

# The Making of Brand India

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## Abstract

Many countries in the world can be identified as brand like: Germany for Automobiles, Japan for Technologies, and South Africa for Racialism & Pakistan for Terrorism & so on.

Now what to associate India with, is it a democratic alternative to China or a Fast growing free market economy or can be identified with the people with best brain or the birth place of great entrepreneurs like Tata's Mittal's, Murthy, Premji or the land of Red tapism, Snake charmers, mountains & rivers. Or India is like an onion which contains several layers, or like jingoism, we should keep murmuring "MERA BHARAT MAHAN".

So if India still viewed as a land of snake charmers Elephant & rope tricks? What about the phenomenal stride the country has made in the last 50-55 years? Over the years, we have also witnessed Brand India becoming increasingly distorted in the absence of efforts to manage and develop its associations. The only obvious way out is branding or rather Re- Branding India.

On the other side Brand India can be looked as an entity, very broadly could be clustered as having the following characteristics: It is multi layered- by caste, by language, by income, which is actually of particular relevance to the marketers.

It is constantly evolving Brand with a widely varying Diaspora of population, which makes it a challenge & often a nightmare for the brands. It is a country & a brand in transition-ever growing & undergoing transformation constantly, on various attributes.

In the last 10-15 years, The Brand India has grown by leaps & bounds. The income levels of the people have gone up; spending propensity as well as the purchasing power has increased. Indians are spending like never before.

This paper focuses on the various steps in the journey of positioning & repositioning India as a Brand. It also analyses the core competencies required to provide a base for building Brand India.

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## Introduction

Gone are the days of yore when India was known as the land of snakes and snake charmers, of tigers and elephants, of ancient tribes and even more ancient customs. The world sees India today as a fast growing and even faster developing nation that has made quantum leaps in the fields of technology, science, sport, tourism, health, and entertainment alike, holding its own on the global scene. The journey towards becoming a global powerhouse is actually the outcome of conscious choices that we have made in the sphere of economic & social policies. Some of the milestones in the journey are quit spectacular. We have become the World largest producer and consumer of variety of industrial and agricultural products. Many Indian companies winning international recognition for manufacturing excellence, and in Information technology. India has become a brand to reckon within less then 15 years, India has transformed itself in to the hottest emerging market; India now seems destined to regain its old legacy. The world is now looking at a resurgent India, an economic and military powerhouse striding firmly and surely towards its rightful place under the sun.

The future of brand is inextricably linked with future of business & nations. In fact the future of brands is the future of nations, if it is to be about sustainable wealth creation.

So, is brand India ready for prime time action? The answer is double shaded because India is on its way to achieving that stature. But, the path to be traversed is still along one & there is much to do to reach the final destination. But one thing for sure – there is no looking back on this journey, as in Pepsi's jingle "Ho Ha India- Aaya India".

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Branding India is not a choice but an obvious necessity. If we don't do it now, other nations are going for it for their own strategic advantage we can't reposition India by focusing on the achievements of limited number of people & companies, rather steps are needed to grab & consolidate on the opportunities that might present themselves in the near future.

Branding is a challenging task but what is more challenging is repositioning a brand & changing the already established perceptions in the mind of consumers. A nation's brand is a powerful means for value creation and global leadership in this age of globalization and competition.

Actually Branding has been in existence for hundreds of years & has developed in to a modern concept that can be applied to anything-from products & services to companies, not for profit concerns & even countries – as we have seen for Singapore, Dubai, Malaysia & now India.

This paper tries to explain the analogy between country and a brand; it also explains the concept of taking India as a Brand as well as positioning and repositioning brand India, Metamorphosis of India's Image, and attempt has also been made to explain the progress India has made in the key areas like Economy and Business etc. At the same time it also pinpoints the major impediments in its journey to become a global brand.

This is a conceptual paper based on secondary data available in public domain. This is an attempt to juxtapose the dispersed information & thoughts for giving a comprehensive picture of development, current status & challenges for building brand India.

In this paper, following areas has been identified as objectives of this study.

- To look at the Transition in the image of brand India.
- To explore the factors contributing to evolution of India as a brand.
- To study the areas of concern for developing brand India.

### **Country as a Brand**

A country is like a brand because it has a reputation & because that reputation partly determines its success in the international domain. The ability of each country to compete against others for tourists, investment, for consumers, for the attention & respect of media and of other countries is significantly determined by the power & quality of its image.

The idea of country of origin effect- the power of “made in ....” Label to add appeal to products & services, to create a price premium for them & to stimulate customer loyalty towards them- is well known .If Mercedes, Bosch, Siemens & Audi weren't the first & foremost German brands, it's hard to imagine that they would enjoy the same prestige.

Country of origin affects far more than goods & services, however: it makes a significant difference to perceptions of country's people (as employees, investors, immigrants, politicians & media stars), of its sporting & cultural endeavors, its political & diplomatic relations with other countries, its tourism & heritage attractions, its investment offerings, its media & other intellectual & creative productions. A country's image impacts virtually every aspect of its international engagement, & thus plays a critical role in its economic, social, political and cultural progress. The country's image is formed over decades & centuries by the actions & communications of many individuals & organizations. the key figure in brand management of countries there are six natural channels of national representation which are known as hexagon where each of six points- people, governance, tourism, investment promotion, products and culture- add up to a single “idea of the nation” which can drive performance in many areas of international trade, international relations& cultural & social exchange. The whole hexagon is needs to be managed, coordinated, driven by a single strategy and should be put to work for country's betterment.

Any country will be able to project its image as fair & positive reflecting its present reality only when they have clear & inspiring leadership from government, all the stakeholders' shares a common vision of the country's future & its current identity and they achieve some harmonization between their actions & communications.

The international audience will only form a coherent & positive opinion of the country if the majority of the messages they receive are well coordinated, and the people of the country organized around shared understanding of their national identity and national purpose. (Simon Anholt, 2007)

### **India as a Brand**

When did we start giving a serious thought to look India as a global brand? Is it when we won the cricket world cup? Or with Sabeer Bhatia selling out to Microsoft? Or with Sushmita Sen becoming Miss Universe? Whenever it did, it has gained momentum only in the last few years. India has graduated from one phone in a town to four mobiles in the household. Through the 70,s & 80,s Indian groups like Tatas, Birlas, Oberois, Mittals, set up successful global operations in Africa, South East Asia & the Middle East, building brands in number of locations. Building a brand is not an overnight affaire; it takes decades of investments in the globalize environment.

India Inc. is finally, on a firm footing, willing to play the global ball game, and the basic building blocks are in place for the eventual creation of global brands from India.

India is today the fastest growing economy in the world with a liberalized trade policy, the third largest stock exchange, a \$14 billion IT industry that is growing at 50% p.a., a strong pool of scientific and technical manpower, and the largest English-speaking population. It is already the fourth largest economy in the world in terms of purchasing power parity and its GDP is expected to grow at a rate of 9 percent-plus in 2007-08. GDP growth is estimated at a stunning 8 percent plus, Foreign exchange Reserves are at over \$150 billion, the Stock Market is going through the roof, a great monsoon has heralded greater growth, mushrooming malls, improving telecom connectivity, booming software, wellness, and movie industries, radical economic and strategic pacts with the United States, the European Union and South East Asia - all point out one thing: India has finally found its own place on the world map.

The tourism sector has risen by 20% this year, while it is predicted that by 2020, tourism in India could contribute Rs.8.5 crore to the GDP, the entertainment and media industry has risen by 1.5% and is expected to register a 12% CAGR over the next five years. Add to this, the strategic pacts with the US, the European Union and South East Asia, and you have an India that is an economic miracle in the making.

In addition, the fact that it is the 10th most industrialized economy in the world, and ranks among the top 5 tourist destinations, a major destination for Venture Capital Funds, and again, an attractive destination for FDI, and you have an India that instantly commands recognition as an economic force of the future, and a "Brand" of possibly iconic dimensions. The prominent areas that India has emerged as a source to reckon with in recent times have been the IT industry, Tourism, Wellness, Entertainment and Sport.

"India Shining" rings true the world over, as the world is turning towards India as a single-source "Brand" catering to global requirements in all of the five fields listed above and more. "India now basks in the most 'shining era' in the 56 years since it became independent from Britain", the state-run *China Business Weekly* said in its latest issue which focused on India's recent rise as an emerging economic power. The Indian economy has never had it so good in recent history -and the country may now be termed as "A Blockbuster in the making", being truly on the fast development track, predicted to continue to grow at a faster pace over the next several years. In addition, the long-buoyant private sector is a major driving force behind India's economic take-off, and conglomerates have played a significant role in driving the Indian economy.

Informed sources suggest that by 2050, Brazil, Russia, India and China, the BRIC economies, in short, will be in a position to collectively overtake the G-6. It is predicted that the BRIC's growth rate will be most dramatic in the next 30 years and the currency of these countries may appreciate as much as 300 percent against the dollar in the next 50 years. The Indian economy, in particular, could become the third largest in the world, after US and China, in the next 30 years.

These predictions are based on the fact that all this can happen only if India does things right and can be taken as an indication of what India is capable of achieving. India is now on a high; it is on the right track of becoming a 'brand' to the world.

### **The Marketing Mix of Brand India**

Considering India to be a brand, we first need to understand the marketing mix of brand India.

**1. Product:** Countries should position themselves as competitive destinations for investments and tourism. Marketing Brand India needs special focus on core competencies by states. A synergic attitude can strengthen the brand. India's pharmaceutical industry is 4th largest in the world. As for technology, India is among the three countries that have built super computers on their own. Indian exports were up by 19 percent in 2003, and the country's foreign exchange reserves are in excess of US\$100 billion. India is dishing out aid to 11 countries, prepaying its debt and loaned IMF US\$300 million. Indian Industry is becoming globally competitive in many sectors such as Pharmaceuticals, Auto Components, IT, Biotech, R&D and ITES. According to National Council for Applied Economic Research (NCAER) study, the number of middle and high-income households in rural India is expected to grow to 111 million by 2007. Thus, the absolute size of rural India is expected to be double that of urban India.

**2. Price:** A cataract operation costs US\$1500 in the US. In India, US\$12. Hearts bypass surgery in the US costs anywhere up to US\$13000. In India, it is US\$900. Over 70 MNCs have set up R&D facilities in India in the past five years. Economic indicators with the exception of the deficit are strong, interest rates are down, inflation is low, exports are growing (exports have increased to \$102,725.1 million in 2006), for-ex reserves in excess of 150 billion and the rupee is appreciating.

Price competitiveness is only one of the factors that are going to make an organization or its products stand out. But building a brand is all about creating or delivering a kind of uniqueness, an intangible that just cannot be copied. With the easy availability of technology and resources every country would like sell itself as a competitive nation. But for India it has to concentrate more on that intangible to create a niche for itself and stand out when it comes to countries like China and other Southeast Asian economies.

**3. Place:** India enjoys the strategic location, the location of India is central in the world but access is limited to the key economies. Well-developed ports and increasing air routes can make it possible. The turnaround time in Indian ports is down to 4 days from 10 and its telecom in 1999 provided a bandwidth of 155 Mbps. Today it is 75,000 times more and with fiber optic network in 300 cities. MNCs are quite profitable in India and are often earning returns that are superior to their global average. Many of these companies are doing better in India than in china. Some are taking full advantage of their operations in India by not only profitably accessing the domestic market but by also providing low cost off-shored services to their global operations. India's demographic profile is most advantaged in the world and will continue to improve. Infrastructure from a very poor base is improving. Apart from the power sector which is very disappointing. Telecom, airports, roads and ports all have made progress. The government made a commitment to improve rural infrastructure in Budget 2005, with an allocation of Rs 18,334 crore towards rural development. Bharat Nirman, a comprehensive rural uplift programme meant to offer a new deal to rural India, has also been launched. It will focus on development in six key areas -- irrigation, roads, water supply, rural electrification; housing and rural connectivity. The substantial increase in the budgetary allocation for the social sector reflects the government's strong commitment to sustainable development in rural and urban areas. The combined efforts of the government, private sector, NGOs and private individuals will surely go a long way in making the world a better place to live in.

**4. Promotion:** If we have to establish India as a global brand, the communication needs to go out to the primary audience, the Indian people in this case, all one billion of them. Influences can be government bodies, media and trade bodies. We need the rest of the world to catch a glimpse of

our strengths. Even if a sample of the population gets to know it, they can spread the word. We have to include a series of coordinated marketing initiatives that will use conventional methods like advertising and developing a brand ambassador's network to make an impact in the long term. We have to plan out innovative measures like bringing select groups from media houses and educational institutions for structured India tours for long-term support to brand development. On our domestic front we have to develop a strong partnership between the representatives of state, select ministries, sectoral associations and community institutions to drive alignment and coherence in brand communication efforts. For this we need to conduct workshops, research that helps track perceptions of brand India. (John Mathew, 2005)

### **Repositioning Brand India**

What is 'India' for the world? It is a millennia-old civilization. A billion people speaking, reading and writing dozens of languages. A land that is the birthplace of Hinduism, Buddhism, Sikhism and Jainism. It is also the world's premier IT services provider. The world's back office. Emerging small-car hub. Repository, arguably, of the world's largest number of engineers, doctors, accountants, and so on. To bring it all down to a single idea, any single idea, is like calling an ocean a pool of water. India certainly can't just be a brand you can associate with only one aspect. This does not mean we can't present India to the world in a simple, cogent manner. India can and is indeed being presented in different forums across the world. Right now, corporate CEOs, investment bankers, and seekers of spirituality, health addicts and holidaymakers, all over the world, are discussing it. (Murari, 2005)

As a priority, India's image in world needs a corporate type analysis of the market/competition and current status. Culture is an important form of capital and must be positively positioned as a part of any brand management. Cultural branding should not be allowed to become a liability under the control of anti-India forces. Yoga and Ayurveda are examples of positive cultural areas that are now in the mainstream and deserve to be brought back under the India brand. Two illustrations will show the economic cost of not managing cultural capital:

**Yoga** is a multi-billion dollar industry in the USA, with 18 million American practitioners, \$27 billion/year revenues (from classes, videos, books, conferences, retreats), over 10,000 studios/teachers, and 700,000 subscribers to *Yoga Journal*. However, cultural shame has kept Indians out of this field, and over 98% of yoga teachers and students in USA are non-Indians.

**Ayurveda** is a \$2 billion/year industry and a part of the high growth international market for plant medicines. The popular consumer brand, Aveda, was started by an American devotee of Indian gurus to bring Ayurveda to the West. (Aveda is short for Ayurveda.). (*Rajeev Malhotra, 2003 Rediff news*)

Clearly, the economic potential here could be as big as India's software exports, especially if yoga were included in India's proposed initiative to export health care services. America's yoga centres are potential retail outlets for Indian culture and brand marketing but culture is not the only area that needs to be looked at while positioning and repositioning India as brand. India Inc. still remains among the fastest growing economies in the world; the domestic market across all categories is booming; new jobs are being created & salaries are booming and the great Indian Outsourcing story is still very much alive. We have considered following key areas that make brand India even stronger and reposition the image this country deserves.

### **Indian Middle Class**

India's middle class of over 300 million is bigger than the countries of the UK, Italy, and France combined. Growing prosperity will make it one of the world's biggest markets for everything from cereals to cars.

India's population isn't just growing, but getting richer, here are some facts:

- According to Deutsche Bank report, India is likely to be the world's 3<sup>rd</sup> richest economy by 2020, with a GDP of Rs 64 lakh crore.

- 544 million Indians will likely join the consuming middle class between 2006 and 2015; current size estimated at 250-300 million
- Total consumption estimated around \$ 550 billion in 2006 as against \$ 300-340 billion in 2002.
- FMCG industry will grow to Rs 106,300 crore by 2012 compared to Rs 60,000 crore now.
- Today, 1.6 million people earn more than \$ 100,000 a year; the number will grow to 3 million by 2010.
- 21 million Indians have a home loan today compared with only 2.6 million 10 years ago; this is likely to double in next 3 years.

#### India's Consumer Boom

	1991	2006
PC penetration per 1000	0.7 (1996)	18
PC sales	0.1 million	4.6 million
Telecom (landline subscribers)	12 million (1995)	50.18 million
Telecom (Mobile subscribers)	.03 million (1995)	136 million
Internet subscribers	25,000 (1997)	7.71 million
Internet users	1.4 million (1998)	37 million
Two Wheeler sales	1.6 million	5.3 million
Passenger car sales	0.15 million	0.68 million

*Business Today Jan, 2007*

#### Investment- led growth

Indian economy has entered an investment phase. As per the report of Mumbai brokerage ICICI securities; India will see \$ 51 billion (Rs 234,600crore) of investment. After six years of policy fine-tuning, India is poised at an inflexion point in developing infrastructure, says the report. It adds that 43 percent of the spend will accrue to the power sector, 20 percent to the roads, and the rest to the sectors of economy with a consequent multiplier effect.

Capacity expansion is always based on the long term view of economy that continues to remain positive, expectedly, a clutch of companies have lined up significant investments

- Tata steel has invested Rs 10,000 crore in expanding capacity from 4 million tones to 7.4 million tones
- Raymond has invested Rs 127 crore in increasing its denim capacity from 20 million meters to 30 million meters.
- Reliance energy has invested Rs 11,000 crore in a 3,500 MW plant in Uttar Pradesh.

#### Productivity & Competitiveness:

India is ranked 34<sup>th</sup> in IMD's world Competitiveness report, 2004. That's 16 ranks higher than its 2003 rank of 50. There more in terms of business efficiency, its rank has move from 51 to 22; and in terms of economic performance from 22 to 12.

The dismantling of industrial licensing system, the rationalization of tax regime, & the removal of competition- stifling tariffs has not only put India on faster economic growth track, but has made India Inc. truly competitive.

- In terms of cost competitiveness, India's steel industry ranks among the top 10 in the world.
- Nalco and Hindalco are the lowest cost producers of Aluminum in the world.

#### The Outsourcing Boom:

Forget about IT & ITES, India is rapidly emerging as a hotspot for outsourcing pharmaceuticals products, engineering design, R&D, Clinical research, textiles, even auto components. Yet, it isn't only the cost factor that continues to make India an attractive outsourcing destination. The

quality of manpower combined with an extremely sophisticated vendor base and improvements in local infrastructure have put it ahead of other offshore destinations.

*Key trends in India:*

A number of leading software services companies made a foray into the ITES/BPO domain, either directly, or through the mergers and acquisitions route. Most Indian IT leaders today such as Wipro, Patni, Satyam, and HCL among others have a presence in this market.

Analysts are predicting a \$50 billion offshore market for high-end processes by 2010 as more businesses seek the benefits of off shoring. Segments exhibiting maximum growth have been customer care and administration (growth of over 7 per cent).

Some recent news lines show that the outsourcing boom in India has already started giving other countries a run for their money.

- 'India can attract 25 per cent of global engineering process outsourcing'  
*The Hindu Business Line, February 14, 2007*
- IT-BPO revenues may touch US\$ 48 billion in FY07  
*Business Standard, February 9, 2007*
- India's software exports to top US\$ 31 billion in the current year: Nasscom  
*Forbes.com, January 24, 2007.*

**Zooming Salaries**

India Inc. has started spreading the rewards in anticipation of better time to come as well as in response to the good times that is running. Across levels, an increase in salaries almost always translates in to corresponding increase in discretionary income. High growth and high attrition industries such as IT, ITES, telecom and banking & financial services, have expectedly, clocked the highest increase in salaries. A increase in salaries results in a consequent increase in discretionary spends of the consumer.

**Fastest Growing Economy in world**

India was 18<sup>th</sup> fastest growing economy the world in 2003 according to CIA World fact book, 2004. Then it ranks only behind China (the 11<sup>th</sup> fastest growing) and on par with Argentina (the 15<sup>th</sup>) & presently it is amongst top five fastest growing economy of the world.

**Wave of Reforms**

India launched her program of reforms in July 1991 and since then sweeping changes have been brought about virtually in every sector of the economy-Agriculture, Trade, Industry, Investment, Finance, Public sector and Taxation etc. The focus of liberalization has been on deregulation, greater openness, international competitiveness & global integration. Since the economic reforms were launched, The Indian economy has sustained an average annual growth of 5-6%. The last 10 years of reforms have transformed India in to a global Brand. Let us have a look of the shape that Indian Economy & Indian Business has taken after the reforms.

**Indian Economy after Reforms**

	1991-92	2005-06	2006-07
<i>Fiscal deficit of central + state government as % of GDP</i>	7.02%	7.45 %	6.50 %
GDP Growth rate	1.3 %	8.4 %	
Exports	\$17,865.4 million	\$102,725.1 million	
Exports (as % of GDP)	5.73 %	12.90 %	
Imports	\$19410.5 million	\$142,416.3 million	
Imports (as % of GDP)	7.40 %	16.73 %	
Tax to GDP ratio	10.11%	11.19 %	
Per Capita Income in Rs	9,193	15,357	
GDP (at factor cost)	5.57 %	8.43 %	

Forex Reserves	\$ 5,834 million	\$ 151,622 million
FDI	\$ 103 million	\$ 20,243 million
Subsidies	1.7 %	1.3 %
Fiscal Deficit	6.6 %	4.3 %
Revenue Deficit	3.3 %	2.2 %

*Business Today Jan, 2007*

**Indian Business after reforms:**

	1991	2006
Sensex	1 K	14 K
Demat accounts	7200(Dec. 1997)	9.9 million
Corporate tax rate	54%-64.8%	33.66%
FDI	\$ 133 million	\$ 20,243 million
Domestic Air Passengers	8.9 million	25 million
PLR	18%-20%	10.25%-10.75%
SLR	38.5%	25%
H1B Visas issued	27,014(1998)	43,167
Organised retail size	Rs 15,000 crore (1999)	Rs 42,000 crore
FII in equities	Rs 5,444.6 crore	Rs 48,650.04 crore

*Business Today Jan, 2007*

**Human Capital**

No other country has cheap and intelligent workforce like India does, and that means the country can do everything from cheap assembly to high tech research.

According to Nasscom, some 19 million students are enrolled every year in high schools and about 10 million in graduate courses across India. Nasscom estimates, about 17 million potential employees will be available for the IT industry alone by 2008.

**Global Opportunities**

India is showing the way to the world. India Inc. is flying high. Not only over the Indian sky. Many Indian firms have slowly and surely embarked on the global path and lead to the emergence of the Indian multinational companies.

With each passing day, Indian businesses are acquiring companies' abroad, becoming world-popular suppliers and are recruiting staff cutting across nationalities. While an Asian Paints is painting the world red, Tata is rolling out Indicas from Birmingham and Sundram Fasteners nails home the fact that the Indian company is an entity to be reckoned with.

**Some instances**

- **Ranbaxy** is the ninth largest generics company in the world. An impressive 76 percent of its revenues come from overseas.
- **Dr Reddy's Laboratories** became the first Asia Pacific pharmaceutical company outside Japan to list on the New York Stock Exchange in 2001.
- **Tata Motors** sells its passenger-car Indica in the UK through a marketing alliance with Rover and has acquired a Daewoo Commercial Vehicles unit giving it access to markets in Korea and China.
- **Asian Paints** is among the 10 largest decorative paints makers in the world and has manufacturing facilities across 24 countries.
- About 80 percent of revenues for **Tata Consultancy Services** come from outside India. This month, it raised Rs 54.2 billion (\$1.17 billion) in Asia's second-biggest tech IPO this year and India's largest IPO ever.



- **Infosys** has 25,634 employees including 600 from 33 nationalities other than Indian. It has 30 marketing offices across the world and 26 global software development centers in the US, Canada, Australia, the UK and Japan.

### **Metamorphosis of Brand India:**

The far-reaching economic reforms of deregulation and liberalization undertaken by the government since 1991 have unleashed the enormous growth potential of the economy. From the low growth of the past the economy has become a high growth one in the long run. According to Goldman Sachs Report Brazil, Russia, India and China will grow fastest over the next 30-50 years by leveraging its demographic advantages through continued development. Some of the findings are as follows:

- By 2050 India's GDP will amount to 20% of the total GDP of top 10 economies of the world. Presently India only accounts for a mere 2.5% share.
- As far as projection about market size by 2050, India will stand 3<sup>rd</sup> after behind China & USA.
- By 2050 Brazil, Russia, India and China will grow fastest & become a much larger force in the world economy than they are at present.
- India could be the third largest economy in the world after china & USA.
- India if could maintain its growth rate steady at 5%, by 2032, its GDP will be bigger than the Japan's and by 2050 its national income per head in dollar terms will have multiplied 35 fold.

### **India Inc. -The Journey so far**

India Inc. has come a long a way in its journey to become a global brand. In less then 15 years, India has transformed itself in to the hottest emerging market; India now seems destined to regain its old legacy. The first hypermarket didn't open until 2001. There was no Maruti Zen on the road until 1993. The PC penetration was almost nil before 90s and few knew about multiplex until PVR opened in Delhi in 1997. Since the last decade & a half; Indian Consumer has gone through a remarkable psychographic shift. The story of consumer boom is in full swing across all products and service categories. When the 90s decade opened, The Bombay Stock Exchange bellwether index, Sensex, was at a measly 1,000. There were just 403 stocks that traded on the Exchange, since than we have come along way and we are sure that journey will not stop here. In this section, the journey of India Inc. is explained in terms of the progress we have made in terms of Economy, Business and the blasting Consumer boom as well as in terms of special moments, India Inc. has enjoyed in the last decade and a half.

### **India's winning moments:**

- **1963: The Green Revolution**  
The Bhakra Dam-enabled Green Revolution gave India food security & broke the back of Malthusian fatalism.
- **1970: Operation Flood**  
A marvel of rural networking and supply chain efficiency, it turned India milk sufficient.
- **1972: TCS Export Software**  
The business that was to change world perceptions of Indian technical competence, and kick of the race for software supremacy.
- **1974: Bombay High**  
This offshore rig struck oil a few months after the 1973 oil shock.
- **1978: Going Global**  
Av Birla Group's palm oil refinery in Malaysia topped world charts.
- **1983: Cricket World Cup**

India won the Prudential World Cup at Lords; it was a collective moment of obvious triumph. For millions together: live on TV.

- **1991: License Raj Dies**  
In a stroke, decades of misguided economy policy were abandoned to allow market forces in.
- **1989: The World’s Largest-Selling Soap**  
Nirma’s yellow powder-a mass-market phenomenon.
- **1992: Reliance Raises Global Money**  
Reliance’s GDR opened up the promise of foreign capital for Indian business.
- **1996: India as a BPO Center**  
GE picks India as its Business Process Outsourcing (BPO) center.
- **1998: Sundaram Clayton Wins Deming Medal**  
The first-ever Indian firm to win the world’s most prestigious award for quality.
- **1999: Infy Lists on NASDAQ**  
For Infosys, raising foreign capital was not the idea. By listing on NASDAQ, it got itself a currency (stock) to hire top talent and make acquisitions across the world.
- **2000: Tata Tea Buys Tetley of UK**  
Big fish swallow small fish. But again, not always. India’s own Tata Tea took over UK’s Tetley, to become the world’s second largest tea marketer.
- **2001:Lagaan takes Bollywood Abroad**  
Lagaan’s overseas run could mark the beginning of Bollywood’s grab for global eyeballs.
- **2006: The year of Big deals**  
2006 may have just been the inflexion point between India’s childhood and adulthood, as evident by the sizes of its M&A deals.

#### Economy: The Progress so far

Years	Milestones
1991	Finance minister Manmohan Singh presents the annual budget and declares that the economy is in deep crisis and opens up industries to Foreign Direct Investments, besides proposing PSU disinvestment
1992	Controller of capital issues abolished,& liberalized exchange rate management introduced.
1993	The Uruguay round of world trade talks concludes, and a 10 year phase out of multi fiber agreement is agreed upon.
1994	Service Tax is introduced
1995	The telecom sector is privatized
1996	FIIIs allowed investing in unlisted companies, disinvestment commission established, and a new millennium alternate tax is introduced for zero tax & low tax paying companies.
1997	Health insurance sector opened up, tax on dividends to shareholders abolished, & the first strategic sale of PSU (Lagan jute machinery) take place.
1998	FERA is replaced with FEMA, “One- by –Six” criteria of tax collection introduced, and PAN or GIR number made mandatory for high value transactions.
1999	<ul style="list-style-type: none"> <li>• Foreign investment implementation authority (FIIA) formed to expedite implementation of FDI proposals.</li> <li>• Reliance’s 27-mtpa Jamnagar refinery makes India self- sufficient in refining capacity</li> </ul>
2000	Ad-veloram rates converged to a single rate of 16 percent CENVAT.
2001	<ul style="list-style-type: none"> <li>• FIIIs allowed investing up to 49 percent in equity shares of a company.</li> <li>• Quantitative restrictions removed.</li> </ul>
2002	<ul style="list-style-type: none"> <li>• Indian companies allowed investing abroad up to \$ 100 million.</li> <li>• Administered price mechanism in the petroleum sector dismantled.</li> </ul>
2003	<ul style="list-style-type: none"> <li>• Foreign exchange reserves top \$ 100 billion.</li> <li>• Peak custom duty brought down to 25 percent.</li> <li>• 0.15 percent tax on transactions in securities introduced.</li> </ul>
2004	Fiscal responsibility & budget management (FRBM) act is ushered in.
2005	<ul style="list-style-type: none"> <li>• VAT introduced in the country.</li> <li>• Fringe Benefit Tax (FBT) is slapped on companies.</li> </ul>
2006	By the end of fiscal 2005-06, exports cross the \$ 100 billion mark

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**Business: Milestones**

1991	Infosys clocks revenue of Rs 5 crore
1992	<ul style="list-style-type: none"> <li>• Harshad Mehta scam hits stock markets</li> <li>• The National Stock Exchange is incorporated as a tax paying company in November</li> </ul>
1993	Coca-cola re-enters the Indian Market after 16 years
1994	American Express registers as the first captive BPO in India
1995	VSNL introduces internet in India via dial-up in six cities
1996	<ul style="list-style-type: none"> <li>• First cyber café launched at a hotel in Mumbai</li> <li>• Demat trading started at NSE</li> </ul>
1997	<ul style="list-style-type: none"> <li>• Surcharge on corporate tax abolished</li> <li>• Export profits exempted from Minimum Alternate Tax</li> </ul>
1998	New internet policy removes VSNL's monopoly over the internet & Sify becomes India's first private ISP
1999	Stock exchange allowed opening terminals abroad. Acquisition of software companies in overseas market through stock swap options up to \$ 100 million allowed.
2000	Spectra mind launch the India's first BPO. Dotcom bust hits world market.
2001	ONGC acquires a 20 % stake in Sakhalin oil & gas fielding Russia for \$ 1.7 billion, marking the biggest overseas takeover by any public sector company
2002	Reliance Industries becomes the first Indian private company to gross Rs 1,000 crore in net profit
2003	TCS logs more than \$ 1 billion in revenues, becomes the first Indian IT company.
2004	<ul style="list-style-type: none"> <li>• IBM acquires Daksh for \$ 150-200 million.</li> <li>• TCS, largest Indian IT Service Company, finally goes public.</li> </ul>
2005	<ul style="list-style-type: none"> <li>• Reliance group splits between brothers Mukesh &amp; Anil Ambani.</li> <li>• Product patent regime comes into force.</li> </ul>
2006	<ul style="list-style-type: none"> <li>• Tata Tea acquires 30 % stake in US-based Energy Brands Inc., marking biggest overseas takeover by any private Indian Company.</li> <li>• Tata Steel announces \$ 8-billion bid for Anglo-Dutch steel maker Corus</li> </ul>

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**Consumer Boom: Stride made so far**

1991	India's first department store chain, shoppers stop, launches in Mumbai.
1992	CUTS launches All India Consumer Action Network, a consumer rights movement.
1993	<ul style="list-style-type: none"> <li>• Maruti Udyog launches the Zen.</li> <li>• Morgan Stanley becomes the first international player to launch a domestic mutual fund.</li> </ul>
1994	<ul style="list-style-type: none"> <li>• Two wheeler sales top 2 million.</li> <li>• First set of banking licenses issued to private Indian players.</li> </ul>
1995	<ul style="list-style-type: none"> <li>• Cellular operations begin in India.</li> <li>• Kolkata becomes the first metro to have mobile services.</li> </ul>
1996	McDonalds opens its first outlet in Delhi.
1997	India's first multiplex PVR Anupam opens in Delhi.
1998	Tata motors launches Indica, India's first indigenously built passenger car.
1999	Credit card population touches 4 million.
2000	Private life insurance companies (ICICI Pru, HDFC Std. life) starts operations.
2001	<ul style="list-style-type: none"> <li>• India's first hypermarket Big Bazaar launched in Hyderabad.</li> <li>• Country's first indigenously built motorbike, TVS Victor was launched.</li> </ul>
2002	<ul style="list-style-type: none"> <li>• CDMA mobile operators enter the market.</li> <li>• First indigenously built sports utility vehicle, Scorpio from M&amp;M.</li> </ul>
2003	Pioneering low cost airline Air Deccan takes wings.
2004	Passenger car sales top 1 million.
2005	Mobile phone population hits 50 million. Maybach (Ultra price car) find its first buyer in India.
2006	Mobile subscriber population touches 100 million.

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## The Other side of the Story

The associations that the brand India has are poverty, over population and an exotic tourist destination that's too dangerous to go to. The problem with Indian companies is that they are still providers of ingredients. They must focus on their core competencies like technology, Human talent etc.

India's overall brand image has remained largely unchanged over the last year; in the countries index, India's score for exports has gone up noticeably-by 2.7%- but her governance score has dropped by a similar amount, suggesting that the reputation gains of the private sector have been counterbalanced by the government policies. Perceptions of India's culture & heritage are up by 2.2%, but the score for investment potential & education has dropped by the same amount; tourism & people are unchanged. Overall, India's compound global ranking remains effectively unchanged at 25<sup>th</sup> place out of 36. (Simon Anholt, 2007)

While India's positive image is not adequately projected in world, there are too many negative stereotypes, devaluing India's brand into fragments and chaos. These include:

**Anti-progress:** Indian culture is depicted as primitive, obsolete, and frozen until outsiders come and push it forward. Hence, the implication seems to suggest, we must invite outsiders to come and fix our problems for us.

**Unethical:** Indian culture is characterized by images of abusive caste, sati, dowry deaths, and other human rights atrocities, including aggressive charges of fascism, violation of minority rights and violence. Indian scholars often lead these parades that overemphasize public tirades against India in the West, while failing to understand the implications of brand damage in a global capitalist system.

**Unscientific:** Indians are shown as mystical people lacking Western style rationality.

**Everything good about India is assumed to have been imported:** The British gave us a sense of nation. There was no worthy Indian culture prior to the Mughals. The Greek brought philosophy and mathematics to India. The "Aryans" brought Sanskrit. By implication, Indians are doomed to dependency, which contradicts the vision of India's future trajectory being based on knowledge-based industries. (*Rajeev Malhotra, 2003 Rediff news*).

This is disappointing, Now Let us also look at certain other areas, which are due for overhaul, because howsoever strong may be the branding efforts, unless Brand India has quality contents, It wouldn't be able to create a lasting impression.

- **Law and Order:** Far from inspiring confidence, the police are feared and disliked by most citizens. A series of events in the recent times have led many to question the integrity, efficiency and impartiality of police.
- **Education:** Our IITs & IIMS are internationally recognized as centers of excellence, but India has miserably failed to provide basic education to millions of children. The quality of education provided is another area of concern.. High dropout rates show that a complete reengineering is needed.
- **Sports:** India boasts of its enormous human resource. But we can't produce a single Olympic gold medalist. Not only has Indian sport stagnated, in many games our level has actually gone down.
- **Health:** At one end, medical tourists are flocking to India and this country is fast becoming the pharmacy of the world. But we cannot provide basic health services to millions of Indians or prevent diseases that have long since been eradicated in other countries.
- **Transport:** India may be on the move, but the poor state of transport infrastructure is acting as a major speed breaker.
- **Entrepreneurship:** A brave new generation of risk takers has revolutionized Indian business. But India still ranks a miserable 134<sup>th</sup> in the world when it comes to ease of doing business, and the system remains inherently hostile to private enterprise.

- **Power:** This sector represents the probably the single biggest failure of the state to provide citizens basic infrastructure which is taken for granted elsewhere. The pathetic state of power supply acts as a huge hidden cess on individuals & industry alike, forcing them to pay for alternative sources like inverters & generators and also act as a drag on economic growth.
- **Social Sector:** Even as India surges ahead, there is a distressing lack of compassion. Lack of access for the physically challenged acts as a barrier to education & employment. Absence of social security net for the elderly is a major cause for concern and the poor status of women is reflected in the abysmal sex & literacy ratios. India cannot aspire to be a developed nation while millions suffer neglect.
- **Agriculture:** The spate of suicides by farmers in our 60<sup>th</sup> year of independence is the story of official apathy and neglect.
- **Manufacturing:** Like other successful countries the Chinese success story was built on a manufacturing boom. But there is a long way to go if we see the progress of India in this regard. The biggest constraint is physical and human infrastructure. (Citizen Charter, Times of India, Feb 2007).

### Conclusion

There is no doubt that India's image has improved during the last ten years or so and the global audience yet only dimly acknowledges much of India's new prestige in technology & services. What seems sure that India's brand new image is fragile one, based on a couple of prominent sectors & a handful of globally successful entrepreneurs: It risks stereotyping India as a 'single equity brand' & any set back in these sectors could threaten the good image of the country itself. Past few years have proved that the thought of India becoming global Brand is not at distance. We could argue about the time frame. But the possibility is real. But we can't afford the luxury of overconfidence & the complacency that comes with it. A lot of groundwork still has to be done; the road ahead is extremely challenging. Our dreams have to be audacious. Our ambitions have to have that essential element of 'killer instinct'. We have to take the quantum leap to outperform the competition. We certainly have the luxury of having the essential endowments and competencies that go in to building a successful global powerhouse. What we don't have is the luxury of too much time.

India certainly deserves a stronger global brand than the one it has achieved so far, but it is still not clear how capitalist India fits together in the public imagination with the indo-chic of music fashion & movies and with the Traditional India image of a vast, mysterious country.

A clear, single, visionary national strategy is desperately needed which is rooted in truth and not in wishful thinking.

India Inc. needs to consider perceptions along side reality, recognize their almost equivalent importance in today's globalizing world. India's brand image may not be complete, up to date or even very fair, but so much in the modern world depends on what people believe to be true, that a good 21<sup>st</sup> century government must learn to be as good as building the country. At the same time we must also recognize that sweeping reforms are urgently needed so that this country can finally attain the stature that is its rightful due.

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