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**Reputation risk management will become more crucial: Ashwani Singla**



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The start of a new year is seen as bringing in new operational efficiencies, stronger strategies, a far greater emphasis on building deep bonds with various stakeholders and consumers. In keeping with the current market ecosystem, technology and a human approach are seen as going hand in hand.

As 2023 kicks off, Adgully has approached key industry leaders to Crystal Gaze into 2023, as part of our annual Trending Now series, to highlight the major trends and developments that they see dominating the industry in the year ahead.

Ashwani Singla, Founding Managing Partner, Astrum, speaks at length about where the Public Relations industry is headed in 2023, the rapid incursions of technology into this industry and wide ramifications of it, the core emphasis on people and growing the talent pool, and more.

**Key trends that will dominate PR industry in 2023**

Let's divide this into two or three parts. When you think about services, what are the two or three big things that you will see? I think firstly, advocacy, policy, public affairs, whatever you name it, but not government relations. So, public affairs or policy advocacy or policy communication will increasingly take centerstage, because as you see, this government is really looking at recalling some of the extant regulations. Also, the role of technology is

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changing and creating new disruptions. So, the policy legislative agenda has to keep up. I think these two things need to shift extant regulations and develop new regulations to keep pace with the disruption/ innovation caused by technology in business models and industry models. A very important aspect such as Web 3.0 Technologies is there. Crypto is another great example. Thus, policy advocacy will become very important.

Secondly, reputation risk management will continue to remain crucial, and become even greater now because as you start to see the advent of citizen journalism, which is a camera phone and a Telegram or WhatsApp or a Twitter account, crises can emerge from anywhere at any point of time. The urination incident in Air India happened four weeks after somebody made a social media post and you can see the cascading damage that has happened not only to Air India as a brand, but to the Tata Group as well. So, I think reputation risk will become even more crucial, because there are no holy cows anymore. The good guys will change faster and those who haven't done the right things or have not set the foundation of good crisis and issues management will obviously feel the pain of these issues for longer periods of time.

Thirdly, it is going to be around employee engagement. I think as you start to see several challenges post pandemic, choices that people are making, the demands of this profession itself will push people out of the profession.

If we were talking in general, the scope of services and not just the consulting work, employee engagement becomes important from two or three aspects. One is the pandemic – from the choices people made to look at what's happening to global inflation. Everybody is slashing costs, yet we are finding talent in an adequate supply chain.

How you hire and retain the most valuable talent that you have is going to be another important aspect of what we will need to look at from a public relations reputation stand, and again, reputation will play a very important role in attracting talent. As you can see, millennials are making different choices based on what you do in your societal and environmental footprint. Thus, some of those things become important for millennials and the choices of why they will join your company and be with your company dramatically shift. Therefore, engaging those employees is going to be an important aspect.

Now let's look at management in the public relations business. I clearly think advancement of technology will continue to derive both our ability to serve clients better, as well as the ability to use technology to innovate and to create new services.

With the increasing sophistication of augmented reality, virtual reality and artificial intelligence, when you look at such technologies, you start to think about how you can create immersive experiences for clients and consumers. The Metaverse is such an example.

Creating immersive content is great use of multimedia content – you can see how podcasts are increasing. Thus, audio-video will start to dominate more and therefore immersive audio-video content will start to take centerstage as opposed to text; even though text will never go away. Look at what Apple has done with the immersive headphones. Immersive technology is what Virtual Reality is about – how you are living inside the created universe that you have. Right now it is predominant in games. But I think it's going to start to expand more and more. Web 3.0 and NFTs are great examples of how technology is going to become more and more pervasive in the way we see business. Add to that the early results seen in ChatGPT AI – if this becomes a more pervasive preference, then your ability to do research, curate and generate content, etc., will become a lot better.

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That brings us to the question about productivity.

I think from a management standpoint, the use of technology to advance your engagement with stakeholders, as well as to manage your own business is going to become an important aspect. The most crucial of this is going to be the transformation of talent. I say this with a great amount of emphasis. Because as you start to see the emergence of these specialisations, the industry's ability to attract the right talent – which is multidisciplinary with the right level of knowledge expertise – is going to mean that we will need to broaden our talent pools. We will need to look at compensation very differently to be able to bring this kind of talent into the business. So, I think newer models of talent management will need to emerge to be able to work and deliver multidisciplinary services. Multidisciplinary talent is going to become a critical aspect of any consulting business or client side. But the idea is not just the mere presence of multidisciplinary talent, they will have to collaborate and intersect.

### **Major expectations**

I think the first major thing that we have to deal with is the slowdown. We may say that India is the positive in the global economy, but we are also coming from a low base of growth in the last two years. So, if you say that we are going to go double digits, that's also because we grew in single digits in the last few years. So, I think we will go through a very difficult time in the next three to four quarters. Inflation will continue. Fed rates have continued to be tight because of the inflation that we've had for three consecutive quarters. So, the Fed rates are going to continue to be tight, which means that it is going to be high.

So, if you are going to find high debt and tight Fed rates, you will continue to find money in short supply. Thus, people are saying that the capital winter is setting in. For the New Age businesses, the movement is towards profitability and reducing cash burns. This is going to impact budgets and availability of programs and clients. I think you are going to find budgets challenging in 2023 because of limited opportunities. In short, growth is going to be the first major challenge in the public relations industry, because there you will be seen as ancillary, yet crucial expenditure. You will not see departures or divestments, but you will see shrinking budgets.

### **Major focus areas for Astrum in 2023**

I think sustaining growth is going to be a good focus. I expect to see the technology curve to be a little bit steeper. In the new emerging technologies as you can already see, Facebook is declining. Snapchat has gone, you are seeing Instagram on the rise, and so are Telegram and TikTok. We will continue to see the advent of more technology in our lives. Thus, we need to look at how we leverage technology for our clients as well as for ourselves. We continue to expect to hire and retain the best talent that we can find. We are seeing some good successes following some of the experiments that we have done to widen the talent pool and bring in multidisciplinary talent. My big focus continues to be well equipped for our people to live a fulfilling life, and yet achieve professional success – my first and foremost focus is my people. I certainly think that we need to sharpen our edge and build a greater amount of capability.

Hopefully over a period of time, we should be able to widen our equity participation in the firm and then I can divest the equity to a larger number of people. But first and foremost our goal is to find like-minded people.

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