

# Future of Indian Brand Market

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**Abstract:** *Radical changes in the Indian marketing scenario are being noticed due to Liberalization Globalisation .Marketing strategies of Indian companies, product proliferation, diversity of consumer choice and entry of multinational corporations are a few examples. Indian brands need to be managed uniquely India brand marketing creates an effective, integrated strategy to build a value added brand in today's competitive marketing in India which mainly involves advertising, marketing, publicity and research. Retail industry in India is gradually edging its way towards becoming the next boom industry.. The branded Indian retail industry is now on a verge to experience rocket speed actions and competitions, allowing the consumers to get the best deals out of it side by side competing with foreign companies brands.*

**Keywords:** meaning, innovation, creativity, merger

## 1. Introduction

Liberalization Globalisation Privatisation have brought in radical changes in the Indian marketing scenario. Professionalization of marketing strategies of Indian companies, product proliferation, diversity of consumer choice and entry of multinational corporations are a few of them. Indian brands need to be managed uniquely India brand marketing creates an effective, integrated strategy to build a value added brand in today's competitive marketing in India which mainly involves advertising, marketing, publicity and research. As Retail industry in India is gradually edging its way towards becoming the next boom industry. Three-year compounded annual growth rate of the industry is 46.64 percent providing around 8 percent employment. Several branded Indian and global players are developing strategies to enter such a fast paced and growing market. Meanwhile, the whole retail industry is taking new shape, the traditional market giving way for the more organized market in the form of departmental stores, hypermarkets, supermarkets and specialty stores having more and more branded products.. This organised retail business was just 2 percent (\$8 billion) of the \$300 billion Indian retail industry which was expected to grow to \$21.5 billion by 2010.

A small customer feels comfortable about dealing with a branded channel member for buying one or few goods. Distribution is becoming as important as any other marketing element. Even during pre independence period affluent Indian class was well versed with western branded goods.

## 2. Innovation and Creativity in Brand Market

Disposable incomes are increasing and life-styles of the people are also changing, so the companies need to cash on it to get the maximum customer attention for their products. High-pressure life-style changes could make any shopping activity an outlet for a certain percentage of the customers. Again, sales promotion for any brand can boost the brand loyalty and can enhance the demand. Segment related discontinuity is also becoming very important for the Indian market as it provides the marketers with new ideas to proceed with their brands. This is because now, even a lower

priced brand can easily compete with a higher priced one only because of its quality and distribution strategies, which really did happen with Nirma and Surf Excel or Ariel etc.. Customer involvement has been essential for any brand to grow as the market is dynamic in nature. Consumers may go through routine decision-making and make a repeat purchase of a brand due to the convenience factor rather than commitment to the factor. The market conditions decide the fate of every brand, so the companies require to discover new and innovative techniques to avoid unfavorable situations So, to create a market leader it takes a lot from the companies as well as their every distribution channels. It is also true for the new multinationals emerging in India with their varied product range. They must learn the Indian consumer psychology to attack them from the correct direction. War between brands is a common thing in any part of this world, but it is very different in India.(1)

In this era of globalization, and liberalisation people are willing to buy new products; so they prefer and like to have more foreign brands – but at the same time some product categories are in existence where the Indian companies are unbeatable with their excellent marketing strategies to compete with the global conglomerates. Branding a product sometimes doesn't solve the problem; the characters involved in the advertisements have an important role to play. Nike, Adidas etc, companies are approaching athletes, soccer players, cricketers to do endorse their range of products and are giving hefty sums in return. The strategy is clear: they know all of them are champions of their sport and if they become the brand ambassador of their product, they'll require less effort in promotion. Nowadays in almost every advertisement, one finds the presence of a child. This is to focus on the child audience so that children end up deciding which product their parents should buy for them. Big companies like Reliance, Big Bazar, Subhiksha are multiplying their profits. They know that the customer always looks for the place where they can come do shopping and go at ease without even entering into the hassles of bargaining. They are using their brand values and have captured almost all the markets one could ever imagine. The market is growing very fast and everyone is in a hurry to grab the maximum share. Exponential growth is the mantra driving every business house in the world.(2)

Automobile industry is one of the fastest growing industries and one main thing which chauffeurs its pace is the effective use of brand names. Ferrari, Honda, Suzuki, Chevrolet, Mercedes etc are some of the top car brands of the world which have taken the world by storm. Even in India there are indigenous car making companies like Ambassador and Maruti. It's not that their brands don't sell but their production and ideas lack innovativeness and creativity. We must imbibe ideas from the international car brands; they are giving more importance to the design and technology.

Samsung Electronics is a South Korean multinational corporation and the world's largest and leading electronics and Information Technology Company. In August 2005, Business Week rated Samsung as the Number 1 consumer electronics brand in the world with revenue topping 89.5\$ billion. In January 2007, Brand Finance ranked the company as the Number 1 global brand in electronics. In 2007, Samsung became the world's second largest mobile phone manufacturer, surpassing Motorola. The company had widened its portfolio and diversified into new segments and thus deserves the place truly.

Thus brand names are vital in sustaining the market for their products and thus form an important component of image building.

Growing middle class, double income households, and large working young population have significantly increased the country's total disposable income. Increased number of demographics and life styles also favour the branded shopping tendency.

With major retailing firms of the world entering into this industry, the future of retailing business in India is bright. Reliance, the most valuable Indian company, is all set to enter into the Indian retail industry with more than 1500 outlets spread approximately.

### 3. Merger of Foreign Brands

In the beginning of 2006, the government of India announced that it would allow foreign companies to own up to 51% of a single-brand retail company, such as Nike. As a result, companies including Zara, Gap, Timex and United Colors of Benetton have announced plans to enter the market. As such, the Wal-Mart group which sells a variety of brands has signed up a deal with the Bharti family-owned unlisted firm, Bharti Enterprises, lending a dramatic twist to India's multi billion retail story. The Bharti-Wal-Mart venture will initially invest \$100 million, which will go up to \$1.46 billion. The other key players in the industry being Shopper's Stop, Pantaloons. Though Reliance being the top name talked in Indian retail Industry, it is not the only player. Other Indian business groups likes Bharti Group and Aditya Birla group are planning to start retail chains soon. Tata Group, which already runs the Westside chain of lifestyle stores, is stepping in to electronics retailing. RPG Enterprises which already has a total of 80 stores, plans to add a store every two days in October.

As all these groups expand their retail network, they will have to offer more choices to differentiate themselves and

need to work out in various areas such as the best resources for product procurement; sales variation across different regions in the country; seasonal sales variation; the credit policies that retailers normally get from their suppliers; the average gross margin on each product category and brand preferences of consumers As a result of Indian retailers gearing up for competition from overseas and local rivals by acquiring retail space in India's capital New Delhi, financial center Mumbai and technology city Bangalore, and the next set of big cities Kolkata, Chennai, Pune, Ahmedabad and Chandigarh, and even in small cities rents are being pushed up, getting almost doubled. Intensifying competition is also likely to affect staff costs. Global corporations view India as one of the key markets from where future growth will emerge. The growth in India's consumer market will be primarily driven by a favorable population composition and rising disposable incomes. A recent study by the McKinsey Global Institute (MGI) suggests that if India continues to grow at the current pace, average household incomes will triple over the next two decades and it will become the world's 5th-largest consumer economy by 2025, up from 12th now.

### 4. Conclusion

The strategies and magnitudes of branded retail forays by the Indian retailers assure of attaining far reaching economic implications by directly affecting the lifestyle of millions of consumers, besides indirectly influencing livelihood of other millions. Quite clearly, Indian retail players are now all set and ready to get triumph over the organized branded retail sectors. The branded Indian retail industry is now on a verge to experience rocket speed actions and competitions, allowing the consumers to get the best deals out of it side by side competing with foreign companies brands.

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