INTRODUCTION
by P. Chidambaram

This is a book about the India that we live in, but an India that many of us do not know sufficiently.

Rama Bijapurkar is a market strategy and consumer-behaviour consultant and is the author of the bestselling work We Are Like That Only. If that book had a tongue-in-cheek title, this one has a hand-on-the-brow name. The author’s hypothesis is that ‘emerging markets are new and never-before worlds, the likes of which developed market businesses have never encountered or served before’. India is a never-before world and she goes on to illustrate why it is so: never before has there been a market of over a billion people living in a democracy, never before has there been a consumer base that has members who can be fitted into four different centuries, never before has there been a youth culture defined by 600 million people below the age of twenty-five and mostly poor, and so on and so forth. It is in this India

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that Indian companies have to invent, make, distribute and sell their products and services. It is to this India that multinational companies are attracted, just as, I suppose, Columbus was when he embarked upon his voyage in 1492.

In this never-before world, the author discovers that the Indian Railways is the world’s largest e-commerce retailer but runs a train network that is dirty, uncomfortable and technologically deficient. In this never-before world, Indians use the mobile, uniquely, to download the shrines at which they can pray every day. The author told a French automobile company that in this never-before world new vehicles are welcomed with garlands and breaking of coconuts. There are many such vignettes.

What will India be ten, twenty, thirty or forty years from today? The direction is clear, the pace is uncertain, the goalpost is still somewhat clouded, and the implications for policymaking or product marketing challenging. How many of us know that India is in the ‘big league’ not because India is rich but simply because India is ‘big’? In terms of per capita income, India is the poorest among the G-20 countries. Even in the BRICS grouping, Brazil has a per capita income (in terms of purchasing power parity) of $11,875, Russia $17,709, China $9,162, South Africa $11,375, while India’s per capita income is $3830 (in 2012). Nonetheless, India is big in terms of the size of the economy and will only become bigger. Our GDP today places us as the tenth largest economy in the world and the third largest in terms of purchasing power parity. Given current global trends and notwithstanding the slowdown in growth in India, India’s GDP is likely to take it to the third or fourth rank in the absolute size of the economy by the year 2020.

Yet, in terms of per capita income or quality of life, most
Indians will be in the category of poor – not in abject poverty, but certainly not prosperous. Consumption will grow but I think there will be a clamour for more and better public goods. More people will spend more money on clean drinking water than on soft drinks; on medicines and healthcare than on entertainment; on paying for toll roads or air-conditioned rail coaches than on clothes or shoes. And, thanks to the spectacular failure of public goods, we will also have more people buying public goods from private providers. As the nature of demand changes, the nature of supply also must change. The businesses that will provide those goods and services that are demanded will be the ones that will succeed. The author puts it succinctly when she says that the dharma of business is ‘to add value to and extract value from consumers’.

The book is an exercise in tracking the evolution of consumers in India and an inquiry into why some companies failed and some companies succeeded in the Indian market. The author reaches certain conclusions about the Indian consumer market. Sample some of them: India is a large economy but comprising lots of modest-income people. The top 1 per cent, who are the ‘globals’, are not rich by global standards. The much-touted middle class is actually India’s upper class which is the top 20 per cent of Indian households by income. The rest of the households (about 78 per cent) just about manage to balance their income and expenditure and have meagre surpluses that can go either the way of consumption or the way of savings. Half of the well-to-do live in rural India, so rural India also has a consuming class. But rural India is also mostly poor because nearly three-quarters of the poor households are in rural India.

Within these segments there is, of course, considerable
heterogeneity. There is no meta society or culture. The book does a tour of the bewildering variety that is India – rural India, the blurring of the rural–urban divide, the nature of urbanization, the rise of women, Gen Next, and the luxury market.

Peppered throughout the text are some mantras, many of which will be hotly contested by the practitioners of business. The author does not pull her punches and she challenges the orthodoxy of business. She questions the logic that ‘people are the same the world over’. No, she says, they are not, and the Indian market will not follow in the footsteps of the United States or even of China ten years ago. Don’t ask, she says, ‘What is the market for my existing strategy?’ Instead ask, ‘What is my strategy for this market?’ She quotes, approvingly, C.K. Prahalad who said that while it is true that multinationals will change emerging markets forever, the reverse is also true. She chides the executive who says ‘We haven’t done this anywhere in the world’ and lays down a simple mantra: You have to design your business for India.

There is plenty of anecdotal evidence drawn from personal experience and conversations. There is a lot in the book that will make you laugh – and think. There is a lot in the book that you assumed you had got right but will discover you had actually got wrong. I thoroughly enjoyed the story of a lunch with the CEO of a pharmaceutical MNC who extended an invitation to the author to join their board only to take it back (‘ever so politely’) after he was subjected to a lecture on why the MNC should change its main product in India!

You and I are living in this never-before world, a world of which we know so little. It is our consumption that will shape the market. We make the market, yet we know so little about it,
because it is the outcome of millions of discrete decisions. Go ahead. Read the book. And explore the never-before world that is the India that we inhabit.

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