

An Investigation of Emerging Competitiveness of Indian Brands and Their Strategies for Building Brand Equity

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ABSTRACT

The rise of India as a potential economic and political power has attracted a great deal of global attention. With about 1.5 billion people and rapidly growing affluence of the upper and middle classes, India is an important market for global companies. At the same time, it is also home to rapidly emerging domestic brands that are beginning to compete globally. The purpose of this research is to investigate the emerging competitiveness of key brands in India as they evolve from “Indian” brands to global brands.

The analogy of brands such as Sony, Honda, Toyota and other brands emerging from Japan can be used to further clarify this point. Although, all these companies are Japanese, the brands are not commonly labeled as “Japanese” brands – they are global or world brands. In fact, American consumers closely identify with these brands and some of the companies (e.g., Toyota) even have manufacturing facilities in America. Similarly, “American” brands such as Coke, IBM, Disney and Apple are in demand all over the world and have a presence in a large number of countries. There is a point in time and place when strong brands shed their regional or national identity and become global players. Indian brands have been at such a juncture over the last ten years.

Emerging competitiveness of Indian brands influences consumers in America. For example, the Indian company Mahindra and Mahindra, which manufactures tractors (among other things), has rapidly made inroads in the US market and has posed a threat to established brand names such as John Deere. The Indian Hotel brand purchased the famous Ritz-Carlton in Boston and renamed it Taj Boston. Strong brands such as Infosys, Tata, and Reliance have emerged as global outsourcing powerhouses and have, until recently, had a profound impact on the IT sector in US.

Qualitative case study methodology has been employed for this research. Branding in the Indian context offers unique challenges. However, there is relative paucity of conceptual research in this area. Purposive sampling has been used to identify five Indian companies that are on Forbes 2018 List of The World’s Most Innovative Companies. Data has been collected

through documentary research utilizing annual reports, sustainability reports, company websites, published periodicals and journal articles.

This study sheds light on how a select breed of Indian companies is changing the dynamics of global competition by capitalizing on their strengths in domestic markets and leveraging their strong brands in the international arena. During their process of evolution from domestic to global brands these MNCs have leveraged both, country-specific as well as firm-specific factors to build competitive advantage over their rivals. Country-specific factors include easy availability of a pool of talented and educated professionals at low cost. Firm-specific factors include competencies in design, management and product, process as well as distribution innovations. Multiple strategies for global expansion and building brand equity are being employed. These are: establishing primacy at home and expanding abroad, acquisition of offshore assets, and expansion through new product development and innovations.

Keywords: Global brands, brand equity, competitive advantage, Indian brands

Relevance to Marketing Educators, Researchers and Practitioners: The rise and growth of Indian brands is a relatively new phenomenon and this research has the potential to make a significant contribution to the literature and enhance marketing knowledge in two areas; (i) global branding and (ii) brand equity in the Indian context. Brand managers who want to capitalize on the equity of their brands can gain valuable insights into the effectiveness of various strategic alternatives examined in this research.

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