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LATEST HAPPENINGS, DEVELOPMENT AND RESEARCH IN MANAGEMENT

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Economics

Balancing the consumption-investment trade off

Fiscal sops in the absence of adequate employment generation will be a futile endeavour to achieve the ultimate objective of reviving the consumption expenditure.

By Chinmay Joshi

As per the First Advance Estimates (FAE) of national income data released by the NSO, MOSPI, GoI, the economic growth in real terms (i.e. GDP at constant market prices) is estimated to decline by 1.80% and register a 6.40% growth rate in FY 2024-25 as compared to the growth rate of 8.20% as per the provisional estimates of national income for FY 2023-24. In the ensuing period, too, the growth outlook for India is less optimistic and subdued. For FY 2025-26, the RBI has predicted a growth rate of 6.70% in its latest MPC meeting, while the Economic Survey for 2024-25 predicted that the growth rate would remain in the range of 6.30%-6.80%.

In a closed economy, consumption and investment are two key drivers of economic growth. A cycle of economic expansion is driven by consumer

spending or the consumption expenditure, which generates demand for goods and services and motivates corporations to invest in productive capacities. As per the FAE, the private final consumption expenditure (PFCE) is expected to increase to 7.30% in 2024-25 over 4.00% as per the PE of 2023-24, and government final consumption expenditure (GFCE) is expected to increase to 4.10% from 2.50% in the same period. However, the share of both these components in the GDP is expected to remain subdued at 56.30% and 9.30%, respectively, indicating a suboptimal success over the previous year. The investment, as reflected by the Gross Fixed Capital Formation (GFCF), is expected to decline from 9.00% in 2023-24 to 6.40% in 2024-25, while its share of GDP is expected to remain the same. This suggests that there is much to be desired from these two components of economic growth. Against this backdrop, the government, through its first full-year budget presented on February 01, 2025, emphasizes reviving decelerating economic growth, reining in inflationary pressures, and boosting stagnant wages and consumption expenditure, among other things, while achieving fiscal prudence.

It is projected that altering the tax rates will be helpful in generating the consumption expenditure and increase in discretionary and non-discretionary spending and thereby generating additional tax revenues in the form of indirect taxes. In this regard, the government is optimistic that the significant adjustments made to the personal income tax slabs, which propose no tax up to Rs. 12 Lakhs in FY 2025-26, will boost tax collection substantially and help widen the tax base. The gross tax revenue will primarily be driven by the increase in income tax revenues, which is projected to rise by 14.39% in budget estimates (BE) of 2025-26 compared to revised estimates (RE) of 2024-25. The substantial tax relief given to the middle class is expected to significantly increase the disposable income and thereby provide a much-needed fillip to the frail consumer spending. However, in this context, it is worthwhile to note that such fiscal sops in the

absence of adequate employment generation will be a futile endeavour to achieve the ultimate objective of reviving the consumption expenditure. This has been aptly highlighted by the Economic Survey 2024-25, which noted that India should create 78.5 lakhs non-farm jobs annually until 2030 to attain sustainable, equitable, and inclusive economic growth. It is also important to note that the revenues from the corporate taxes are not expected to rise significantly as a result of various tax concessions given in the past. The indication of lacklustre investment prospects along with low wage growth in the private sector despite substantial accumulation of profits will inevitably dent the rising aspirations of lakhs of youths entering the labour force annually in the wake of low employment generation.

In order to achieve the mandated target enshrined in the Fiscal Responsibility and Budget Management (FRBM) Act, 2003, the budget proposes to bring further reduction in the fiscal deficit to 4.40% of GDP in 2025-26 as compared to 4.80% as per the RE of 2024-25. However, the reduction in revenue and capital expenditures will play an important role in achieving the path of fiscal consolidation.

This is particularly significant as it indicates that the crucial long-term investments in the form of capital outlays/expenditures will be pruned in order to offset any potential downfall arising out of adjustments made in the tax rates. The expenditures on both these accounts are budgeted to reduce to 11.04% and 3.14% of GDP in 2025-26, respectively, vis-à-vis 11.44% and 3.42% of GDP in 2024-25. As per the RE of 2024-25, too, a similar trend is visible, where expenditures on both these accounts are revised downwards by 0.30% and 8.34%, respectively, over BE of 2024-25. The decline in the revenue expenditure indicates that the generation of new employment in the government sector in the upcoming period will be affected. Similarly, the fact that the allocation for capital expenditure has not been increased significantly is concerning, as it plays a vital role in reaping the benefits of the multiplier effect through investment in infrastructure

development, transportation, logistics, acquiring new machinery and equipment, among others. The actual spending less than the budgeted allocation on the capital account will not augur well for growth augmentation and particularly for employment generation going ahead.

Despite optimism about the Indian economy, there are some critical areas, inter alia, such as falling domestic consumption, rising unemployment, and dwindling agricultural growth, which need adequate and urgent attention. The FM, in her budget speech, has emphasised four engines of growth, viz., agriculture, MSME, investment, and exports, to bolster economic growth. The effective implementation of policy measures pertaining to growth drivers in the budget is the need of the hour. Aspirational and emerging India not only requires the rapid double-digit growth but also needs to insulate itself from the dangers of jobless growth. (FE17022025)

Finance

An inequitable tax Structure

High exemption limits pushing govt to rely on indirect taxes which burden lower-income groups.

By Rajiv Kumar & Abhishek Jha

A key highlight of the FY26 Budget is a major tax relief: salaried individuals earning up to Rs 12.75 lakh annually will be exempt from income tax. This bold move aims to boost domestic demand and consumption by increasing disposable income — potentially accelerating private investment in a timely manner, as the Economic Survey noted private investment is on the cusp of a rising cycle.

However, this tax relief raises concerns about government revenue. Direct taxes are vital for fiscal health, and such leniency may strain revenue mobilisation. With FY26 capital expenditure growing only 1% and fiscal deficit targets tightening (4.4% in FY26, down from 4.8%), coupled with truncating the debt-to-GDP ratio to 50% by March 2031, the government may adopt a conservative approach to public spending, potentially moderating infrastructure and development goals critical for India's Viksit Bharat vision by 2047.

How many Indians pay direct taxes?

India's direct tax landscape reveals a narrow base. While indirect taxes such as the goods and services tax (GST) impact everyone — even the poorest pay 18% GST on essentials like a Rs 5 biscuit or refined sugar packet (Rs 25 for half kg) — personal income taxes tell a different story. Taking central and state government tax receipts together, direct taxes account for only about 40% of the total. This is surely a regressive tax regime, which has only marginally improved over the last five years.

As regards personal income tax (PIT), 8.1 crore income tax returns (ITRs) were filed in FY24, a mere 6% of our total population. Assuming there is only one taxpaying member in each family, which of course is not universally true, only 30% of the households are covered in the PIT net.

Out of the ITRs filed in FY24, 4.9 crore had zero tax liability. Thus 55% in FY24 and up to 65% of current tax filers do not pay any PIT. This implies that only 3.11 crore individuals filed non-zero tax ITR. Thus, approximately 2% of India's 143-crore population pays any income tax. This contrasts sharply with countries like the US (44% of households pay income tax), the UK (over 50%), and even peers like Brazil (7%) and Vietnam (20%). This shows that a broader tax base is achievable even in economies with similar income levels. The disparity will become starker with the new exemption limit, as only 1.5 crore people are expected to pay PIT in FY26.

Income tax threshold and its implications

India's direct tax structure presents a paradox: it offers a tax exemption limit that is 500% of its per capita income, far exceeding peer countries like Brazil, Vietnam, China, and Indonesia, where this ratio is below 100%. This means a large portion of India's population falls below the taxable threshold, showcasing fiscal leniency that is rare on a global scale.

The disparity deepens when the exemption limit is compared to the per capita final private consumption expenditure, which is about 60% of the per capita income. A newspaper report notes that a salaried income of Rs 12.75 lakh per annum is 10.6 times the per capita private consumption expenditure — an exceptionally high exemption threshold by any standard.

Additionally, India's tax system lacks the progressivity seen elsewhere. While the highest tax slab isn't detailed, the high exemption weakens its progressive nature. Countries like China, South Africa, the UK, and France apply marginal tax rates of 45%, ensuring higher earners contribute more to national revenue and

promoting social equity (with the education and one other cess that are levied, the highest tax slab in India also goes up to around 34%).

The key takeaway is that India's tax structure is inequitable, with generous exemptions leading to a narrow tax base. High exemption limits reduce direct tax collection, pushing the government to rely on indirect taxes which disproportionately burden lower-income groups. While India's combined central and state tax-to-GDP ratio is around 19%, which is comparable to peer countries, the ratio of tax exemption to per capita income is not.

Wealthy farmers and large agriculture landlords continue to remain exempt from income tax, an issue that remains unresolved for over four decades. Bringing them into the tax net, along with higher tax rates for the wealthy — as seen in countries like China, Vietnam, Indonesia, and South Africa — could ease the undue burden on the salaried middle class. This group contributes the bulk of direct taxes but seldom benefits from public services like schools and hospitals. Improving the quality of these services would encourage middle-class usage, reducing their reliance on expensive private alternatives and providing much-needed financial relief. India's exceptionally high tax exemption limit, combined with a low percentage of taxpayers and a modest top tax rate, creates a regressive tax structure that places a disproportionate burden on indirect taxes. (FE15022025)

Nudging private investments

Most Budgets aim to balance growth, social welfare, and fiscal responsibility, and Union Finance Minister Nirmala Sitharaman's eighth Budget follows the same approach.

By N Chandra Mohan

Most Budgets seek to balance different objectives like boosting growth, higher spending on social objectives like improving farmer welfare, providing housing, drinking water and healthcare for all, etc. while remaining fiscally responsible. Union finance minister Nirmala Sitharaman's eighth consecutive Budget is no different in this regard.

To address a sharp slowdown in growth to 6.4% this fiscal according to the first advance estimate from 8.2% in FY24, Budget 2025 unveiled massive tax reliefs for the urban middle class to stimulate higher consumption alongside a continuing thrust on capital expenditures to maintain the current growth momentum while reducing the fiscal deficit to 4.4% of GDP next fiscal.

The tax relief has no doubt provided a feel-good factor but there are serious questions whether it would provide the boost to consumption demand that would stimulate higher private investments and bolster growth. Fast-moving consumer goods companies, for instance, feel that only half the tax savings will be spent on essential and discretionary purchases as the middle class utilises the savings to pay off loans or save.

Corporates are not driving the growth story because there is still a lot of excess capacity. In manufacturing, capacity utilisation rates fell to 74% in Q1FY25 from 76.8% in the previous quarter. They need to go up much further to a point where private industry requires additional capacity.

This can happen only if demand uncertainty reduces. Not surprisingly, the stock markets have responded listlessly to the tax reliefs, but they have been rattled by the prospects of a looming trade war that can upend Budget 2025's projections on growth and inflation. US President Donald Trump imposed 25% tariffs on Mexico and Canada — provoking retaliatory tariffs — but paused them for a month following last-minute negotiations with both nations. The 10% levy on China has kicked in and the dragon has retaliated.

The European Union is next in line. So is India. Trade wars are bad news for the markets as they negatively impact global trade and GDP which have knock-on effects on the Indian economy. A further slowdown in growth will hit tax revenues and derail efforts to keep the fiscal deficit as per the budgetary target.

Although the tax reliefs represent a "Hail Mary pass" of sorts to nudge an upswing in private investment-led growth, this objective remains an unfinished agenda of Sitharaman's eight Budgets. Domestic investments were tepid even when she first presented Budget 2019. Despite exhortations at the highest levels for India Inc to overcome its hesitancy to invest, a virtuous spiral has been elusive as investors face serious difficulties in doing business on the ground, especially in the various states.

They need more stable policies and regulations. To rekindle their depressed animal spirits, reforms that free up land and labour markets must be implemented. "Getting out of the way" is imperative, to borrow an expression of the latest Economic Survey. Sitharaman's maiden Budget proposed a number of initiatives

as part of a framework of “kick-starting a virtuous cycle of domestic and foreign investments”. Budget 2023 even sounded Keynesian when she stated that a “virtuous cycle of investment requires public investment to crowd in private investment.

At this stage, private investments seem to require that support to rise to their potential and to the needs of the economy. Public investment must continue to take the lead and pump-prime the private investment and demand.” The provenance of this sort of thinking goes back to the first Economic Survey when the National Democratic Alliance regime came to power in 2014 which argued that an increase in public investments will not crowd out private investments.

The Union finance minister accordingly sought to provide a strong public capex push — with spending doubling from 1.7% of GDP in Budget 2019 to a high of 3.4% in Budget 2024, which was revised downwards to 3.1 %. It remains at this level also in Budget 2025, naturally triggering speculation whether this Keynesian strategy has run its course, indicating limits to the government’s institutional capacity for driving a public capex push. Sitharaman denies this, stating that the thirst for capex is still there.

The slower pace this fiscal was due to elections and with central and state governments catching up with investments in the second and third quarters. The thrust on capital expenditures has not been foregone to boost consumption demand.As the government is committed to be fiscally responsible, obviously there are limits to financing public capex with larger borrowings, which only crowd out potential savings available for higher private investments.

The only problem is that private investments have, so far, not crowded in to drive overall growth; more so now as the economy now faces the full brunt of Trump’s tariff bluster that can potentially upset the assumptions of Budget 2025. The

disruption also extends to further downward pressure on the rupee as the US dollar further strengthens under his presidency, making our imports more costly. Despite the markets not exactly giving the thumbs-up to the tax reliefs, Budget 2025 has reduced the fiscal deficit while continuing the thrust on public capex to drive the currently fastest-growing large economy in the world. (FE05022025)

Advertising management

The impact of virality: Balancing influence and integrity in digital platforms

The rise of problematic digital content cannot be analysed in isolation from the larger political economy of digital media.

By Aniruddha Jena and Jimut Bahan Chakrabarty

"In an era where digital platforms shape entertainment and influence millions, content creation is often guided by an incentive structure that rewards

sensationalism and controversy. The recent discussions surrounding Ranveer Allahbadia and other influencers reflect growing concerns about the evolving nature of digital content, where ethical considerations sometimes take a backseat to engagement and visibility."

The rise of problematic digital content cannot be analysed in isolation from the larger political economy of digital media. The shift from traditional television to digital platforms has created an unregulated landscape where algorithm-driven engagement determines success. According to Statista, the estimated value of India's influencer marketing industry was 55 billion Indian rupees in 2024, a 20% increase over the previous year. The market is projected to grow at a compound annual rate of 25% until 2026, reaching over 107 billion rupees by 2027. This rapid expansion is driven by capital investments and advertising revenue that incentivise viral content, irrespective of its ethical implications. Governments have played a role in enabling this rapid digital expansion. While traditional media houses operate under content regulations, digital platforms largely govern themselves. Although the regulation of digital content remains a debated issue, fostering a more responsible online space does not necessarily require heavy-handed restrictions. Instead, a balanced approach–where platforms implement clearer guidelines, advertisers make mindful sponsorship choices, and audiences engage more critically. The absence of strict policies allows content creators to test boundaries, often driven by the understanding that controversy attracts engagement and financial rewards.

The business model of virality

At the heart of this issue is the economic model driving digital content. Social media platforms and OTT networks primarily rely on ad-based and subscription revenue. In their efforts to connect with younger, digitally savvy audiences, brands often collaborate with influencers without extensive oversight. As engagement remains a key metric, creators who attract higher interaction–

regardless of the nature of their content–tend to secure more lucrative sponsorship opportunities. Reports from the Internet and Mobile Association of India (IAMAI) suggest that Indian digital advertising expenditures will exceed ₹30,000 crore in 2025, nearly doubling from 2021. According to IAMAI and Kantar, India is expected to surpass 900 million internet users by 2025, with much of this growth coming from rural areas, highlighting a major increase in internet usage. This trend is closely tied to the growth of influencer marketing, where even controversial figures continue to secure major sponsorships. Advertisers play a crucial role in shaping digital content and may benefit from reassessing the impact of their partnerships. Research from the Harvard Business Review (Eccles, Newquist, and Schatz, 2007) suggests that brands risk long-term reputational challenges when associated with contentious influencers. As consumer awareness grows, corporations that take a more thoughtful approach to sponsorships can help foster a more responsible digital landscape while safeguarding their own credibility.

The role of digital platforms and content moderation

Social media platforms like YouTube, Instagram, and TikTok play a key role in shaping the digital content landscape. Their recommendation algorithms often prioritize engagement, which can sometimes amplify sensational or polarizing content. The discussions surrounding Ranveer Allahbadia are not isolated but rather indicative of a broader trend in the digital space. According to an E-Marketer report, digital ad spending is expected to account for more than 75% of worldwide total media ad spending by 2025, reaching this milestone two years earlier than forecasted. Yet, content moderation remains inconsistent and largely reactive. When controversies arise, platforms may take action by removing content or demonetizing videos, but these measures are often temporary and limited in impact. To foster a more responsible digital space, stricter and clearer guidelines could help address problematic content before it gains widespread

traction. However, platform policies often remain ambiguous, allowing content creators to test ethical boundaries until public backlash prompts a response. This dynamic has created an environment where controversy can be leveraged for visibility, with consequences that are either minimal or delayed. As revenue generation remains a primary focus, content moderation sometimes takes a backseat, making it increasingly challenging to maintain balanced and ethical digital discourse.

Societal and ethical implications

Beyond its business and political implications, the evolving landscape of digital content has significant social consequences. The increasing prevalence of shock-value and sensational content can influence cultural and moral perceptions, particularly among younger audiences. A 2024 Pew Research study found that nearly 78% of teenagers regularly consume influencer-driven content, sometimes encountering misleading or inappropriate material. As social media continues to shape public discourse, there is a growing concern that sensationalism is becoming normalized. This shift may encourage a digital culture where engagement and virality are prioritized over thoughtful and ethical content creation.

Additionally, the casual treatment of sensitive topics–such as gender issues, mental health, and social norms–can set a concerning precedent. When digital personalities make controversial remarks with little consequence, it may encourage others to adopt similar tactics, gradually pushing ethical boundaries in pursuit of engagement. Over time, this can lead to a desensitization where provocative content is met with indifference rather than critical reflection. The rise of content creators who present themselves as thought leaders while prioritizing sensationalism further complicates this landscape. By blurring the lines between meaningful discourse and attention-driven narratives, such trends

risk spreading misinformation, diluting genuine expertise, and shaping public perception in ways that may not always be constructive.

A call for change

Digital content creation does not have to come at the expense of quality and integrity. There is ample room for meaningful, informative, and engaging content that does not rely on sensationalism. The financial and political forces shaping digital media must strike a better balance, ensuring that substance takes precedence over controversy. Addressing this issue requires a collective effort from audiences, advertisers, policymakers, and platform regulators. If current trends persist, digital media may continue to prioritise engagement over ethical considerations, making it essential for all stakeholders to encourage more responsible content creation. (FE22022025)

MARKETING STRATEGY

Sustainability as a marketing strategy: How brands are using eco-friendly design to win customers

Consumers today are becoming increasingly aware of the consequences of their consumption patterns.

By Utsav Shah

The conversation surrounding sustainability has significantly evolved in recent years. While climate change scepticism still exists among some, the overwhelming majority of the global population now recognizes sustainability as

an imperative for environmental conservation. Rising sea levels, more extreme weather patterns, and the visible impacts of global warming have only underscored the urgency for sustainable practices across industries. As a result, the role of sustainability, especially within the design and architecture sectors, is no longer a luxury—it is a necessity.

Consumers today are becoming increasingly aware of the consequences of their consumption patterns. With civilization's rapid advancement, there is growing pressure on brands to adopt sustainable business practices to meet the rising demand for environmental accountability. Consumers want transparency regarding the sourcing of materials, production processes, and the overall environmental impact of the products and services they choose. The idea is to strike a delicate balance between human progress and the planet's well-being. By 2025, sustainability has transformed from a niche market strategy into an integral element of business operations across the globe.

In the context of the built environment, the architecture and interior design industries are uniquely positioned to lead this change. The construction and operation of buildings contribute approximately 40% of the global carbon footprint, signaling a massive opportunity for impact. Sustainability in this sector is not just about using eco-friendly materials—it is about rethinking the lifecycle of buildings, from their conception to demolition, to minimize their environmental impact.

Architects and interior designers play a pivotal role in this transformation by creating spaces that promote sustainability through responsible resource use, energy-efficient designs, and the selection of materials that reduce environmental harm. One material that has seen a resurgence in popularity is wood. While it has long been appreciated for its aesthetic warmth and natural appeal, wood is increasingly recognized for its sustainable properties. Not only is it a renewable

resource when harvested responsibly, but its carbon-storing capabilities also make it a valuable material for reducing a building's carbon footprint.

Beyond material selection, the built environment's energy efficiency also plays a critical role in sustainability. Advances in technologies such as smart building systems, energy-efficient HVAC systems, and solar panel integration allow designers to significantly reduce a building's operational energy use. These innovations align with consumer expectations for eco-conscious spaces that have a minimal environmental footprint throughout their lifespan.

Sustainability certifications and standards

The growing consumer interest in sustainable architecture has contributed to the rise of various sustainability certifications and standards that guide architects and interior designers in their projects. Programs like LEED (Leadership in Energy and Environmental Design), WELL Building Standard, and Fitwel have become benchmarks in the industry.

These certifications not only highlight a commitment to sustainable design but also ensure that spaces meet specific environmental, health, and safety criteria that benefit both the planet and its inhabitants.

For example, LEED-certified buildings are designed to maximize energy efficiency, reduce water usage, and improve indoor air quality. WELL, on the other hand, focuses on enhancing the well-being of occupants through elements like air quality, access to natural light, and stress-reducing design. These programs highlight a growing shift in the industry, where sustainability is no longer just a buzzword but a key element of the design process.

The demand for eco-friendly materials

As the demand for sustainable design grows, so too does the availability and variety of eco-friendly materials. The market for sustainable products has expanded rapidly, driven by both consumer demand and the development of new technologies. Innovations in material science have made it easier to find alternatives to traditional, resource-intensive options such as concrete, steel, and plastic. Today, architects and designers have access to a broad range of materials that are both environmentally friendly and aesthetically appealing.

Materials like recycled steel, bamboo, cork, and reclaimed wood are increasingly used in both residential and commercial projects. Moreover, sustainable building products such as low-VOC (volatile organic compound) paints, energy-efficient insulation, and water-conserving plumbing fixtures are becoming standard in environmentally conscious projects.

What makes these materials even more appealing is their ability to meet the growing standards and certifications for sustainable design. With more manufacturers seeking to meet these standards, architects and designers now have a wealth of certified, eco-friendly options to choose from when sourcing materials for their projects.

The consumer-driven shift toward sustainability

For businesses, sustainability is not merely a way to reduce their environmental footprint; it has become a critical marketing tool. The modern consumer is more conscientious than ever before, and they seek brands that share their values, including a commitment to environmental stewardship. Whether through eco-friendly packaging, responsible sourcing, or sustainable product design, consumers are increasingly drawn to companies that make sustainability a priority.

This shift in consumer behaviour is forcing brands to reevaluate their business practices and adopt sustainability as a core component of their strategy. Brands that successfully integrate sustainability into their marketing message create a deeper emotional connection with their audience. Consumers are more likely to choose brands they trust and that align with their personal values, making sustainability an important competitive advantage.

In the architecture and interior design sectors, this alignment is particularly visible. The move toward sustainable buildings and eco-friendly spaces is no longer a niche offering; it has become mainstream. Clients are not just asking for beautiful designs—they want spaces that support a healthier, more sustainable future. By incorporating sustainability into their designs, architects and designers can cater to these evolving demands while helping to mitigate the impact of climate change.

The future of sustainable design

The future of design and architecture is closely tied to sustainability. As awareness of environmental challenges continues to grow, the demand for eco-conscious design will likely intensify. This movement is not a temporary trend but rather a paradigm shift in how the industry approaches construction, material selection, and space usage.

In conclusion, sustainability in architecture and interior design is both a necessity and a powerful opportunity. By embracing eco-friendly practices, designers can create spaces that are not only beautiful and functional but also responsible and forward-thinking. The benefits are far-reaching—not only do these practices help to protect the environment, but they also align with consumer values, making sustainability a key driver of success in today's marketplace. (FE22022025)

ARTIFICIAL INTELLIGENCE

How AI, Gen Z, and business goals are reshaping India’s communication landscape

The Indian communications industry is undergoing a transformation, with AI, Gen Z, and business outcomes driving growth. PRCAI’s SPRINT 2024-25 report highlights key trends, revenue shifts, and talent challenges shaping the sector

By Deeptie Sethi

The Indian public relations industry continues to grow in significance, reflecting the country’s expanding economic landscape, and PRCAI’s SPRINT 2024-25—Study of Public Relations Insights, Nuggets, and Trends— paints a compelling portrait of a sector and space in the throes of significant transformation. Indian PR grew more than three times compared to global PR, reaching ₹2,500 crores in revenues in 2023. Its share in the Asia-Pacific market increased from 15.4% in

2022 to 17% in 2023. While publicly available data shows advertising grew 7%, PR clocked 11%—a sign of a shifting communication landscape.

The shift that we are constantly witnessing, and more so in recent years include:

Impact Over Quantity

Many trends uncovered in the study present a newer outlook. The PR value is shifting towards business impact, rather than the common measurable yardsticks of media quantity. For instance, in the quantitative study, an overwhelming 90% of respondents from the corporate communicators set prioritized tangible business impact with PR, highlighting a shift towards outcome-driven PR. The study highlighted that, with a 46% share, private corporates remain the largest revenue contributors; but start-ups are quickly rising, now accounting for 22% revenue share, while NGOs have grown to a 11% share, showcasing the growth of purpose-driven PR.

In today's VUCA (volatility, uncertainty, complexity and ambiguity) world, the role, planning and execution of communications has evolved dramatically. Brands aim to connect with audiences in relatable, purposeful ways. They want to reach their audiences where they are, and communicate with them differently. This shift is seen in the rise of regional PR, influencer marketing, public affairs and social media trends, all of which emphasize a move away from commoditized media relations.

For example, in the PR study, 88% of professionals believe that cultural sensitivities are critical in regional storytelling and PR. Further, while influencer marketing is rising, 88% respondents feel it needs accountability for business outcomes, and 73% respondents stress the need for fresh storytelling approaches by going hyperlocal. Purpose-driven PR is gaining traction, with key sectors like social impact and NGOs, energy and environment, healthcare and pharma,

consumer goods and retail, and technology are prioritizing their narrative alignment with brand philosophy and values, tied to the trend of value shift in PR.

Global Signals

Some findings are riding on the global trends that promise to reshape the PR industry. Like, artificial intelligence (AI) will fuel the growth of the communication industry, and also present it with new challenges to manage. The study notes that the top two applications of AI in the Indian PR industry will be research and strategy (82% of respondents) and conversational AI (77%). At the same time, respondents also flag risks of AI: while 90% of respondents believe AI and big data will propel PR, an identical percentage warns of threats and reputational risks of AI-generated misinformation and deepfakes. As AI adoption grows, maintaining strategic differentiation will be a key challenge due to the widespread accessibility of similar data insights.

The 11% revenue growth of Indian PR in FY 2024 (incremental revenues of ₹400 crore) means this is the eighth year of double-digit growth in the last 10 years. Still, it is below the past decade's CAGR of 12.5%. The industry is realigning from only soft growth, and challenges persist, particularly in talent management and quality of work. One in six corporate communicators expects that specialization will boost the quality of work and fuel growth, but it will also increase costs for consultancies as the industry is seeing some firms establish regional offices, expand video production or tailor creative AI solutions. But client PR budgets are not necessarily keeping pace with this greater value provided, and the costs it entails? Navigating this balance will be important for this dynamic industry.

Managing Talent

Another significant headwind is the whirlpool of talent. The PR industry added 1,300 professionals in FY 2023 (and 4,700 over five years), but it averages an attrition of 16%. Among consultancy staff, work-life balance (64% of respondents) and poor work culture (54%) are some of the major causes of dissatisfaction besides compensation (61%). With low entry barriers in the profession, continuous upskilling and training-on-the-job will be vital. PRCAI remains committed to this through learning and development initiatives such as the Writing Pen, accreditation of PR professionals, AcademiaConnect, and several aspirational thought leadership and knowledge exchange initiatives such as PRologue, PRana and PRCAI Dialogues.

The SPRINT study, for the first time, deep-dived into Gen Z perspectives. It found many struggles with established work cultures, the notion of flexibility and peer-level treatment. Leaders must adapt to foster a more inclusive and collaborative environment to retain this dynamic talent pool. Gen Z is rapidly changing the employee mix of most PR firms, which will shape future work environments. For instance, the attrition challenge may still have a long tail as all respondents believe that Gen Z's curiosity and eagerness to explore often result in frequent job changes, and 93% feel that recognizing and rewarding Gen Z talent can boost their morale and retention.

SPRINT 2024-25 underscores the rising influence of Indian PR. The voice of the Global South will be become more significant and public relation's evolving role in boardrooms will solidify its strategic value in the 21st-century communication landscape. So, let's buckle up for a strong ride. (FE15022025)

Innovation management

India's digital future: Beyond innovation

Success won't be measured by who builds the most advanced AI models, but by who seamlessly integrates technology and technologists into society, governance, and industry.

By Rajesh Nambiar

Is this the most opportune time to be in tech or the most uncertain? This question continues to dominate industry discussions as the sector experiences profound shifts. On the one hand, headlines are filled with concerns about shifting market dynamics, workforce transitions, economic slowdowns, artificial intelligence (AI) agents, and geopolitical tech rivalries. On the other, the demand for talent has never been higher. The reality is clear. Upskilling is no longer just a competitive edge — it is a necessity for professional survival.

The past few years have been a period of rapid change, marked by evolving business priorities, industry realignments, and leadership transitions. But amid

the chaos, new opportunities are emerging. Smaller and mid-sized tech firms are now attracting top-tier talent that once gravitated towards the industry giants. The need for tech expertise remains strong, and the job market is showing signs of resilience as technology becomes deeply ingrained in every aspect of our lives. Regardless of the economic uncertainty, two things remain constant — technology is a human-driven endeavour, and skill-based talent continues to be the driving force behind innovation, growth, and competitive advantage across industries.

Rethinking role of technologist

Modern technologists are no longer confined to being just a software developer, AI researcher, or data scientist. These titles no longer fully encapsulate the evolving expectations placed on tech professionals. Businesses and industries now seek professionals who can seamlessly blend technical skills with ethics, design thinking, policy awareness, and human-centred innovation.

Investing in skill development is not just about preparing for the future, it is about staying ahead of the rapid transformations happening today. To ensure India's leadership in the global tech landscape, we must continue to strengthen our expertise in high-tech skills such as AI, automation, data analytics, and beyond. But at the same time, technical expertise alone is not enough. The ability to adapt, think critically, and solve problems across disciplines will define the next generation of leaders in tech.

From fragmented tech initiatives to a unified vision

India's tech revolution is no longer a distant possibility — it is unfolding in real time. From start-ups to research institutions, groundbreaking AI applications are being developed with far-reaching global impact. Yet, despite these individual

success stories, India's AI ecosystem remains fragmented. The question is, how do we unify these innovations to establish India's leadership in AI?

India has never been a passive player in technological progress. We set the trends. The success of Unified Payments Interface is a testament to this. While the world debated the complexities of digital payments, India leapfrogged with an open, interoperable, and inclusive model that has now become a global benchmark. Similarly, in AI, rather than replicating Western models, India must carve its own path — one that leverages our unique strengths of scale, diversity, and frugal innovation — to build an ecosystem that is robust, inclusive, and distinctly our own.

Strengthening tech ecosystem for global leadership

In today's world, global influence is no longer defined solely by economic power but it hinges on technological leadership. The divide is widening between countries pioneering AI, quantum computing, and advanced semiconductors, and those struggling to keep pace. India has already demonstrated its commitment to future-ready innovation with the National Mission for AI, the Semiconductor Mission, and the Quantum Mission, signalling a strong commitment to building a future-ready tech ecosystem. However, if we want to be in the driver's seat, our technology landscape must evolve from a collection of promising projects into a purpose-driven, long-term strategy that ensures sustained impact across all segments and technologies.

To achieve this, we must focus on key pillars of innovation:

Future-ready digital infrastructure: Investing in smarter, more connected systems such as 5G-powered networks, digital models for better city planning, and secure cloud platforms to support AI development.

Next-gen computing: Advancing research in quantum technology to strengthen cybersecurity, improve financial forecasting, and scientific discovery.

Smarter AI with stronger privacy: Developing AI systems that that prioritise data security and ethical learning, especially in critical sectors such as banking, healthcare, and education.

Expanding space and biotech frontiers: From the Indian Space Research Organisation's ambitious space missions to space-tech start-ups pushing aerospace innovation, India is driving bold advancements. Meanwhile, breakthroughs in biotech, such as AI-driven genetic research, could transform healthcare, food production, and climate resilience.

In the race for global tech dominance, success will not be measured by who builds the most advanced AI models, but by who seamlessly integrates technology and technologists most effectively into society, governance, and industry. India's strength lies in creating scalable, inclusive, and secure digital solutions.

This is India's moment. Not to follow existing blueprints, but to craft our own vision. A model built on our unique strengths, designed to empower our people, our economy, and the world. (FE24022025)

Investment

Is zero-cost averaging for you?

This approach can also be useful when you want to roll over your futures position

By Venkatesh Bangaruswamy

Initiating a trade is one thing. It is quite another to manage your unrealized gains. This week, we discuss an approach called zero cost averaging that you can consider for managing profitable trading positions**.**

MANAGING GAINS

Your trading plan typically has three price points: entry price, price target and stop-loss. For zero-cost averaging, you need another parameter: the number of contracts you want to hold to capture additional gains if you hold a view that the price can move up further after it reaches your initial price target.

Suppose you expect the futures price to move up 20 per cent. Also, you want to hold one contract after the initial price target is reached. Then, you must buy six contracts.

You can determine the number using this equation: number of contracts you want to hold + [number of contracts you

want to hold * (1/expected percentage gains)]. Therefore, for holding one contract with an expected upside of 20 per cent, the calculation is: 1+ [1*(1/0.20)] = 6. The above equation leads to several observations. One, this may not work for individuals who trade one contract at time. Two, the rule works only if you expect significant gains in the futures price; for lower the expected gains, the greater the number of contracts you may have to buy, requiring larger trading capital.

How does the rule work? Suppose you bought six contracts when the futures price is 1,000. When the price moves to 1,200 (20 per cent higher), you must take profits on five contracts and hold one contract if you believe there is a further upside potential. You recover your initial cost when you take profits on the five contracts. So, the contract you hold for further upside has zero cost. Hence, the term zero-cost averaging. This approach can also be useful when you want to roll over your futures position to capture a strong potential uptrend in the futures price. For individuals who trade two or more contracts, a simple alternative is to hold one contract with a trailing stop-loss and sell the remaining at the first price target. The biggest deference is your emotion associated with the trade. Once you take out your initial trading capital, you may be able to trade with confidence in the case of zero-cost averaging.

With trailing stop-loss, you may still worry about giving up unrealized gains or incurring losses on the existing position.

OPTIONAL READING

Zero-cost averaging can be applied on underlying assets for all traders and on futures contracts for traders with large capital. It does not work for option contracts because of time decay; the sooner you take profits on your option positions, the better. Note that zero-cost averaging does not consider rollover costs for futures. It is moot if you

should trade the zero-cost position without a stop-loss; after all, you risked your trading capital to generate gains to make the position zero cost. (BL09022025)

Thank You...