



Could pay-per-click regional PR models be changing for India?

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A recent report by Ken Research spotted an unusual trend. The rising growth of online fashion sales from Tier 2 and Tier 3 cities in India. A sign of how India beyond the 4 metros is beginning to matter more to brands due to better disposable income and awareness brought in by internet access.

This might just be the spur that regional PR, which is naturally highly dependent on the growth in Tier 2 and 3 cities, needs to transform beyond the pay-per-click model.

According to Mukesh Kharbanda, MD, the Chandigarh based Fuzion PR Pvt. Ltd., "Not only has story telling evolved, but a separate strategic interface has been created for regional PR today. Most brands have a separate division for regional PR in their corporate communication team and hence the role & scope of Regional PR Professionals has increased manifolds. Stringer based and pay-per-click modules are also changing rapidly with the evolution of regional markets and in the years to come, I am sure, we will soon get to a point where this question itself will become irrelevant."

Kharbanda, who bought digital firm Social OCD in July last year, an unusual move for a regional firm, says that it does take some amount of advocacy to convince brands of the need for a regional PR strategy that is not a copy of the national strategy.

He says, "The theory that information will trickle down from metros to non-metros is what keeps some companies from opting for regional PR. For regional PR to be taken seriously we need to give a reality check that regional India is not what it was a few years ago. With access to improved education, increased purchasing power, people residing in tier 2 and 3 cities need to be perceived in their own unique form who can help grow the market for brands."

Changes in regional PR

Udit Jain, co-founder and COO, SocialOCD says digital PR in regional areas is evolving, including the use of local language content.

Says Jain, "For digital influencers in smaller cities it is important to find local heroes. We identified the top notch influencers from Tier 2 and 3 cities, depending on the brands' objectives. Our approach was to establish a long term connect and build an organic relationship with each of the influencers. Apart from influencer outreach, we also executed a campaign based on vernacular content, where we not only translated the language, but built an emotional connect by creating messages synonymous with that city."

However, few regional firms offer digital services as a matter of course. Shishir Somani, CEO of Indore based Archer Communications says, "Digital is almost missing in their offerings; they must include digital in their service offerings."

Adds Jain, "Even the national Tier I influencers have identified the need to go regional and thereby we also partnered with a national influencer, crafting vernacular content for one of our brands."

There is also the start of a move away from the pay-per-click model of regional PR. Somani shares that, "The stringer based mandate is increasing, because of the cost effectiveness and less cumbersome process."

Somani adds that, "Regional PR firms should charge for the effort and not the results. Also, they should charge a fee for everything that they do. Most of the agencies do not charge for heads like media monitoring and media rounds."

Growth Challenges for regional PR

Current growth

Regional PR firms are at the turning point of growth, providing they are able to evolve their services and model.

"The freelancers of PR have no idea of Kharbanda assesses that, "With 70% of population residing beyond metros contributing to half of India's GDP; I would say growth in regional PR in terms of turnover and growth rate would remain more than what It would achieve in metro zones. It is hard to predict the exact figures, but it should easily surpass 20% year-on-year growth for the next 3 years."

what is going on in the other regions, they are not aware about best practices"

Somani is more conservative in his estimate, saying that, "Smaller and really regional firms, with turnover less than Rs. 30 lakhs per annum, are doing well at about 12 – 15% (growth), mid-sized agencies (Rs. 30 lakhs to 1 Crore per annum) are growing at about 7 to 10% and the relatively larger regional agencies (More than Rs. 1 Crore per annum) are actually struggling to maintain last year figures, means there is either no growth or a negative growth."

Evolving regional PR services

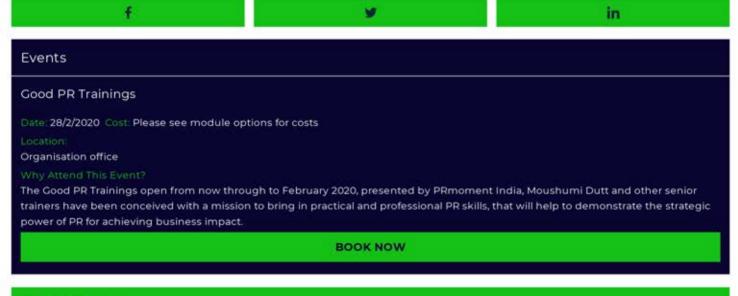
According to Shishir Somani, the biggest problem for regional PR is their own image and not charging enough.

While the growth potential is clearly there, regional PR would need to discard some of the set practices, part of which is the heavy dependence on payment on coverage "hits".

Says Somani, "They should market themselves better. Regional PR agencies have created bad PR for themselves, by offering 'free trial assignments' and manipulations. They aren't good on their own PR. Above all; they should become professionals and just not the delivery persons."

Another problem says Somani is that, "Regional masters' have over promised and under delivered. There are cases, where their have been manipulations (malpractices have been caught and the agencies have been fired)."

Yet, regional PR players are optimistic, driven by increasing e-commerce and brand activity in the Tier 2 and Tier 3 cities. Albeit on a different base, sustained growth rates are at par and in some cases greater than growth in metro cities. However, robust growth will depend on a change in how regional PR thinks of itself, the commoditized or the strategic partner.



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