

# ROAD TO NO.10

WHAT THE GENERAL ELECTION MEANS  
FOR BUSINESS, MEDIA AND THE MARKETS



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# INTRODUCTION



BY IMOGEN SHAW

**As the general election campaign gets underway, SEC Newgate UK experts have put together our analysis of what this contest means for business, media and the markets.**

Head of Financial Communications **Lizzie Cowell** analyses the market reaction to the general election announcement and explains why the best thing that governments can do for the markets is to be boring.

Media Strategy and Content Director and award-winning former business journalist **Simon Neville** sets out why, despite dwindling readership, the print media still has a significant role to play in political parties' media strategies.

Director, Communications and experienced broadcaster **Naomi Kerbel** talks business leaders through how they can deliver successful leadership communications during a general election.

Research Director **Leyla Hart-Svensson** gives her insights into the world of polling, explaining why the different pollsters can come out with significantly different predictions on the outcome of the election.

Head of Digital **Tom Flynn**, who has run digital election campaigns in both the UK and abroad, sets out why digital campaigning has taken its place as a central plank of the general election campaign 'air war'.

At SEC Newgate, our experienced team of public affairs professionals devise strategies based on our expert knowledge that deliver meaningful impact for our clients through policy and regulatory change.

We specialise in providing business with the understanding it needs to navigate a fast-changing political environment; shaping the policy landscape to deliver results and ensure your voice is heard, and give insight into the legislative and regulatory affairs agenda and its impact on business interests.



# GREEN SHOOTS COULD FOLLOW NEW POLITICAL DAWN



BY LIZZIE COWELL

**It is the truth universally acknowledged... that the markets love certainty. So, it would be fair to assume that the UK markets were hit by yet another sledgehammer when Rishi Sunak announced the snap summer election.**

And for those with very short-term horizons, there may be some truth in that if you consider that recent analysis from Royal Bank of Canada (RBC) shows that historically the FTSE 250 and the FTSE 100 have performed poorly in the month leading up to the election. So, with this in mind we should expect a slight softening of the FTSE as we move closer to polling day.

But have no fear. In fact, there is a lot to feel optimistic about. Not only does RBC's research go on to show that the markets have historically snapped back during the week following the election whatever the outcome, but A.J. Bell's analysis of all sixteen general elections since the inception of the FTSE All-Share in 1962 shows that the market generally welcomes a change in government, with markets performing more strongly on average in these scenarios than when the incumbent stays in.

And with Labour streaking ahead at the polls, it could be argued that a new leadership could create the perfect springboard for the markets to gain more momentum in H2 2024.

Because in fact, the main catalyst for better markets is much more likely to be cuts to interest rates than the UK general election.

This is particularly true given that neither major party appears to have any big surprises up its sleeve. Unsurprisingly, both parties share a desire to see inflation slowing and interest rates starting to come down and that most importantly, they both know that if they are going to achieve this, they will have to limit spending and assume a sustainable approach to taxation. The economic risks around a Labour win are much lower than they were five years ago with Jeremy Corbyn at the helm. Rachel Reeves and the Shadow Cabinet have spent years schmoozing business leaders, with the aim of positioning themselves as "the natural party of British business".

At the risk of sounding glib, the upcoming UK election should itself be something of a non-event, especially as the markets have already priced in an expected Labour win, while post-election the net impact is likely to be positive. And this is exactly as it should be - the best thing that governments can do for the markets is to be boring, prompting a shrug of the shoulders. Unfortunately, not all recent governments have heeded that advice.

So, with some grass shoots already appearing in the UK IPO market, with Raspberry Pi and Shein on the cards, by the time the first interest rate cut is announced (currently touted for September) the general election will be done and dusted and the markets given a clear runway for a bit of momentum. That is until the US elections which will bring their own short term market volatility. But that's a challenge for another day...



# PRINT'S NOT DEAD YET



BY SIMON NEVILLE

**Political parties will have been preparing media strategies for the general election for several months - if not years - and each step is being carefully stage managed.**

After the early missteps of Rishi Sunak's decision to call the election sans umbrella, the steady stream of policy topics and media engagement is moving along without too much concern for all sides.

It is clear in this election that the role of the newspapers is becoming ever-more diminished due to dwindling readership numbers, with the main thrust of engagement being fought on social media instead.

**But don't count out the role the newspapers can play, because both Labour and the Conservatives are still using the print media as the first port of call for new policy announcements.**

The National Service plan was first revealed in print, as was Kemi Badenoch's policy on changes to the Equality Act.

These strategies allow the political parties to keep newspaper editors sweet and feeling relevant, with the hope of decent relations on both sides after the results are in.

Once announced in a newspaper, each party can then tour the broadcast studios and hit the campaign trail repeating the lines already in print that morning - amplifying the message via social media.

But one question for businesses watching this all unfold is - "how can I insert myself into the political discourse?"

There are several options to secure coverage during this time. However, it is important

to avoid some of the pitfalls that will leave businesses putting in the work and getting no results.

Think of the election a bit like an elongated Budget Day. Lots of policies are due to be announced - especially when the manifestos are published - and the media will be looking for angles and reaction.

But don't fall into the trap of thinking a "we welcome this new policy" statement will cut it. Everyone else will be doing the same.

Businesses need to remember that they must use their knowledge and expertise to explain and enhance the understanding of the media and public.

Like on Budget Day, companies should be combing through the small print to identify any unintended consequences a proposed policy could have. Cost implications, facts and data will also be useful.

However, even with all the stars aligning, it can be difficult to get that cut-through, with the media typically turning to major think tanks like the Institute for Fiscal Studies or the Resolution Foundation in the first instance.

Also remember that broadcasters are under stricter Ofcom regulations during the election period and any comments on individual policies of just one party could mean stories don't make it because of the extra time required to seek the views of all political sides.

If a company can get interest from the media, speed will also be important. Producing a comment or viewpoint for the media a week after the manifestos or a new policy has been announced is far too late because the news cycle has moved on - especially with such a short election campaign period. Reacting within hours give businesses a far better chance.

Alternatively, firms should remember that, whilst the election may appear to be the only news in town, there are still reams of pages and stories to be filled from eager city and economic journalists. Moreover, these opportunities could carry less risk than engaging with policy directly during the election. Politicians have long memories and any perceived criticism now, may be remembered into the future.

The key macro topics remain popular for the media - cost of living, inflation, interest rates - and trying to find angles in those spaces remain a firm's best route to securing coverage.

Senior leaders should try and position themselves as spokespeople for their entire sector, rather than a siloed individual only willing to talk about their individual company - Naomi Kerbel goes into more detail on page 10 - and remember, once the election is over, there will be an entire summer of story opportunities. So, if companies can hold off that killer press release until then, the results could be more rewarding.



# LEADING THROUGH THE GENERAL ELECTION



BY NAOMI KERBEL

**Death and taxes.** The only certainties in life, so said Benjamin Franklin, the anglophile founding father of the United States who lived just a short walk from the Houses of Parliament for 20 years.

But for businesses this year we could add to those a few more: a potential new government, a new fiscal landscape and regulatory changes.

To be ready, business leaders need to be nimble. Here are five ideas leaders could consider to put their organisations in the best possible position:

- 1. Keep on top of policy change:** Enough has been shared by all parties to have a good sense of what policy changes might impact individual sectors so continuing to monitor the platforms and promises of potential incoming administrations is key.
- 2. Keep talking to key players:** Be proactive with policymakers and industry associations and find ways to build relationships with new government officials so you can represent your interests and align with new regulations.
- 3. Keep open to adapting the business:** Review and adjust your strategy to align with any anticipated changes. This might involve revising financial plans in response to tax reforms or enhancing EDI strategies to align with potential regulatory requirements.

**4. Keep purpose in the PnL:** Despite the ESG backlash (in the US in particular), climate is still a vital part of the policy agenda. Companies should strengthen their environmental, social, and governance practices. It will not only ensure compliance with possible new regulations but also enhance brand reputation and customer loyalty.

**5. Keep communicating with your stakeholders:** It's vital that as you adapt your business to governmental changes you communicate how you're adapting with your stakeholders. This builds trust and ensures that colleagues, investors, and customers remain confident in your direction.

Manifesto pledges will be made (and some inevitably broken) but remaining flexible and prepared will enable leaders to navigate the choppy waters that will come with this governmental transition, positioning their organisations for continued success and growth.

Many employees will be worrying about what upcoming change means for their own personal finances. So being clear, consistent, empathetic and nimble is critical. When all is said and done, we can return to another famous politician, Sir Winston Churchill who said:

“**TO IMPROVE IS TO CHANGE; TO BE PERFECT IS TO CHANGE OFTEN.**”

# IS THIS THE ELECTION THE POLLS WOULD HAVE YOU BELIEVE?



BY LEYLA HART-SVENSSON

The current election polling is setting the stage for a potentially historic Labour win, with headlines such as “Labour on track to beat 1997 landslide” and “Starmer heading to Downing Street with the biggest majority for 100 years”, feeding the media frenzy.

However - and this might sound strange coming from a researcher - I cannot help but approach these polling headlines with extreme caution.

To be clear, this is not because I doubt the quantitative research skills of the pollsters themselves (researchers tend to be a collegiate bunch, respectful of the thousands of hours we tend to spend glued to statistical software looking for data trends...), but because of the flaws in **how polls are conducted, compared, and - most importantly - how they are interpreted by the media.**

For me, alarm bells start ringing when two reported polls look so incredibly different. Take the June 4 Savanta poll for the Telegraph, which has Labour on a much lower lead of 14 points vs. Deltapoll (from the previous day, 3 June) with a 23-point lead over the Conservatives. What is at the bottom of this significant difference?

Polling methodology can be thought of as being divided into two areas. The first is the **sample** - the way pollsters try to get respondents who are representative of the public, be that through their sampling itself or the weights they apply afterwards. The second is the **adjustments they make to turn that sample into a measure of how people would actually vote**, how they adjust

their data for likely turnout and past voting behaviour. In practice, there are two broad pollster camps, as summarised by Focaldata:

- **The ‘Nowcasters’:** polls which make no adjustment to their data for ‘don’t knows’ and report how people would vote if a general election were today.
- **The ‘Forecasters’:** polls which adjust their data to that take into account sentiment towards parties (forcing a choice of party from the ‘don’t knows’) and/or previous voting behaviour to give a prediction on what a potential election result might be.

This methodological variance contributes to the confusing differences in the polls which are reported in the media - and leads sometimes to the polls not reflecting reality, as was experienced in the 2015 and 2017 elections.

Further through the looking glass, in the research world we are always concerned about **panel quality** (are the people being polled real i.e. not bots? Are they filling out a survey truthfully/correctly?) and **base size** (is the amount of people you have gone out to enough to say you have a truly representative view of a population?). These issues loom even larger when you are trying to predict the results of a general election where ca. 47 million people are eligible to vote.

Then there are also the mega polls which have been carried out to run **multilevel regression with poststratification (MRP) models**. These go further than standard polling and yield predictions at a constituency level. Apart from having very different base sizes (the recent Electoral Calculus MRP polled 10,390 respondents while the YouGov MRP polled 58,875 respondents), these MRPs layer on a level of proprietary analytical modelling to get their results. While these MRPs are deemed to be incredibly exciting and newsworthy as they provide such granular predictions, the level of subjectivity in their approach means they cannot genuinely be compared - it’s certainly not ‘apples with apples’.

Polls, like any nationally representative survey of a small group of people, are subject to a **margin of error** - and pollsters are transparent about this. But the trouble comes when the numbers are considered a done deal and shared widely by media outlets (especially if commissioned by one), and this can have a serious impact on voter behaviour and election results. If voters in this election, led by the polls, feel like a Labour win is a foregone conclusion, the risk is that some might not bother coming out to

vote. This could reduce the size of a potential majority and mandate for change or increase it, depending on which voters switch off at the thought of a “done deal”.

Adding to this, MRP predictions and tactical voting recommendations in specific seats are rife to confuse voters. MRP polls are used without context by political candidates to justify encouraging tactical voting in their constituencies. In the current round of MRPs this has led to confusing situations in which one MRP suggests Labour are ahead in a number of currently Conservative-held seats and another MRP (by factoring in tactical voting based on actual 2019 election results) shows those same seats as being won by the Liberal Democrats. In some circumstances, this tactical vote confusion ends up showing the Conservatives hanging on as the Lib/Lab tactical vote splits.

We cannot deny that the picture looks good for Labour with an average of 45% across the various polls, on track to exceed the 326 seats that are needed for a parliamentary majority - but thinking about our experience of past polls, perhaps we shouldn’t get too comfortable about the size of their potential majority just yet.



# DISPATCH FROM THE DIGITAL 'AIR WAR'



BY TOM FLYNN

**Election campaigns are traditionally fought in the media and on the doorstep, but digital campaigning has grown in importance over the past decade and is now a significant part of the 'air war' alongside print and broadcast. Paid social media campaigns are also very trackable, allowing us to use the data to draw conclusions about the parties' approaches, tone and preparedness.**

The snap election caught many unawares – but apparently not the Labour Party's digital team. Data from Who Targets Me? and our own analysis shows that Labour's spend on Meta (Facebook, Instagram) skyrocketed from the day the Prime Minister called the election and massively outpaced the Conservatives on digital until statutory spending limits kicked in on 31st May. Most of the parties were able to ramp up spending in the days following the Prime Minister's announcement, but Labour accelerated theirs on the day Sunak spoke to the nation.

**This speaks to the narrative of a Labour Party that has been desperately waiting for this election, well-resourced and heavily prepped, in contrast to a Conservative Party with internal difficulties, unable to adapt quickly and seemingly taken by surprise by their own leader's announcement.**

We can also learn something of how the parties' strategies are playing out. Labour, initially hesitant to put Keir Starmer front and centre, have grown in confidence as his stock has risen in the polls. The party is running multiple ads which include video of Starmer speaking using both their main page and his own Facebook account. Labour are also featuring dozens of real stories of voters switching to the party from their rivals, alongside videos featuring other members of their team such as Rachel Reeves and

Wes Streeting. The content is predominantly positive and upbeat, focusing on the party's "change" messaging and outlining its plan for government.

The Conservative strategy reflects the poor start that the party had to the campaign. Early ads featuring the Prime Minister and announcing bold policy have been replaced with attack ads targeting Labour, Reform and the Liberal Democrats. On Google, the party is relying heavily on its "clear plan vs no plan" attack line. Sunak's own Facebook page has not been used for paid advertising for the past couple of weeks.

Rumours that the Conservative party is struggling to fund its campaign appear credible if their digital campaign is a good indicator. Their digital advertising appears to be a small number of ads, mass targeted at target voters in battleground seats without much message testing or copy variation. Labour on the other hand is running hundreds of variations of ads across Meta, Google and YouTube with a hyperlocal focus – for example, pre-roll video of the local candidate targeted to voters in swing seats, and multiple versions of the same ads on Meta (this is a standard method for testing which copy and creative performs best, using the data to ensure the most effective ads get the most ad spend). And this is just the main pages for each party – ads are also being run at a local level on hundreds of regional and candidate pages

by both parties, but again Labour seems to have the edge here. Who Targets Me? Show Labour running ads so far during the "short campaign" from 308 pages to the Conservatives 170. And what of the other UK-wide parties? The Lib Dems are doing exactly what would be expected – a laser focus on target constituencies with content featuring Ed Davey enjoying himself. It works really well for them, so why not?

The Greens seem to be holding back their fire power for the end of the campaign, but have run a few ads targeted at key seats Waveney Valley and Brighton Pavilion.

Reform are doing surprisingly little on a national level, and appear to be leaving Meta spend to local candidates. As a result, most of their ad spend across Facebook and Instagram so far has been in support of Rupert Lowe, the businessman and former Brexit Party MEP. The party has had significant organic success on TikTok via its leader Nigel Farage and may be relying on its highly motivated supporter base sharing content for free, however this risks creating an echo chamber in which Reform's supporters share content to each other with little cut through to the outside world.

In short, the paid digital strategy reflects what we're seeing elsewhere during this campaign – a confident, positive Labour Party, an underdog Conservative Party and a local focus from those parties looking to pick off either of the main contenders in areas where their support is strongest.





**PUBLIC AFFAIRS  
CONSULTANCY  
OF THE YEAR**

PROVOKE MEDIA  
EMEA AWARDS 2024

**BEST PLACES  
TO WORK  
2023/2024**

  
THE SUNDAY TIMES

**COMMUNICATIONS  
AGENCY OF  
THE YEAR**

EDIE NET-ZERO  
AWARDS 2023

**GLOBAL AGENCY  
OF THE YEAR**

CORPORATE/PUBLIC AFFAIRS

PROVOKE MEDIA GLOBAL  
SABRE AWARDS 2023

**BEST CSR  
CONTENT**

CORPORATE CONTENT  
AWARDS 2022

**BEST HANDLING  
OF AN IPO**

PR WEEK CCPA  
AWARDS 2022

**PR AGENCY  
OF THE YEAR**

HEADLINEMONEY  
AWARDS 2024

SHORTLISTED

**CONSULTANCY  
CAMPAIGN OF  
THE YEAR**

PRCA PUBLIC AFFAIRS  
AWARDS 2024

SHORTLISTED

**COMMUNICATIONS  
AGENCY OF  
THE YEAR**

UK GREEN BUSINESS  
AWARDS 2024

SHORTLISTED

If you want to discuss the impact of the general election and the likelihood of a change in government with our public affairs experts, please get in touch with us via [election@secnewgate.co.uk](mailto:election@secnewgate.co.uk)

