Role of PR Practices in Improving the Corporate Brand Equity in the Financial Services Sector in India

Introduction
In the past two decades, PR has concealed advertising as the greatest influential power in marketing as well as branding. Public Relations is one of the best ways to maintain strong corporate brand equity. In today’s competitive market, brand building is crucial. Strong brand can create options of growth, command market share, barrier of entry for competitors and consumer loyalty. The finance companies in India today are focusing more on the public relations as a way of brand building and to reach out to the customers.

Objective
The objective of the study was to investigate the impact of public relations activities being undertaken by the finance companies in India in the process of brand building.

Methodology
It was a primary research involving PR professionals from the finance companies in India. A total number of 121 PR professionals participated in the interview through a structured questionnaire.

Result
The public relations policies pursued by the finance companies had a significant impact on the process of brand building in India. 74.6% believed the impact of the discussed policies were positive whereas 25.4% believed it to be negative. The negative perception of over 25% of the respondents is a cause of concern.

Key Words: Public Relations, Advertising, Brand Building, Brand Equity

Introduction
In recent years, whole globe has understood the increasing importance of public relations as one of the methods to market their brand in added effective manner than the previous-style marketing techniques, eg: advertising. PR professionals strengthen their client brands by use of diverse PR tools and they are a mode of achieving improved customer awareness. In the past two decades PR has concealed advertising as the greatest influential power in marketing as well as branding. The rise of PR is the major division in marketing, and it is amazing that the media has ignored it. The delivery of a brand is achieved with publicity and not only by advertising. Publicity is extra authoritative than advertising" because "the things others say or talk about your brand is very much powerful over advertising." It is never easy to build brands in nowadays situation as businesses become more and more unreceptive in a competitive sense, moreover, stressing the needs of strong brand building abilities to persist. Customers opinion a brand as a significant portion of a product that increases the value of a product. Branding has developed such a vitalfactor of consumer behavior that barely no matter what today will go unbranded. Brands are observed as the chief lasting asset of company, and thus must be established and managed carefully. The influence of a brand mainly lives in what withstands in the minds of customers. Hence, the challenge for marketers in construction of a strong brand is making certain, customers have the correct kind of experiences with product or services and in developing their marketing campaign so that the desired insights, moods, principles and views develop connected to the brand.

Earning brand equity through public relations can take a great deal of time but many a company find it is worth the effort and resources. Strong corporate brand equity directly contributes to a company’s position in the market and can be indicative of a business’s long-term success. The benefits of investing in a carefully planned public relations campaign become apparent when your company’s name is more easily recognizable in a crowd. Extremely strong brand equity and brand awareness are generally associated with larger companies and becoming well-known doesn’t occur...
overnight. However, by setting long term public relations one can positively affect the brand’s equity as the company grows by making the public more aware of the company and helping the various stakeholders associate the company with a lot of positive thoughts.

Public Relations is one of the best ways to maintain strong corporate brand equity. Using public relations to put up a positive spin on a business reputation, no matter what the situation, can be helpful in maintaining and equalizing brand equity. Public Relations campaigns can be individually tailored to fit any situation and can continually monitor and organize communication to the public. Whether the company is facing a new product launch or a business flop, brand equity remains on the line, but public relations can help any company shed the best possible light on any given situation.

Using public relations to aid in building brand equity makes sense because it is cost – efficient accessible to small business owners and complimentary to other marketing techniques. Strong brand enhances the positive evaluations of a product’s quality, maintains a high level of a product’s awareness and provides a consistent image or brand personality. As times passes by, these brands remain unchanged and consumer’s perceptions towards the brands are changing. These brands are becoming obsolete by themselves because of the modern society and modern brands. Thus, rebranding is a necessary strategy that can escalate a new business image to build confidence to the consumers.

In today’s competitive market, brand – building is crucial. Strong brand can create options of growth, command market share, barrier of entry for competitors and consumer loyalty. Moreover, strong brand enhances positive evaluations of a product’s quality, maintains a high level of product awareness and provides a consistent image or brand personality. In order to keep with fierce competition, companies may seek to transform their business directions or branding out their business units. This change is mandatory for anyone who wants to survive. Thus, rebranding is a necessary strategy that can escalate a new business image to build confidence to the consumers. It is not easy to build brands in today’s environment as industries become more and more hostile in a competitive sense further emphasizing the needs of strong brand – building skills to survive.

Branding has become such a fundamental factor of consumer behavior that hardly anything today goes unbranded. Brands are viewed as the major enduring asset of a company and must thus be developed and managed carefully. Therefore, the challenge for the marketers in building a strong brand is making sure customers have the right type of experiences with the product or the service and in developing their marketing programme so that the desired perceptions, feelings, beliefs and opinions become linked to the brand.

In building brands, advertising no longer has a legitimate role to play while media messages are becoming important. The more messages about the brand, the more favorable the messages become which results in a strong brand. But if your product or service has no publicity potential, it will be difficult to launch it with the help of public relations. Advertising is great when it comes to reinforcing a brand but when it comes to brand affinity; PR is the most important player. PR gives a brand substance by telling its story and information that people will remember and relate to. Public Relations can have a strong impact on public awareness at a much lower cost than advertising can.

People often determine what is best by finding out what other people think is best through third party sources such as the media and word of mouth. Compared to the power of media, advertising has almost no credibility. Advertising as a brand building tool exists no more, instead it should be used as a brand maintenance tool once the brand has been built by public relations. Public Relations help the public to understand a company and its products. PR allows you to tell your story in an authentic and throughout way. A big part of PR is working to generate positive media coverage. Stories in the media are like third party testimonials. Through public relations, the company doesn’t pay for the space or the time in the media. If the company has something interesting to share, the news could be picked up by several different media. Having the same result as advertising worth millions of dollars but with more credibility.

A brand is much more than just a visual representation and extraordinary tag line; it anchors the mission as well as the vision, operating ideologies and strategies of an organization. A brand goes beyond campaigns, services as well as products, displays; moreover, it encompasses everything in it
about an organization which includes status, culture and many other core values. Branding has always been denoted to be messaging instrument which aids the business to reach its goals and embraces the promotion of the whole thing related with the business. The purposes of brand include generating an identification and brand consciousness; ensuring a certain level of superiority, quantity as well as satisfaction; and, helping in promotion. The brand can also help as an organization’s representative as the part of that organization’s search of legitimacy. A brand also marks consumer attitude and perceptions against the product, especially applicable to PR, towards the organization that manufactures the product. The past decade has observed brands rise in prevalence and status in various segments of culture, politics, sport and the non-profit segments. Within, the brand is central to all conclusions, actions as well as values, thus permitting employees to give the brand promise. The internal and external communications about the brand should express the same story and be realized as part of the same story, and they should relate to the following:

- Values – the company’s core beliefs; what it is and the brands indicate.
- Behaviors – how organization collaborates with internal and external shareholders.
- Positioning – what organization wants shareholders to think about the brand.
- Identity – names, visual standards, logos.

A brand’s worth can be judged by a company’s performance and that completely depends on interconnections. Identifying and strengthening a brand’s interconnections within and company’s philosophy and performance through a communications operation focused on employee arrangement with business results and status can have powerful effects. Brand identity should be built from within, crossways geographies, various levels and functions. The view of winning culture is armored over time through training, structure, recruitment, reward or recognition associated with the brand dimension of values, exterior positioning and employee performances as well as symbols. Brand-based ideals rather than void slogans assistance people to “walk the talk”, and well-defined behaviors, correlated to each employee’s day-to-day life, fetch these brand-based standards to life. Forming a community of employees who understand these values are known to bring a vibrancy and thrust to an organization and assistance people to pour attention over need to reach dependably rising high standards of performance. It is the source of consumer satisfaction and corporate status.

Most brands become unsuccessful to grasp attention and market equity since they were introduced into the market place not with public relations but only with advertising. It is the same condition as putting a horse before the cart. It is like building a house without laying the foundation. Advertising appears to be used by maximum companies in order to introduce new brands. While a substantial advertising budget is required to maintain a brand, advertising cannot get a totally new brand off the ground or suddenly from the manufacturer’s store. Public relations play a longstanding role in formation of a positive perception for newer brands. We today live in a extra communications conscious society in which people come across numerous commercial messages on hourly and daily basis. In order, for a brand to establish itself into publicity and generate a chance in the considerable saturated marketplace, it should be able to create as well as command favorable publicity in the media among the other existing things.

Public relations give support and life to brand insolences and the vital brand promise by distributing credible stories and helping for the truth of a brand’s advertisement images. This all things are more significant in a developing media and business atmosphere. Even though public relations are used for a extensive variety of determinations in organizational communication, for the depiction of the organization, its decided present and future goals, its self-understanding has been progressively influential with publics.

This has become gradually important given the marketplace changeover to a consumer-dominating, conversation economy categorized by cooperative conversations among consumers as well as among the consumer and its respective organization. Furthermore, thereis cumulative rise in social consciousness between consumers who now abode more importance on what an organization is around instead of merely what that organization yield in the form of products and services.
Furthermore, extensive consumer cynicism and loss of consumer belief or faith and self-assurance driven by actions of the past period have made obligatory for business to re-examine their advertising as well as marketing communication strategies. Unique outcome has been combination of the public relations professionals into organizational branding initiatives. The propagation of television channels and niche publications, the easy accessibility 24 hours news and the exponential development of the internet show that organizations now do not have place to hide anywhere.

The organizations must be up to their mark, ready to refute damaging stories, also they must constantly make sure that they get their communications across. The reality was found and published, according to Harris research, organizations in the top 200 of Fortune’s Most Admired Companies sheet paid double in comparison to the public relations those in the bottom 200. All this elucidates how significant public relations is to brand strategy well as in construction and sustaining corporate reputation.

Statement of Problem and the Need for the Study

The task of managing a business has been becoming more complex and thus a better communications process is very necessary for controlling, coordinating and managing the various processes. The organizations are more focusing on developing two-way communicational system with their employees, customers and shareholders. The market has become more challenging and it is expected to rise further in future. Reputation risks are a major concern for the existing organizations as it determines the stock value. In this respect, importance of two-way communication and mutual understanding is expected to increase between the organization and its various stakeholders.

In the fast-changing environment of business, corporate image is one of the major criteria for organizational success. Corporate reputation management primarily focuses on the managing the corporate risk within a business environment. Public Relation has emerged as an important subject of marketing communication in India. In the present business scenario, effective public relations have become one of the most powerful tools of marketing initiatives by an organisation. PR is a neutral voice and thus helps build a new brand or even rebuild an old brand. What is equally important is getting the media to authenticate your claims.

Literature Review

Last few years have witnessed tremendous changes in the consumers’ preferences and cultural trends. These changes have made the organization think on new and innovative ways of practices public relations. Gregory (2010) on “Involving Stakeholders in Developing Corporate Brands: The Communication Dimension” found that interactions with stakeholders are crucial and it was quite surprising that relatively few literatures on corporate branding recognized the significance of range of stakeholders in developing corporate brand. Thus, stakeholder’s contribution was realized, and four different practical communication strategies were evolved that can be used to involve stakeholders in corporate brand development depending on their nature of relationship with the organization. Harris (2000) argued that developing an appealing corporate brand image requires inclusion of both internal and external stakeholders. A model for managing corporate brands was described to reduce the gap between a brand’s identity and its reputation. Russell A (2010) analysed the conceptual development of the corporate image processes. Emphasis was laid down to chalk out the difference between corporate image, corporate identity and corporate philosophy. These concepts were combined to make a new image development process in the eyes of public. Although the concept of public relations was defined by many researchers from various perspectives, but it was strongly argued by Wilcox et al (2001) that that most of these definitions were redundant as they focus on only few elements of the whole public relations role. Wilcox stated that public relations are a process involving many subtle and far reaching aspects. It includes research and analysis, policy formation, programming, communication and feedback from numerous publics. In her study entitled “Rupturing Public Relations Metanarratives: The example of India”, Bardhan (2003) combines a cultural analysis approach with ethnographic fieldwork in an attempt to move away from the culturally constituted metanarratives of the 4 models and practitioner roles of public relations and it provides an insight out or empirical
analysis of the cultural context of public relations in India. In doing so, it can foreground some of the assumptions that underline these metanarratives, assumptions that are not always congruent with the Indian cultural context. In his study entitled “PR finds its path”, Sharma (2008) talks about the growing adoption of formal PR into the business practices by the corporate houses. Indian corporations that wanted to gain global visibility as well as compete locally on reputation and brand marketing took the lead in bringing the formal PR practices to the country. Ali Khatibi (2013) in their study “The influence of Employer Branding on Productivity- Related outcomes of an organization”, studied the significant outcomes of employer branding on organizational productivity and which organizational factors impact upon the relationship between the two. Data gathered from a survey of 369 Sri Lankan companies indicates that a well-developed employer branding strategy enables an organization to achieve significantly higher employee productivity-related outcomes than with a partially developed or underdeveloped strategy. Although data was gathered from companies in one developing country, it has practical implications for those managing employer branding programmes through providing a greater understanding of the importance of organizational factors on brand strategy development in improving the improved productivity. Gonring (1994) in his article “Putting Integrated Marketing Communications to Work today”, talks about the Public Relations broad perspective which helps companies to avoid myopic sales efforts that fail to take customers into consideration first. Public Relations can work with marketing to guard against those big ideas that won’t just fly with the stakeholders in a particular market.

Identifying Variables
The public relations policies pursued by the finance companies of India in the post liberalization period had a significant impact on the corporate brand building. The dependent variables in the present study were corporate brand image, corporate brand equity while the independent variables were public relations policies and economic reforms ushered in as a result of liberalization.

Hypothesis of the Study
The public relations policies pursued by the finance companies post liberalization in India had a significant impact on the corporate brand image and brand equity. The policies pursued by the finance companies had a great major impact on the creation of positive image amongst all the stakeholders.

Methodology

Questionnaire Design – The questionnaire design for the present study was based on a plan, structure and strategy to answer a problem which was identified for the study. In this study, the dependent variables were PR processes, practices and structures in the post liberalization phase while the independent variables were regulatory bodies, government policies and economic reforms.

Data Collection – In the present study, data collection was done in two stages. In the first stage, a pilot study was done to ascertain the research parameters and to test the validity and the reliability of the instrument to be used in the study. In the second stage, the primary data was collected by using the various instruments of the study. The instrument used was a self-administered questionnaire. The secondary data was collected by scanning literature, professional magazines, research papers and various research reports.

Sample Size – The study was conducted in Mumbai, Delhi, Bangalore, Pune, Hyderabad and Ahmedabad. The study incorporated 50 companies in the realm of finance which are based in those cities. The selection criteria were based on their size, annual turnover, number of employees and the budget on PR. Mumbai being the finance capital of the country, the number of public relations professionals who participated in the survey were the maximum.
Sample Size of PR Professionals

<table>
<thead>
<tr>
<th>Cities</th>
<th>121 Professionals</th>
<th>Turnover</th>
<th>Male /Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mumbai</td>
<td>50</td>
<td>500 to 1000cr</td>
<td>27/23</td>
</tr>
<tr>
<td>Delhi</td>
<td>30</td>
<td>200 to 1000cr</td>
<td>24/7</td>
</tr>
<tr>
<td>Bangalore</td>
<td>20</td>
<td>100 to 500cr</td>
<td>8/12</td>
</tr>
<tr>
<td>Pune</td>
<td>11</td>
<td>100 to 500cr</td>
<td>7/4</td>
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<tr>
<td>Ahmedabad</td>
<td>10</td>
<td>100 to 500cr</td>
<td>6/4</td>
</tr>
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</table>

Data Analysis – Data was analyzed based on both the primary and the secondary information and the conclusions were derived based on the analysis.

Results of the study
A sample size of 121 PR industry professionals were studied as a part of the research. These PR professionals belonged to Banks, Mutual Funds, General Insurance and Brokerage Services Companies. The Sample had 52% male and 48% female PR professionals, the age group of sample was mainly between 25-35 years with a weightage of 53% and 35-45 years with 36%. It was observed that 84% of the population under study had completed their post-graduation. 80% of the companies whose PR professionals were studied had their own PR departments while 82% had their own PR budget. Though there was a drop-in case of structured PR policies, viz 75% had their own PR policies.

The analysis was done in two parts -
- Corporate Brand Equity
- Public Relations Practices

Hypothesis - 1 - Dependence of Corporate Brand Equity on Public Relations Practices

(i) Dependence of Corporate Equity on PR practices

Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
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<tbody>
<tr>
<td>1</td>
<td>.934a</td>
<td>.872</td>
<td>.871</td>
<td>.269</td>
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</table>

a. Predictors: (Constant), PR practices

ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
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<tbody>
<tr>
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<td>58.548</td>
<td>810.840</td>
<td>.000a</td>
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<tr>
<td>Residual</td>
<td>8.593</td>
<td>119</td>
<td>.072</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>67.140</td>
<td>120</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Corporate Equity
b. Predictors: (Constant), PR practices

In Table - (1) of hypothesis - (1), it was observed that the value of R Square was .872 while the adjusted Square was .871. The objective was to understand the dependence of corporate brand equity on the public relations practices.
Anova was used to validate the data.

**Inference**: Since the significance value < 0.05, the hypothesis is confirmed. Therefore, the effect of public relations practices on corporate brand equity is significant.

(ii) Dependence of Corporate Image on PR practices

<table>
<thead>
<tr>
<th>Model</th>
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<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.853(a)</td>
<td>.728</td>
<td>.725</td>
<td>.379</td>
</tr>
</tbody>
</table>

\(a\). Predictors: (Constant), PR practices

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
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<tr>
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<td>.000*</td>
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<tr>
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<td>119</td>
<td>.144</td>
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<tr>
<td>Total</td>
<td>62.694</td>
<td>120</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(a\). Dependent Variable: corporate image  
\(b\). Predictors: (Constant), PR practices

In Table-1 of Hypothesis - 2, it was observed that the value of R Square was .728 while the adjusted R Square was .725. The analysis was done to understand the impact of public relations practices on the corporate image amongst the finance companies in India. Anova was used to validate the data.

**Inference**: Since the significance value < 0.05, we conclude that effect of PR practices on corporate image is significant. Therefore, the hypothesis is confirmed.

**Conclusion**

In building brands, advertising is no longer the only the medium to reach out to the various stakeholders in the finance sector in India. Public Relations is playing a key role where media messages are becoming important. More favorable are the messages, the brand is getting stronger. If products and the services being offered by the company has no publicity potential, it will be difficult to launch it only through an aggressive advertising. Advertising is great when it comes to reinforcing a brand but when it comes to brand affinity; PR is the most important player in the finance sector in India. PR gives a brand substance by telling its story and information that customers will remember and relate to. Public Relations can have a strong impact on public awareness at a much lower cost than advertising can. Public Relations allows the customer to tell one’s story in an authentic and throughout way. A big part of PR is working to generate positive media coverages. Stories in the media are like third party testimonials regarding the various products and services being offered by the company. Through public relations, the company doesn’t pay for the space or the time in the media. If the company has something interesting to share, the news could be picked up by several different media. Having the same result as advertising worth millions of dollars but with more credibility.
Managerial Implications

Organizations need several management functions to operate to their optimum to contribute to their success. These management functions include; finance, legal, human resources, marketing and operations. Public relations can be considered as a common variable to all these functions as it has the goal of developing and maintaining relationships with all the organization's publics and stakeholders by effectively communicating with these groups. All publicly traded companies need to operate within a set of guidelines, standard benchmarks, and regulations as defined by the government. The liberalized policies pursued by the government had a major impact on the public relations policies being pursued by various companies in the finance sector in India. There was a realization of a need to focus on the public relations as a part of building the overall brand image amongst the various stakeholders. It also resulted in making specific budget allocated for the public relations function in the organization. Along with advertising, public relations also came to play a very prominent role in creating brand equity for the finance companies in the post liberalization phase in India.

Limitations & Scope of Research

The scope of the present study included only companies which are in the realm of finance in India. The study was not able to incorporate the companies from all the sectors as a part of the study considering its magnitude and time. Besides, the scope of the present study included some select companies based on the various parameters in selected cities in India.

Contribution to Research

There have been numerous researchers who have studied public relations, its evolution and its impact. This present study focussed on the impact of public relations on creation of brand building amongst the finance companies in India. There have been volumes of studies on the growth and development of Public Relations in India in the past, but this research has managed to look at the correlation between public relations and its impact on creating brand building amongst the finance companies in India. A thorough focused survey has been used to understand the perception of the PR professionals in finance sector on the impact of public relations on brand building. The gaps in studies done in the past showed that this research tried to fill the void by focussing on public relations practices in financial sector in India and by drawing comparisons with other services industries. Furthermore, the effect of public relations on creating brand image amongst the stakeholders in the post-liberalisation have also been studied as a part of the research.

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