



**INDIA'S EXTENDED MARKETING MIX AND THE
GLOBAL POLITICAL ECONOMY**

By

KINGSLEY SHETEH NEWUH

Avantha International Fellow 2011

PREAMBLE

Irina Bokova the Director-General of UNESCO last week pointed out that "The heritage of a nation is essential to the ability of its citizens to preserve their identity and self-esteem, to profit from their diversity and their history and build themselves a better future." While this message could have been at the back of the minds of the freedom fighters that got India Independence, it is more so on the minds of people like Anna Hazare¹ whose fast has struck a chord with Indians who are frustrated at the country's widespread corruption and the apparently never-ending scandals.

This is understandable as it clearly undermines the ability of Indians to proudly declare themselves Indian. Engage, for example, an average American or British in a discussion and you realise they are very knowledgeable about their countries and exude a lot of confidence and superior air in discussing it. Push the discussion a little outside their sphere of influence, though, and you discover how misinformed they are about the wider world. Engage an average Indian on the other hand in a discussion and you discover that they have a good knowledge of the Western world and juxtaposing this with their country, they speak degradingly of the latter. The Million Rupees Question that comes to mind will be why anyone should think that India is inferior to any other nation – least of all Indians themselves.

Looking at the records, one notices that in January 2011, India assumed a non-permanent seat in the UN Security Council for the 2011-12 Term. Also, the July 2011 estimate places the population of India at 1.2 billion habitants making it the second

¹ India's Anti-Corruption activist

largest most populated country in the world second only to China. Being a democracy, it is undoubtedly the largest in the world. July 2011, makes it twenty years since India introduced deep and wide ranging trade reforms including reduction of tariffs and taxes, removal of quotas, removal of trade barriers and many more. Consequently, Foreign Direct Investment has grown dramatically. The CIA World fact book reports that 'in 2010, the Indian economy rebounded robustly from the global financial crisis - in large part because of strong domestic demand - and growth exceeded 8% year-on-year in real terms.' Also, a report from Goldman Sachs (2007) predicts that by 2020, India will be among the leading economies of the world.

Unfortunately, this is not something that is signed, sealed and delivered. Hence, some questions need to be answered: has India got the potential to turn these predictions to reality? Since getting to the top is not as difficult as staying at the top: can India maintain a top position? What is it that India can do differently to make a long lasting impression?

This essay will answer these questions while exploring the possibility of an alternative to the *modus operandi* of India as an emerging economy and a potential global power. It has five main sections. The next section establishes the context of this discussion while distinguishing between marketing and selling. The ensuing section makes a general evaluation of the possibility of a paradigm shift, pointing to the fact that political economy trends are changing and innovative solutions are absolutely necessary for continuous survival. The penultimate section then explores how India can apply the three additional Ps of the marketing mix and position itself in the minds of its citizens and the international community. The final section offers conclusions.

SELLING AND MARKETING INDIA

Let me begin by saying that since this essay will be using marketing concepts to discuss political and economic issues, there is need for a little contextualization. The product that will be marketed is INDIA. The stakeholders are varied but the most important stakeholders are the Indian people who double as consumers and marketers.² It is my assumption that since India's independence, through to the period she emerged on the world stage, to the present moment; her efforts have been geared more towards selling than marketing herself.

Hence selling herself rather than marketing herself may be inimical to India's efforts towards becoming an acclaimed global power (a status she has all it takes to attain). This is because the selling concept, instead of focusing on meeting consumer demand, tries to make consumer demand match the products it produces. However, marketing encompasses many research and promotional activities to discover what products are wanted and to make potential customers aware of them. Moreover, selling adopts a conclusive approach toward issues. For example, when the government dismissed elements of Hazare's more stringent and sweeping proposals as unworkable and unconstitutional, the question that immediately came to my mind was; **what has been constitutional about the widespread corruption which has provoked Anna's fast?** It is then clear that the concepts of democracy, constitution, rule of law etc. are ready-made to fit into every Indian experience, rather than Indian experiences shaping and moulding these concepts to create a good positioning in the minds of her stakeholders.

² They are the primary consumers of the product since the country belongs to them and it behooves them to also market the country at home and abroad.

Selling has been and still is the act of persuading or influencing a customer to buy a product or service. Selling India to the world has in the past mainly focused on the 'product'. This method has therefore involved aggressive selling and sales promotion with much emphasis on closing the sale. The main objective has been to maintain a good image in figures, speeches and reports. Having an enviable space programme and becoming a nuclear power for example are one-off things which carry the moment and are gone. After all, India is not the first to achieve these and will not be the last. Problems of corruption, widespread poverty, social inequality, inter-religious violence, amongst others, sooner than later comes to squash these achievements, which recede to the background.

On the other hand, marketing is usually concerned with customer needs. Hence, an integral marketing plan will be one that takes into consideration product, price, promotion and distribution, and is backed up by adequate environmental and societal scrutiny, in-depth consumer research, and opportunity analysis with much emphasis on service. The main question to be asked will be what can India do that will make her, in the customer's eyes, better than and superior to her competitors? The objective here will be the maximization of profits not only through sales but through increased customer satisfaction and hence increased market share. At the core, marketing is essentially nothing more than identifying tailor-made products the consumers want and then finding the best way of bringing the product to their attention, generally through some form of advertising. Rightly so, this is what a viable democracy should aim to do. But how is this possible in an era of globalisation, when national boundaries seem to

disappear in the wake of interdependence? To answer this question, there is need to have a look at the logic of neo-liberalism.

SITUATING THE LOGIC OF GLOBALISATION:

From the 1980s to the 1990s, the “Western Keynesian consensus that had sanctioned the agricultural levies, the industrialisation dream, the social services sensibility, and the activist state of the immediate post-independence decades—and lent money to support all this—was replaced by neo-liberalism (Freund, 1998).” For most developing countries this meant the winding down of any remnant of developmental state. The new driving premise was to be a withdrawal of the state from the economy and the removal of all barriers, including exchange controls, protective tariffs and massive social service cutbacks. A one-size-fits-all economic growth formula developed. Proponents of neo-liberalism say “nations that adopt the ‘Golden Straightjacket’ begin to catch up with the advanced economies, while those that reject it become increasingly marginalized (Griswold, 2000).” This has clearly not been the case as evident in the most recent financial meltdown and also given the fact that most countries have literally failed to catch up. There is, in short, a crisis in this “Golden Straightjacket” approach. The more serious charge is that institutions like the IMF and the World Bank dictate harmful policies to its client states³. For instance, aid packages come with conditions: recipients must privatise ‘inefficient’ state industries, crack down on corruption, lower tariffs, control budget deficits, and so forth. The adverse effect of this policy has done more harm than good to developing countries, as Galbraith notes, “the crisis of the

³ During the launch of Dr. Rakesh Mohan’s book *Growth with Financial Stability*, Dr Rimal Jalan boldly asserted that the problems of the world today is that “There are no international rules of the game – the IMF, World Bank; they have lost the mandate that they had... the whole world is in turmoil...”

Washington Consensus is visible to everybody. But not everybody is willing to admit it. Indeed, as bad policies produce policy failure, those committed to the policies developed a defence mechanism. They saw every unwelcome case as an unfortunate exception (1999, p.12).” Not surprising, most Indian politicians and policy makers have bought into the logic of globalisation and make so much use of the word in public discourses, without realising how meaningless the word is in defining any real world experience. What most politicians and policy makers fail to realise in the logic of neo-liberalism is that “the mere fact that free trade agreements between countries increase the flow of trade between them does not necessarily mean that it will enhance the welfare of the trading partners” (Pholphirul, 2010. p. 52).

These ideas of comparative advantage has been interpreted in modern day parlance to embody the idea that “markets are efficient, that states are unnecessary, that poor and the rich have no conflicting interests, that markets perform at the highest level when left alone... that privatisation and deregulation and open capital markets promote economic development, that government should balance budgets and fight inflation and do almost nothing else” (Galbraith, 1999, p.1). Surprisingly enough, what the proponents of these ideologies fail to acknowledge is that even capital markets tend to be more sensitive to the differences that exist among states, one which even the crusading spread of the ‘globalisation’ myth has not been able to efface. The recent North Atlantic⁴ crisis has made this point all the more too clear. Clearly the world needs institutions within which markets can operate but these are simply not built overnight. To gain and maintain

⁴ Dr Rakesh Mohan makes the argument that there is no such thing as a Global Financial crisis since “*no emerging market economy in Asia or Latin America has had even one significant financial institution in trouble*” and that the failure of the financial system is simply being globalised because “Europe and America think themselves to be the World”.

competitive advantage, any Nation State needs to build durable institutions and the *terminus ad quo* of this is love of the country by her citizens. This in one word is Patriotism! In the case of India, the looting of public funds, disrespect of the rights of fellow Indians, the refusal to seek peaceful co-existence with neighbouring countries, the fuelling of conflicts for selfish ends; or in a nutshell, the perpetration of any actions that in themselves or their effects hurt the Indian identity are all unpatriotic. This then, is where the marketing of India becomes all the more a *conditio sine qua non* to her success.

MARKETING INDIA – A RE-EVALUATION OF PRIORITIES!

In a normal setting the major marketing management decisions are classified in one of the four categories of Product, Price, Place (distribution), and Promotion. In the case of India priority should be given to the recent additional 3 Ps that now make up what has been referred to as the '7 Ps'. These are **People, Process and Physical Environment**.

PEOPLE – There is little doubt that satisfied customers are the best advertisement one can have. Indians are the only people who can best market their country. The Indian people take on an importance that should not be ignored as far as the 'brand India' is concerned, as they are the only ones who can offer significant additional value to the product. The importance of people in a marketing mix for India cannot be over-emphasised because unless there is a good and accountable partnership between the government of India and the people with whom sovereignty resides and through a process of direct dialogue and initiative, a few individuals will continue to present their ideologies and selfish interests as national creed, thereby eroding the powers of the

people. The happenings of the so-called Arab spring are a classic example of how in the 21st century, people can forget differences and make their government a scapegoat when the whole structure fails to deliver. When the people become involved in their government, the government becomes more accountable, and the society is stronger, more compassionate, and better prepared for the challenges of the future. How can the people become more involved, becomes the ultimate question. There are several ways in which the People of India can be made to be a viable part of her marketing mix. I will take focus on two.

The first is education. Socrates did not mix words when he said that “it is better to be unborn than to be untaught, for ignorance is the root of all misfortune.’ When I talk of education here, I do not simply mean literacy programmes. Any government, especially a democratic one which purports to be one in which power resides with the people, needs to have an enlightened citizenry. Enlightenment here also does not simply mean having knowledge of India with complete oblivion about the world at large. It never ceases to amaze me when people introduce themselves to me as ‘Engineers’ and then ask me if Cameroon is in the West Indies. When challenged on their lack of knowledge the common defence is ‘I did not do Geography’. Fair enough, as I would not expect people to know all the small countries of the world, except the ones with civil wars and natural disasters, but I did not fail to note that even Africa was spoken of as being a single country. What this amounts to is that in an era of increasing interdependence, where the notion of competitive advantage occupies centre stage, lack of knowledge of any tiny Island in the world puts a people at a crippling disadvantage. This is reminiscent of Pope Paul VI’s view that “...economic growth depends in the very first

place upon social progress: thus basic education is the primary object of any plan of development. Indeed hunger for education is no less debasing than hunger for food: an illiterate is a person with an undernourished mind.” (1967 35, p. 22)

Secondly, the paradox of India’s great population is clearly visible in the fact that India spends more resources, time and energy courting external demand. Resources which, if well harnessed would be able to empower many more Indians at home who can then be a viable source of internal demand. If the logic of the multiplier is still anything to go by, an increase in the incomes of the approx 400 million poor Indians today will mean far greater consumption and overall greater spending by households and firms due to the multiplier effect. Failure to harness the demand power of her population by proactively empowering them does not wish them away. Rather than being assets to the country, they become liabilities and blight on the country’s overall image. The downside of this is that the process of wooing external investors becomes more difficult.

PROCESS – Educating and investing in the Indian people will be an integral part of her overall marketing strategy, but that in itself cannot suffice in creating a long lasting impression. Process will denote the systems used to assist India in delivering the services to her citizens. India has a good starting point – there is a democracy, which allows for freedom of expression, movement and enterprise. But how does India make it such that it is something greatly understood by her citizens and hence, sought-after? How does India make her democracy one that it is not a process that neglects the people – who constitute the most vital aspect of her strategy?

The concept of 'democracy' has in recent years proven to be a very elusive term. That notwithstanding, a veritable democracy for India, needs to be one that goes back to the drawing board and creates an eclectic mix of all the ideologies that gave India her independence. India rode to independence on a three-wheeled vehicle but upon the death of Subhas Chandra Bose, his ideologies seem to have been dropped and all one gets to hear of is Nehru and Gandhi. Gandhi himself described Bose as a man whose 'self sacrifice and suffering, drive, integrity and commitment to the national cause and the capacity to bind all Indians into one people were unsurpassed.' A process that aims at marketing India today cannot fall short of having citizens who all strive to embody this type of personality. During the launch of the book *His Majesty's Opponent: Subhas Chandra Bose and India's Struggle against Empire* by Sugata Bose, one young man made a comment that had Chandra Bose been alive today, there would not have been corruption in India. I see his point reflected in what Edward Kennedy said that "Integrity is the lifeblood of democracy. Deceit is a poison in its veins." Hence, while the Netaji may have had a huge inclination towards communism, his integrity makes his ideas more appealing than corrupt 'democracy'.

Another important aspect of the Indian process will be communication. The world has achieved a great revolution in communication but it is paradoxical that people are less informed than before. Robert Brault makes it clear that "You don't realize how little accuracy there is in network TV reporting until they cover a story in your hometown." This has been proven beyond reasonable doubt in the media coverage of events leading up to the Iraqi invasion and most recently the Libyan invasion. Indians cannot know about the world by simply looking inwards and watching Indian local channels and

the world cannot know about India by watching news channels. In the 1980s, I had greater access to Indian movies (which were then more popular and expensive than American movies) than today with all the improvement in communication and internet access. The creation of the concept of Bollywood⁵ to replace Hindi cinema has done nothing more than create the impression of Indian movies following American trends. The most featured Indian movies channel on DStv⁶ is Zee Cinema which for the most part has no English Translations or subtitles. In my hotel room for the past two months I have not been able to watch any movie or news because the only channel I broadcasting in English was BBC. People want to know what is happening around them and it is only through these that they get really informed. When the most popular sources lack credibility, what thrives is relativism and scepticism, which make truth and hence knowledge a scarce commodity.

India needs to do a lot of introspection in the area of media coverage. Why must the world learn about India only from Al Jazeera, BBC, CNN, Press TV and RT? A starting point for marketing India will therefore take into serious consideration the need for a global media source for India, by India. One that is void of propaganda and sycophancy and that seeks to report the great diversities of India to the world and the great diversities of the world to Indians. One that tells the world of the many wonderful touristic attractions India has and not only emphasises the slums. One, that showcases the rich diversity of India and does not only emphasises her religious, social and political adversities. One that showcases other cultures around the world so that the ordinary Indian who has not travelled can know that Africa is a continent with 54 States and not a

⁵ A neologism derived from the combination of 'Bombay' and 'Hollywood'

⁶ one of the most popular Satellite Television Distributors in Africa

single country and that it is not just a place of diseases, war and famine. One, that will be a torchbearer, at this critical moment when confidence in international media reporting is on a steady decline.

PHYSICAL ENVIRONMENT – The consideration of issues of environmental protection should be top priority towards achieving a sustainable product. Marketing India is a long term project and should consider the importance of Sustainability, which is *“Economic and social development that meets the needs of the current generation without undermining the ability of future generations to meet their own needs”* (WCED, 1987). Increasing industrialisation and economic growth such as that being experienced by India has the by-product of increasing pollution. Improper management of solid waste is one of the main causes of environmental pollution and degradation in many cities, especially in growing economies like India. Many of these cities lack solid waste regulations and proper disposal facilities, including for harmful waste. Such waste may be infectious, toxic or radioactive. The poor disposal and handling of waste thus leads to environmental degradation, destruction of the ecosystem and poses great risks to public health. Renewable energy sources are void of pollution and therefore do not contribute to global warming or greenhouse effects. They are also advantageous since their sources are natural the cost of operations is reduced and they also require less maintenance on their plants.

Speaking on the challenges of climate change and environmental degradation, a Vatican statement cautions that “if the human family is unable to face these new challenges with a renewed sense of social justice and equity, and of international solidarity, we run the risk of sowing seeds of violence among people, and between

current generations and those to come” (Vatican, 2010). With successive failures of international conferences like that of Copenhagen and Cancun, India has the capacity to be the pacesetter. Following a sustainable route of development will not only help protect India’s present generation but also guarantee the future.

CONCLUSION:

The objective of this write-up has been to argue that India has all it takes to make top position in the world. It pointed to the fact that India needs to do more marketing than selling, as has been the case. Concentrating on the Extended marketing Mix, the essay has been able to establish that the growth and sustainability of a nation involves the processes that enhance capacity, institutions and legitimacy of the state, first and foremost in the eyes of her citizens and then the external world. This therefore underscores the importance of state-society relations. However, since corruption is a serious impediment to reducing poverty and inequality as it distorts the rule of law, weakens a nation’s institutional foundation and severely affects the poor who are already the most disadvantaged members of the society, India has to devise ingenious means of fighting this great scourge that threatens the very fabric of its existence. Achieving this can be a possibility if every Indian sees themselves as ambassadors – something that can only happen if India treats all her citizens as Indians.

REFERENCES:

Freund, B. (1998) *The making of Contemporary Africa*; Boulder: Lynne Rienner,

Galbraith, J.K. 1999. "The Crisis of Globalization," *Dissent Magazine*, Summer 1999, pp. 12-16

Griswold, D.T. (2000). "The Blessings and Challenges of Globalization" *The World and I*, September, pp. 267-283.

Pholpirul, P. 2010. "Does AFTA Create More Trade for Thailand? An Investigation of Some Key Trade Indicators," *Journal of Current Southeast Asian Affairs*, Institute of Asian Studies, GIGA German Institute of Global and Area Studies, Hamburg, vol. 29(1), pages 51-78.

Pope Paul VI; (1967) *On The Development Of Peoples* of Boston: St Paul Books & Media.

Vatican, (July, 31 2009) Environment Theme for World Peace Day 2010, Justice and Peace; Integrity of Creation, <http://tinyurl.com/2v93eos>

WCED (1987) *Our common Future: Report of the UN World Commission on Environment and Development*; Oxford: Oxford University Press.