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Getting Emerging Market Brands to the World Stage

Transferability of core brand propositions, deep understanding of local markets and the ability to celebrate their origins and legacy are key factors that will influence the success of emerging market brands on the global stage.

Indian brands are at an inflexion point. Indian society is going through a rapid technology-driven transformation which is significantly influencing consumer needs and preferences and the role of brands. At the same time, considerable global opportunities are emerging for Indian companies. To leverage these opposing forces Indian brands are having to constantly balance the need to stay locally relevant while increasing their global attractiveness.

Big Indian brands have been active in venturing outside their homeland. Tata has acquired firms in Europe and Bharti Airtel has done so in Africa. Indian manufacturers of fast moving consumer goods (FMCG) have also preferred an acquisition-led strategy, but found that this often impedes the installation of strong Indian brands on the world stage. For example, FMCG major Emami Ltd recently announced it would develop a new "power brand" for its expansion into markets in West Asia, South-East Asia and Africa, instead of investing in one of its existing four power brands.

The rules of their expansion game are changing rapidly. While in the past it was India's industrial giants which expanded through acquisitions, the Indian firms currently experiencing the most rapid overseas growth are technology-driven. Take for example world-renowned firms such as Flipkart and Paytm in the ecommerce space, OlaCabs in the on-demand transportation space, Snapdeal as an online marketplace and Zomato in the online restaurant search and discovery space.

For traditional Indian industries, the common platform for firms to get visibility in global markets was to tap into the Indian diaspora. This didn't entail much of an expansion strategy or significant budgets. But to compete with digital upstarts today more needs to be done.

Embracing India Inc.

The disparity in the approach and mindset towards global expansion between technology-enabled and traditional brands in India points towards deeper factors at play. Even with latent demand and cross-category opportunities to leverage, Indian brands have failed to expand globally. This can be attributed to a lack of discipline, lack of patience and the absence of a concrete global expansion strategy.

To successfully ride the globalisation wave and establish strong credentials in external markets, Indian brands in non-technology industries should consider following three core principles:

Transferability of brand propositions: The brand proposition is the most critical element of a brand's identity. In many instances it is a bundle of solutions that the brand offers or simply the unique selling proposition (USP). One of the key drivers of success in becoming a global brand is to have a proposition that has a wide appeal and relevance. Local adaptations are always required to strengthen the brand's appeal but the core proposition does not change. Indian brands need to have this transferability of propositions to be successful in global markets.

The majority of the global brands that have been successful in India have adapted their international propositions for the Indian market. P&G's local adaptation and innovation strategy to drive the success of Gillette shavers is an often-quoted case study. Honda Motorcycles and Scooters India (HMSI) has just introduced its NAVI (New Additional Value for India) model, where it will conduct the whole R&D process in India (from concept evaluation to commercial production). But the models that will emerge out of this NAVI model will still be sold under the Honda brand names' core propositions.

To successfully venture out globally, Indian brands need to have the creative strength and commercial capabilities to transfer their core brand propositions to external markets.

Deep understanding of target overseas markets: The success of a brand at a global stage these days cannot be solely driven by the strength of a brand name. Markets are more complex and dynamic than ever before and brands need a deep understanding of multiple factors. Any brand that has a physical presence needs a strategic understanding and plan for sourcing, manufacturing and distribution in a target market. Depending on its business model and the organisation's values, brands either work with strong partners or they slowly develop their own infrastructure. The need to have best in class sourcing and distribution assets in place is, in many instances, a prerequisite for overseas acquisitions.

Global luxury houses are increasingly taking back the controls of their individual country operations after entering the country via a joint venture or collaboration. This is a strategy that Indian brands can adopt for overseas expansion as it mitigates a lot of the high risk of setup initially but still allows strong control over brand development. Across Asia, regional expansion strategies are driven by tie-ups and collaboration with local market experts. Even in India, although sometimes it is driven by regulations, tie-ups with established local partners are not a new phenomenon. The Starbucks-TATA joint venture is a great example of this. Starbucks has been able to successfully transfer its core brand proposition into the Indian market, while TATA has assisted in terms of growth and real estate strategy.

Celebrating and communicating the Indian heritage: This third element of a successful global expansion strategy for Indian brands is the hardest (but of equal importance). To be successful in any market, Indian brands need to bring with them the celebration, distinctiveness and deep cultural legacy. It is an unfortunate, but necessary, task to overcome perceptions that global consumers have of different countries and the brands originating from them. China's long journey on this path continues. India has started on this journey but there is still work to be done to establish a really compelling story for brands emanating out of the country.

Opportunities for global success are ripe for Indian brands. To successfully implement any of the three principles outlined above, Indian brands need to have a disciplined approach towards creation, implementation and management of their global strategies. It makes complete sense to be slow and careful in initial expansion strategies, but the ability to develop and leverage their heritage, staying true to their brands and scaling them with care will enable sustainable overseas expansion.

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