



BUILDING BRANDS IN INDIA

Unlocking the value of the Indian Market

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Today India stands at a cusp of a great economic opportunity. According to the Goldman Sachs 'BRICs' report, it will be amongst the top five economies in the world by 2050 along with China and Brazil. TATA Group Economic Survey predicts that there will be a total of 75 million households, called 'consuming classes' with an **Annual Income Level** between \$US1000-4800 by 2005-06. This compared to only 29 million such households in 1994-95. A lot can change in a decade! No marketer can afford to miss out on the India opportunity.

So, what does it take to build a successful brand in India? Let us look through some windows to see what we see.

First, the view from the top. Yes, the government wants to open various sectors and privatize some where it has a monopoly, but not at the cost management control. Whether it is telecom, aviation, insurance or energy, multinational companies need to recognize this as the political reality of coalition politics where the Left is an important player.

Second, the view eyeball to eyeball with local players. Foreign brands are welcome but as long as they don't compete with them. They want the government to give them a level playing field but with a head start!

Third perhaps the most important, the consumer. Yippie, s/he loves the choice, the variety, but give them the products that can do everything they want but at a price they can afford to pay. The mindset essentially values 'fuel efficiency'!

So don't forget your math – one US dollar is **not equal** to one rupee. Understanding the Indian consumer is like navigating a minefield, there are many traps. In land where landscape, food, language and clothes change every 100 kilometers – what will be our product, price and communication strategy would be questions that could confuse the best minds.

There is no mantra that I can give you to building a brand in India. However, I have attempted to encapsulate some things to think about as the four 'I's besides the four 'P's made famous by the great Philip Kotler.

Invest

Come with an intention to invest not harvest.

Invest in research. Understand the different mindsets and don't try one size fits all approach. Look at India as the 'United States of Europe'. Each market is as different as chalk and cheese. Will what work in England work in France?

Invest in your infrastructure. Distribution holds the key, in a land mass covering over 32,000 sq kilometers reach could be the crucial difference in converting your dream into a reality.

Invest in the right products. In a land that values 'fuel efficiency' today the Benz sells against the waiting list! This after it almost became bankrupt selling outdated European models. Today the company launches the latest models almost simultaneously in India as across US and Europe in towns



like Coimbatore and Ludhiana. Have you heard of these towns before? Guess what the balance sheet has turned to the colour black from red!

Innovate

Innovate in everything you do.

Innovate in your product. Take local sensibilities into account. Tailor products to suit local tastes and needs. Don't paint your product blue if the Indians like it red. Have you heard of McAloo? India's own big Mac! McDonald is today India's fastest growing chain of family restaurants!

Innovate in your communication. In a land where over 300 films are released every year, sell ideas not products. Samsung and Lg, companies have grown to be number one and two consumer electronics and durables brands in less than a decade.

Impress

Make a big first impression! Bring in the fire power early in the game. Shock and Awe does work.

Hyundai, it is today leading the car revolution from the front, inspite of being a late entrant. Starting with the 'Santro, the family car' (small car), today it offers luxury, super luxury, SUVs and mid size variants to consumers and is a leading player after Maruti-Suzuki, a joint venture between Suzuki and Indian government. Isn't that impressive?

Brand ambassadors can change the fortune if the brand, but use with caution. Image can either way.

Sharukh(films) was used extensively by Hyundai, look at what Sachin (cricket) did to the fortunes of Adidas and Fiat in India or Amitabh (films) to STAR TV or Aamir (films) to Coca-Cola.

Inch Ahead

Be prepared to inch ahead one step at a time. Build a solid foundation and then dream of establishing a sky scraper.

See red tape in India as a measure to test your resolve about India.

Unilever, Pepsi, Colgate – all successful brands in India who either came with a heritage or came with an intention of leaving one behind. Indians love their Maharajas – value your heritage or build one in India.

This sounds very simple or very basic. So what's the big deal? I guess building a successful brand in India means getting your basics right and keeping it simple!

Enjoy.

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