

Analyzing the Role of Public Relations for Startup Success

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Abstract: *Purpose – The purpose of this research is to find out the contribution of Public relations to a successful startup business. The main objective of this research paper is to explore how the startup entrepreneurs in the UAE has identified the opportunities using public relations (PR) communication, to promote positive attitudes and behaviors towards the business. The study also attempts to create awareness among entrepreneurs in using the PR tools to build the business's reputation as an essential ingredient for the success of the business.*

Design/methodology/approach –

Data were collected after an in-depth literature review, using a questionnaire survey given to 50 startup entrepreneurs from different Emirates in the UAE. A combination of open-ended and Likert-type scale-based questions was administered to collect the required data. The data collected were interpreted using the percentage analysis.

Findings – The findings suggest that startup entrepreneurs require planned public relations tools and activities to establish positive communication with the target audience in the process to achieve their brand success. The PR has gained substantial importance in recent years with the rise of millennial entrepreneurs but failed to identify the right PR tools and activities suitable to their own business.

Research limitations/implications – The targeted respondents were selected only from Dubai and Ajman and not covered the remaining five emirates of the UAE.

Originality/value – This study contributes to the field of entrepreneurship and will be helpful for all young entrepreneurs, starting their business for the first time to adopt appropriate strategies that will lead the business towards prosperity.

Keywords – *Startup entrepreneurs, public relation, communication, UAE.*

I. INTRODUCTION

The year 2020 is a roller-coaster ride for entrepreneurs in the business world—and while it is impossible to know exactly how the 2021 new year will go, the hot issues and trouble spots have already begun emerging and prove with no doubts that entrepreneurship is tough. The failure of individual startups and the consequences of the failure of smaller companies in the UAE is certainly a serious threat to the economy. Most of the research projects and literature aims to analyze various problems encountered by startups and emphasizes only some of the major reasons for failure, wherein the age of digital media, public relations has become increasingly important, especially with the boom of online marketing, the research related to the public relation and startup success is inconclusive hence this research paper aims to analyze the importance of public relation as one of the essential ingredients for successful startup business among entrepreneurs. According to the study conducted by OC&C Strategy Consultants, current UAE startups are mainly in E-commerce, marketplaces, and infrastructure/software as a service (69 percent of total startups). The survey shows most of the UAE startups (52 percent) are B2C ventures and 93 percent of all startups are in Dubai.

According to Autopsy the largest database which is based in London analyzed globally and found that more than 60 startups failed, and these startups were principally from Saudi Arabia, Egypt, and the UAE. The most common reasons for the failure analyzed were 27.3 percent was no market need, followed by an outcompeted and poor team (both 13.6 percent). Poor marketing, and a lack of local market awareness were each cited by 9.1 percent of companies, while the change in the market, lack of focus, ignoring customers and poor product were each blamed by 4.5 percent. When we look at the most fatal flaws why UAE SMEs fail in the Emirates there are

plenty of reasons indicated by Wamda's an online mentorship service is lack of market fit, inability to raise capital, insufficient capital and no defined niche and other reasons.

The purpose of this study is to emphasize the importance of public relations and to create awareness (PR) as an essential ingredient for a successful startup business among entrepreneurs in the Emirates.

II. Research Objectives

- To analyze the importance of Public Relations as one of the essential ingredients for a successful startup business.
- To evaluate the importance of creating awareness among entrepreneurs in using the PR tools
- To critically examine the critical role of PR function in building and maintaining a positive attitude and behavior towards start-up business
- To find out whether entrepreneurs can identify the right PR tools and activities suitable to their own business.
- To understand appropriate PR strategies that will lead the business towards prosperity.

III. Need for the Study

The failure of individual startups and the consequences of the failure of smaller companies in the UAE is certainly a serious threat to the economy.

Most of the research projects and literature aim to analyze various problems encountered by startups and emphasize only some of the major reasons for failure where Public relations is not highlighted as a reason.

With the boom of online marketing, the research related to public relations and startup success is inconclusive hence this research paper aims to analyze the importance of public relations as one of the essential ingredients for successful startup business among entrepreneurs.

IV. Research Design & Methodology

- Data were collected after an in-depth literature review, using a questionnaire survey was given to 50 startup entrepreneurs using random sampling technique from startup entrepreneurs in the UAE.
- A combination of open-ended and Likert-type scale-based questions were administered to collect the required data. The data collected were interpreted using the percentage analysis and Chi-square analysis.

V. Literature Review

A startup is generally defined as a new business that entrepreneurs initiate by combining business ideas and resources. According to Blank startup is defined as a temporary organization that is designed in search of a repeatable and scalable business model.

The motivations for startups are classified as economic and non-economic motivations. Economic motivation means pursuing external compensation, such as monetary compensation, social recognition, high status, and a good reputation through entrepreneurial activities. By contrast, non-economic motivation means pursuing individual interests and satisfaction through the entrepreneurial process

Public relations are probably the oldest concept to describe the communication activities of an organization. Many practitioners define communication more broadly than PR. They see PR as one of several narrow functions like publicity, promotion, media relations, or marketing support.

Public Relations is the management of communication between an organization and its publics (Grunig & Hunt;1984) Public relations is a form of communication management which seeks to influence the feelings, thoughts, or convictions of clients, future customers, holders, suppliers, employees, and others regarding a company and its products or services (Bennet, 1995).

Recent reports in the US indicate that senior-level practitioners perceive PR's role to be expanding (Goodman, 2006, p. 196). Public relations shape an organization's image. They build the brand, disseminate the organization's message, and minimize negative publicity.

VI. Data Analysis and Discussion
Table I

<i>AGE OF RESPONDENTS</i>		
Age	Frequency	Percent
18-25	6	12
26-45	20	40
Above 45 years	24	48
Total	50	100
<i>GENDER</i>		
Gender	Frequency	Percent
Male	38	76
Female	12	24
Total	50	100
<i>EDUCATIONAL BACKGROUND</i>		
Educational Background	Frequency	Percent
No Formal Education	5	10
High School	10	20
Graduate	27	54
Masters	8	16
others	0	0
Total	50	100
<i>TYPE OF INDUSTRY</i>		
Type of Industry	Frequency	Percent
IT	9	18
Education	4	8
Food	13	26
Construction	20	40
HealthCare	4	8
Others	0	0
Total	50	100

Table II		
<i>PR PROMOTES NEW PRODUCTS AND SERVICES.</i>		
Response	Frequency	Percent
Yes	40	80
No	10	20
Total	50	100
Table III		
<i>PR TOOLS/ACTIVITIES HELP IN ESTABLISHING A PERSONAL CONNECTION WITH CUSTOMERS</i>		
Response	Frequency	Percent
Strongly Disagree	22	44
Disagree	27	54
Neutral	1	2
Total	50	100

Findings from the above table are as follows:

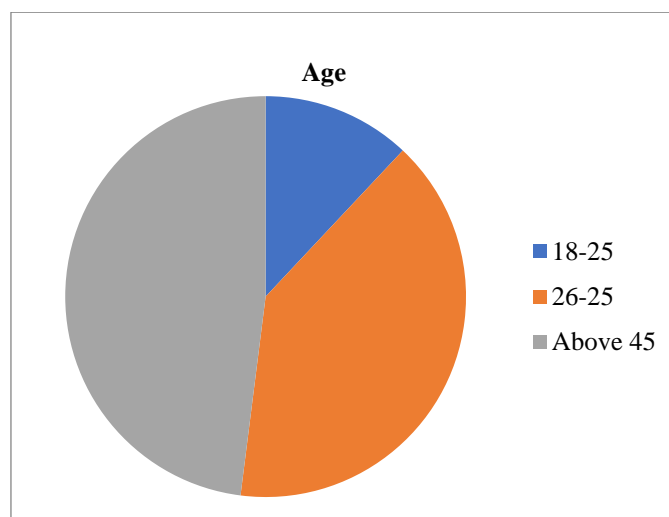


Figure 1: Out of 50 respondents, 24 belong to the age group above 45 and only 6 are under 18-25

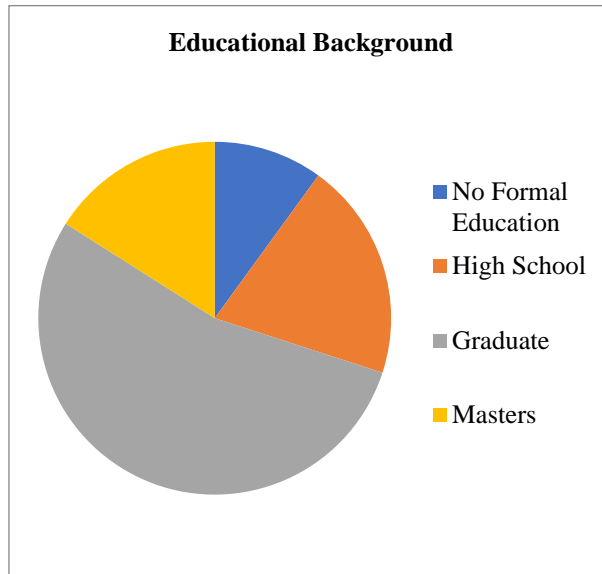


Figure 2: Out of 50 respondents, 76% were male and the majority were graduates

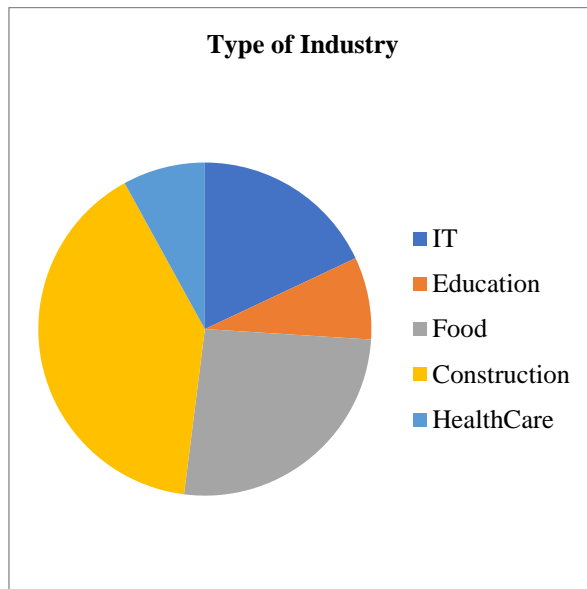


Figure 3: Nearly 40% belong to the construction industry.

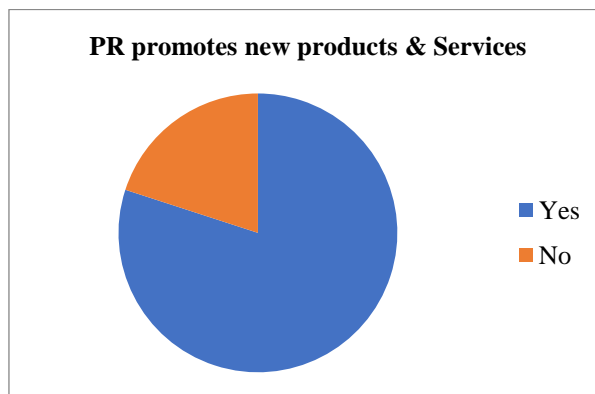


Figure 4: 80% of respondents believe that PR promotes new products and services.

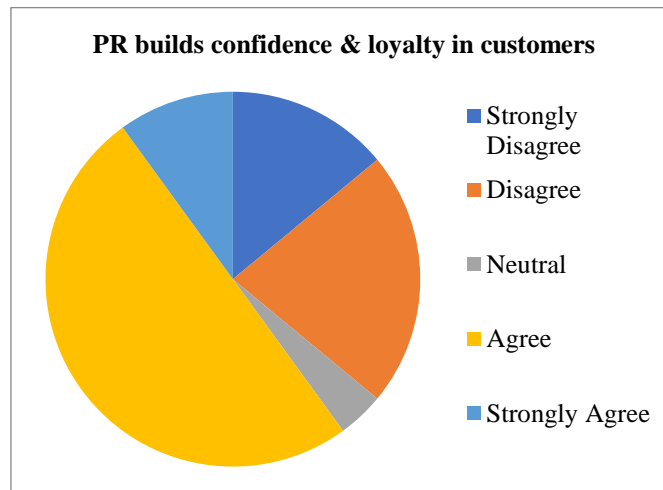


Figure 5:50% of Respondents agree that PR build confidence/loyalty in customers and 4% have a neutral opinion on this.

Table IV

Hypotheses S. No.	Null & Alternative Hypotheses (H0 & H1)	Proportionality Test Result	Interpretation
1.	H0: There is no significant relationship between public relations and demand for a product/service among the targeted customers	Chi-square value = 350.00; df = 3; Asymp. Sig. 0.000; $\alpha < 0.005$ (Significant)	Since the P-value is statistically significant (<0.05), the null hypothesis (H0) is rejected. Thus, there is a significant relationship between public relations and the demand for a product/service.
	H1: There is a significant relationship between public relations and the demand for a product/service.		
2.	H0: There is no significant relationship between PR function in building and maintaining a positive attitude and behavior towards start-up business	Chi-square value = 321.429; df = 1; Asymp. Sig. 0.000; $\alpha < 0.005$ (Significant)	Since the P-value is statistically significant (<0.05), the null hypothesis (H0) is rejected. Thus, there is a significant relationship between PR function in building and maintaining a positive attitude and behavior towards start-up business
	H1: There is a significant relationship between PR function in building and maintaining positive attitude and behavior towards start-up business		

3.	H0: PR is not considered as one of the essential ingredients for successful startup business.	Chi-square value = 321.429; df = 1; Asymp. Sig. 0.000; $\alpha < 0.005$ (Significant)	Since the P-value is statistically significant (<0.05), the null hypothesis (H0) is rejected. Thus, PR is highly considered as one of the essential ingredients for a successful startup business.
	H1: PR is highly considered as one of the essential ingredients for a successful startup business.		

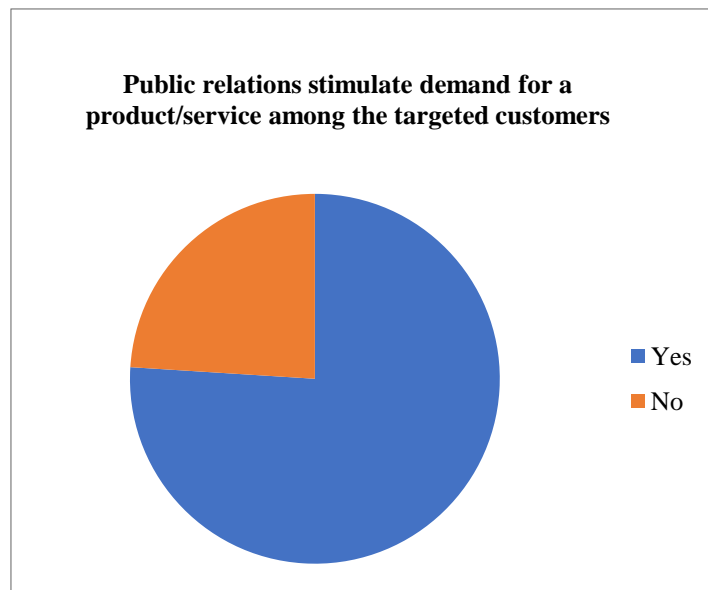


Figure 6: The research finding emphasis that there is a significant relationship between public relations and demand for a product/service among the targeted customers

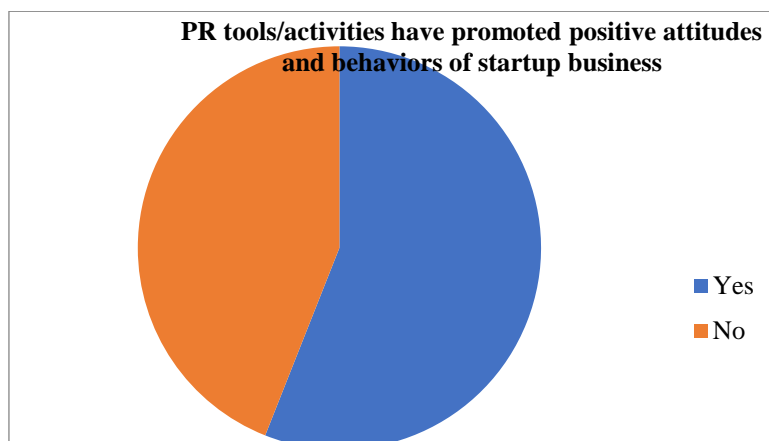


Figure 7: The research findings showed that PR tools & activities have promoted positive attitude and behaviors of startup business

Since the P-value is statistically significant (<0.05), the null hypothesis (H0) is rejected and the alternate hypothesis is accepted there is a significant relationship between PR function in building and maintaining a

positive attitude and behavior towards start-up business. From the data analysis, the result indicates that PR is highly considered as one of the essential ingredients for a successful startup business.

VII. Suggestions

Startups can host workshops, round-table discussions with other industry leaders in order to have more networking events which will help to meet people, connect them with the resources, and to support the startups along their entrepreneurial journey.

Jumpstart your path to brand awareness: Strong brand identity helps and supports the success of startups. The entrepreneurs need to redesign their brand to create an impact in the minds of the consumers.

Share the survival journey: The survival journey of the startups is very important; the customers are interested to know the journey of the product or service which will add value in the minds of customers.

Attend networking events: The entrepreneurs need to attend networking events in order to keep themselves with the latest trends, to connect with key influencers, to socialize and motivate themselves.

Promote your business by telling, not selling: The most powerful tool for entrepreneurs in their selling toolbox are none other than storytelling. Always focus on the benefits of the product, the values of the audience, problems they have, and how they relate to the product.

VIII. Conclusion

Every startup founder thinks that creating a startup comes with multiple obstacles. However, Public Relations (PR) is a critical characteristic for constructing an outstanding startup that can be used as a strategy for communicating with media and the public and as well as building marketing ideas. Besides, using proper PR is crucial for three reasons. First, it is an area capable of transforming the future and value of the startup. Second, it can give the company the ability to overcome any obstacle. Third, it helps the startup enhance the reputation and makes it more pertinent to the public. With outstanding PR, even a seemingly boring start-up can win attention in a crowded market. On the contrary, businesses with worthwhile concepts may go unnoticed due to a lack of good PR. Public relations will put you on track to recognize and respond to the biggest challenges in the modern world for organizations of all sizes. This study contributes to the field of entrepreneurship and will be helpful for all young entrepreneurs, starting their business for the first time to adopt appropriate strategies that will lead the business towards prosperity.

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