

INSIGHT

STUDENT PERSPECTIVE

THE ELEPHANT BEGINS TO MOVE: INDIA'S UNTAPPED MARKET POTENTIAL

With steadily rising income levels, increasing population and improving infrastructure, India is becoming a global marketing player.

When talking about the market potential of developing economies, India is typically not the first country people think of. It tends to get a bad rap as a byzantine market whose poverty and infrastructure problems may make it more trouble than it's worth. I'll admit I was guilty of this view myself. When I first heard we'd be going to India as part of the Temerlin Institute's graduate program, my knee-jerk reaction was, "Why not China?"

However, when you look at the numbers, this reaction doesn't make sense. India has 1.2 billion people and is projected to surpass China to become the world's most populous nation by 2025. It's also the only one of the BRIC countries (Brazil, Russia, India and China) that has



INDIA IS ON THE MOVE

Grad students from the Temerlin Advertising Institute traveled to India to explore the country's growth as a global marketing force. Photos by Don Henry and Alexander Jarzemsky.

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both a fully developed democracy and an unbroken track record of orderly transfer of power. So why, in the minds of marketers, does it seem India takes a back seat to China?

The simple fact is that dealing with the Indian market is messy. The country has 22 official languages, an estimated 2,000 ethnic groups and adherents of every major world religion. Economically, the population ranges from those earning two dollars a day (or less) to multi-billionaires. Cultural differences between geographic regions and between rural and urban areas are extreme. Figuring out how to address a market this diverse is difficult, to say the least.

Yet as China's economy slows and as India's population continues to grow and see its income levels rise, it will be imperative for marketers to figure out a way to embrace India.

I recently traveled to India with Dr. Patricia Alvey and grad students from the Temerlin Advertising Institute. There, we explored cultural and industry juxtapositions of human behavior, product use and promotion. After spending a month speaking with many of the marketing and advertising professionals in India who deal with these issues, the most important take-away was this: There's simply no such thing as the "average Indian." Companies will have to understand which one of the many different Indias they are approaching. And there's no getting around the fact that sufficiently understanding the cultural and demographic complexity of the country will be hard to do.

However, the sheer size of the population is what makes all this worth it. Companies select just one niche of India and still come up with a target segment in the tens of millions. The rewards can be great. Even if such a target group's spending power is low, volume can make up for narrower profit margins.

Before we left, we were lucky enough to have dinner with Swashpawan Singh, former Ambassador to the United Nations, who compared India to an elephant: slow moving initially but very difficult to stop once it gets going. With steadily rising income levels, increasing population and improving infrastructure, India has begun to move. The world had better pay attention.

Alexander Jarzemsky
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