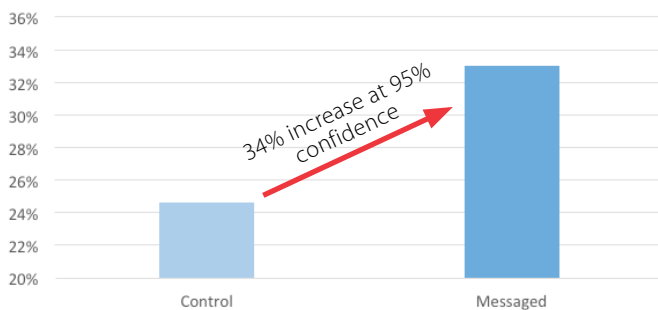
Message used in NC Group 3: <https://www.youtube.com/watch?v=luGIAaAv0lw>

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This ad was effective in connecting with its target group because it played to the voters' neuroticism by emphasizing that the national security policy of the current administration (i.e. Obama and Kay Hagan) has led to chaos and a less secure America. Ambassador Bolton tells the viewer that "unrest is exploding all over the world", while Senator Tillis points out that "we're weaker than we were when [Obama] came into office".

A post-election survey revealed a statistically significant increase (at a minimum of 95% confidence) in the number of people who have identified 'National Security' as their most important issue. In this particular group of messaged individuals, the increase was 34% higher than the corresponding control group.

Percentage of individuals who have mentioned 'National Security' as their most important issue



North Carolina Group 4:

This group was fairly evenly split but with more women than men. They were extremely agreeable and also conscientious. Their top issues were the economy and education.



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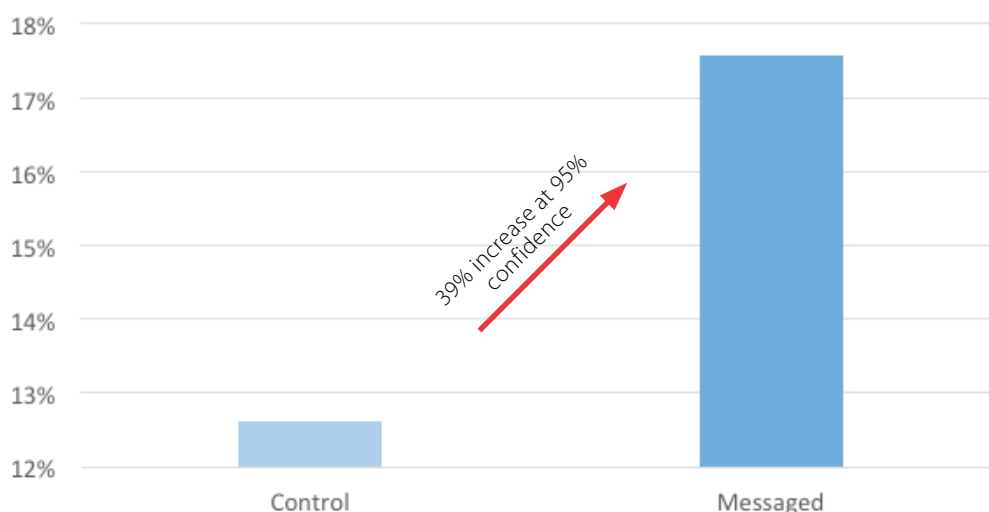
Message used in NC Group 4: <http://youtu.be/fmLFJi2vaWw>

This ad resonated with its target audience because it carried a message that appealed to the voters' high degree of conscientiousness and agreeableness. First, Ambassador Bolton presents his considerable experience working in foreign affairs, which appeals to conscientious voters' tendency to listen to leaders they view as competent and credible on a particular subject.

The ad targets the group's high agreeableness by downplaying political conflict and stating that "national security is something that should cut across political lines". Likewise, the message that a strong national security policy is part of a promise "to our children and grandchildren" positions the issue as being for the good of family and society, which also resonates with agreeable voters.

The post-election study also showed a statistically significant increase (at a minimum of 95% confidence) in the number of people who voted for a Republican Party candidate in the November 2014 mid-term elections. In this group of messaged individuals, the increase was 39% higher than the corresponding control group.

Percentage of reported Republican Party voters



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FUNDRAISING EXPERIMENT METHODOLOGY OUTLINE

SCL Elections will undertake two initial experiments to demonstrate our ability to add value to Ted Cruz's fundraising campaign via highly targeted data-driven donor contact on immigration across media channels.

Experiment 1 – Upselling Existing Donors

SCL Elections will add value to Ted Cruz's established fundraising campaign by increasing the average amount given by registered donors.

To do this SCL Elections will match the Ted Cruz donor list to our database and use data modeling to create issue and personality scores for each registered donor.

We will then select donors who would be optimal recipients for an immigration message and target them via the most appropriate channel.

We will also send an immigration message to a control group of randomly selected donors.

Experiment 2 – Gaining New Donors

SCL Elections will also demonstrate its ability to gain new donors for the Ted Cruz campaign.

We will use Ted Cruz donor data to create a 'match model' in order to locate Republicans whose personality and issue profiles closely correspond to those of existing donors.

These likely donors will then be sent targeted messaging / fundraising appeals on immigration via their preferred media channel.

Our target group will consist of people deemed likely to donate to Ted Cruz if targeted specifically on immigration.

A control group of randomly selected registered Republicans will also receive targeted immigration messaging.

