



# The PR Industry In India – On The Fast Track

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**Since the introduction of Goldman Sach's BRIC report, India's potential to become a global economic powerhouse has been much debated.**

On the one hand, a fast growing 'brand hungry' urban middle class, the rapid growth of urban infrastructure, real estate and services, and a huge increase in foreign capital inflows have fuelled predictions that India's GDP per capita in US\$ terms will quadruple.

On the other, the need to overcome enormous infrastructure under-development, inefficiencies in domestic markets and continued political and cultural constraints on growth, continues.

Whatever transpires, there is no doubt that from the public relations industry's perspective, India is on a roll. It is witnessing a profound shift in its relevance and role in effective marketing communications. There is every expectation that its place in corporate India will become increasingly significant as the industry matures.

But such change is not entirely new. In its 60-year history, the Indian PR industry has tracked the evolution of those in other developing nations, albeit more quickly. The industry's genesis lies in an Indian public sector where fully staffed

PR departments were relegated largely to a hospitality function and responsible for government official visits to their sites. The Public Relations Officer title was accorded to anyone whose primary job was to look after people, be they customers, business associates or government dignitaries.

Although *The National Association of PR Practitioners* was established in 1958, it wasn't until the late 1980s that the PR industry began to properly take shape, with advertising agencies sprouting PR divisions as business offshoots while a few larger corporates set up PR departments.

The liberalisation of India's economic policies in the 1990s and the entry of multinationals provided the catalyst for the Indian PR industry. Not only did the multinationals set up best practice internal PR departments, but a few of the large international PR agencies also followed them into India. Buoyed by the success of, and demand for, PR services, several local agencies were established and it is estimated that today there are over 1000 PR agencies nationally.

With this evolution, there has also been a change in the nature and complexity of PR campaigns. Many award-winning initiatives in the 1980s were internally focused: newsletters, internal communication for name change campaigns and corporate uniform change. There was a reticence on the part of many corporates to speak out openly in the media due to concerns of disclosure and misrepresentation; as a result, they adopted a very low key, reactive media strategy.

Much has changed. Indian companies today understand the need to be more transparent with external stakeholders, providing as much clarity on corporate values as corporate vision. Campaigns are bolder, more daring and ambitious too, with companies vying for consumers' attention in an increasingly competitive media and business marketplace. And such campaigns have won favour on the global stage, with Indian PR initiatives vying for top global awards, and winning.

As is the case elsewhere, changed consumer consumption habits have

accounted for much of what is happening in the industry. With an Indian middle class forecast to represent 59% of India's consumption power over the next 15 years, the channels of information they choose to use to make informed decisions prior to purchase have become pivotal in communications strategy development. This is where the PR sector has flourished and, if McKinsey's prediction of an Indian economy that will become the fifth largest consumer market in the world by 2025 is proved accurate, there remains enormous opportunity.

But the fast-track growth of the public relations industry in India will be far from an easy ride. Much is dependent on its ability to operate more effectively in an increasingly competitive market at a time when clarity around the depth and reach of its core services remains shaky in places. As is the case elsewhere, strong growth in digital and social media consumption has opened up opportunities for the public relations industry, whilst inevitably creating a new competitive set too. But digital

communications is not the panacea. We believe that demand for reputation and issues management services will see strong growth too, alongside a greater demand for research and business information tools that feed an appetite for better managed risk.

When compared to other markets in the Asia Pacific and EMEA regions, India has the distinct advantage of strong English language skills, making it a first port-of-call for those organisations looking to outsource services or build business infrastructure. This plays into the public relations industry's strengths, tapping it as a natural source of articulate and well-crafted editing services.

But the industry must also resist the temptation to become a commodity business, providing low-cost services to high cost markets. It neither serves the interests of its clients, its people or itself.