Using Big Data to become US President – Imagine what it can do for your business

Peter Temple
The Big Data story (as told by Google)
Big Data

Industry worth an estimated $100bn and growing at 10% p.a.

Expected 1.5 Million data analysts will be needed by 2018 in US alone

120% increase in the volume of financial data every year

$34bn was spent on big data in 2013
Big data is like teenage sex: everyone talks about it, nobody really knows how to do it, everyone thinks everyone else is doing it, so everyone claims they are doing it....
Big data – not just a big story

• A study in hunger, insight and courage
The importance of not being Ted?

Senator Massachusetts 1962 - 2009

"5 month and 150 votes"
The importance of being George?

George Clooney’s Backyard Function for Obama Sets New One-Night Fundraising Record

$15 million

“And this is the first time that George Clooney has ever been photoshopped out of a picture,” Mr Obama said, to laughter and applause. “Never happened before, will never happen again”

[The New York Times]
And 68 adverts in Dothan.....
Deliver a historic election victory!

PERCENTAGE OF VOTES CAST FOR OBAMA BY EARLY VOTERS IN HAMILTON COUNTY, OHIO

Model | Actual
--- | ---
57.68% | 57.16%

Prediction to within 1% accuracy
2014 Convention
knowing more
22-23 October, Cape Town
On the face of it a narrow win....

**2012 ELECTION RESULTS**

- Obama: 332
- Romney: 206

**ELECTORAL VOTES (270 TO WIN)**

<table>
<thead>
<tr>
<th>2012 ELECTION RESULTS</th>
<th>OBAMA LEADING</th>
<th>OBAMA WON</th>
<th>ROMNEY LEADING</th>
<th>ROMNEY WON</th>
</tr>
</thead>
<tbody>
<tr>
<td>OBAMA</td>
<td>332</td>
<td>239</td>
<td>0</td>
<td>239</td>
</tr>
<tr>
<td>ROMNEY</td>
<td>206</td>
<td>159</td>
<td>0</td>
<td>159</td>
</tr>
</tbody>
</table>

**Popular Vote**

<table>
<thead>
<tr>
<th></th>
<th>OBAMA</th>
<th>ROMNEY</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>65,899,660</td>
<td>60,932,152</td>
</tr>
<tr>
<td>PERCENT</td>
<td>51.1%</td>
<td>47.2%</td>
</tr>
</tbody>
</table>
But how it was won is the key

### Battleground States

<table>
<thead>
<tr>
<th></th>
<th>OBAMA</th>
<th>ROMNEY</th>
</tr>
</thead>
<tbody>
<tr>
<td>VIRGINIA 100% RPT.</td>
<td>✔ 51.2%</td>
<td>47.3%</td>
</tr>
<tr>
<td>FLORIDA 100% RPT.</td>
<td>✔ 50.0%</td>
<td>49.1%</td>
</tr>
<tr>
<td>N. CAROLINA 100% RPT.</td>
<td>48.4%</td>
<td>✔ 50.4%</td>
</tr>
<tr>
<td>OHIO 100% RPT.</td>
<td>✔ 50.7%</td>
<td>47.7%</td>
</tr>
<tr>
<td>NEW HAMPSHIRE 100% RPT.</td>
<td>✔ 52.0%</td>
<td>46.4%</td>
</tr>
<tr>
<td>COLORADO 100% RPT.</td>
<td>✔ 51.5%</td>
<td>46.1%</td>
</tr>
<tr>
<td>WISCONSIN 100% RPT.</td>
<td>✔ 52.8%</td>
<td>45.9%</td>
</tr>
<tr>
<td>IOWA 100% RPT.</td>
<td>✔ 52.0%</td>
<td>46.2%</td>
</tr>
<tr>
<td>NEVADA 100% RPT.</td>
<td>✔ 52.4%</td>
<td>45.7%</td>
</tr>
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</table>

89% of the swing states...
Twilight of the white majority

WHO VOTED HOW
Obama’s victory comes despite exit polls showing weaker support among key traditional groups

THE TWILIGHT OF THE WHITE MAJORITY
MINORITY U.S. POPULATION

-10 Young whites
-7 Independents
-4 Catholics
+3 Democratic base
+8 Latino women
+11 Asian Americans
Ad spend vs ‘odd ‘spend

$932,133,388
Amount supporters spent on Obama’s campaign

$1,282,213,064
Amount supporters spent on Romney’s campaign

$376,000,000
Amount spent on Obama’s advertising

$479,000,000
Amount spent on Romney’s advertising

Median monthly salary of campaign staffers

800
Campaign field offices for Obama (rough estimate)

300
Campaign field offices for Romney (rough estimate)
Sett (l) ing a score - 2008

- 150 million voters
- Real-time re-iterations
- 11,000 calls per night

Individual Predictor Score
The likelihood you vote Obama

Attributes
Preferences
Physical details
Campaign lists
2012: Same world, but different

2008: 69,456,897 names of each voter

Get every one of them to vote Obama again
AND
More money
More door knocks
More phone calls
More registrations
More votes

The methods changed the landscape forever
It’s about the NON-VOTER, stupid.
Setting the persuasion score

- 15 million persuadable voters in swing states

Commercial lists of all adult voters

Current registration rolls

Persuasion Score
Likelihood you will change your mind

2014 Convention knowing more 22-23 October, Cape Town
Unleash the geeks, the greenies and their gadgets
micro-targeting frenzy

Computational advertiser  Text analyst  Social scientist  On-line experimenters

MONEY SPENT ON ONLINE ADS THROUGH MID-OCTOBER

$26 million  Romney campaign
$52 million  Obama campaign

> 20 million decoders
> 8 million homes
> 15 million persuadable voters
> Just match them up”

> 1 million people signed up
> 5-10 seconds to match their friend
> list to the persuasion score
> 50% accurate hits

TELEVISION COMMERCIALS AIRED ON TV LAND (NATIONAL CABLE LEVEL)

1,710  Obama campaign
0  Romney campaign
Shattering of 20th century marketing precepts

“Not a category in a geography”

Gamification of distribution

Microtargeting models

EIP

Text analytica

Copywriting

Focus groups

Mass media

Optimizer

Sampling
Big data – not just a big story

A study in hunger, insight and courage
Big Data – In practice

• Not just mortality!
• More data
• Techniques
• What you do with it?

KEEP CALM AND LISTEN TO EXAMPLE
Matching people

> Juxtaposition:
On-line to off-line,
physical to personal,
empirical to the intuitive;
customer to channel
Distribution

- What is a good broker or agent?
  - Sales
  - NTU
  - Early lapses
  - Policy size

- What about quality of business?
  - Mix
  - Number of benefits
  - Other quality measurements?
Model underwriting decisions

- Age
- Gender
- Smoker-status
- Sum assured
- Medical evidence
- Etc.

- Expected underwriting outcome?
  - Standard
  - Loadings (% or per mile)
  - Postpone
  - Decline
Big data will require

Courage

...and good judgement!
QUESTIONS?