



## STATE OF THE INDUSTRY (SOI) 2019-20

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# ROBUST GROWTH GLOBALLY

Global PR industry generates  
**\$16 billion in revenue**

Employs almost **94,000 people**

APAC among top  
**3 most upbeat markets**

Consultancy heads expect increase  
in **profitability in 2020**

In India: industry **grew 12%** to  
touch **Rs 1,600 crore in FY19**







# HIGHLIGHTS OF FY 19-20

Growth driver: **Technology**

Companies paying more attention to:  
**Reputation & Purpose**

Clients using PR to lead non-traditional  
services

Industry is operating ethically

# Key Growth Drivers of the PR Industry

**PR as a strategic business tool: Move towards integrated PR communications and digital PR**

**Expansion of business from new services (Digital, Social, Technology etc.)**

**Fast paced growth of start-up's**

**Increased policy driven work**

**PR integration with Marketing function & growing need for specialized skills**

# Indian Public Relations (PR) Industry Structure

More than 1,100+ Consultancies					
Consultancy Category	Very Large Cos	Large Cos	Medium Cos	Small	Freelancers
Number of Companies	4	4	15	100	1,000+
Turnover Range FY19 (Rs. Crs)*	>85	30 - 85	11 - 30	1 - 10	<1
Operations	Presence in 8+ cities	Presence in all Metros	Presence in 2- 3 locations	Present majorly in North	Present in one city

*\*The definition criterion of Very large (>65 Crs to >85 Crs) and Large (30-65 Crs to 30 to 85 Crs) has been appended*

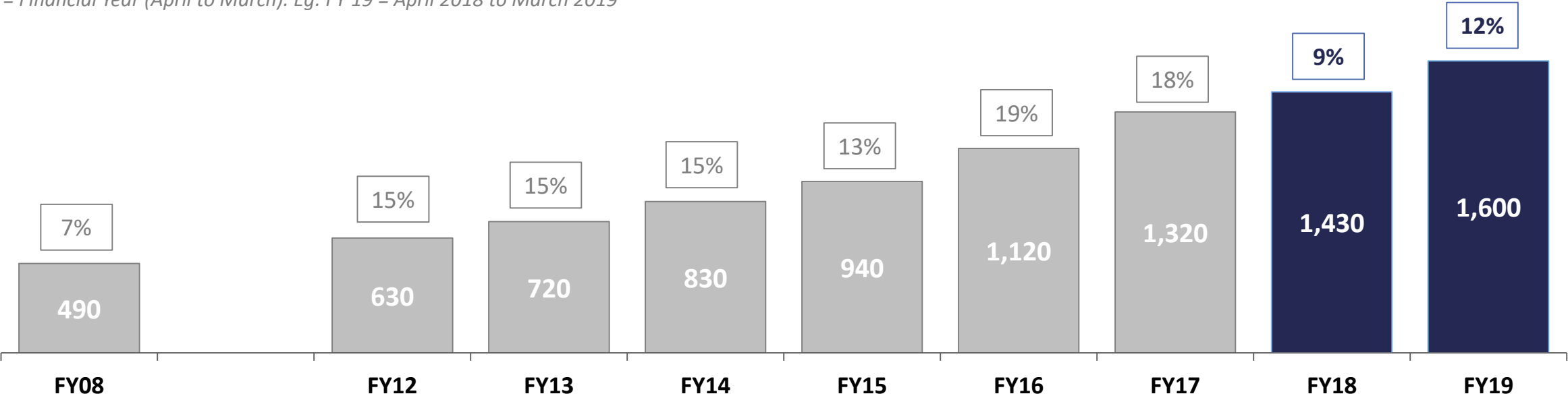
The Indian Public Relations industry is fairly developed with all the major global PR consultancies operating in India. Large global PR consultancies have entered market through multiple acquisitions and now they are integrating their operations by merging these multiple entities.

# Indian PR Market Analysis

## Public Relations Industry Size (Rs. Crs)

Value in Rs. Crs / Growth in %

FY = Financial Year (April to March). Eg: FY 19 = April 2018 to March 2019



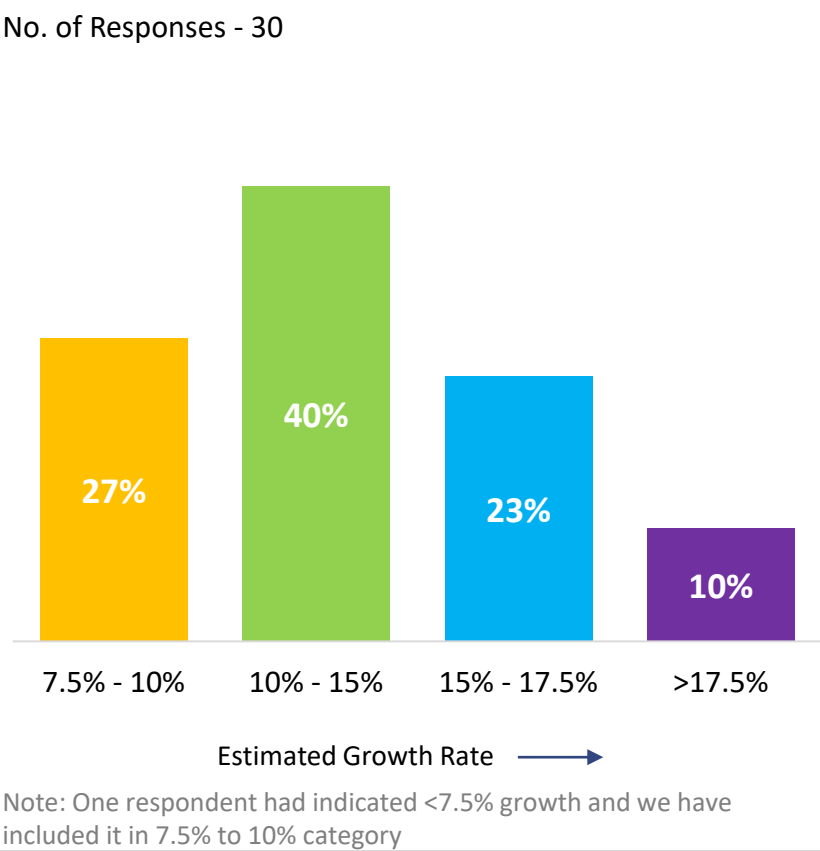
- Despite the slowdown, PR firms are confident of achieving 12% growth in FY19-20 (2x of GDP growth); seen as conservative estimates
- Large players are anticipating the highest growth of 17%

Note: FY18 market estimates revised to Rs.1,430 crs from Rs. 1,490 crs (SOI-2018), based on actual sales data shared by PR firms and annual report filings

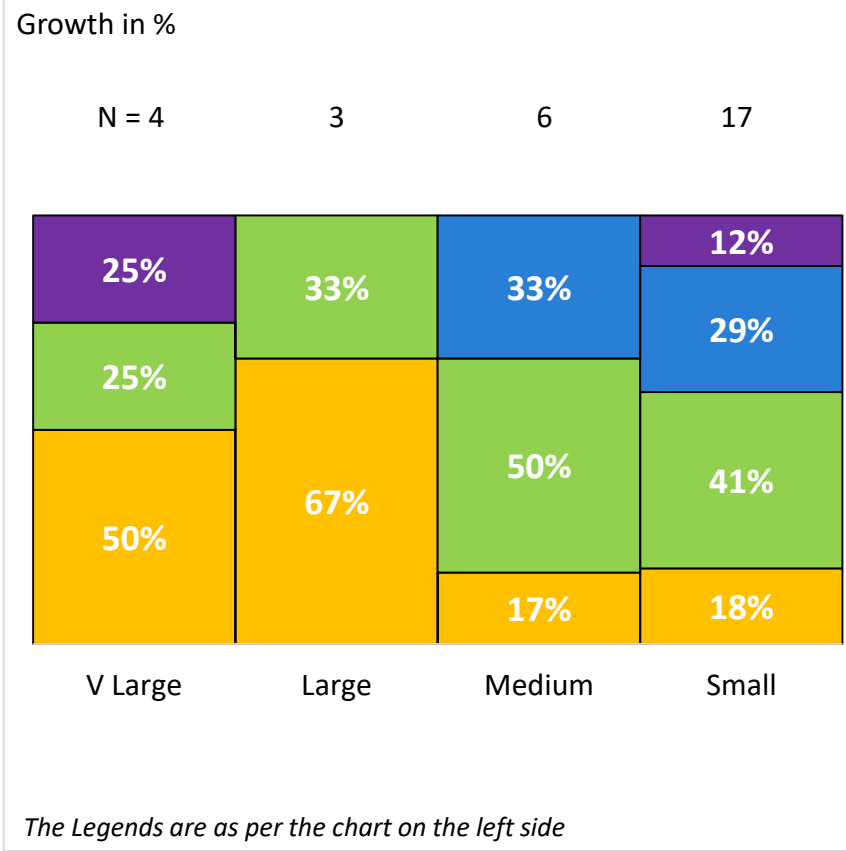
Source: i2iResearch analysis of Survey information, Annual Report, Qualitative Discussions and assumptions where necessary

# PR Industry Expected to Grow at 12.5% to reach Rs 1,800 Crs. in FY 20

Overall Industry Growth Estimated by PR Firms



Forecast by Company Category



Average Growth  
Estimated FY 20:

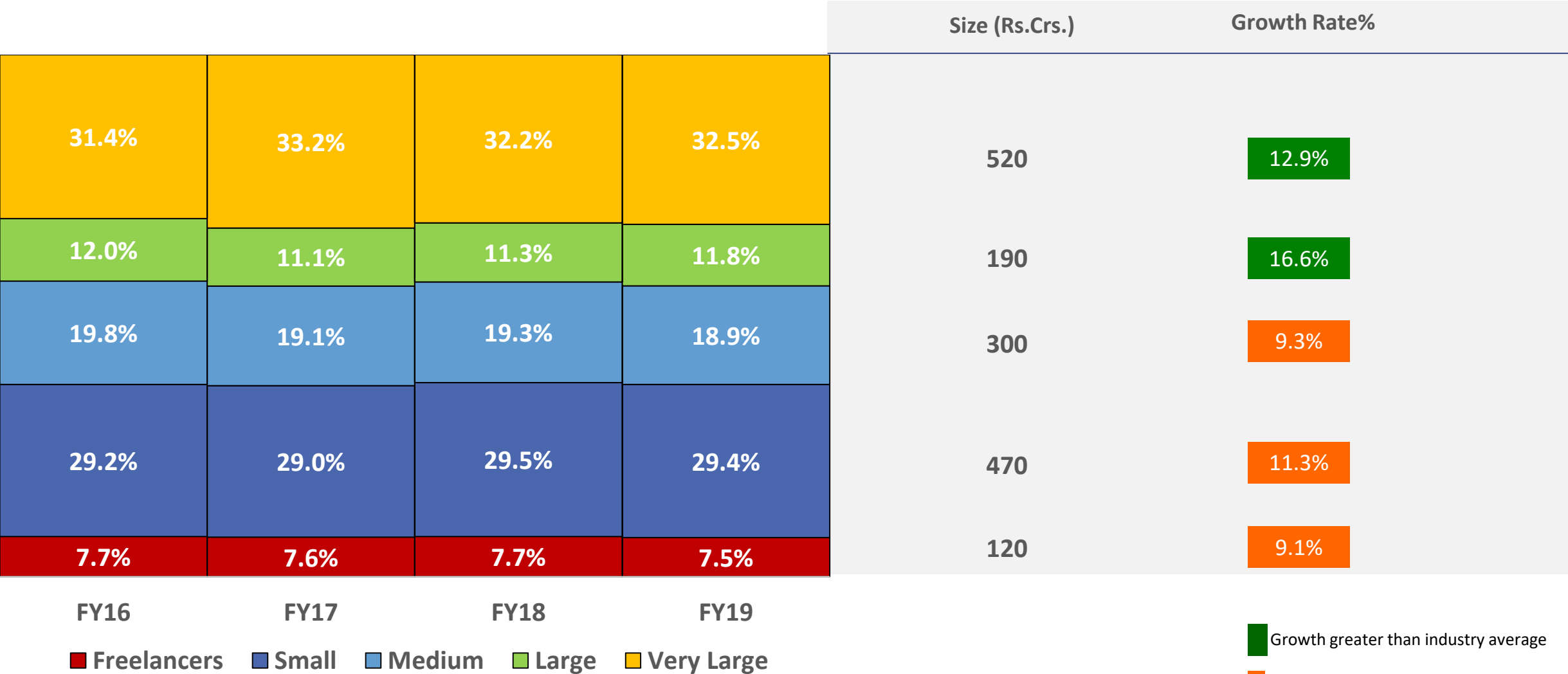
**12.5%**

Estimated Market in FY 20:

**Rs. 1,800 Crs**

# PR Market by Consultancy Category

Growth Led by Larger & Very Large Firms





Consultancy  
HEADS PREDICT

1. Influencer marketing
2. Multimedia content creation
3. Research, insight and planning

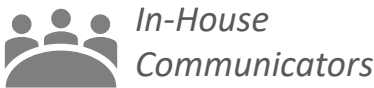
1. Corporate reputation
2. Strategic consulting
3. Social media & community management

1. IT and technology
2. Financial and professional services
3. Healthcare


# Key trends – Common voice from PR ecosystem




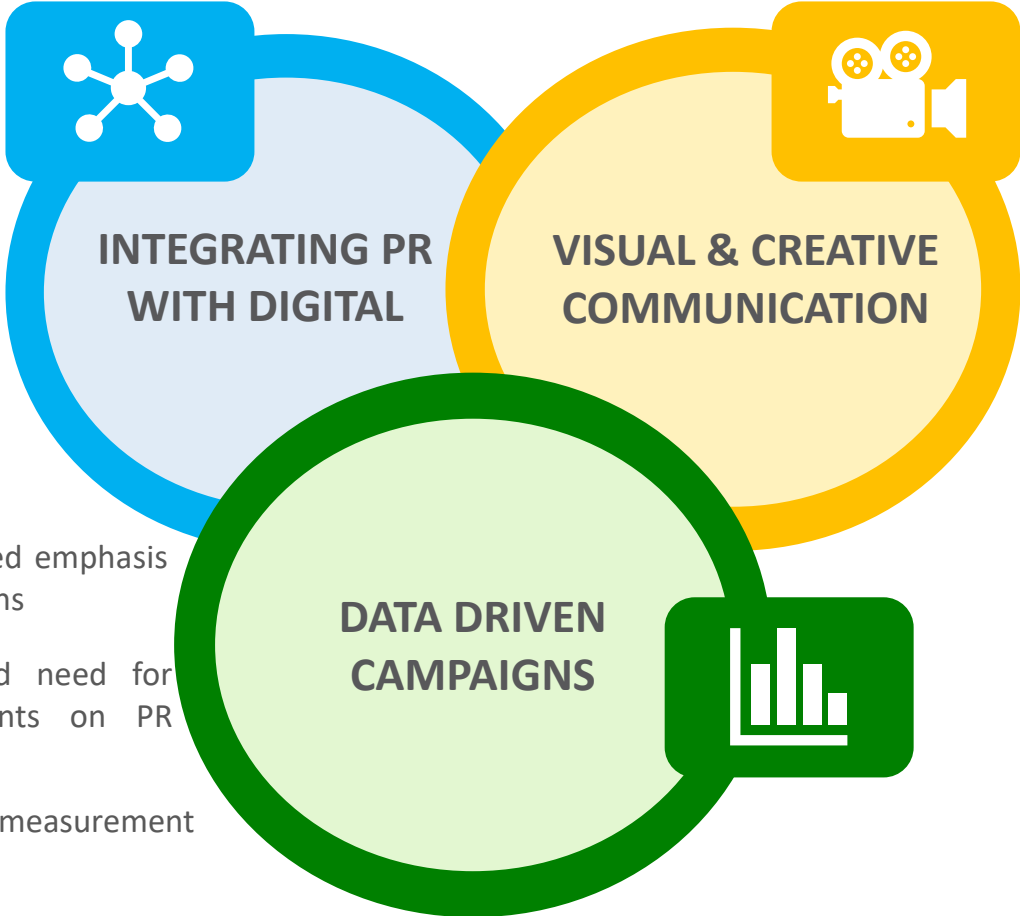
PR Firms





In-House Communicators

 **89%** agree with the upcoming trend of Integrating Digital with PR


 **79%** indicate the increased need for Online reputation management




 **58%** agree with the increased emphasis on data driven campaigns

 **71%** indicate the increased need for providing measurements on PR efforts

**8/10** Companies undertake measurement of PR efforts currently

 **81%** agree with the increased emphasis on graphics and videos

 **74%** agree with the increased emphasis on graphics and videos

# Is PR industry ready to embrace these trends?



PR Firms



In-House Communicators

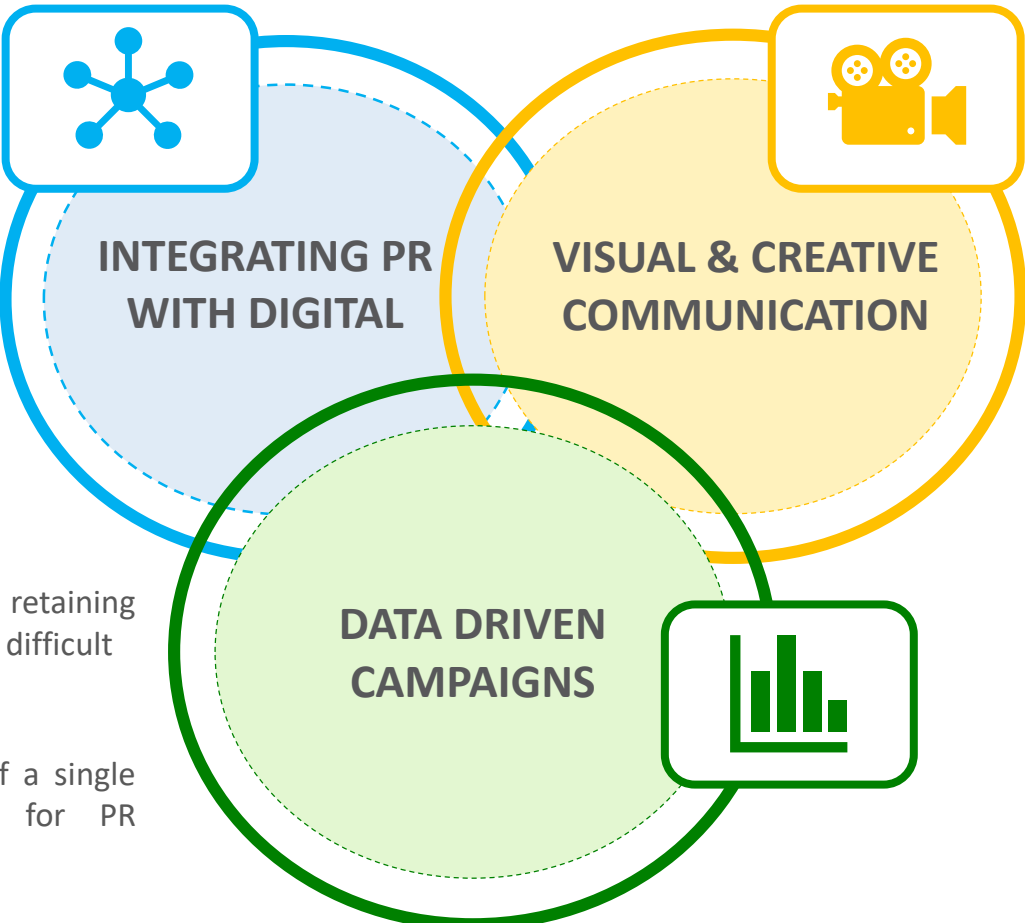
**48%** Highlight the limited availability of talent in digital segment

**34%** Lack of experience to integrate digital with PR

*"The focus would be on developing better metrics to evaluate the impact of PR, build media connects beyond Indian markets, and to establish robust Consultancy networks in key company locations"*

**47%** Mention finding and retaining data analytical talent as difficult

**77%** Indicate the absence of a single measurement criteria for PR efforts



**44%**

Mention limited availability of finding creative talent



**63%**

Indicate the lack of story telling skills in the industry

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## **IN-HOUSE COMMUNICATORS SURVEY ANALYSIS**

# STATE OF THE PR INDUSTRY (SOI) 2019-20: Objective and Approach

- PRCAL appointed i2iResearch to carry out a study to **understand the current status, size, share, trends and forecast of the PR Industry in India**
- The survey was conducted between **August – November 2019**
- Mode of data collection: **Online / web survey, qualitative discussions (with PR Firms) & annual report analysis**
- Individual company information has been maintained confidential by i2iResearch. Only aggregate level analysis have been shared in the report &/or used for all discussions

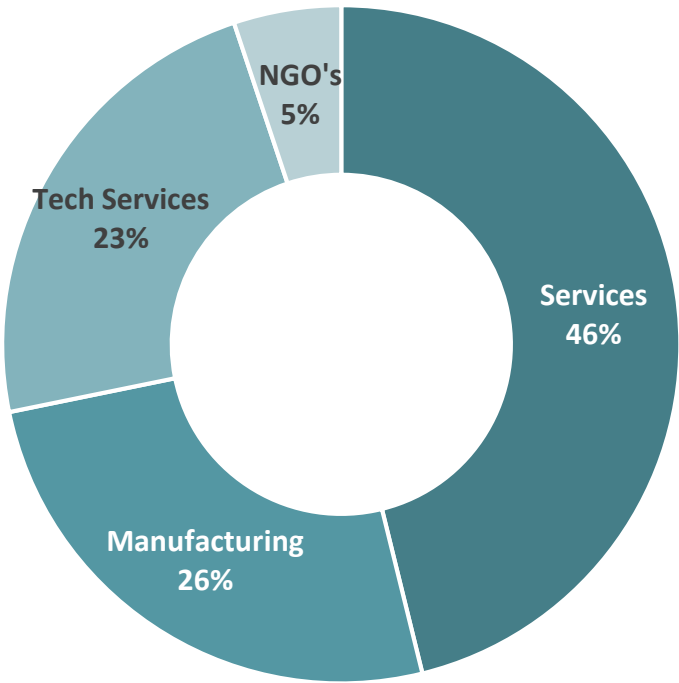
Sample Coverage

	Sample Covered
PR firms	34
Annual report analysis for market size estimates & validation of PR firms	40
Qualitative conversations	5
In-house Communicators	40



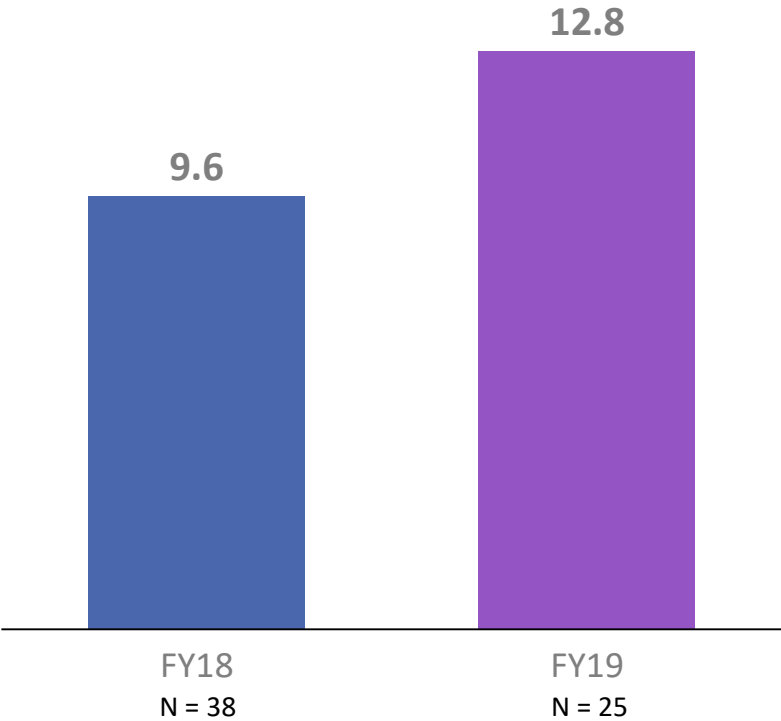
# Average Marketing Budget Allocated to PR has Increased to 12.8%

Segment Wise Participation in 2019



Sample (N) = 39

PR budget as a % of Annual Marketing Budget



# Gradual Shift Seen in the Services Undertaken by In-house Team

## COMPANY SPECIFIC

## SERVICES UNDERTAKEN BY IN-HOUSE TEAM

FY18	
Employee communication	63%
Employee engagement	63%
CSR	58%
Customer communication	52%
Branding	49%
Public Affairs	48%
Executive Brand Building	48%
Industry orchestration and advocacy	46%
Marketing communication	41%
Direct contact program	39%



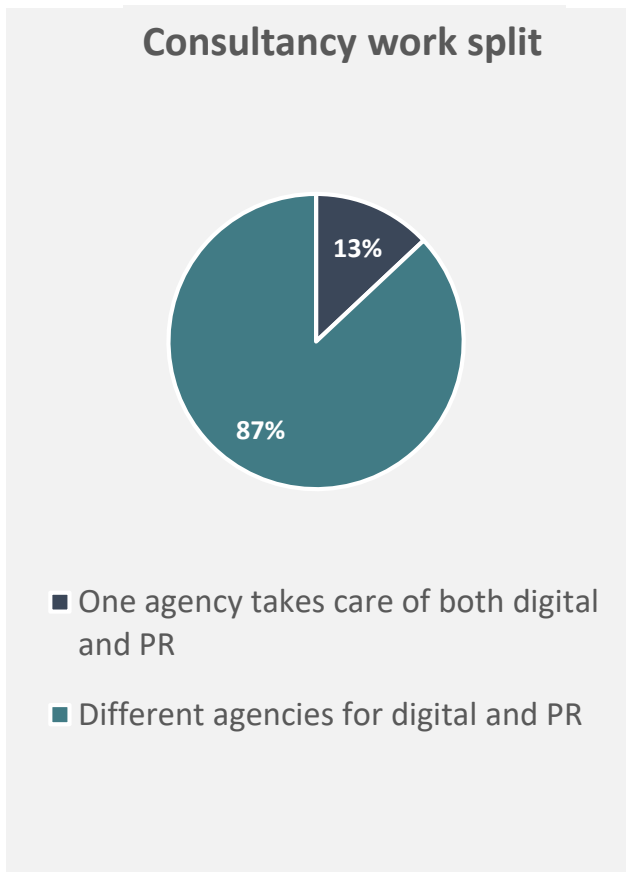
## SERVICES PROVIDED TO PR FIRM

FY18	
Event management	48%
Social media management	39%
Media Relations	34%
Research & Analytics	31%
Digital & Social Media	31%
Crisis communication	30%
Marketing communication	28%
Content Management	28%
Executive Brand Building	24%
Public Affairs	21%



FY19	
Employee engagement	100%
Employee communication	96%
Customer/Consumer communication	79%
Crisis & Risk Management	73%
CSR	71%
Public Affairs /Govt. Affairs	70%
Industry orchestration and advocacy	69%
Executive Brand Building	68%
Crisis communication	64%
Marketing communication	64%

FY19	
Media Relations	64%
Event management	48%
Research & Analytics	48%
Digital & Social Media	46%
Social media management	39%
Crisis communication	36%
Content Management	33%
Executive Brand Building	29%
Financial Communications	25%
Branding	24%



Services shifted to PR firm

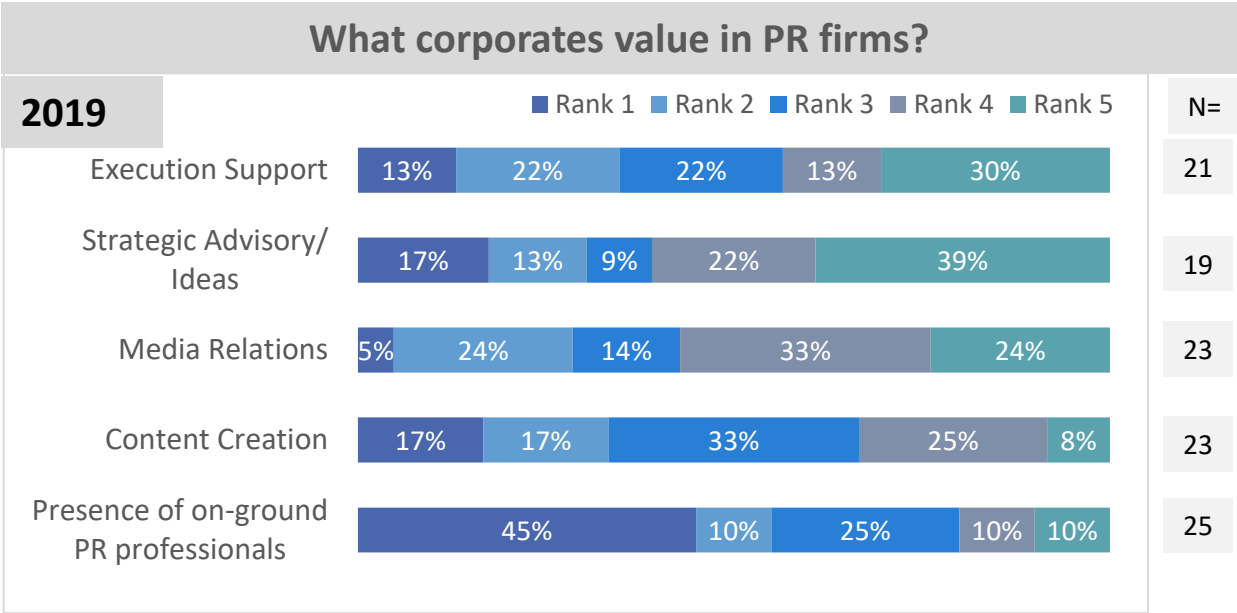
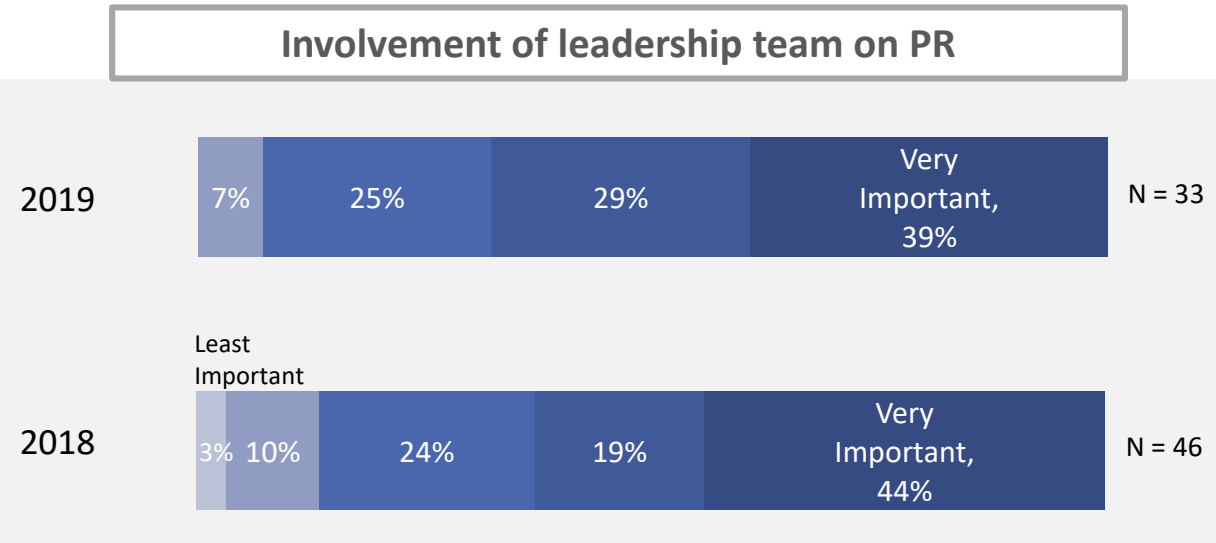
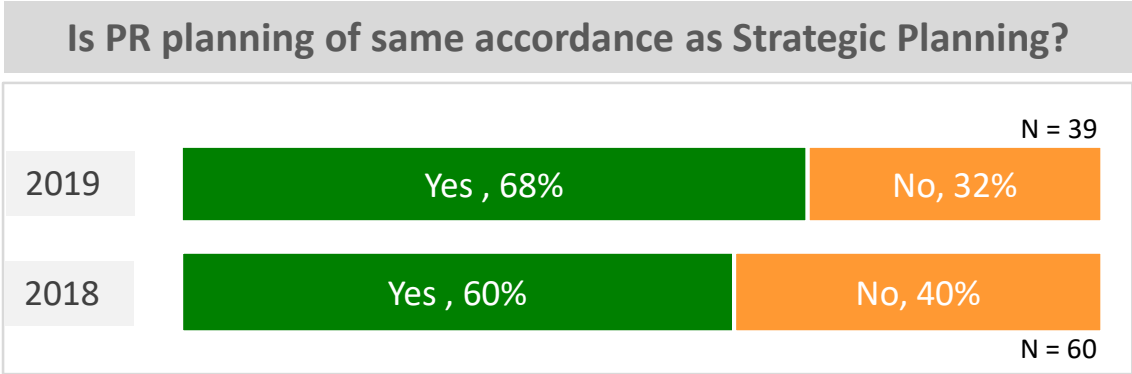


Services shifted to In-house

N = 39

# Majority of the Corporates Continue to See PR Planning as Important as Strategic Planning; On-ground Presence of PR Professionals Viewed as Most Valuable

## COMPANY SPECIFIC



Within your organization, do you think PR planning is accorded equal importance when it comes to strategic planning?

What is the involvement levels of the leadership team .Please rate your importance on a scale of 1 to 5 where 5 is very important and 1 is not important

What do you value the most in your relationship with your PR consultancies? Please rank the following parameters.

# PR Planning is seen as a Strategic Decision among Majority of the Corporates

COMPANY SPECIFIC

2019

Type of Decisions  
taken with specific  
PR planning



N = 39

2018

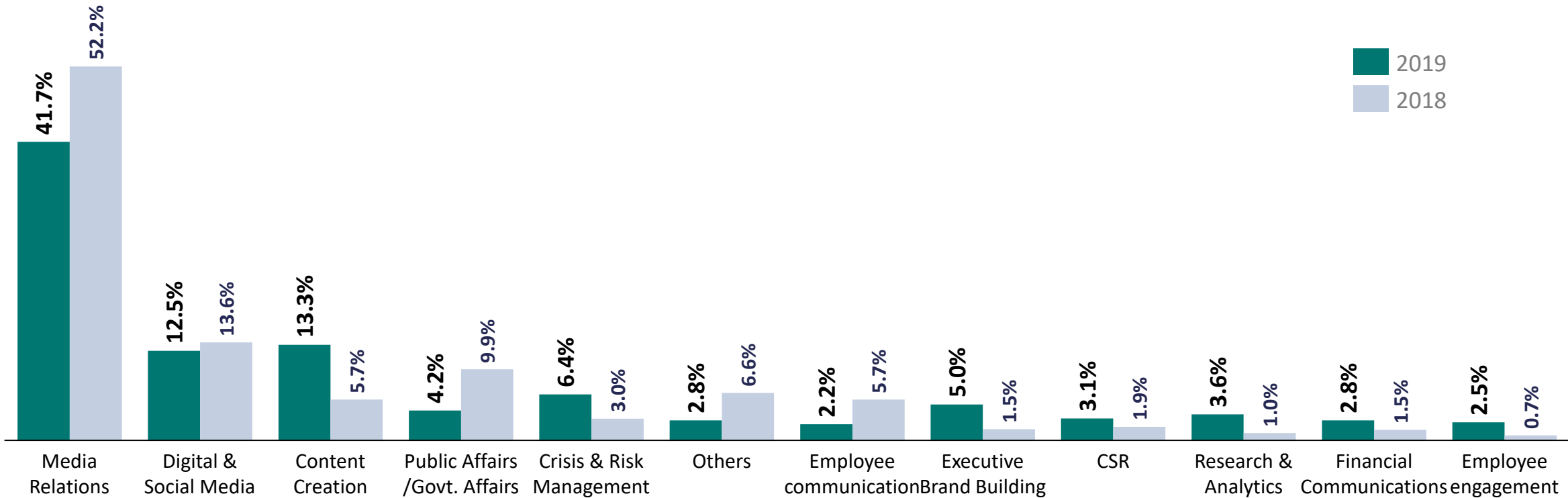
Type of Decisions  
taken with specific  
PR planning



N = 59

# Media Relations, Content Creation & Public Affairs, Viewed as Major PR Spend Contributors; accounting to 91% of the total spend

PR Expenditure split across services

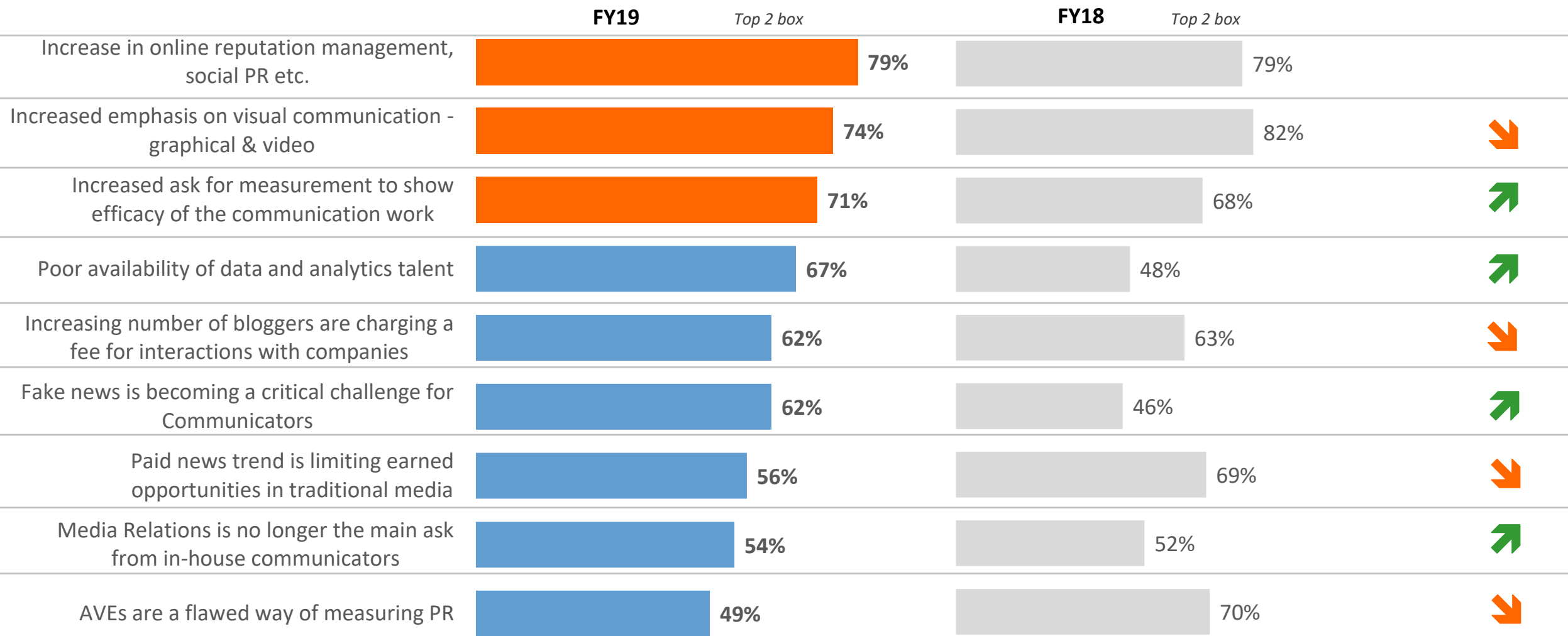


Percentage share spend by companies across services  
All Percentage shares horizontally add up to 100%



# Online reputation management, visual communication seen as top 2 trends

## KEY TRENDS



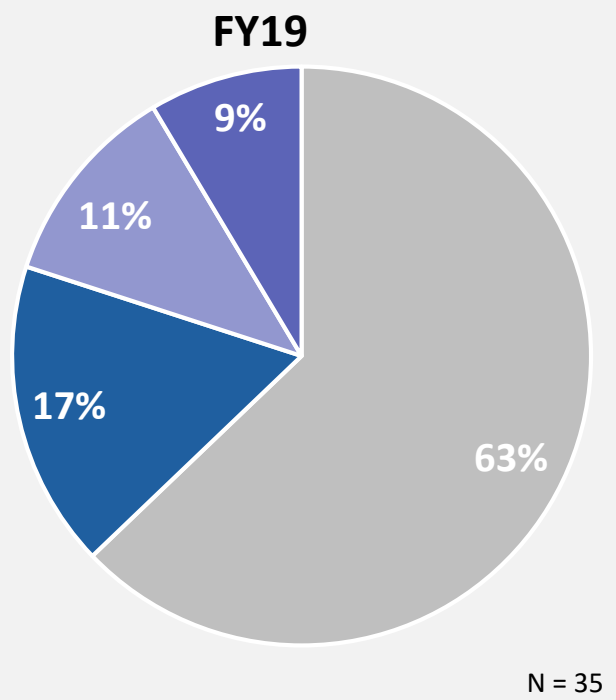
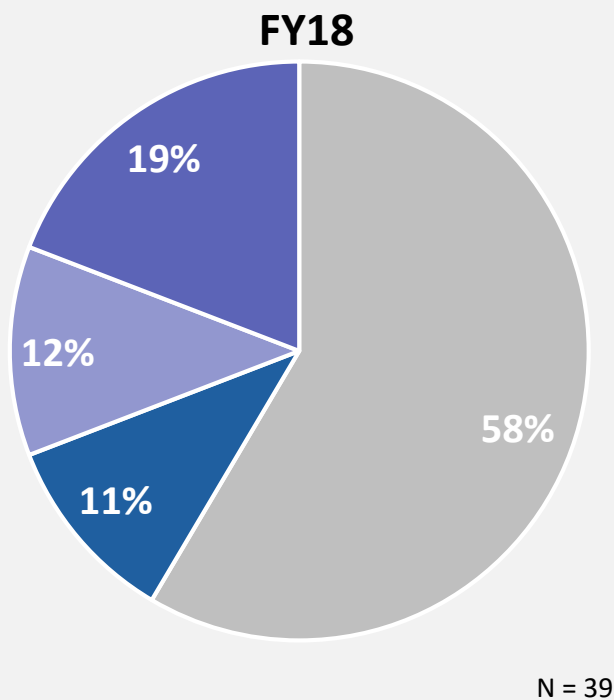
Companies such as yours deal with some of the below mentioned **trends** in the PR Industry. Please let us know your agreement / disagreement with these trends on a scale of 7, where 7 is very strongly agree and 1 very strongly disagree

Note: Top 2 box is the proportion of respondents who have responded “6” or “7” in the 7-point scale

# 91% of the corporates surveyed this year measure their PR efforts; In 68% of cases specialists were hired, while 23% measure it in-house

COMPANY SPECIFIC

Measurement of PR efforts



- Measurement metrics are finalised at the beginning of the year/ campaign
- Measurement metrics are finalized a few months into the year/ campaign
- Measurement metrics are finalized towards the end of the year/ campaign
- We do not measure our PR efforts

Do you hire a specialist media measurement firm for getting media measurement done

FY18

Yes, 38%

No, 62%

N = 39

FY19

Yes, 68%

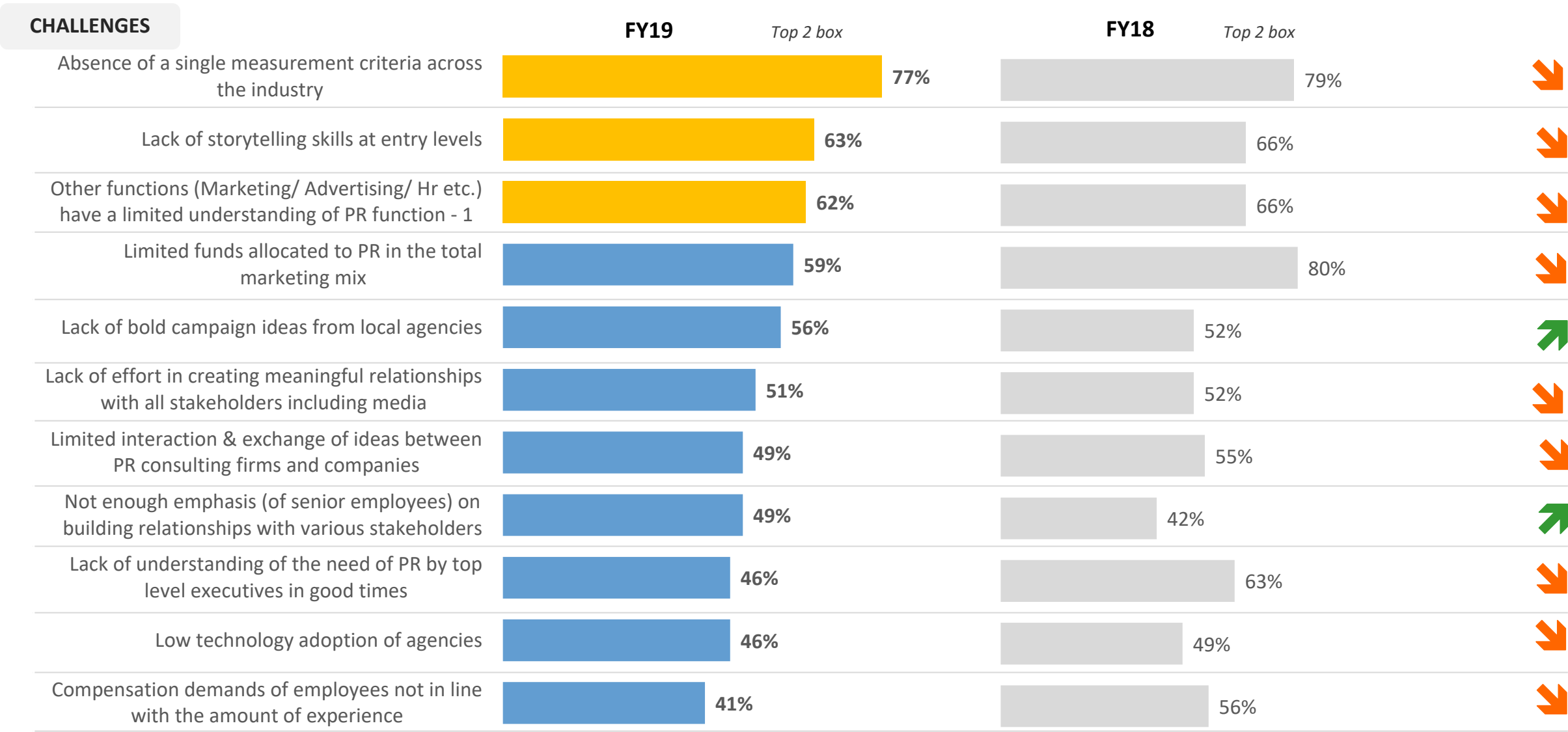
No, 32%

N = 33

Which of the following is true for your company, when it comes to measurement?

Do you prefer hiring a specialist media measurement firm for getting media measurement or you prefer getting the same through PR Consultancy?

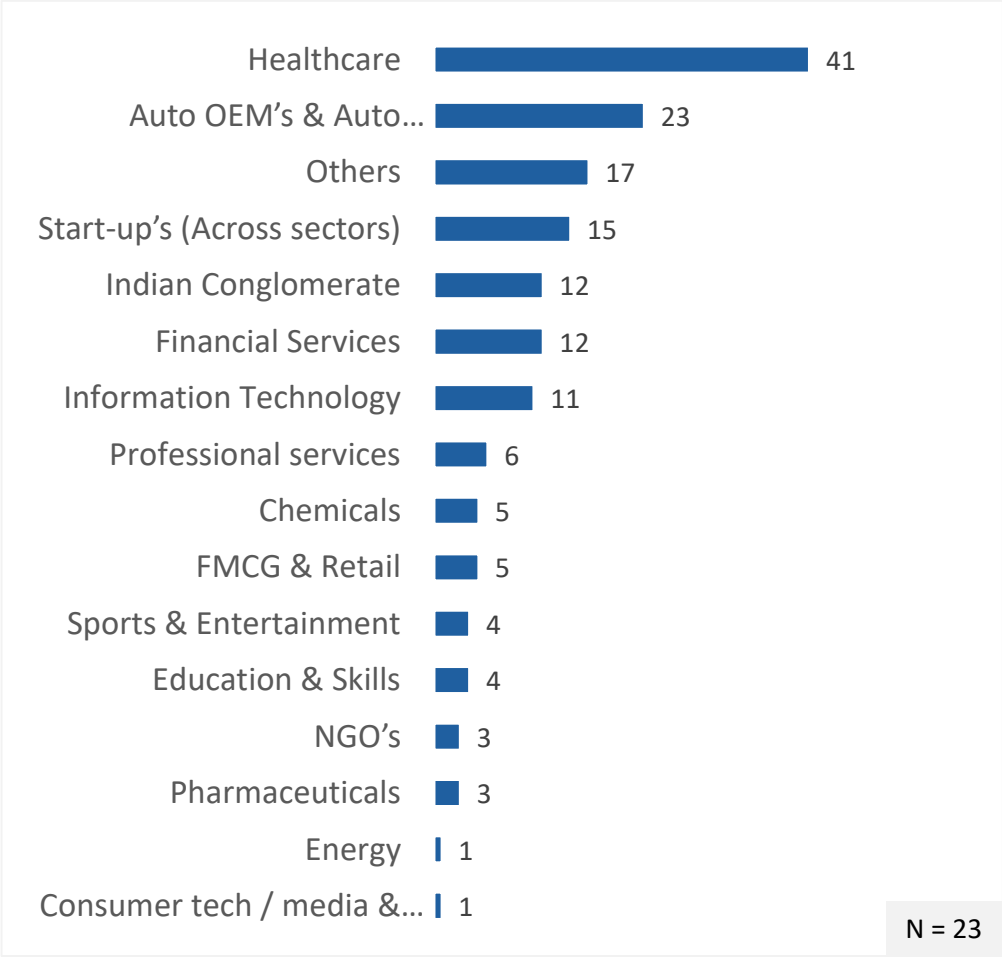
# The Biggest Perceived Challenge is the Lack of a Consistent or Uniform Measurement System or Guideline in the Industry; Fund Allocation Not Seen as a Major Issue among Companies Covered in FY 19 vs. FY 18



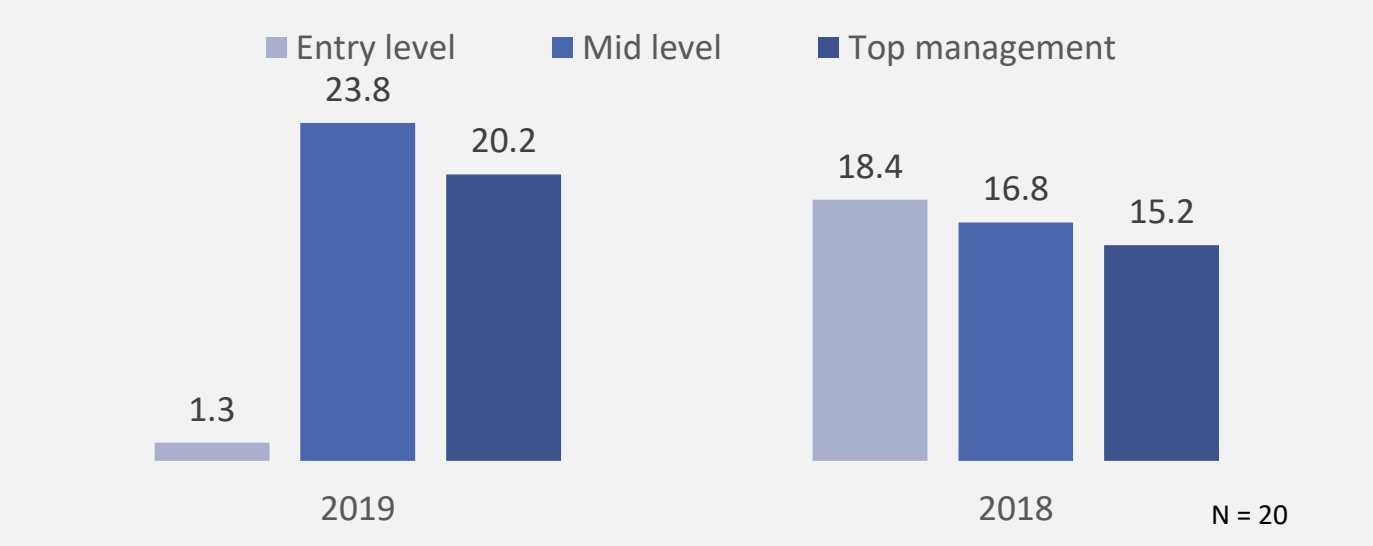
# Hiring of PR Employees is Largely done from PR consultancies and other corporate in-house team

## IN-HOUSE PR DEPARTMENT

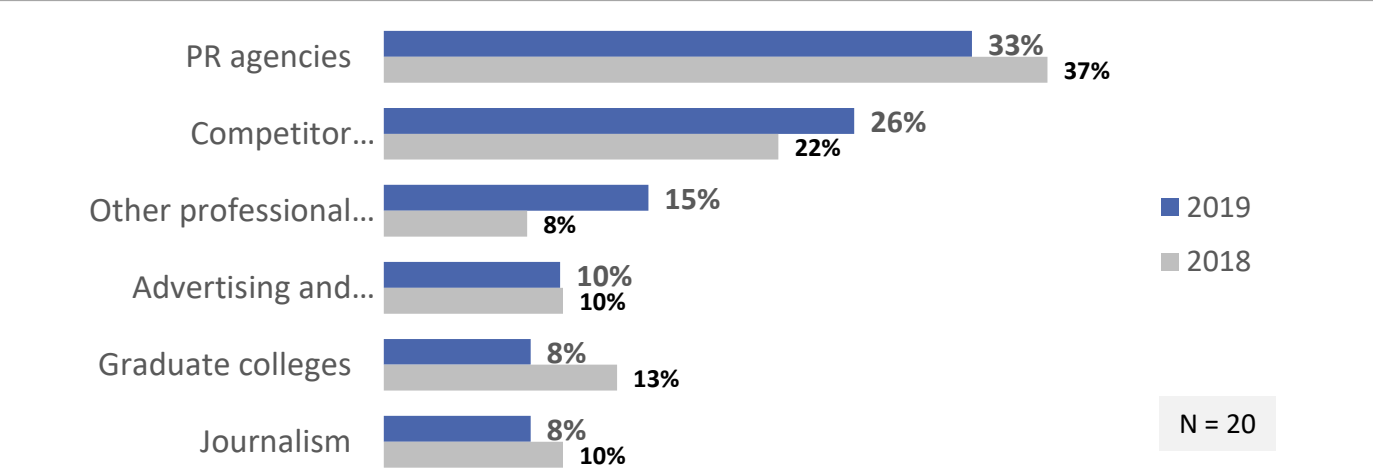
### Current Employee strength of PR function



### Average number of employees with specialised education at various levels



### Source of Hiring talent for PR function



What is the employee strength of PR function & their experience in your organization?  
Where do you hire the PR talent from?

# Key Challenges Raised by the In-House Team

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*“**Lack of creativity & strategic inputs**, content quality and low media connects”*

*“Media relations is often misunderstood as just recognizing a journalist.”*

*“**Lack of understanding business dynamics**, reluctance to find solutions to real challenges, lesser involvement of leadership teams are some of the issues faced across PR consultancies.”*

*“Presence of mind and hunger to learn new skills; some of the old skills that are declining day by day.”*

*“Lack of understanding the need of the event and poor media relations .”*

*“**Attention to detail, quality of engagement with stakeholders***

*“Lack of **engagement and fast response** in the industry.”*



# Other Factors Highlighted by In-house Communicators

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*“**Introduction of Content Creation, Media Training, and Crisis Preparedness** for all spokespeople and leadership team; More Direct Contact programmes for senior executives: Greater use of digital channels for Employee Communications and Knowledge transfer between team members.”*

*“**Increased marketing budget, exposure to global successful campaigns,** and measures to create strategic positions for in-house communicators”*

*“The focus would be on **developing better metrics to evaluate the impact of PR,** build media connects beyond Indian markets, and to establish robust Consultancy networks in key company locations.”*

*“Bring about a major change in the method of Marketing, Media Relations, Documentation and Content Development”*

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## **PR FIRMS SURVEY ANALYSIS**

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Qualitative conversations	5
In-house Communicators	40

# Revenue Share by Services: Industry Driven by Digital, Social Media and Public Affair; Media Relations Continue to be the Largest Contributor

	FY16	FY17	FY18	FY19	Size (Rs.Crs.)	Growth Rate%
Media Relations	<div><div></div></div> 68%	<div><div></div></div> 49%	<div><div></div></div> 49%	<div><div></div></div> 47%	760	<div></div> 8.5%
Digital & Social Media	<div><div></div></div> 11%	<div><div></div></div> 12%	<div><div></div></div> 13%	<div><div></div></div> 16%	253	<div></div> 36.2%
Public Affairs/Gov Affairs	<div><div></div></div> 5%	<div><div></div></div> 6%	<div><div></div></div> 8%	<div><div></div></div> 10%	157	<div></div> 37.2%
Content & Design	<div><div></div></div> 3%	<div><div></div></div> 8%	<div><div></div></div> 8%	<div><div></div></div> 7%	114	<div></div> 0.0%
Influencer marketing	<div><div></div></div> 1%	<div><div></div></div> 3%	<div><div></div></div> 5%	<div><div></div></div> 6%	94	<div></div> 31.9%
Crisis & Risk Management	<div><div></div></div> 4%	<div><div></div></div> 2%	<div><div></div></div> 6%	<div><div></div></div> 5%	72	<div></div> -16.0%
Financial Communication	<div><div></div></div> 5%	<div><div></div></div> 9%	<div><div></div></div> 2%	<div><div></div></div> 2%	39	<div></div> 37.9%
Others	<div><div></div></div> 3%	<div><div></div></div> 11%	<div><div></div></div> 9%	<div><div></div></div> 7%	110	<div></div> -14.5%

Market Share more than 15%

Market Share between 5% to 15%

Market Share less than 5%

Growth greater than 15%

Growth between 0% to 15%

Growth lower than 0%

Others Include - Research & Analytics, CSR, Employee Engagement & Communication, Executive Brand Building etc.

# Revenue Share by Segment:

## Segmental Growth in FY 19-20 Driven by Travel & Hospitality, Healthcare, Financial Service and Auto

	FY16	FY17	FY18	FY19	Size (Rs.Crs.)	Growth Rate%
FMCG & Retail	<div><div></div>9%</div>	<div><div></div>14%</div>	<div><div></div>15%</div>	<div><div></div>13%</div>	215	<div>0.1%</div>
Information Technology	<div><div></div>21%</div>	<div><div></div>8%</div>	<div><div></div>13%</div>	<div><div></div>13%</div>	214	<div>15.0%</div>
Travel & Hospitality	<div><div></div>3%</div>	<div><div></div>5%</div>	<div><div></div>8%</div>	<div><div></div>9%</div>	151	<div>32.2%</div>
Government	<div><div></div>4%</div>	<div><div></div>4%</div>	<div><div></div>8%</div>	<div><div></div>8%</div>	122	<div>6.6%</div>
Food & Beverage	<div><div></div>5%</div>	<div><div></div>9%</div>	<div><div></div>8%</div>	<div><div></div>7%</div>	106	<div>-7.4%</div>
Auto OEM's & Auto Components	<div><div></div>4%</div>	<div><div></div>6%</div>	<div><div></div>6%</div>	<div><div></div>8%</div>	125	<div>45.5%</div>
Financial Services	<div><div></div>12%</div>	<div><div></div>7%</div>	<div><div></div>6%</div>	<div><div></div>8%</div>	127	<div>48.3%</div>
Healthcare	<div><div></div>4%</div>	<div><div></div>6%</div>	<div><div></div>5%</div>	<div><div></div>7%</div>	109	<div>52.4%</div>
Start-up's (across sectors)	<div><div></div>6%</div>	<div><div></div>5%</div>	<div><div></div>5%</div>	<div><div></div>6%</div>	100	<div>39.5%</div>
Energy	<div><div></div>4%</div>	<div><div></div>6%</div>	<div><div></div>4%</div>	<div><div></div>4%</div>	70	<div>23.2%</div>
Education & Skills	<div><div></div>4%</div>	<div><div></div>4%</div>	<div><div></div>4%</div>	<div><div></div>3%</div>	52	<div>-9.8%</div>
Others	<div><div></div>24%</div>	<div><div></div>25.0%</div>	<div><div></div>18%</div>	<div><div></div>13%</div>	211	<div>-18.0%</div>

Notes: Share percentage add up to 100%

Market Share more than 10%

Market Share between 5% to 10%

Market Share less than 5%

Growth greater than 15%

Growth between 0% to 15%

Growth lower than 0%

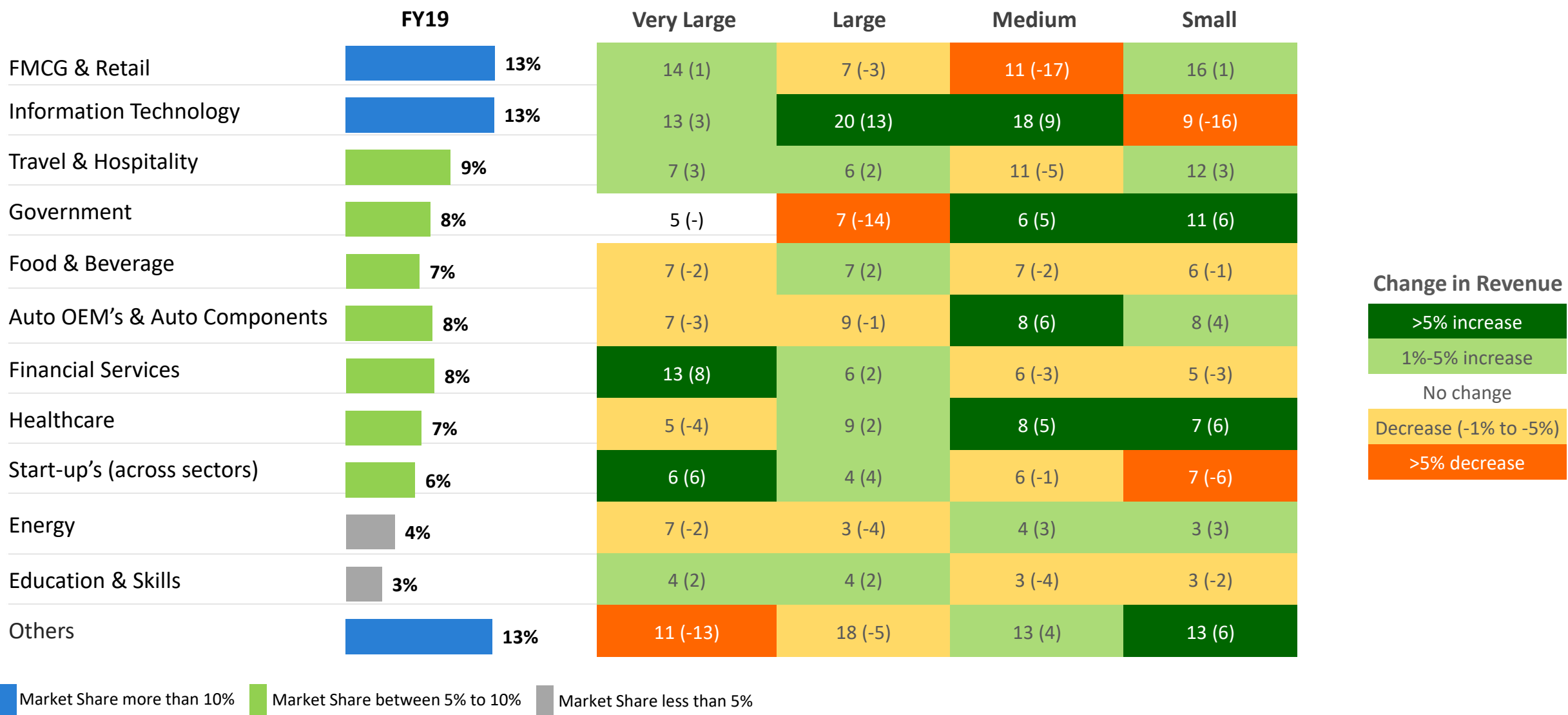
Q: What is the segment wise contribution or share? FY19 - Others Include- Telecom, NGOs, Pharma, Metals, Transport & Logistics, HR, Chemicals, Aviation, Sports, etc

28



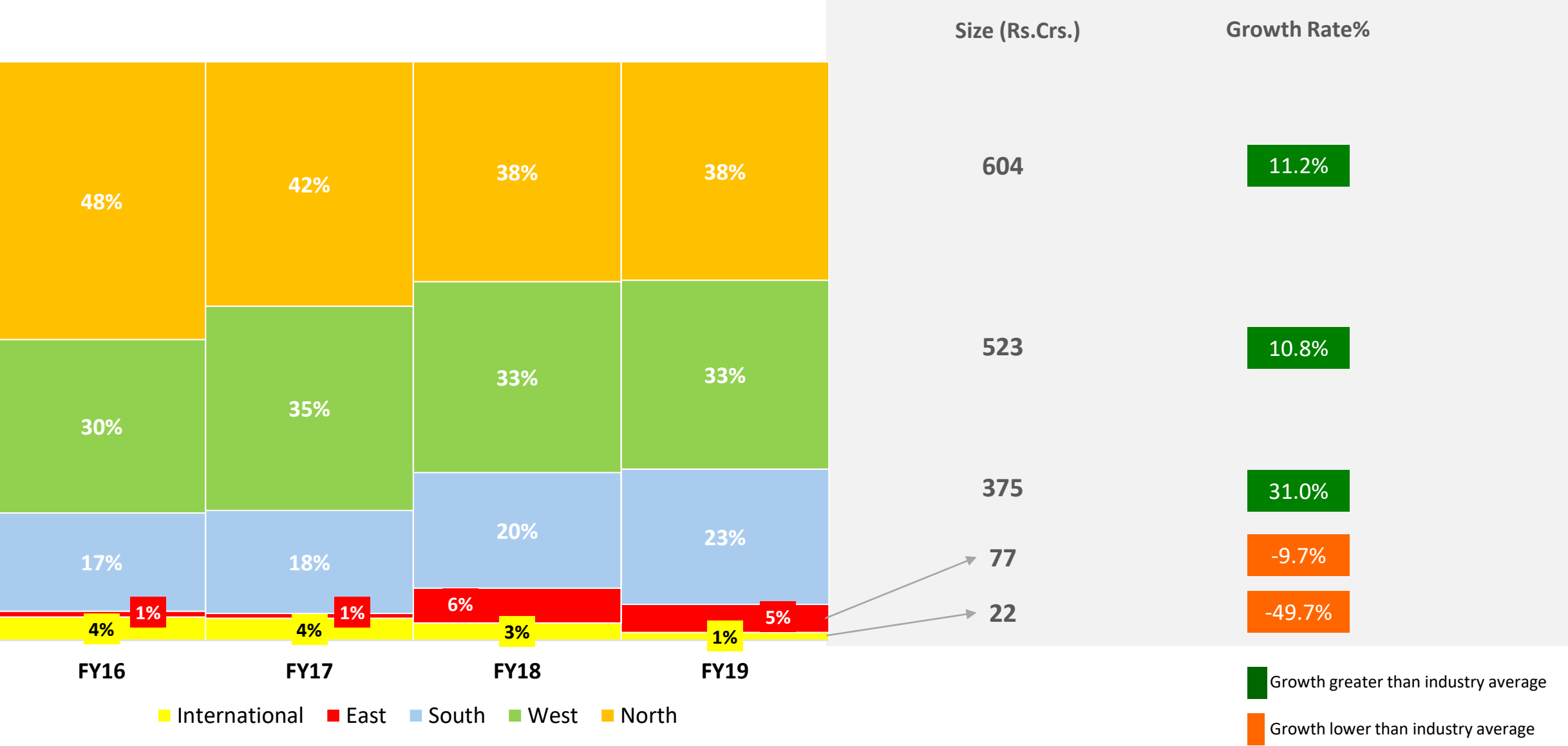
# Revenue Share by Segment, by Company Category:

There Seems to be Movement of Segmental Revenue (FMCG & Retail, IT, Government) Between Company Category



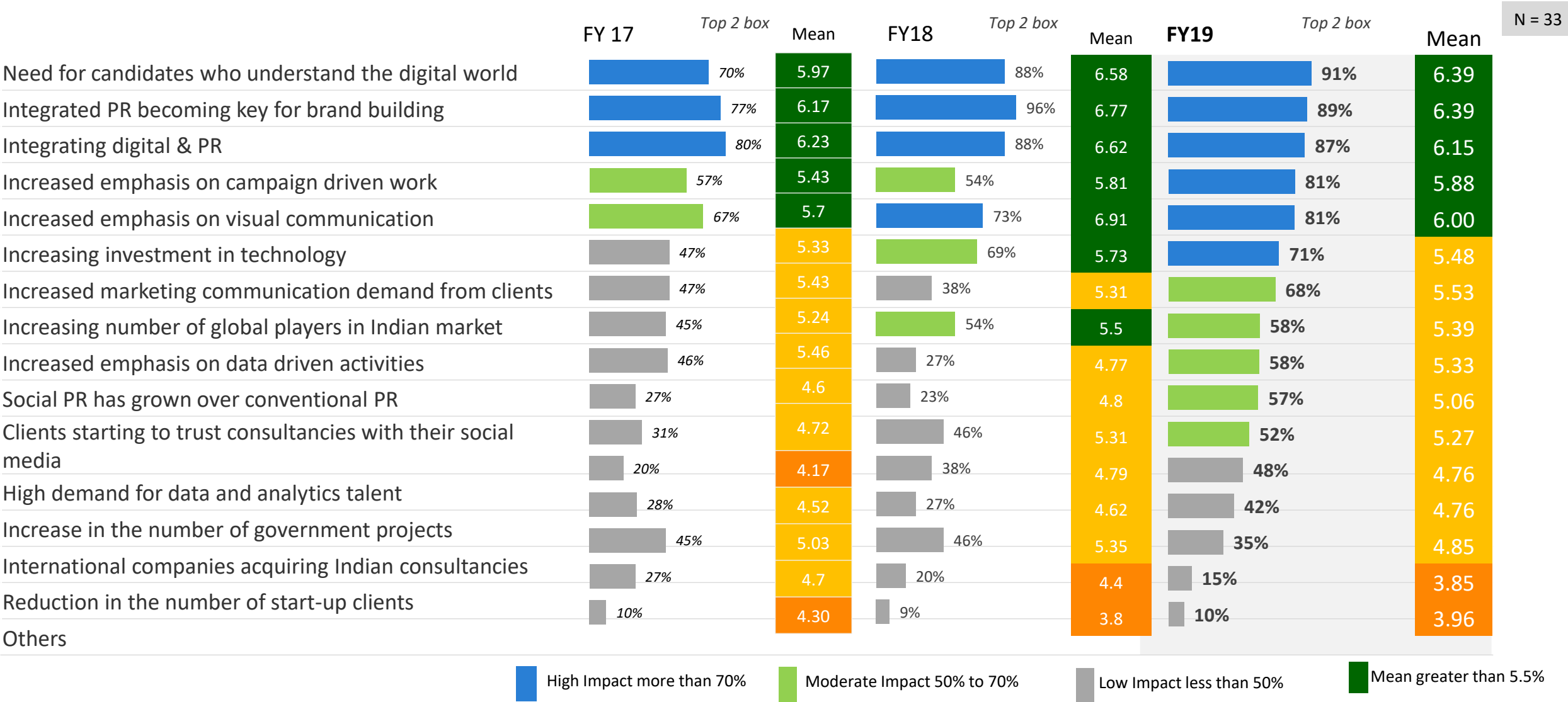
# Revenue Share by Geography

South has Been the Fastest Growing Region; While North and West Continue to Major Regions



# Key Trends

## Emphasis on Technology Driven Data Activities is Increasing the Demand for Relevant Talent in the PR Space



Note: Top 2 box is the proportion of respondents who have responded “6” or “7” in the 7-point scale

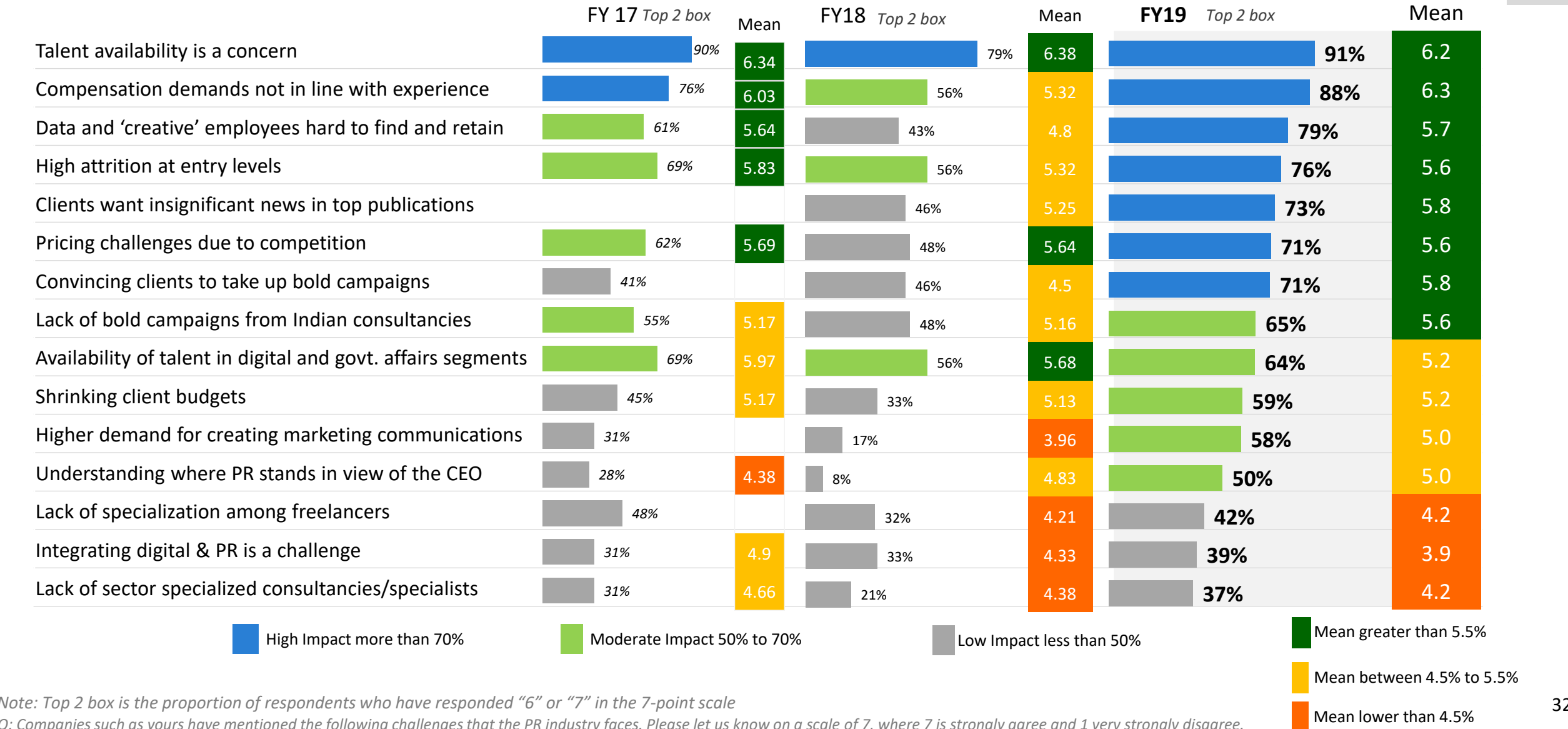
Q: Companies such as yours have mentioned some of the trends that they have noticed in the PR industry. Please let us know your on a scale of 7, where 7 is strongly agree and 1 very strongly disagree.

31

# Challenges impacting the PR Industry

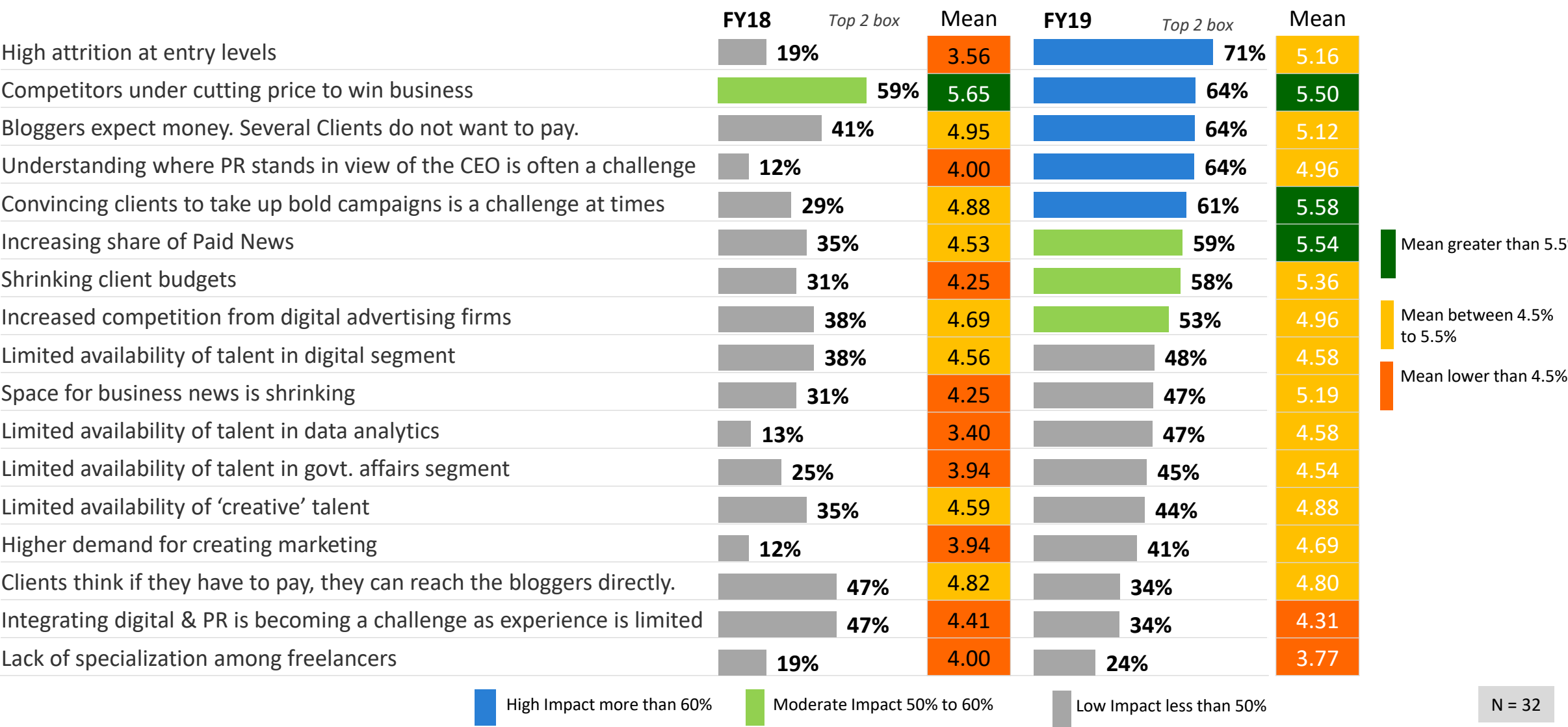
1. Increasing Compensation Demands, Gap in Finding Data Analysis and Creative Talent are Seen has Growing Challenges
2. Increasing Need for Clients Wanting to be Covered in Top Publications Irrespective of the News Significance

N = 33



# Challenges Impacting at an PR Consultancy Level

Apart from Pricing Pressure and Talent, Industry Acknowledges the Concerns of Dealing with (paid) Bloggers

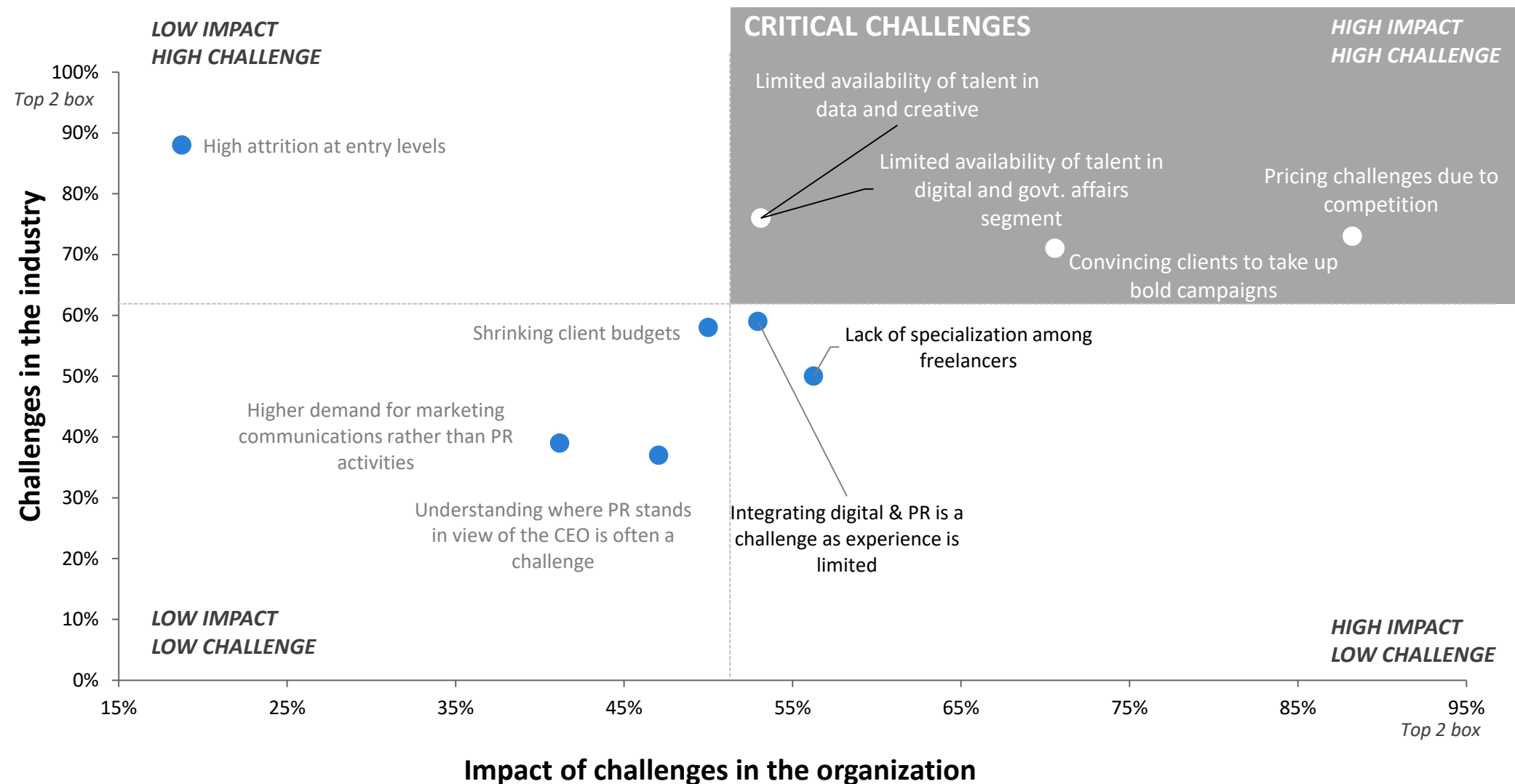


Top 2 box is the proportion of respondents who have responded "6" or "7" in the 7-point scale

Q: What according to you have been the key challenges faced by your organisation? Please rate the impact of these challenges on a scale of 7, where 7 is very high and 1 very low?

33

# Talent Availability, Price Pressure and Unable to Take up Bold Campaigns are the Most Affecting Aspects for PR Consultancies



# Qualitative Comments on the Challenges for PR Consultancies

## Talent related

- Talent continues to be a concern area; Getting the right people a challenge
- Awareness of PR as a career among aspiring talent
- Challenge in finding new skill - Technologies, Designers & Analysts

## Training

- Not enough focused training capacity in the Industry
- Training Institutes compliant about availability of good quality people, if available the entry level salaries offered are not exciting

## Slow Down

- There has been a direct impact of slow down in the market, leading to delayed decision making
- Magnitude of delay: 3 / 4 months cycle now vs. 1 / 2 months earlier
- Uncertainty seen in FMCG & Auto largely; E-commerce has had no impact

## Industry Related

- Increased competition from small firms being started by ex-employees of large firms
- Increased price pressures, impacting the margin levels

# Suggestions by PR Consultancy heads to Address the Challenges

*"Cross-sectional hiring of talent from various industries"*

*"Expert training sessions and skill development programs to address any gaps in the industry"*

*"Partnering with global online education firms to offer courses for upskilling"*

*"Co-creating IPs with students, academicians and practitioners and creating social engagement platforms to focus on relevant topics"*

*"Arranging seminars and training workshops"*




*"Establishing more forums to bring in creativity to the industry"*

*"Bigger consultancies promoting open communication and new ideas instead of out-dated ones"*

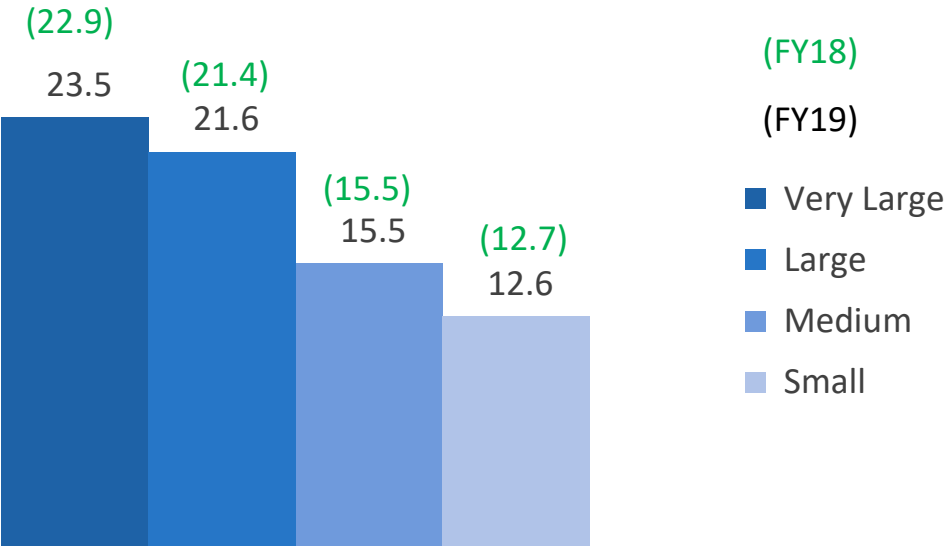


# Employee Indicators

900 Employees Added to the Work Force in FY 19 | No Significant Improvement in Employee Leverage

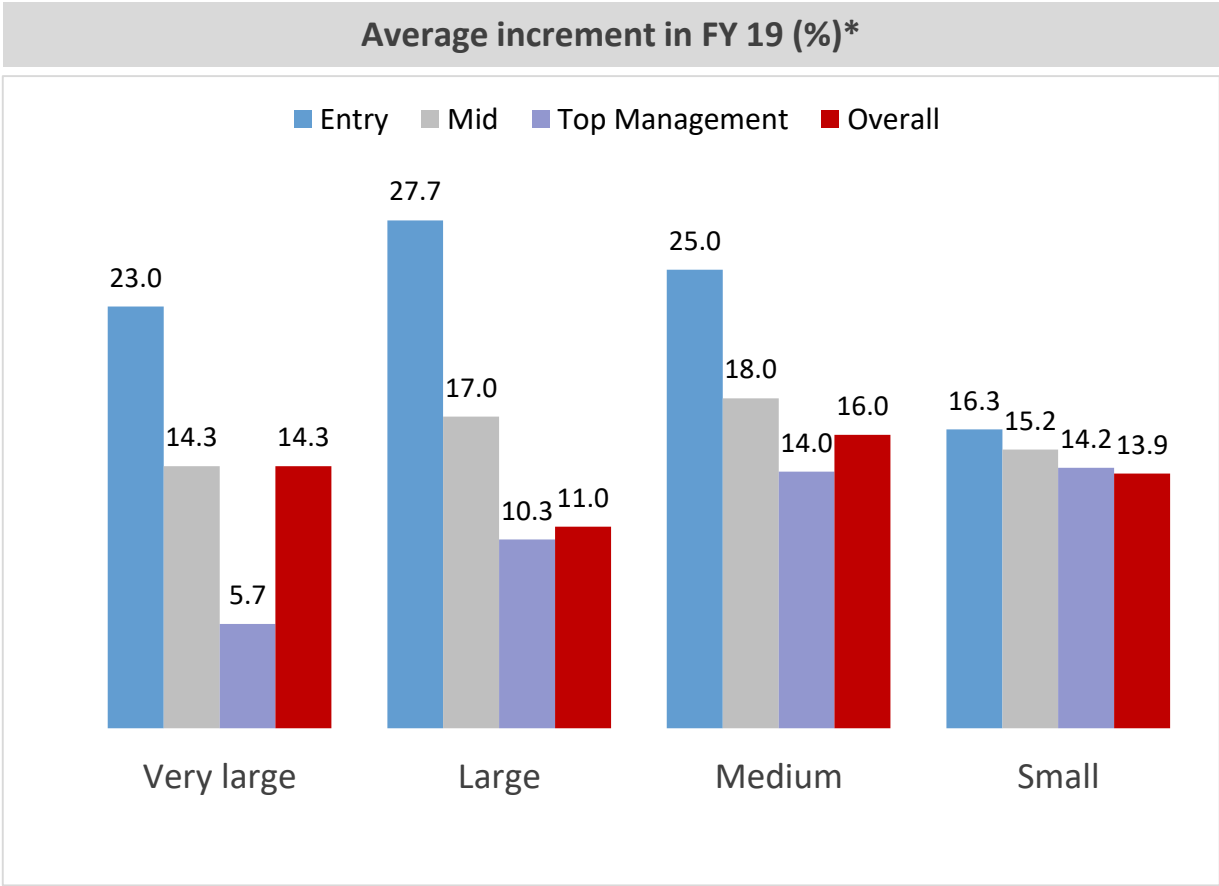
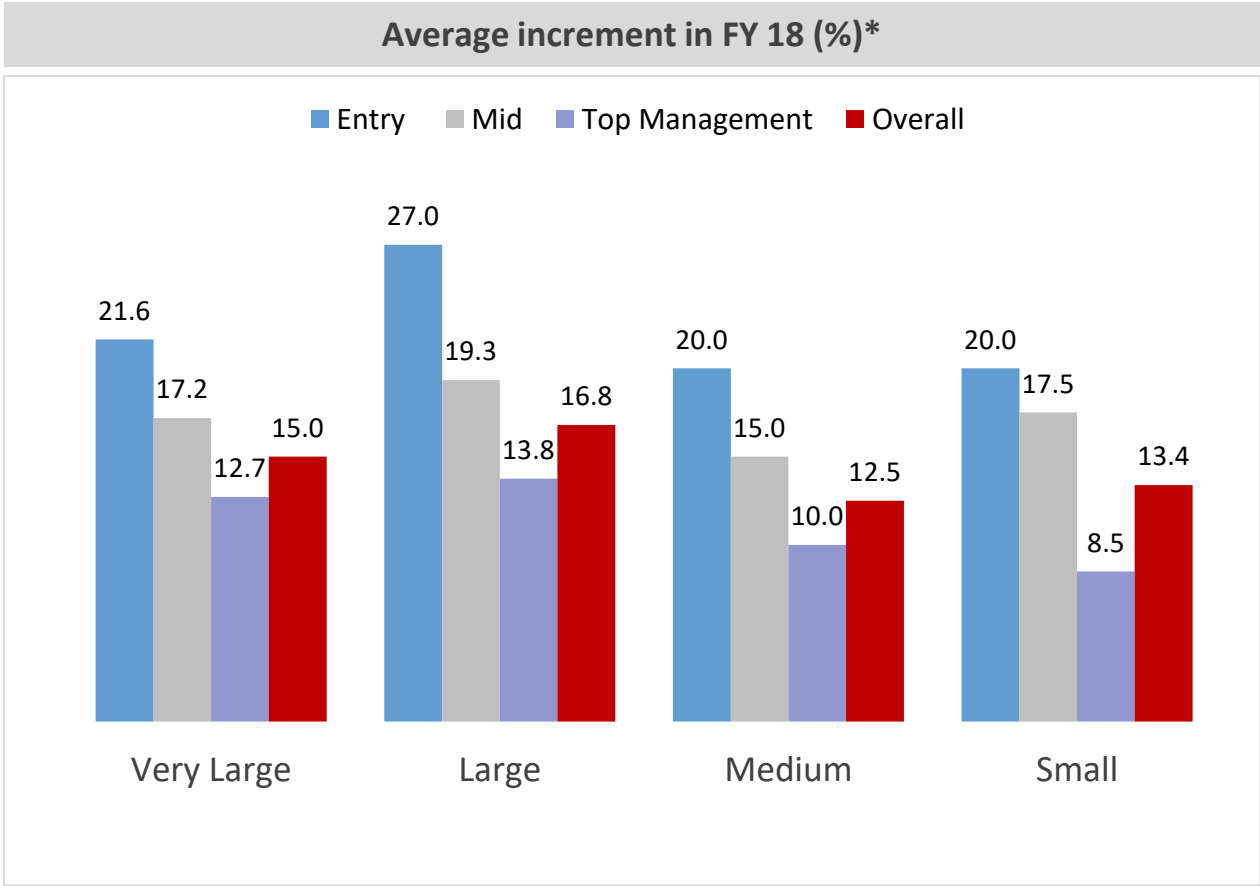
	FY18	FY19	Change
Employee Base	9,200	10,100	900 
Attrition	20-22%	19-21%	-1% 
Avg. Revenue per Employee (Leverage)	Rs. 15.5 Lakh	Rs. 15.8 Lakh	Rs. 0.3 Lakh (1.9%) 

Average & Maximum Revenue Per Employee (Rs. Lakh per annum)



# Salary Increment Scenario

- 1. PR Professionals Average Salary Increment Estimated to be 13.9% in FY 19 vs. 13.4% in FY 18
- 2. All India Professional Services Average Salary Increment Stands at 11.1% in FY 19 vs. 10.6% in FY 18
- 3. Entry Level Talent Increments in FY 19 Where on Par with FY 18



\*on weighted average basis

Reasons for Attrition (19 – 21% in FY 19)

Mid-level Management Discontent with Leadership, Recognition and Growth: Entry Level Worried about Compensation Despite the Significant Increments

	Overall	Large*	Medium	Small
Compensation & benefits	N=34	N=7	N=7	N=20
Entry Level	50%	54%	50%	47%
Mid Level	42%	38%	50%	41%
Top Management	8%	8%	0%	12%
Opportunities for growth				
Entry Level	33%	33%	33%	32%
Mid Level	43%	50%	33%	41%
Top Management	25%	17%	33%	27%
Dissatisfaction with leadership				
Entry Level	18%	17%	0%	23%
Mid Level	59%	67%	67%	54%
Top Management	23%	17%	33%	23%
Dissatisfaction with Rewards & Recognition				
Entry Level	32%	50%	25%	22%
Mid Level	58%	50%	75%	56%
Top Management	11%	0%	0%	22%

What are the reasons for which people move and at which level?

\*Includes Very Large

Notes: Share percentage add up to 100%

# Suggestions by PR Consultancy heads to Address the Challenges

Building awareness of PR as a long term career option among candidates - **very critical to bridge the future talent availability with in the Industry**

*“consultancies or associations must make a comprehensive effort to engage institutes at UG level - **by way of by building academic curriculum, focus on hiring cross-sectoral talent beyond the industry, organising training workshops, conducting awareness seminars** etc.”*



Talent Availability



STRATEGIC INPUTS

*“The industry needs to set a **standard framework** for itself and should have constant seminars to address the challenges that arise in-between*

*“**Providing varied services under the PR portfolio, it is essential to attract talent from other industries.**”*



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