



# Memo

September 18, 2018

**To:** iHeartMedia; KFI AM 640; KNBC

**CC:** Interested Parties

**From:** John Thomas – Thomas Partners Strategies; Scott Tranter - Optimus

**Subject: Calif. Statewide Survey - Week 2**

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**Tight Race for Lt. Gov. and Insurance Commissioner with 7 Weeks to go. Californians do not trust Tech companies and Nike scores a win with key demo groups.**

As we enter the second week of conducting our California tracking survey, we find a slight shift towards Republicans in most questions surveyed, though the races are generally stable.

## **Governor's Race**

We found a small shift towards John Cox this week in the gubernatorial ballot test, leaving the race tighter than expected. Newsom receives support from 45.2% of the sample this week, compared to 41.1% for Cox.

*Editorial from Strategist John Thomas: Last week Cox's numbers were tethered nearly identically to President Trump's statewide approval. The positive shift in Cox's favor this week shows him starting to break through that barrier as the race gets tighter but this uptick will have to move faster for Cox to dent Newsom's 45.2% lead. It is likely that Cox's growth is attributable to his radio paid advertising campaign. Our survey reveals that Cox has pulled substantially ahead with No Party Preference voters since last week.*

*This week Cox is ahead with No Party Preference Voters:*

*Cox: 42.5%*

*Newsom: 35.9%*

*Last week Newsom was ahead with this same NPP bloc:*

*Cox: 35.2%*

*Newsom: 48.3%*



## **Lt. Gov. Race**

The large percentage of undecided respondents in this race does not decrease this week, leaving this race up for grabs. Ed Hernandez begins with a small lead (18.0% to 15.3% over Eleni Kounalakis, with 66.6% undecided), but we'd expect the race to take more shape as we get closer to November.

*Editorial from Strategist John Thomas: California's wide-open Lt. Gov. race will begin to move if one candidate dramatically spends on paid media in this low information contest.*

## **Insurance Commissioner Race**

NPA candidate Steve Poizner maintains his small lead over Ricardo Lara (D) this week, receiving support from 33.5% of respondents compared to 26.7% for Lara and another 39.8% undecided. This is another race we'd expect to see movement in as more eyes start to get on the candidates.

*Editorial from Strategist John Thomas: There's still a large undecided percentage this week as voters continue to be starved for information in the low-profile Insurance Commissioner race. Although Poizner starts out with a ballot advantage, he needs to start spending in order to break away from Lara and make a meaningful difference in this race. On the flip side, if Poizner doesn't spend we could start to see the no-party preference candidate lose steam as left leaning partisans break toward his opponent.*

## **Prop 6 - Gas Tax Repeal**

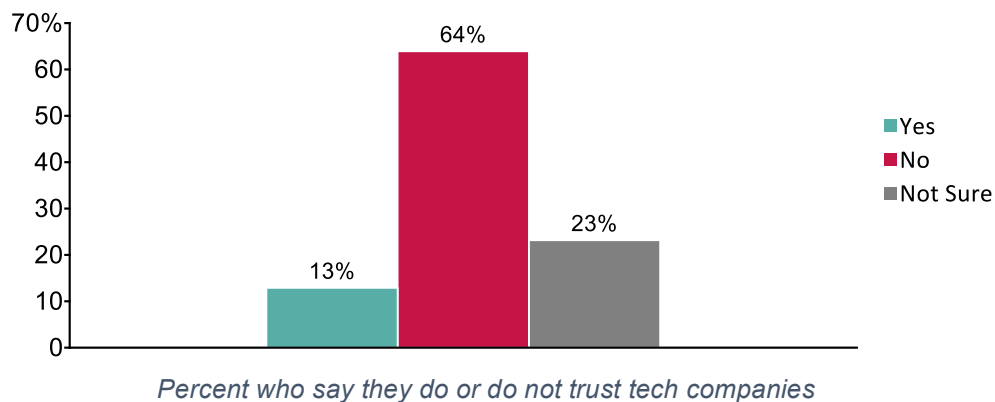
As with last week, repeal has a solid lead at 43.6% "Yes" to 26.6% "No". A plurality of Democrats intend to vote against repeal, with 27.1% indicating they would vote "Yes" to 40.4% who would vote "No", but Independents split towards "Yes" 42.2%-15.3% and Republicans are very much in favor of repeal, 68.9%-12.3%.

*Editorial from Strategist John Thomas: These steady numbers favoring the tax repeal should provide a significant warning side to the NO side that without dramatic advertising spend levels to reframe the measure away from a tax repeal and toward an infrastructure protection conversation the measure is at great parallel of prevailing.*

## Trust in Tech Companies

An overwhelming majority of Californians say they do not trust tech companies like Google and Facebook to keep their data and private information safe. Overall, only 12.9% say they do trust the companies, 64.0% say they do not, and 23.1% are undecided. This sentiment cuts across age groups, with majorities of 18-34 year olds (59.5%), 35-54 year olds (75.1%), and 55 and over (60.3%) all saying they do not have trust in them.

**Figure 1: Tech Companies and Private Data**



*Editorial from Strategist John Thomas: Tech companies like Google and Facebook should be panicking based upon our numbers this week. Public opinion does not trust tech. Tech giants like Facebook need to immediately invest in reshaping public opinion to increase their trust numbers or this could spell their eventual demise both in regulation and consumers looking for alternatives to their existing platforms. These companies' troubles are deep across demographics and they should be sounding the Defcon1 alarms at their headquarters. Forget the latest version updates, they should be focusing on how they can rebuild their relationship with consumers.*

## Trump Impeachment

We find the inverse of our results from last week on Trump impeachment this week, with support for impeachment at 40.2% and opposition at 45.1%. Last week, we had found 45.9% support compared to 40.5% opposing impeachment.

*Editorial from Strategist John Thomas: The swing from support to oppose could indicate that the centerists in the impeachment debate are swayed easily by the dizzying Trump news cycle and potentially other political influencers such as the dilemma created by the Kavanaugh accusations. We will closely watch this weekly number as a critical indicator of the GOP's odds of retaining power as we head into the midterms.*

## Nike and Kaepernick

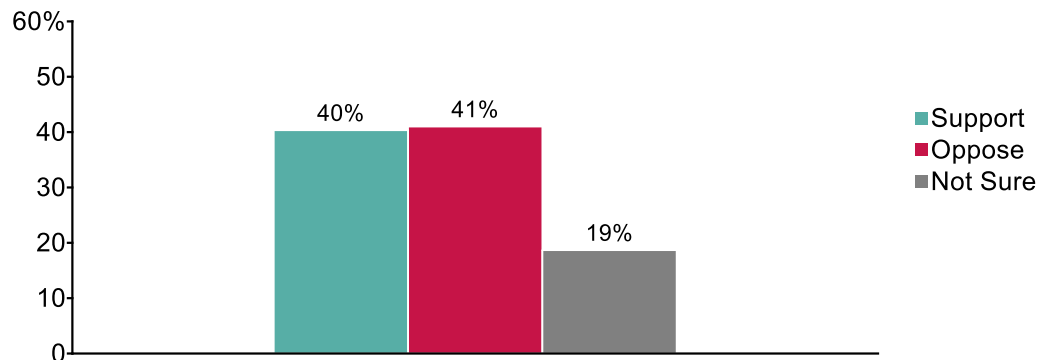
Californians are evenly divided on Nike’s move last week to have Colin Kaepernick as a sponsored athlete and endorse his message of protesting police brutality during the national anthem. 40.3% say they support the move, while 41.0% say they do not. 18.7% are not sure how they feel about it. The age group most likely to support it was 35-54 year-olds, with 50.5% saying they support the move compared to 30.2% against it.

*Editorial from Strategist John Thomas: Nike’s controversial Kaepernick Ad campaign has split public opinion down the middle. The brand’s strategy risked turning-off countless more consumers who found Kaepernick’s national anthem protests disrespectful. Instead with the support and opposition virtually at parity it’s likely the Ad has driven Nike to the top of mind while escaping a major consumer backlash. The Ad has scored points with certain demographic groups more than others: Millennials and minorities.*

*Question: Do you support or oppose Nike’s recent move to publicly endorse Colin Kaepernick’s protests against police brutality during the national anthem and to feature him as one of their sponsored athletes?*

Responses	Asian	Black	Hispanic	White
Unsure	46.383%	26.500%	24.943%	18.346%
Support	36.530%	61.532%	35.131%	39.026%
Oppose	17.088%	11.969%	39.926%	42.627%

**Figure 2: Opinions on Nike’s Handling of Colin Kaepernick**



Percent who say they do or do not support Nike’s move



**Methodology Statement:** Between 9/14-9/16, we surveyed 1,040 modeled likely midterm voters in California via IVR, landline only. Likely voters were defined as registered voters having voted in the 2010 and 2014 midterm general elections, or in the 2016 primaries, plus the 15% additional most likely to turnout in the 2018 general based on in-house turnout score modeling. Margin of error varies by question and segment but is generally +/- 3.5% for topline results. Sample was weighted by age, gender, party, and DMA. Results were then re-balanced after processing results based on these same cohorts to account for differential response rates.

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