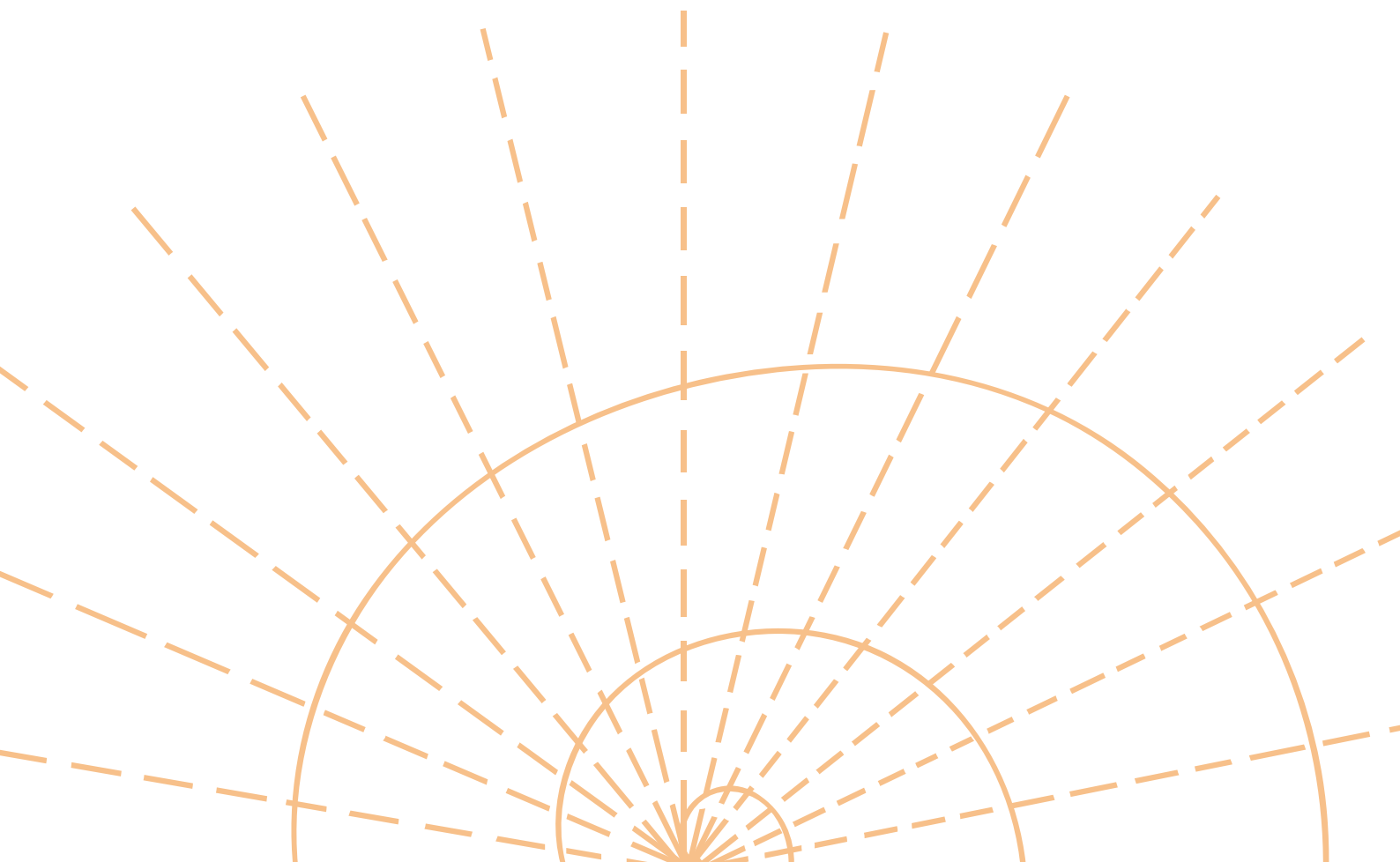


The Influence Formula

● Contents

- I.** Introduction to The Influence Formula
- II.** Our research methodology
- III.** 12 elements of influence
- IV.** Creating the formula
- V.** Putting the formula to the test
- VI.** What our experts think
- VII.** Vitreous World



● Introduction



Phil Hall
Chairman, The PHA Group

In today's hyperconnected world, opportunities for businesses and brands to communicate with their target audiences are abundant. But generating cut-through is more challenging than ever. How can communicators make sure their messages make an impression?

At The PHA Group we have invested in a unique piece of research to help us discover what makes a brand or business truly influential. Working with our network of experts from across multiple sectors, as well as PRCA-accredited researchers and thousands of consumers, we have examined how to create communications that will have an impact on influence.

The Influence Formula enables brands and businesses to set strategic communications goals and, crucially, allows us to measure a campaign's effectiveness. By putting research-based insights behind our creative strategies, we can be confident our campaigns will deliver.



● Our research methodology

We set out to discover what makes a business or brand influential in the UK today – we wanted to know how a company could increase its influence within the UK market, and how communications could potentially help build influence.



Qualitative research

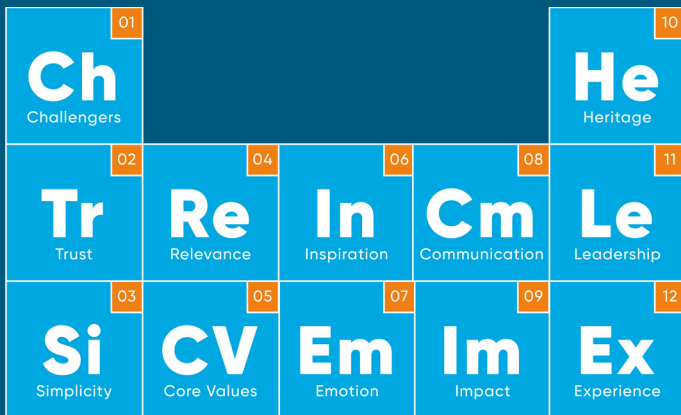
We worked with the Public Relations and Communications Association (PRCA) accredited research agency Vitreous World to conduct interviews with B2C and B2B experts in a focus group setting. We asked them how they thought businesses and brands became influential, how they stayed influential today, and what would be important in the future. From our research we were able to determine 12 key elements of influence.

Quantitative research

We conducted a questionnaire polling 2,000 UK consumers and business decision makers to determine:

1. How important each of the 12 elements were when it came to creating influence
2. How prevalent each of the 12 elements were in brands and businesses in the UK today

12 elements of influence



Through our research, we determined 12 key drivers that enable UK businesses and brands to influence audiences.

The objective of the qualitative research was to identify a small number of hypotheses to be tested and measured at a later stage in the research process to provide an influence metric.

Through both the qualitative and quantitative research we were able to test and refine our theories of what

elements are needed to create influence. It was understood from the two focus group sessions that there was a great deal of overlap across the B2C and B2B environments when it came to creating influence. The only noticeable nuances were that 'leadership' and 'heritage' were more relevant to influence at a B2B level.

Although all of the 12 elements identified were considered important in the quantitative study (rated 6 or above by consumers and business decision makers), three elements did come out on top.

Trust

Quantitative score: 8.3/10

Qualitative analysis: This was arguably the key, most mentioned element throughout both discussions. This manifested itself in many ways during the group with debates encompassing reputation, transparency, accountability and oversharing.

Relevance

Quantitative score: 7.8/10

Qualitative analysis: Within the group discussions it was understood that there was an element of timeliness to businesses being influential and that related to the relevance of a product or brand at any given time. There must be a level of resonance amongst consumers/businesses in order for them to be influenced by it. If you cannot relate you are unlikely to take onboard a product or set of principles.

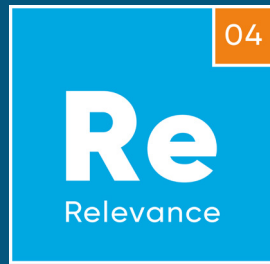
Communication

Quantitative score: 7.8/10

Qualitative analysis: Originally referred to as 'connectivity', the groups made it clear that without the ability to reach their audience a business cannot be influential. We can see this as the 'necessary platform' for influence.



Being reliable, authentic and ethical



Remaining meaningful to audiences



Reaching an audience / delivering the intended message



Long standing success



Demonstrating strong, effective leadership



Having defined principles



Creating a noticeable effect



Having a simple offering – easily understood



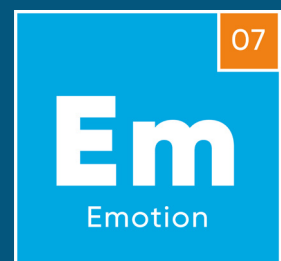
Stimulating thoughts or action



Being innovative or ground breaking



Being iconic



Creating an emotional connection

Creating the formula

Working with a leading statistician we were able to bring our research together to create our formula for influence.

The Influence Formula determines a score for any business or brand – worked out by looking at the importance of each element of influence, and multiplying that by the brand’s strength in that area. This is weighted against each element’s national prevalence benchmark formed from the quantitative research stage.

A = element

X = benchmark
and brand
strength

Allowing us to build the equation out to the following:

$$\text{Influence} = (A_1) (X_{11} X_{12}) + (A_2) (X_{21} X_{22}) + (A_3) (X_{31} X_{32}) + (A_4) (X_{41} X_{42}) + (A_5) (X_{51} X_{52}) + (A_6) (X_{61} X_{62}) + (A_7) (X_{71} X_{72}) + (A_8) (X_{81} X_{82}) + (A_9) (X_{91} X_{92}) + (A_{10}) (X_{101} X_{102}) + (A_{11}) (X_{111} X_{112}) + (A_{12}) (X_{121} X_{122})$$

Influence score = Element benchmark x brand strength

How important is each element in creating influence?

How well does a business or brand use each element?

How the formula can be used:

1. To establish whether UK businesses or brands are focusing their efforts in the right areas to ensure they are maximising their influence. By understanding which elements are the most important to UK businesses or brands we can begin to unravel where the greatest leaps in influence can be made.
2. To benchmark the level of influence across UK businesses, brands and sectors. This enables us to understand if a brand or industry is underperforming or overperforming against its competitors.
3. To track national, industry or brand level trends. By conducting the survey at different times of the year or after major events, we can understand how the importance of certain elements are changing and advise business and brands on how they can adjust their strategy.



● Putting the formula to the test

How can the results be used to help shape a communications campaign?

By looking at every single element score that builds up the overall picture of a brand's level of influence, we can identify how it is performing, evaluating which elements the organisation is struggling with currently. This enables us to advise on focus areas for a measurable communications strategy. For example, if 'Leadership' is perceived as lacking, could a thought leadership campaign help? If 'Simplicity' or 'Core Values' are scoring low, we might recommend a brand values workshop.

Importantly, the research can be tailored to key audience groups and demographics. The individual 'pulse' of a brand is tailored every time - for example to a certain age group or geographical location. From our national research we do know that some elements performed differently with each age group for example - with millennials placing far less emphasis on trust than other age groups.

Crucially, by finding a score at the start of the campaign, we set off in the best possible place to achieve measurable results to evaluate our success. Putting data behind the craft means we can be confident in our impact.

● Case study

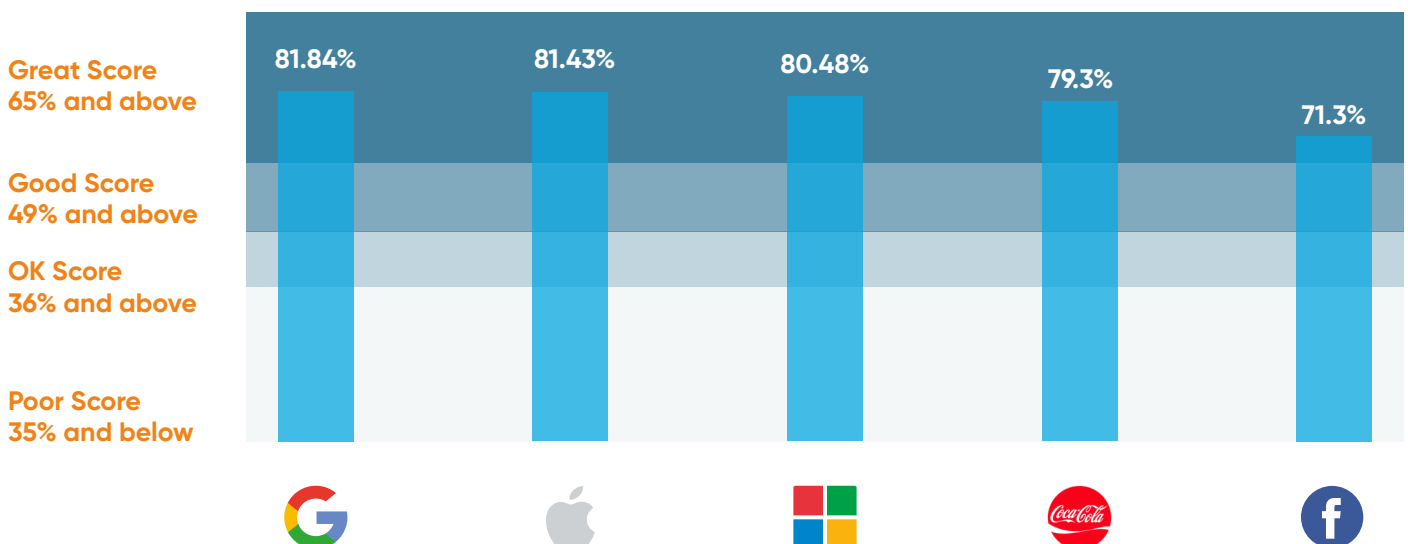
During our quantitative stage we pulsed Forbes' Top 5 Global Brands of 2017 through our formula, to see how they scored. The results enabled us to identify the areas each brand could look to work on. **The below graph shows the overall influence score for each brand.** As well as this, the formula gives us a detailed breakdown of each element. When running our clients through the formula we can produce a full report, which clearly sets out which elements can be improved upon with a communications strategy.

Facebook was deemed the least likely to be a 'challenger' and the most untrustworthy, ultimately lowering its influence score even before recent events.

Google was crowned the business most likely to be considered 'relevant'.

Apple and Coca-Cola were scored highly in instilling emotion.

Influence Formula Score



What our experts think

Neil McLeod

Head of Strategic Communications

Trust

Whether your business sells ideas or IT, apps or apples, building trust with your audience is essential in order to stay supported by them. As we continue to live in a world plagued by fake news, consumers will proactively seek out communications they can trust when making purchasing decisions.

Building trust through communications is crucial to your continued success, in fact a breakdown in communications can build a distrust impossible to recover from. You only need to look at recent events in the charity sector to see how one bad story can tear down years of positive relationship building that went before it.

But how can a communications campaign help to build trust? Having an authentic voice is key. Put the effort into thinking about what it is you stand for - how you communicate that consistently will keep you on the right track. Trust also comes from being truthful. Whether you are faced with a crisis situation or producing proactive communications, do your homework before you put out any comms. Check and re-check the facts, can you confidently say that what you are putting out there is true?

Trust is a fine balance, to ask consumers to believe in you takes a leap of faith. Good communicators will help businesses and brands to establish and build trust over time. It's not a quick process but it is one that pays off. Trust me on that one.



Stuart Skinner

Divisional Managing Director, Enterprise

Communication

Effective communication is vital to the success of any brand or business.

The best communicators are those who can actively listen - which is why this piece of research will be so important for us and for our clients. In a time when business decision makers are constantly bombarded by messages across every channel, only the most perceptive pitch will resonate.

Part of being a responsible business is sharing effective communications, and knowing your audience is imperative. Keeping open ears and staying agile and adaptable is essential. As new communications trends and channels emerge, can you be sure that you are using them all to their best effect? A clear and strategic insights-driven approach is key.





Shelley Frosdick

Divisional Managing Director, Consumer PR

Relevance

Our research has shown that a key driver in creating influence is relevance, which simply put, means that it is important for brands and businesses to have a proposition that is meaningful to their target audience.

Relevance is key because without this element it often doesn't matter how innovative or ground-breaking the proposition is, if the target audience doesn't believe that it is relevant to them they are unlikely to engage. Relevance is not just something that is important during a launch phase either, remaining relevant is an ongoing challenge that most brands and businesses face as they grow and develop.

Any good communications strategy should incorporate this insight and ensure that the audience it is targeting understands why that particular offering is relevant to them, otherwise it will be unlikely to create any real impact.



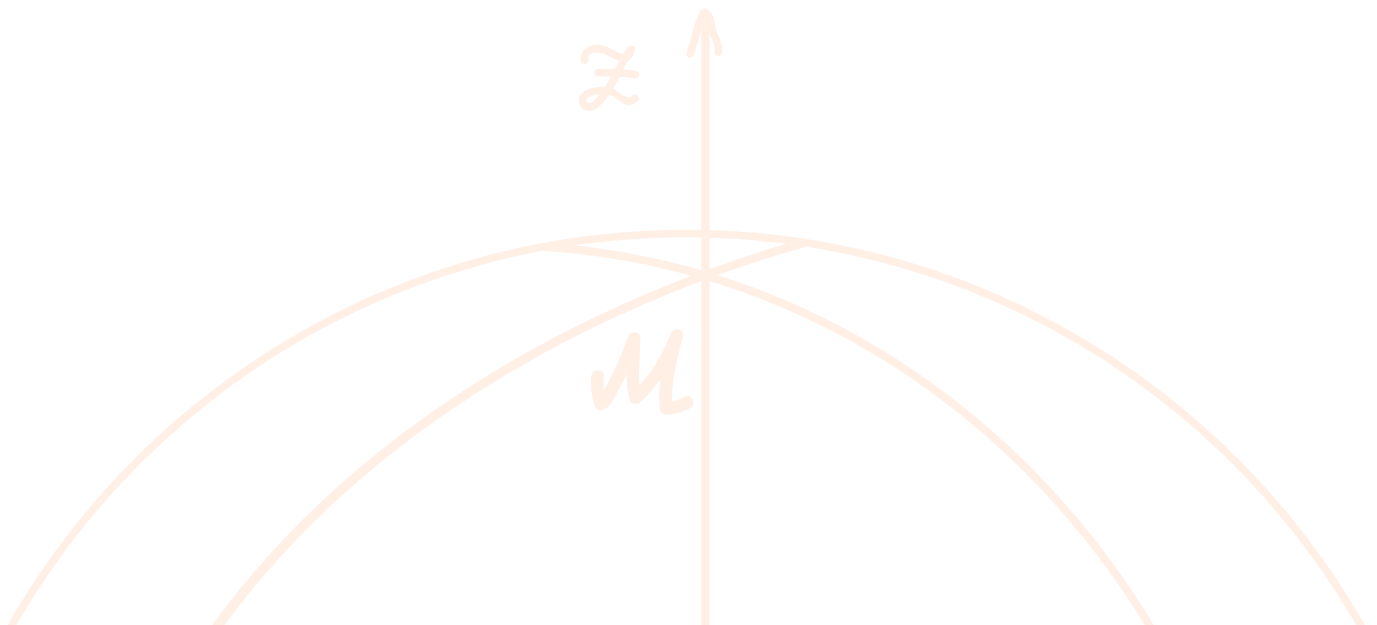
Robert Agnew

Director, Vitreous World

"We were delighted to partner with The PHA Group to research and build the first influence formula.

The research investigated the parameters of influence through quantitative and qualitative research to determine the current levels of influence across UK for businesses and brands.

The end result provided us with a mathematical formula, providing us with the ability to goal set for businesses and brands looking to improve their influence and benchmark themselves against competitors."





THE PHA
GROUP

Find out more about The Influence Formula or how The PHA Group can help you and your business today.

Contact us
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