



## How much does PR drive Share Price?

### The Challenge

Our client had suspected a link between PR activity and share price but was unable to prove or quantify this.

Proving, profiling and quantifying that link could potentially deliver significant benefits to the business.

### The Approach

Precise had already been undertaking PR analysis for the client. That meant a customised framework existed, together with a detailed history of results. This phase one (1) work was already designed to feed into advanced analysis, making preparation easy. However, a significant innovation step was firstly required.

Technically, industry-wide effects were identified after careful selection of likely industry indicators. Advanced statistics were then applied to build regression models. These were tested for accuracy and refined several times to maximise their explanatory power. The analysis then separated share price value drivers into the groups of company controllable and environmental.

### The Outcomes

The key outcomes of this work were to:

- Uncover the controllable and uncontrollable factors driving share price;

- Quantify the strength of each factor;
- Identify which events favour greater influence on share price;
- Suggest more effective resource allocation with true-ROI metrics;
- Deliver Boardroom-ready results with known certainty.

### The Benefits

This advanced analysis delivered several benefits to the client's business:

- Prove the role of PR in concrete business outcomes;
- Identify specific events and messages that influence greater predictive power over share price;
- Suggest compelling evidence of where to focus resources for the best return;
- Facilitate very powerful strategic planning.

### The Result

Precise were able to prove with a known certainty that for the client organisation:

PR represented one-quarter (¼)\* of the controllable factors driving share price movement.

This proves the significant effect of communications on a key business outcome.





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### Going Further

Extending analysis to the competitor enables mapping of a competitor's communications landscape – uncovering the drivers of their share price. Such knowledge brings a new dimension to strategic planning. That planning holds the potential to create significant new value.

The Precise approach can equally be applied to interim business outcomes like brand equity or market share.

Understanding how communications drives these important indicators of business health unlocks new potential; potential that can deliver more value from the same effort or budget.

### About Precise

Established in 2001, Precise specializes in premium quality communications analysis services for Blue Chip clients. We apply best-practice techniques to profile opportunities and quantify results in concrete business outcomes.

(\*) These results may vary as are specific to the context of each organisation.

