

**Mark Penn** is more than a high-powered Democratic pollster: his data helped transform the Clinton presidency into a service provider for various niche voters. Now he's thinly slicing New Yorkers to get Hillary to the Senate.

## The Guru of Small Things

By James Bennet

So it turns out that Hillary Rodham Clinton is as voracious a listener as her husband. On tour in New York, she has displayed an intense style all her own, her brow knitted, her head nodding metronomically. Her statewide "listening tour" was not just an act — she remembers what she heard, and she recycles the good bits.

But it was *partly* an act, intended to be admired. There is another, stealthier kind of Clintonian listening that Hillary Clinton has been practicing all along. It is done on her behalf by strangers in Denver who phone her adopted home state, politely questioning New Yorkers. The answers they hear are filtered to Hillary Clinton through one man, Mark Penn, who also designs the questions. *His* careful listening has made him the most influential adviser to her campaign.

Some of what Penn wants to learn from New Yorkers is not so surprising. He wants to find out whether it bothers them that Hillary Clinton is not from New York, and whether they think she regards the Senate as merely a stepping stone. He has tried out possible lines of attack against her opponents

and also their possible lines of attack against her. ("Do you think Hillary Clinton is too close to Rev. Al Sharpton?") He has worried quite a bit about the new Whitewater independent counsel, Robert Ray: "Do you think Ray is issuing his reports on Whitewater and the travel office later this summer because he is not done or because he is trying to do political damage to Hillary Clinton's campaign?" He has tested several slogans. One, which perhaps sounded a bit like a threat to some — "When you look at what Hillary's done so far, imagine what she'll do in the Senate" — did not go over terribly well.

Along with these inquiries, he has been asking the sorts of tightly targeted questions about small-bore issues that are his signature. Those polled might have been astonished at the specificity of his interest, at the fineness of its grain. In suburban Westchester County, for example, those polled were asked if they would be more likely to vote for Hillary Clinton if she backed projects like the Port Chester Downtown Re-development or improvements to local transportation sys-

tems like the Westchester County Bee-Line System — measures, they were told, that she “could support.” In Nassau County on Long Island, those polled were asked whether they would be more inclined to vote for Hillary Clinton if she supported efforts there to lower property taxes or to improve transit services for the disabled. The answer in both cases was yes, to judge from the numbers, which were given to me by someone unhappy about Penn’s sway over the first lady. It’s the kind of unhappiness Penn has inspired among many around Bill Clinton, for whom he is also an influential adviser.

For years now, aides to the Clintons have insisted that they use polls not to decide which policies to support but to learn how to persuade others to share their positions — not to follow, in other words, but to lead. It’s not true. They use polls for both purposes, and that is why to understand the state of American politics and government you need to know about Mark Penn. For the Democrats who have used market-tested ideas and language to redefine the party, he is the man who writes the questions and interprets the answers. By adding and then dividing you, turning you into a percentage and stamping you with a label, he serves as your conduit to power. And theirs.

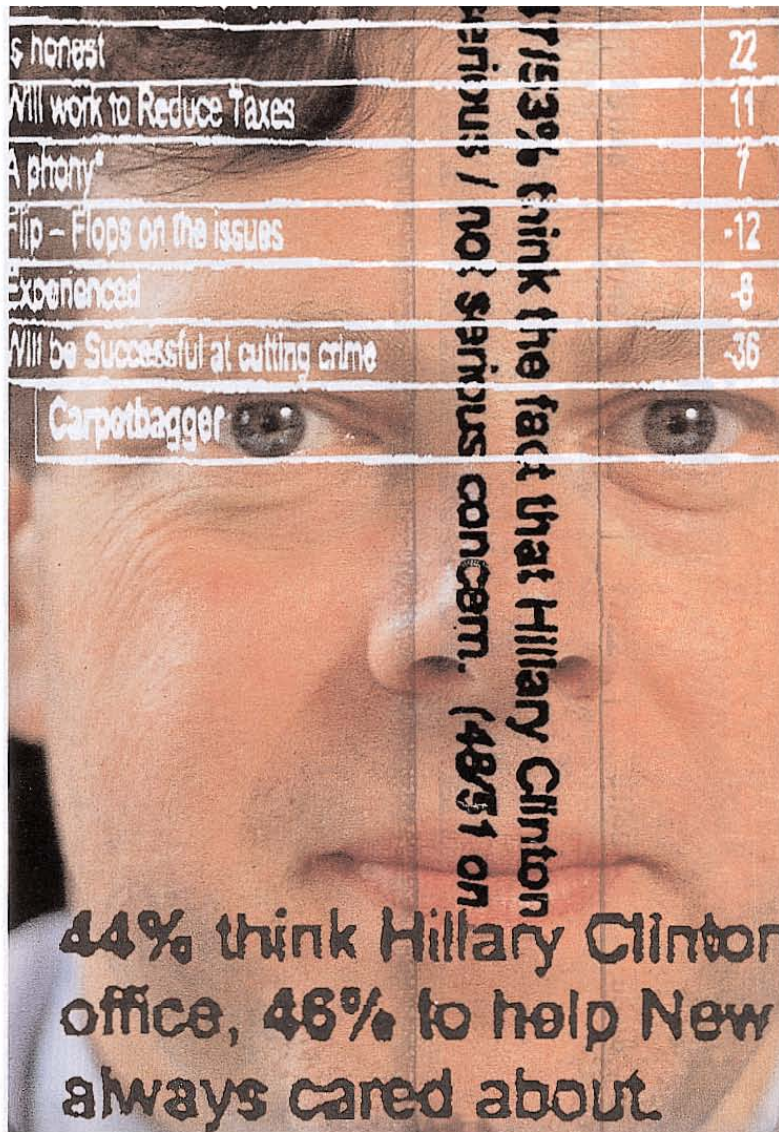
You should know this about Penn: For the decade before Dick Morris brought him and his partner Doug Schoen to work for the Clintons, Penn served mostly corporations like Texaco and Avis. Along with corporate marketing techniques, it was a particularly corporate view of reality that he put in the service of the Clintons. He thinks about voters not just in terms of ideology — with the cold war over, who really has one anymore? — but in terms of lifestyle and attitude, the sitcoms they watch and the music they listen to. He searches for the little spaces where politics and government might fit between work and trips to school and soccer games.

Penn, who four years ago succeeded Morris as Bill Clinton’s political sounding board, sees the electorate’s center not as a beige clump of moderates but as an array of distinct slices, each susceptible to a nuanced political appeal. To delight these niche voters, Bill Clinton presented a new line of low-cost products and services: more-efficient emergency telephone numbers, V-chips, an anti-truancy campaign and so forth. Now Penn is guiding Hillary Clinton to work up her own product line. He has tested out ideas like supporting appropriations for beach protection in Suffolk County and defense projects in Nassau County. He has wondered, Should Hillary Clinton push for more federal money to widen the Long Island Expressway?

This is a politics of discrete problem-solving and assiduous service, a sort of concierge politics. For Bill Clinton, it undercut Republicans’ government-busting appeal, but it also abandoned traditional Democratic visions as it neatly inverted the exhortation of Clinton’s boyhood idol and asked: What can your government do for you? How about a great deal on cell phones for block patrols? In doing these little things, Clinton adapted government’s mission, turning government, in Schoen’s term, into a “facilitator.”

In essence, Penn-ism is post-health-care Clintonism — for both Clintons. For Hillary, it corrects for a weakness — she is still learning the state’s political terrain — and it plays to a strength: she has always been better at dogged, cautious service than the vision thing, though she and her most ardent supporters do not particularly like to think of her that way.

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At the state level, Penn-ism looks a lot like plain old pothole-ism — think Al D’Amato. Along with its panting pothole-fillers, though, New York has had more than its share of Senate statesmen and visionaries, and Hillary Clinton is running to replace one of them. Here are some questions Penn hasn’t asked: Can you imagine Daniel Patrick Moynihan having to poll to decide whether to throw his weight behind transportation for the disabled? How about Bobby Kennedy?

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EEPING A FOOT IN THE POLITICAL AND THE corporate worlds has turned Penn and Schoen into big businessmen in their own right.

Penn’s office, half a block from the White House, is an advertisement for the business. On his desk, facing the visitor, sits a framed note in a familiar left-handed script thanking him for “all the great work” on the campaign. The same presidential hand penned the one-word note — “Thanks” — on the Washington Post front page under glass on one wall. “Clinton Acquitted,” reads the monster headline.

Fat wallet notwithstanding, this business has somehow avoided the customary fusillade from Washington’s jumpy conflict-of-interest police.

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As he polls for Bill Clinton — with the Democratic National Committee picking up the tab — Penn is also helping Bill Gates run a campaign against the court-ordered breakup of Microsoft instigated by Clinton's Justice Department. He talks frequently by telephone with Gates and Microsoft's president, Steven Ballmer, as he does with Bill and with Hillary. One evening this winter, Penn was waiting on the runway when the president arrived at Westchester County Airport to visit his wife. Laptop open, Penn rode along in the presidential limo to the Clintons' home, then disappeared inside with the first couple. The next day, to the amazement and discomfort of White House aides, he turned up in Microsoft's communications war room in Redmond, Wash.

Penn's firm polls for AOL as well as Microsoft and for the centrist Democratic Leadership Council as well as the Democratic National Committee. It has worked for foreign presidents along with Procter & Gamble and Citibank. (Much of the corporate work is handled out of New York by a third partner, Michael Berland.) Many of the country's foremost political and business leaders are listening to America through the same small, secretive shop, sometimes through the same analyst. "Who else has Bill Gates, Bill Clinton and Hillary Clinton holding?" marveled a senior member of Hillary Clinton's team. "Which call do you take?"

Penn is 46 years old. He is a tall, doughy man with a gentle voice. His shirts tend to go untucked and his cell phones missing. Though, with Schoen, he has presented weekly analyses to the president's brain trust for five years, he has never fit into the wisecracking fraternity at the White House, where for years he has been referred to, behind his back, as Schlumpy or Schlumbo.

There are Hillary Clinton aides who roll their eyes and complain that Penn grabs a seat beside the first lady at meetings in Washington, which are held in the White House's Map Room. But he has good reason to sit there, because his influence reaches throughout the campaign. In addition to polling, he serves on the tripartite advertising team with Mandy Grunwald, the Washington consultant, and the Devito/Verdi agency. His relationship with Grunwald is described as "very, very, very competitive" and with Harold Ickes, Hillary Clinton's other top adviser, as downright tense. There's not much love in that campaign.

Some campaign advisers to Hillary Clinton suspect that Penn functions as Bill Clinton's agent. Others wonder if it is wise to have the same man creating her message and testing its effectiveness. But they have noticed the way Hillary Clinton responds to Penn's points with exclamations like, Oh, Mark, what a smart thing to say! So while they say that he is obsequious to the boss and overbearing to inferiors, they do so privately. One pattern to Penn's career is that he is respected for his incandescent intellect and resented for his access to the principal and feared for same. Most of those who have worked with him do not like to attach their names to their criticisms.

One exception is Dick Morris. "He has the nervous system of a shark — everything is either edible or inedible," Morris told me recently, sounding like Clinton aides once did in describing Morris. It is, Morris continued, "a measure of how good he is that you put up with this incredible nonpersonality."

Those who like Penn — often those who have worked most closely with him — say he is misunderstood. They say he is warm and kind but lacks social skills. It is interesting that a man who has trouble communicating has devoted his life to understanding how others think. Penn took his first poll when he was 13, determining that the faculty at his Bronx private school, Horace Mann, was more liberal than the country on civil rights. He went on to poll his classmates at Harvard, and since then, teamed with Schoen, he has polled on everything from the fictional "Bunny Burger" (for *Spy* magazine) to the public's reaction to bombing Bosnia (for Clinton). He likes to say he has elected 10 foreign presidents.

"It's hard for you to come up with a topic that I haven't polled on," Penn said recently over his favorite lunch — sushi — at his favorite out-of-the-way Washington restaurant, where, he said, you're guaranteed never to see a reporter. But when I turned the conversation toward polling he has done for either Clinton, I met with an uncomfortable silence. Penn is deeply loyal to his clients, a quality Hillary Clinton prizes in him.

While Penn is hulking and nervous, Schoen, 46, is small and deft. It is Schoen who sells their 25-year partnership, Schoen who brought in most of the clients, including Clinton and Gates. Of the two, Schoen is the better day-to-day operative, associates say, but it is Penn who can supply the insights that elect a long shot. David Garth, the storied consultant, nurtured their careers, hiring them for Ed Koch's mayoral campaign in 1977. They parted bitterly in the mid-80's, with Garth believing that his protégés had betrayed him over money.

At about the same time, Penn began building the corporate practice. In 1993, the advertising agency FCB-New York was pursuing the account of AT&T, which was losing market share to upstart rivals. FCB had developed a values-based theme, "Your True Voice," and it wanted to analyze AT&T's competitors' claims and counterpunch with precision. So Bill McDonough, an executive vice president at FCB, brought in Penn and Schoen for a campaign that was, in retrospect, a model for their political work to come.

For the presentation to AT&T, Penn and McDonough charted parallels between marketing and politicking. The chart, which captures the philosophy of Penn, Schoen & Berland, listed analogous categories: party identification was to brand loyalty as political job performance was to customer satisfaction as candidate reputation was to brand image as campaign promises were to company promotions as swing voters were to vulnerable customers.

After the AT&T account was won by FCB, Penn and Schoen began using lifestyle and behavioral polling data to segment long-distance users. The existing advertising, they found, was aimed at longtime customers who were going to stick with AT&T, while the company was ignoring swing groups, like immigrants making international calls home. Influenced by Penn and Schoen's polling data and stuffed with niche-market details, the AT&T commercials sowed doubts about M.C.I. Or put another way, "swing" consumers were lured to AT&T by carefully directed offers.

Having learned his way around Madison Avenue, Penn cast his eye toward Pennsylvania Avenue and the mother of all political accounts,

the desperate Clinton campaign of early 1995. Morris had brought in Schoen, a friend of more than 20 years, and Schoen persuaded Clinton that he needed Penn's corporate skills. "Mark did a masterful thing," McDonough recalled. "All of a sudden, all the people in Washington wanted to understand how it was being done in the commercial marketplace. And Mark had this beautiful place where he could say, 'Here's how it's done.'"

**F**or months now, a dispute has preoccupied Hillary Clinton's campaign. Put crudely — as it often is — it centers on whether the campaign should primarily be about personality or issues. "Mark's attitude is the issues, the issues, the issues," one exasperated Clinton adviser said. Penn's view has been that Hillary needs to keep talking about things like the Westchester County Bee-Line and Suffolk County beach erosion. "People see a senator as a local representative, and what the senator is going to do for them on state and local issues is the most important factor in the race, and it correlates most closely with the vote," read an internal memo from Penn earlier this spring that accompanied his poll results. This is an analysis disputed by those in the campaign who insist that Hillary Clinton must address why it is that so many people can't stand her.

Penn has a reputation for reluctance in delivering bad news, and he was slow last year, some insiders say, to highlight Hillary Clinton's poor showing with women. Penn scorns focus groups, so the campaign brought in an outside pollster, Geoff Garin, who conducted several with women that showed they knew little about Clinton beyond Whitewater and the White House. That led to the biographical segment at the Democratic convention and the commercial touting her as "more than a first lady."

Penn has continued to push for an issues emphasis. One reason some close to Hillary have chafed at his power is that they think he has gotten lost in details and failed to generate a clear theme. A move is afoot within the campaign to hire another consultant to conduct more focus groups, mostly with white women in the suburbs and upstate.

For Penn, it is issues that define personality. "Classic product marketing," a close associate of Penn's said of this political strategy. "Get the benefits out. I use Electrolux vacuums because they suck up the dirt." Seeming attention to "the people's business" cemented Bill Clinton's job-approval ratings through his sex-and-lies scandal. A daily fix of issues pulled swing voters to him in 1996. Factual advertisements for good deals shored up AT&T. And issues, Penn told me, will carry the day against Rick Lazio, the Long Island representative who suddenly became the Republican Senate candidate three weeks ago. "They don't really know who he is," Penn said, referring to the voters. That sounded dangerously as if he were talking about personality, until he added that once voters "find out more about him on the issues" and understand Lazio's stands "on both the future issues and the past," they will turn away from him.

Some in the campaign see Lazio's pep-squad personality as too small and bland for New York. But personality is a double-edged sword for Hillary Clinton, and for now, issues — as Penn defines them — rule.

For AT&T, however, issues alone did not carry the day. It was the link between those issues and FCB's "values" positioning, "Your True Voice," that prevented skeptical consumers from dismissing the facts as twisted to fit a claim. So it should come as no surprise that one of Penn's critical insights in 1995, which resounds in Hillary Clinton's campaign today, was that the president needed to reach voters not just through his proposals but also through their values. It was by connecting the proposals to values that he made them "sticky," to use the fash-



ionable marketing term. "All of American industry in recent years has moved toward values as a selling point," Morris said. "Southwest Airlines doesn't run an airline — it gives people freedom. And he brought that perspective into the Clinton campaign."

Penn urged Bill Clinton to begin speaking in new, market-tested phrases. In Hillary Clinton's campaign, Penn has likewise proved himself, in one adviser's words, "a maniac when it comes to wording." Many of her phrases are lifted from her husband's speeches. "We still have to remember to use the New Democrat language, symbols and positioning," reads that memo from Penn this spring. "This has dropped out of our speeches, and we are seen as much more liberal than the president."

When I spoke with Penn, he switched ambidextrously between corporate and political matters as he described his emphasis on issues. With a healthy sense of proportion, he chuckled over his work defending Pizza Hut from Papa John's, which advertised that its sauce contained "vine-ripened tomatoes." (Penn responded by accusing Papa John's of using canned mushrooms.) A moment later, however, he switched back to the political realm and made a surprising comparison. "If you think about it in Washington, it's policy versus policy," he told me. "It's their patients' bill of rights versus ours." The Democrats' bill, he noted, included a stronger right to sue. "You know, that's the vine-ripened tomatoes," he said. "That's the good stuff."

Vine-ripened tomatoes in the patients' bill of rights? It sounded awful. Yet as Penn explained his theory, he described a mix of noble conviction and more pragmatic calculation. People — at least swing voters — are smart, and they demand information, Penn argued. The hair, the smile, the tie — none of that matters. What matters is policy, and what's more, the nuances of policy. But the corollary to that theorem was that voters acted in the political marketplace, as in the commercial one, purely on self-interest. "The nuances determine who benefits, who loses," Penn said.

"My point was, whether it's vine-ripened tomatoes or canned mushrooms, people are sensitive to these details," he continued. "When it comes to policy, which is much bigger than phone service, my proposition is that they pay more attention to it, not less." Some of his comrades on the Clinton campaign have come to wonder whether, to appeal to that attentive self-interest, Penn would take any position on any issue.

THE ANSWER IS THAT HE PROBABLY WOULDN'T. HE IS A TRUE BELIEVER in the New Democrat approach, to such an extent that it undermines the

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credibility of his political work among his fellow pollsters. The hazard of Penn's service-sector politics lies not in positions picked but in issues chosen to begin with. That is, it is a hazard of focus, of which customers politicians choose, through their pollsters, to listen to. As companies build market share point by point, Penn has worked to increase the Clintons' support with policies forged to tack on slivers of the electorate to the base vote. One Penn analysis of New York for Hillary Clinton informed her that "moderate upstate women are the most movable of voters right now." (It also declared that "carpetbagger is at manageable levels" and, in a classic bit of blue-sky-ism, reported that "there are now large numbers of voters just on the verge of voting for H.R.C.," whatever that means.)

The clearest demonstration of Penn's approach, and the mainspring of his work for the Clintons, can be found in a pinpoint analysis of the country that he conducted five years ago, at the beginning of Bill Clinton's reelection campaign. The same approach to thinking about the electorate, he told me, could serve just as well in any state, "particularly in a state as heterogeneous as New York."

Referred to as "psychographic" because it melds psychological with demographic data, Penn's "Neuro-Personality" poll was similar to a tool relied on by businesses. Called VALS ("values and lifestyles"), this tool uses questions about personal behavior and attitudes to divide the population into eight groups based on what motivates them. Because it enables companies to figure out which message will prompt particular groups to buy, the system has been used to push everything from vodka to smoking cessation to public radio to cereal. (That's just in one week.)

Penn created a VALS-style system for Clinton, linking political leanings to other traits. He asked voters 250 questions: Do you like to go bowling? Do you consider yourself shy? The survey produced some titillating results. Clinton voters watched MTV and "Oprah," while supporters of Bob Dole watched "Home Improvement." Swing voters listened to 50's music and watched "Seinfeld" and "Friends." People who acted on their intuition favored Clinton, while the "fact based" ones did not.

Sifting the data, Penn extracted eight population groups based on personality type, to which he assigned pseudo-psychological labels. Swing voters fell into three of the categories: "Sensing," "Thinking" and "Judging." The "Judging" group, for example, liked "a planned and organized approach to life" and favored both tighter gun control and stiffer sentences to deter crime.

These three groups shared a preference for details about policy. But there were differences in the policies they favored. Penn and Schoen divided this tripartite group in two, labeling the halves Swing 1 and Swing 2. To win, they calculated, Clinton needed 60 percent of the first and 30 percent of the second.

Swing 1 voters tended to be women, and they leaned Democratic. They were fiscally conservative but socially moderate. The V-chip was the perfect product for them. Swing 2 voters, more male, leaned toward the Republicans and favored services they thought of as punitive, like welfare reform. To reach them, "Clinton ran as almost a cultural conservative in southern Ohio, Kentucky, Tennessee," Schoen recalled.

The "Neuro" poll suggested that swing voters wanted to hear the facts, Penn noted. As a result, he said, "it supported much more the bite-size approach than an approach of having huge plans or over-the-top goals." The base voters did not require such service, since they were not going to lose their enthusiasm for Clinton; that's what Newt Gingrich was for.

This kind of niche marketing remains Penn's basic approach. There is no burning issue now to draw people together, he argues: "We have this Balkanization of issues right now, where there's no single dominant issue. So in a lot of ways you reach people in little slices." Politicians have to respond to "mini-trends," he said, developments that might affect four or five million people nationwide.

Whether that approach will work for Hillary Clinton or any candidate besides her husband is anybody's guess. While Penn is advising Hillary Clinton, Schoen is handling Jon Corzine's New Jersey campaign for Senate. They need to win these races, having expensively lost three campaigns of wealthy men in 1998. They have a penchant for novice gazillionaire candidates.

It has not helped the firm that Al Gore fired Penn late last year, in part because, as one aide to the vice president said, Gore wanted to "move beyond the small-bore issues." He also wanted to distance himself from Clinton, and some aides faulted Penn as failing to ring the alarm over Bill Bradley. Yet since defeating Bradley in the primaries, Gore has not seemed so sure-footed, and George W. Bush, after his swing to the right, has been sidling toward the center. One political vulnerability of Penn's approach, with its emphasis on efficient regulation, low costs and accountability, is that it left the door open for a Republican smart enough to say, "Hey, me, too!" But we may yet see some values-based, small-bore initiatives from Gore. Penn is still polling for the D.N.C., where the national chairman, Joe Andrew, compares him to de Tocqueville. Through the D.N.C., Penn's work is available again to Gore as the party's certain nominee.

Whether or not the firm loses its grip on the Democratic Party, the corporate ethos it has helped foster in politics will endure. Too many other consultants have caught the bug. Like others, Karl Struble, a Democratic media consultant, thinks of his candidates as brands, and as any marketer will tell you, a brand cannot afford complexity. "If you want to be popular," Struble told me, "you're better off doing fewer things, and only one would be best."

Penn's service-sector politics has undeniable utility. Politicians are supposed to be public servants, after all, and his approach emphasizes responsiveness and accountability and policy over wardrobe. It calls for an activist government on the alert for public palliatives for private needs, at least the needs of swing voters. It was well conceived for prosperity and for a president with an eye for constituent service, but without great moral authority to urge sacrifice.

But it might be time for a Clinton to redefine Clintonism, again. Perhaps Hillary Clinton needs to do less listening and more telling — about what she believes, not about what she believes New Yorkers believe she should believe, according to the polling of Mark Penn. ■