

Growth of Public Relations Industry in India and its importance in Integrated Marketing Communication (IMC) process

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Abstract: *The public relations industry in India is on the cusp of a profound change. As it finds itself speeding past the Information Age and into the Conversation Age, its scope is expanding well beyond media relations. Its strategic value is finally being recognized and acknowledged by the corporate world in India. As businesses realize that one-way marketing communications have limited value and that engaging stakeholders through new tools like storytelling and thought leadership is the key now, PR is finally coming of age. Therefore, it is important to understand the industry's state of mind, what it considers to be the biggest hurdles to its evolution, the greatest opportunities and how it sees itself. It is important to give the industry a voice.*

Key words: *Public Relations, Customer Relationship Management (CRM), Integrated Marketing Communication (IMC), Stakeholder.*

1. INTRODUCTION:

The PR industry can play a significant role in internal communications. Today, every brand has large-scale focus on employee branding, employee retention, employee engagement and communications. Employees are critical stakeholders for brands. The PR industry must add this to their offerings to enhance their scope and services.

An organization's reputation, irrespective of its size or business, plays a crucial role in its success and survival. While a bad reputation could mar the growth prospects or worse, could kill the organization completely, despite all its positives, a favourable image could prove to be a company's biggest asset. Managing reputation and communicating the vision and key messages of the organization, to its maximum benefit, is what Public Relations (PR) is all about.

PR helps manage reputation by controlling the flow of information between an organization and its several stakeholders. It involves cultivation of favourable relations between organizations/products and its target group through the use of a variety of communications channels and tools. Traditionally, PR was restricted to news media, as the PR professionals worked towards building a favourable image by publicizing the organization or product through stories in print and broadcast media. However today, with the Internet and the immense possibilities it offers, the role of PR is much broader and goes much beyond the scope of traditional media.

1.1 What is Public Relations

Public Relations (PR) is the practice of managing the spread of information between an individual or an organization (such as a business, government agency, or a non-profit organization) and the public. Public relations may include an organization or individual gaining exposure to their audiences using topics of public interest and news items that do not require direct payment. This differentiates it from advertising as a form of marketing communications. The aim of public relations is to inform the public, prospective customers, investors, partners, employees and other stakeholders and ultimately persuade them to maintain a certain view about the organization, its leadership, products, or political decisions.

Public relations particularly during a conversation about marketing and/or social media, and participants are liable to have vastly different perspectives on the topic. Traditionally, public relations referred to the art of getting mentions of a person, company or other organization placed in the media, namely print, radio and television.

1.2 Growth of Public Relations Industry in India

The Public Relations Consultants Association of India (PRCAI) released a comprehensive report on the PR industry titled 'State of Indian Public Relations Industry: 2016'. According to the findings of the report, the industry more than doubled in size between FY'08 and FY'16 from Rs 490 crore to Rs 1120 crore. The report further states that the growth will substantially increase in the coming years and the industry will be worth Rs 2100 crore by FY'20, almost double its present size. Increased maturity in public relations has allowed the industry to become more integral to brand communications.

The survey also reports that the Information and Communication Technology (ICT) sector is the biggest clientele for PR firms in the country. The sector accounted for over 20 per cent of the revenue generated by PR firms, closely followed by financial services and the FMCG sector which accounted for 12 per cent and 9 per cent of the revenue respectively. The PR industry, which grew by 19 per cent this year as compared to 13 per cent last year, is on a strong growth trajectory and is expected to play a more strategic role in delivering brand messages. More brands are waking up to the potential that PR has to offer and are moving towards it to deliver a unified message to all stakeholders

2. REVIEW OF LITERATURE:

According to Rahmani et al. 2012, brand equity can be derived from consumer awareness from that brand and this awareness is change by some factors which is effective brand equity in the minds of the consumers. The term Brand equity can also be described as the set of particular assets and liabilities can be linked with a brand that can cause of adding or also can be a cause of decrease of its value to the customer and to the business of the organization.

PRCAI Trend Report (2013) for India showed, while the PR business is expected to be between 11 and 20 percent this year, profit margins are expected to remain flat. The PRCAI report, identified growth challenges for 2013 are creating new demand, managing client expectations, hiring new resources and managing costs.

PRCAI Report (2016) emphasized that report on the PR industry titled ‘State of Indian Public Relations Industry: 2016’. According to the findings of the report, the industry more than doubled in size between FY’08 and FY’16 from Rs 490 crore to Rs 1120 crore. The report further states that the growth will substantially increase in the coming years and the industry will be worth Rs 2100 crore by FY’20, almost double its present size. Increased maturity in public relations has allowed the industry to become more integral to brand communications.

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3. OBJECTIVE OF THE STUDY:

To study the evolution and growth of Public Relations Industry in India and its increasing importance in the overall Integrated Marketing Communication (IMC) process

4. RESEARCH METHODOLOGY:

4.1 Data collection

The data is collected with the help of primary method with the help of questionnaire method from NCR (area). A questionnaire was framed on liker scale bases, which contains six statement

Sample size- 100

Sampling technique – Judgemental sampling technique has been used for data collection

Statistical tool-

For analysis of data, mean S.D. and univariate analysis has been used for getting effective result.

1. Public Relations Industry has the unique skills to foster good Corporate Reputation by developing positive relationship with various public constituencies and is thus an effective Customer Relationship Management tool (CRM)

Table 1. Univariate Analysis

Source	Type III Sum of Squares	Df	Mean Square	F	Sig.
Model	5459.505 ^a	16	341.219	492.309	.000
Gender	14.428	1	14.428	20.817	.000
Residence	.010	1	.010	.014	.907
Occupation	3.089	2	1.544	2.228	.109
Age	6.860	6	1.143	1.650	.133
Education	.001	1	.001	.001	.975

Family Income	1.150	3	.383	.553	.646
Error	231.495	84	.693		
Total	5691.000	100			

R Squared = .959 (Adjusted R Squared = .957)

At 5% Level of Significance

Source: Primary data

Table 1. points to the affirmation of the hypothesis (H_{01}) by majority of respondents across categories there being no significant difference in respondent opinion (residence-wise, occupation-wise, education-wise and family income-wise) w.r.t agreement with the research statement "Public Relations Industry has the unique skills to foster good Corporate Reputation by developing positive relationship with various public constituencies and is thus an effective Customer Relationship Management tool." (CRM)

The value of adjusted R Squared is 95.7%, which represents that percentage of variation explained by all variables. Additionally, taking into account the mean value (3.93) and S.D (.885) along with little statistical difference among respondent opinion it could be concluded that the majority of respondents across categories validate the null hypothesis "There is no significant difference among respondent opinion (gender-wise, residence-wise, occupation-wise, age-wise, education-wise, income-wise, stakeholder-wise) regarding Public Relations Industry has the unique skills to foster good Corporate Reputation by developing positive relationship with various public constituencies and is thus an effective CRM tool."

2. Cornerstone of a good CRM being trust, Public Relations industry fosters trust and faith of various publics through open and honest communication and is thus indispensable for organization's CRM initiatives.

Table 2. Univariate Analysis

Source	Type III Sum of Squares	Df	Mean Square	F	Sig.
Model	6000.600 ^a	16	375.037	399.689	.000
Gender	.028	1	.028	.029	.864
Residence	.132	1	.132	.140	.708
Occupation	1.922	2	.961	1.024	.360
Age	4.132	6	.689	.734	.623
Education	.064	1	.064	.069	.794
Family income	2.995	3	.998	1.064	.364
Error	313.400	84	.938		
Total	6314.000	100			

a. R Squared = .950 (Adjusted R Squared = .948)

* at 5% level of significance

Source: Primary data

Table 2. shows adjusted R Squared is 94.8%, which represents that percentage of variation explained by all variables. Additionally, taking into account the mean value (4.14) and S.D (.963) along with little statistical difference among respondent opinion it could be concluded that the majority of respondents across categories validate the null hypothesis "There is no significant difference among respondent opinion (gender-wise, residence-wise, occupation-wise, age-wise, education-wise, income-wise, stakeholder-wise) regarding the cornerstone of a good CRM being trust, Public Relations industry fosters trust and faith of various publics through open and honest communication and is thus indispensable for organization's CRM initiatives."

3. Good and effective Public Relations tells a company's story in a way that is accurate, honest and easy to understand, establishing a reputation for corporate credibility and is thus an effective CRM tool.

Table 3. Univariate Analysis

Source	Type III Sum of Squares	Df	Mean Square	F	Sig.
Model	5804.384 ^a	16	362.774	350.582	.000
Gender	.000	1	.000	.000	.990
Residence	.340	1	.340	.329	.567

Occupation	.730	2	.365	.353	.703
Age	7.567	6	1.261	1.219	.296
Education	.043	1	.043	.041	.839
Family income	1.380	3	.460	.444	.721
Error	345.616	84	1.035		
Total	6150.000	100			

a. R Squared = .944 (Adjusted R Squared = .941)

* at 5% Level of significance

Source: Primary data

Table 3. points to the affirmation of the hypothesis (H_{03}) by majority of respondents across categories as there is no significant difference in respondent opinion (gender-wise, residence-wise, occupation-wise, education-wise, and age-wise) w.r.t. agreement with the research statement "Good and effective Public Relations tells a company's story in a way that is accurate, honest and easy to understand, establishing a reputation for corporate credibility and is thus an effective CRM tool." The value of adjusted R Squared is 94.1%, which represents that percentage of variation explained by all variables.

Additionally, taking into account the mean value (4.07) and S.D (1.010) along with little statistical difference among respondent opinion it could be concluded that the majority of respondents across categories validate the null hypothesis "There is no significant difference among respondent opinion (gender-wise, residence-wise, occupation-wise, age-wise, education-wise, income-wise, stakeholder-wise) regarding Good and effective Public Relations tells a company's story in a way that is accurate, honest and easy to understand, establishing a reputation for corporate credibility and is thus an effective CRM tool.

4. Public Relations acts as public's advocate within an organization by its willingness to listen, understand, respect public concern giving the management an alternate point of view and is thus an effective CRM tool.

Table 4. Univariate Analysis

Source	Type III Sum of Squares	Df	Mean Square	F	Sig.
Model	6037.064 ^a	16	377.317	422.990	.000
Gender	.004	1	.004	.004	.947
Residence	5.342E-005	1	5.342E-005	.000	.994
Occupation	.191	2	.095	.107	.899
Age	2.137	6	.356	.399	.879
Education	.618	1	.618	.693	.406
Family Income	1.295	3	.432	.484	.694
Error	297.936	334	.892		
Total	6335.000	350			

a. R Squared = .953 (Adjusted R Squared = .951)

* at 5% level of significance

Source: Primary data

Table 4. B. points to the affirmation of the hypothesis (H_{04}) by majority of respondents across categories as there is no significant difference in respondent opinion (gender-wise, residence-wise, occupation-wise, education-wise, family income-wise, and age-wise) w.r.t. agreement with the research statement "Public Relations acts as public's advocate within an organization by its willingness to listen, understand, respect public concern giving the management an alternate point of view and is thus an effective CRM tool.

The value of adjusted R Squared is 95.1%, which represents that percentage of variation explained by all variables. Additionally, taking into account the mean value (4.16) and S.D (.932) along with little statistical difference among respondent opinion it could be concluded that the majority of respondents across categories validate the null hypothesis "There is no significant difference among respondent opinion (gender-wise, residence-wise, occupation-wise, age-wise, education-wise, income-wise, stakeholder-wise) regarding Public Relations acts as public's advocate within an organization by its willingness to listen, understand, respect public concern giving the management an alternate point of view and is thus an effective CRM tool."

5. Public Relations bring the public perspective to an organization, fostering its ability to be responsive to public concerns and thus act as an effective CRM tool.

Table 5. Univariate Analysis

Source	Type III Sum of Squares	Df	Mean Square	F	Sig.
Model	6066.442 ^a	16	379.153	443.472	.000
Gender	.559	1	.559	.654	.419
Residence	.396	1	.396	.463	.497
Occupation	.368	2	.184	.215	.806
Age	2.249	6	.375	.438	.853
Education	1.338	1	1.338	1.565	.212
Family income	.548	3	.183	.214	.887
Error	285.558	334	.855		
Total	6352.000	350			

R Squared = .955 (Adjusted R Squared = .953)

* 5% level of significance

Source: Primary data

Table 5. points to the affirmation of the hypothesis (H_{05}) by majority of respondents across categories as there is no significant difference in respondent opinion (gender-wise, residence-wise, occupation-wise, education-wise, family income-wise and age-wise) w.r.t. agreement with the research statement Public Relations bring the public perspective to an organization, fostering its ability to be responsive to public concerns and thus act as an effective CRM tool.”

The value of adjusted R Squared is 95.3%, which represents that percentage of variation explained by all variables. Additionally, taking into account the mean value (4.16) and S.D (0.919) along with little statistical difference among respondent opinion it could be concluded that the majority of respondents across categories validate the null hypothesis “There is no significant difference among respondent opinion (gender-wise, residence-wise, occupation-wise, age-wise, education-wise, income-wise, stakeholder-wise) regarding Public Relations bring the public perspective to an organization, fostering its ability to be responsive to public concerns and thus act as an effective CRM tool.”

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