Brand India—Where Next? A Panel Discussion

Sponsored by the Confederation of Indian Industry, The NewsMarket, and Mirabilis Advisory

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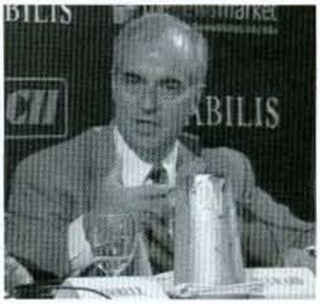

Andrew Heyward: Good morning, and on behalf of the Confederation of Indian Industry and its partners in this event, The NewsMarket and Mirabilis Advisory, I want to welcome you all to this discussion. Our subject is the economic transformation and future of India, and the building of what we are calling "Brand India." It's a great pleasure to be here in this beautiful room at the Harvard Club on this wonderful occasion celebrating India's 60th year of independence.

I'm Andrew Heyward, a board member of The NewsMarket as well as a former President of CBS News, and I'm going to serve as moderator. We have a terrific panel of speakers. And after I introduce each of them, we will talk about the ground rules and get the discussion going.

At the far left end of the table from me is **Vir Sanghvi**, who is one of India's most prominent journalists. Mr. Sanghvi is the Advisory Editorial Director of HT Media Ltd, a company he joined as an editor of the *Hindustan Times* in 1999. He is also a well-known and award-winning television anchor—and, having run CBS News for ten years, I've seen a few of those in my day.

Next to Vir is **Arun Sarin**, who is the Chief Executive Officer of Vodafone, which calls itself "the world's leading mobile telecommunications company"—and which, at least as measured by sales, is the world's largest. With 250 million customers, total revenues of over \$60 billion, and a market cap of some \$173 billion, the company is a major presence in Europe, the U.S., the Middle East, Africa, and Asia Pacific. In recent years, Vodafone has made big investments in China and India, the largest and latest of which is its \$11 billion acquisition of the Indian mobile operator Hutch Essar in May 2007. That is far and away the largest direct foreign investment in India to date—and I imagine Arun will be telling us a bit about this. He has served on the boards of such companies as The Gap, Charles Schwab, and Cisco.

Next to Arun is **Amitabh Kant**, who is Joint Secretary of the Indian Ministry of Tourism, where he oversees policy planning and international marketing and promotion. In this role, Amitabh is responsible for marketing India to people his promotional literature refers to as "discerning" travelers. Amitabh is the main architect of the campaign called "Incredible India@60," which is why we're all here today. And he's also the creator of the modestly titled "God's Own Country" campaign for his home state of Kerala in southern India—a campaign that has helped turn Kerala into the fastest-growing tourist destination in the country.

Next to Amitabh is **Nandan Nilekani**, who is the Co-chairman of Infosys Technologies, one of the great success stories of Indian business. One of the co-founders of Infosys in 1981, Nandan has since served as its President and Chief Operating Officer and, from 2002 until this past June, as its CEO. He has also played important roles in several government initiatives, having served as Chairman of India's IT Task Force for power and as a member of the Reserve Bank of India's Advisory Group on corporate governance. Nandan has received many awards from civic and corporate organizations, including recognition this past year by Forbes magazine as its "Businessman of the Year."

Last, and seated next to me, is **Sir Martin Sorrell**, who is CEO of the WPP Group, one of the world's leading communications services and advertising companies. Producing annual revenues of \$12 billion, WPP has over 100 operating companies that employ 102,000 people in 106 countries. After joining WPP in 1985 as a director and becoming the chief executive in 1986, Sir Martin spent the next three years acquiring 18 advertising-related companies, including J. Walter Thompson in 1987 and Ogilvy & Mather in 1989. He may well be the best-known advertising executive in the world—at least, that's what he has instructed me to tell you.

Now that you have our cast of characters, a word on the ground rules. We're going to model this discussion on the new faster form of cricket that India's recently had some success with—and my congratulations, by the way, on India's victory in the Twenty20. I'm going to ask each of the panelists to start with just three minutes of opening remarks. And after we've made the rounds, I'm hoping that a spontaneous discussion of the opportunities and challenges facing India after 60 years of independence will emerge from the observations of these five really interesting people.

And I thought we would start with Mr. Kant in his role as creator of the "Incredible India@60" campaign. What does Brand India mean to you?

The Challenge of Branding India

Amitabh Kant: Thanks Andrew. Well, let me start off by saying that this thing that we are calling "Brand India"—the global set of perceptions and associations that now surround the country—is multi-layered in many ways. It's very difficult to make generalizations about India because it's such a vast and diverse country. There are 27 states where the people look different, the religions are different, and the languages are different. It's also a constantly evolving brand. Many years ago when I was in school, our brand had to do primarily with food imports. Then it became software. And now we have a growing reputation in mobile telecom.

So I think it's misleading to say there's a single Brand India. It's in many ways an aggregate, a composite, of several brands. There's Brand Bangalore, there's Brand Chennai, there's God's Own Country of Kerala, and so on. And I think the first glimpse of India should be one that gives you a sense of its diversity and, above all, its vibrancy.

The process of branding is essentially one of differentiation, of distinguishing your products or services from those of the rest of the world. Many years back, when I was working in Kerala, our only attraction for tourists was our beaches. And we used to get charter flights from London bringing mainly people who were paying about £15 a night for a room. But we stopped marketing just our beaches and concentrated on other features that really set Kerala apart—and that was backwaters and hillside plantations as well as our forts and temples and wildlife. It was these other attractions, all located within a few hours of our beaches, that really took Kerala forward.

Our branding strategy came out of the realization that it was not mass tourism that was going to drive Kerala's economy, but rather the search for more discriminating tourists willing to pay more for a different kind of experience. We decided to move up the value chain. And as Andrew was kind enough to tell you, that campaign has been a great success.

But now I'm at the Indian Ministry of Tourism. And India, as suggested, is a far more complex game. It's a multi-product destination, if you will. It's much easier to brand a single product destination like Maldives, or a wildlife destination like South Africa. But how do you brand a country like India, with its 27 different states, and its amazing variety of people and languages and customs and architecture?

To come up with a plan, you have to start by doing research on market segmentation and positioning to answer questions like: Which markets do you want to defend? Which markets do you want to invest in? Which media should you use to accomplish these goals? Research designed to answer these questions is critical to developing a strategy of differentiation.

It's also important to realize that any branding with reference to India as an entire country can serve only as a kind of model branding campaign. It's a broad template, if you will. And each of our 27 states can then use this template when designing their own "sub-brand" campaigns. The potential for such campaigns was first realized with Kerala many years ago. But much the same has been done in states such as Rajasthan. Each of these cases has shown the benefits of aggressive international marketing and establishing a distinctive brand.

Now, on the subject of our countrywide campaign called "Incredible India," I think there are a few important lessons. One is the importance of working with the brightest people in the creative field, which we think we are doing. A second lesson is the need for continuous innovation. Keep the brand campaign alive; keep it fresh all the time. We've spun out a new campaign every year. Perhaps even more important, we've tried to do a so-called "360 degree" campaign that has elements of both print and the Internet. In the future, the Internet is going to be driving the brand campaigns in many ways.

But when we're talking about the global branding of India, it's very important to keep looking back to see that the brand that we're building matches the reality back home. And that's why we have launched a complementary branding campaign in our domestic market. The purpose of this campaign is to ensure that all the stakeholders in the Indian economy—the taxi drivers, for example, and the customs and immigration officers—share our vision of a thriving tourist industry. They all must recognize that tourism is going to be a key driver of India's economic growth, and a major source of new jobs. So we're talking here about equitable, or *inclusive*, growth—about the importance of getting all the stakeholders to understand the role they can play and the benefits to them from so doing. We're making an effort to bring people on board and include everyone.

But, as we move forward with our branding campaign, I think there are four challenges that will be critical to realizing this vision.

The first is the need to upgrade our infrastructure—for example, by continuing to invest in roads, highways, and airports. If we keep expanding travelers' access to new locations and markets, we will get continued growth in tourism and in our general economy.

Second is greater attention to civic governance, finding ways to encourage the growth and capacity of all kinds of service providers.

Third is constant communication, along with continuous evolution of the

The message of Brand India is a straightforward one: if we want to continue our recent policy of higher government outlays on education and health care, we will need strong economic growth to provide the tax revenue needed to fund them. My vision—and my goal—is to engage not just the Indian middle class but our other 800 million people in this process of brand-building. To the extent we succeed, our private sector will prosper, and its success will mean higher government spending and better lives for all.

Amitabh Kant

communication strategy. For example, until we began using the Internet, we did not fully grasp the huge overseas interest in yoga—40,000 hits a week! Since that discovery, our communications never miss an opportunity to mention yoga programs and facilities. The Internet really shows us what people are looking for—and it has reinforced our conviction that the experience they want is different from what they find in America, and different from what they get in Europe.

Fourth and finally, our branding campaign needs to be coordinated with the promotional efforts of other sectors of the Indian economy, as we've tried to do in New York with this event. We need to link tourism with business. If that happens, Brand India will keep moving forward. Thank you.

A Westerner's Thoughts on India—and China

Heyward: Thanks, Amitabh. Now, let's hear from Sir Martin Sorrell, the CEO of WPP, which has long been the largest marketing communications company in India. Sir Martin has also been a leader in thinking about China and its role in the future. What you think when you hear the words "Brand India"?

Martin Sorrell: Thanks for the kind words, Andrew.

What does India mean to me? Well, the first thing that comes to mind—at this very moment—is a fantastically outstanding performance on the cricket field. It was in a somewhat strange part of the game. But it's a part of the game that will now, thanks to that performance, live in the memory of all fans of the sport.

Interestingly, that particular game was won by a young team, a team without any of the old stars. And, in that sense, it's emblematic of the opportunities in India today. Because my second thought about India is the size—1.1 billion people—and, even more important, the youthfulness of its population. Although China now has more people—probably closer to 1.5 billion than the 1.3 billion commonly reported—in the next 50 years India is likely to overtake China as the world's most populous country because of its much higher growth rate.

India also, at least for now, means service companies. But our own view is that India will increasingly become more of a manufacturing-based economy. And where people think of China as mainly a manufacturing economy, we think China is about to make a major shift toward services. So, at the same time the Mayor of Shanghai is saying that he expects Shanghai to become the services center of the world, we expect to see India becoming more of a manufacturing heartland. Given what some of India's major entrepreneurs and industrialists are now doing in sectors like retailing or auto manufacturing or technology, I think we can expect to see an economy that will become known not just for services but manufacturing as well. And, as a result of these shifts, both China and India will end up with economies that are much more balanced between manufacturing and services.

Perhaps most important, what India and China both say to me is captured by the old movie title, "Back to the Future." Both India and China have been on the wrong side of history for the last 200 years—and our prediction is that they will be on the right side for the next 200 years. To put things in perspective, it's helpful to recall that, in the early 19th century, India and China accounted for some 40% of worldwide GNP—and we could see numbers like that again.

On the negative side, India means to me lack of infrastructure, particularly in comparison to China as it gets ready for Beijing 2008. I wonder about the eventual consequences of that lack of infrastructure in India. Obviously, there's an element of chaos that comes with that. "Chaos" may be a harsh word to use, but since it's part of what makes some people nervous about doing business in India, it's something we should be aware of and address. This is an area where perceptions are likely to fail to keep up with reality. But that's, of course, where brand campaigns like this one can help.

Historically, India has meant slow growth to me. But perhaps because of neighborhood envy and the growth of China, India has now fully awakened; it is clearly on a path of much more rapid growth. India also has meant a bit of bureaucracy. But I have to say that WPP has never encountered any significant problems in that area.

India stands for the potential of education. In fact, education is *revered* in India. There are some very high-quality schools. But, obviously, there's an awful lot more to be done in this area.

India also means, as we've already heard, 27 different states. It doesn't mean one country. And it means, from WPP's point of view, not just being in New Delhi or Mumbai, but penetrating as we have done with companies such as Pramers or Genesis the whole of the Indian opportunity. And the same is true in China, with its 32 provinces. In India and China alike, seizing the entire opportunity means thinking about it not as a single country, but as lots of different opportunities with different requirements.

Finally, on a negative note, India also means to me the possibility of protectionism by Western governments. India's competitive advantage, particularly in services, has been so powerful that it has started to trouble the developed economies. Both India and China represent newer forces that threaten the operations of developed economies, at least in certain sectors. One of the toughest things for Westerners—for the British and the Americans and the French and the Germans and the Italians—to get their minds around is the possibility that they will no longer be the dominant forces in the world economy. And that's why the biggest risk to me is that the politicians in these developed nations will win votes by taking populist, protectionist stances. If these politicians get elected, they may well succeed in passing measures that reduce not just Indian growth, but world growth as well. And we will all be the worse for that. Thank you.

Brand India as a Public-Private Partnership

Heyward: Terrific, Martin. Now, let's hear from Nandan Nilekani, a co-founder, and now the Co-chairman, of Infosys, which as I said before is one of India's great success stories.

Nandan Nilekani: Thank you, Andrew. I thought I'd start by talking about business involvement in Brand India and how it's converging with some government initiatives toward one goal.

About three years ago, business leaders in the Confederation of Indian Industry felt there was a need for a much more strategic projection of India's brand. We chose Davos 2006 as the occasion to launch the campaign. And we came up with a comprehensive, high-impact campaign that we called "India Everywhere At Davos." The basic idea was that, for anybody who came to Davos for that one week, whatever they ate, whatever they drank, whatever conference they went to, and whatever they saw on the buses would reflect some aspect of Indian commerce or culture.

What was unusual, if not unique, about this effort was that it was initially financed by the private sector. The CII was able to convince many of its members to give money and make a contribution to making this event happen. And when people from our public sector saw private

India's media successes are providing us with just a glimpse of the creative capabilities of the country's 1.1 billion people. What we're seeing in India today is just the beginning, and the continued development of these capabilities will end up permeating everything. It will affect not just our creative services industry, but lead to innovations in marketing and design—and to improvements in business processes generally—in all kinds of organizations, public as well as private.

Martin Sorrell

companies contributing to this effort, the Ministry of Commerce and Industry then provided leadership and support through its India Brand Equity funds. So it became a public-private partnership, and a very successful one.

When planning our campaign, we started by asking ourselves the same question Amitabh posed earlier: How do we differentiate the brand? The first thing we thought of was economic growth; at that time, India was growing at a rate of 7% or 8% a year. We also felt that, given the major push by Indian policy makers toward a free-market environment that started in 1991, economic liberalization and free markets should be an important part of our message. Finally, it also became very clear to us that if we wanted to create a clearly differentiated brand that could not be easily appropriated by other nations, we would have to emphasize the democratic nature of India's values.

So that's how we came up with the slogan for our campaign in which India was identified as "the world's fastest-growing, free-market democracy." We concluded that each of these three attributes—fast-growing, free market, and democratic—had an important role to play, and that the combination of the three was a unique selling proposition. The great appeal of the slogan in this situation was that it was not only a plausible description of our country, but it was a claim that no other economy, developing or otherwise, could comfortably make.

And I think this campaign has been very successful. For the last three years, we have been taking it around the world. We have done it in Japan, and in China—and we took it to the Cannes Film Festival this year. It has had a considerable impact, especially given our relatively modest investment of resources. And so we've had a wonderful experiment in cost-effective marketing, in learning how to create high impact with limited resources, to get the biggest bang for our buck.

We have also concluded that creating these high-impact events is really quite effective in extending what might be called the "face" of the brand. What is unusual about what we're doing in New York with our Brand India celebrations is that they effectively unite and combine the strengths of two different but parallel brand campaigns. While Amitabh and his colleagues at the Ministry of Tourism have been doing these extraordinarily successful Incredible India brand promotions, with the main aim of driving tourism, we at the CII have been promoting India's free markets and big consumer as great investments. And what has really provided momentum for our current branding program is the decision of these two groups to join forces and work together. For example, today's Brand India campaign—with events going on all over the city, at the Asia Society, and at Columbia and Yale—is a truly *joint* undertaking between the Ministry of Tourism, which is promoting Indian culture and diversity, and our CII-led activity, which is really about business.

So bringing these two campaigns together has been a major key to our success. It has also reinforced our understanding that, to be successful, we must continue to focus on our strengths, on the benefits that come from being the world's fastest-growing, free market democracy. A big part of our strength is our demographics. It's about young people, about the future generations that are going to support the world. And our strength also comes from our diversity, and from the development of our people and resources and commerce that is happening all over India.

Finally, our strength lies in the breadth and depth of our entrepreneurial talent. We recognize that one of the best ways to showcase India globally is to take a number of its top business leaders and showcase them. Which is why there were lots of prominent Indian executives at Davos in 2006. Our idea is that if all our top business leaders become part of India's brand projection, we will have something that is very distinctive, something no other developing economy can match.

Let me also point out that this process of global branding can have internal as well as external benefits. That is, at the same time we are using branding to persuade outsiders that India has become a better place to travel and do business, we are using the same story to put pressure on our own system to bring about change. Although Brand India may be somewhat of an exaggeration, it's not much of an exaggeration—and it's becoming more of a reality with each passing year. And my point here is that branding helps change the reality: Once you position India as a great consumer brand, or as a great investor brand, that automatically forces the system to respond, whether by building out the infrastructure or improving investor protection and corporate governance rules.

So I think there's been a lot of progress. And much of this progress can be attributed to a unique kind of public-private partnership. Along with some support from the Indian government, 33 Indian companies have contributed to making this event happen. This model of public-private partnership—one that is promoting both the cultural, or "soft," side of India as well as its business side—may well be the only one of its kind. I don't know of any country that has taken this approach.

And let me close by making one last point about Brand India. We have been very conscious and deliberate in presenting it as a softer brand. It's really not a hard or a dominant brand to begin with. The quest for efficiency through knowledge and knowledge-sharing is an important part of Brand India. But it is not only about efficiency. It is also about democracy and reverence for learning and the past, about art and architecture, and Bollywood and yoga, all of which have a cultural and even a spiritual dimension.

With this in mind, we have been positioning our engagement with the world not so much as a competition for scarce goods, but as a win-win proposition. I believe it was Adam Smith who said that economic success is not about creating a mercantilist economy; it's not just about exporting goods and building up a nation's reserves of gold or, in these days, hard currencies. Success is better measured in terms of the gains from trade by all parties, by the consumers and companies of importing as well as exporting nations. And so one of the basic messages of Brand India is that, to the extent that India succeeds, the world is going to be richer for it. Thank you.

Vodafone and the Case for Investing in India

Heyward: That was great, Nandan, thanks. Let's now turn to Arun Sarin, CEO of Vodafone, a U.K. company that has come storming into India, invested $11 billion in Hutch Essar, and rebranded the company as a Vodafone subsidiary. Arun, would you start by giving us your thoughts about Brand India?

Sarin: Thank you, and good morning to everybody. First of all, let me thank the arrangers of this conference for allowing me to meet with Martin Sorrell in person. Although my company is one of his larger clients, it's actually very hard to schedule a meeting with Martin in London, and so I feel somewhat privileged to see him here in New York.

Let me also say at the outset that I think my fellow panelists have done a great job of talking about the marketing

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Nandan Nilekani

or branding of India. Brand India, in my mind, is about raising the awareness of where India is today as a nation and as a place to do business. In my view, the emergence of India is a phenomenon that has really taken off in the last three to five years. The kind of confidence and self-assurance that you now find amongst young people when you go to India is very recent. And I think what we're talking about is that awakening. There are now a number of Indian companies that either have become, or are on the verge of becoming, truly world-class multinational corporations—companies like Infosys, and like Tata and the two Reliances. It is important for the world, and for Indians as well, to understand that India now occupies a certain place in the geo-political world that it did not occupy five years or ten years ago—and definitely not 20 years ago.

But having said that, I am going to make most of my comments from the standpoint of my company and global investors. As Andrew told you, we've recently spent $11 billion buying a controlling ownership position in a company in India. Our primary motive for spending this money has been to produce profitable growth and terrific returns for our shareholders. But I want to say a couple of things about brands and their importance in business.

Vodafone is one of the biggest brands in the world. As Andrew also mentioned earlier, we have 250 million customers around the world and our market cap is about $173 billion. And the one thing about brands that I never get tired of telling my people is that "a brand *is* what a brand *does*." Building a brand is not just about advertising, or saying how great things are. Brand-building is about delivering what you're telling people you can and will deliver. And in that sense, our decision to make a major investment in India says a lot about the success of the Brand India campaign. If we didn't think India was a terrific place to invest, we would not have put down our $11 billion. But we have—and, as a result, we are now the largest single foreign investor in India by a factor of four.

Vodafone is a relative newcomer to India. We started with a very small investment back in 1995, when India's telecom industry was just opening up. Then three or four years ago, we got bolder and made a $1.5 billion investment in a company called Bharti Airtel. And then we got bolder yet, buying majority control in Hutch. It's taken us only about four months to re-brand the company, and it's been a fantastic experience for us. For those of you who haven't seen our new advertising, I urge you to do so. I think you will get a chuckle out of it, while also seeing a nice example of taking something old and established and turning it into something new.

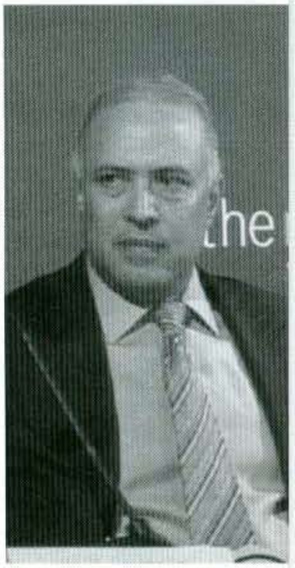
But now let me talk a bit about the Indian consumer. Indian consumers are very discerning, and very demanding, customers. For that reason, simply exporting ideas from America or from Europe to India will often not work. Because India's a very competitive market place, you need to find some way to combine the low-cost aspects of Indian distribution and low-cost Indian handsets with differentiation and customer service. It's not an easy thing to do.

But one thing I have learned during the past four or five months is not to underestimate the quality of people in these companies. I was visiting our new company in India this past weekend, and we spent a lot of time talking with our Delhi and Northern Indian management team. And I continue to be amazed by the quality of people in India. If you're getting a marketing person there, that marketing person is as good as anybody on the planet. If you're getting a technical person, the technical people are simply outstanding. If you're getting a general manager, the manager understands management. All of these folks have been well educated and well trained.

What's also surprising to me is how deep the Indian labor market really is. For those of you who are thinking about investing in India or having operations in India, I think you're going to be very pleasantly surprised. And the farther away from India you are, the less you're likely to know about it. I find it interesting that Europeans—Brits in particular—know a lot more about India than, for example, Americans. That has a lot to do with history, of course, and also with the fact that India is literally the other side of the world from America.

The second thing I would highlight, which has also been a real positive surprise for us, is what I like to call "reverse synergies." When we were buying this company in India, we said to ourselves, "Okay, we will bring low-cost handsets and we'll bring our brand. And we'll bring this and that." And most of those synergies have been realized, they are happening. But in just four short months, we have now begun exporting great ideas from India. This is what I mean by "reverse synergies." There is so much we are learning about how to build out new operations, to create a global company. Whether it's in the area

Our investments in India and China have been very much two-way, mutually beneficial relationships, producing what I like to call "reverse synergies." We think we have brought a lot of valuable expertise and insight to our overseas partners. At the same time, we have learned quite a bit from all of them. In fact, we are continuously learning from our operations all over the world, in countries like South Africa and Egypt, and Romania and Turkey.



And having acquired all this learning and experience, we then apply it when we come to a new country like India. Because only about 40% of India's population is covered by telecom networks—as compared to nearly 100% in places like the U.S. and Europe—we are now building networks where there were none before. As a result, I would describe our operation in India today as a pioneering venture. In a sense, we are leading the world in how to build effectively. As we build out these networks over the next few years, we expect to learn more about how to make things even more green and conserve more energy. And when that happens, we will take those ideas out of India and bring them to the rest of the world.

Arun Sarin

of mobile payments, or in the area of distribution or cost management, there have been many great ideas that we've brought out of India and back to Europe.

So, again, as you think about investing in India, think about what you might be able to bring. But also be prepared to have your company changed by operating in India.

The final point I'd make is that if you're not in India today—and by the way, when I travel around and meet Fortune 500 chief executives, I haven't come across a single CEO who doesn't have an operation in India—you might want to revisit that possibility. Because if you're staying away, you could be missing some major growth opportunities—opportunities not just for profitable operations in India, but perhaps for improving your own business model. Thank you.

A Journalist's Perspective

Heyward: Thanks very much, Arun. Now let's hear from Vir Sanghvi. Vir, can you shed some journalistic light on the subject? We're hearing a lot of passion, enthusiasm, and perhaps a bit of marketing on the panel here. What do you have to say?

Vir Sanghvi: Thanks, Andrew. I'll try my best. Since I am not either a marketer or a captain of industry like the other people on this panel, I will talk about things from a journalistic perspective. While I think it's important to talk about where Brand India is today, it's also important to have some historical perspective on how we got here, and I will try to provide just a bit.

If you asked people in the West, especially educated people, what India represents to them, here are some of the things you would be told:

You would hear about the huge market for goods and services. Arun just mentioned that every Fortune 500 company wants to come to India. You would hear about the economy and how fast it is growing—second only to China. You would hear Martin Sorrell's point about how India and China are economies of the future. You would hear about information technology. You would hear the success stories of Infosys, Tata, and other technology superpowers.

You would also hear about our vibrant popular culture. I think Bollywood is a very big part of Brand India—and by most estimates it is bigger than Hollywood. And Bollywood is very, very important for us.

You would also hear about nuclear power. You would hear about India as an emerging superpower in Asia. And you'd hear about the quality of the people that Arun just told us about. The Westerners I talk to always seem to be amazed by the quality of people in India. As Martin said, it's a country where people are highly educated, where people are bright and competent. And though many of them could find jobs anywhere, they're quite happy to be in India.

So that, I think, is the essence of Brand India today. But this is a new development. If you came into a room like this 25 or 30 years ago, and you asked people what images India evoked, you would have gotten a very different response. The old images of India were pictures of starving peasants and farmers, earthquakes and floods rendering thousands homeless, and urban chaos. Martin spoke about the chaos—and of course it's true: India is chaotic. Even people who are affectionate toward India speak about the chaos. John Kenneth Galbraith described India in the 1960s as "the world's only functioning anarchy." And I think he's right.

But chaos and mismanagement were then a much larger part of both our image and the reality behind it than they are now. Today the "Made in India" brand has lots of positive associations. But 25 or 30 years ago, you would think of shoddy products. There was a time when you saw something that was made in India, you wouldn't buy it.

So how did all this change? How have we gotten to this point where celebrations of Indian progress are taking place all over New York City, where we're sitting in the Harvard Club talking about Brand India? What's made the difference?

I will give you my personal perspective on this. And let me warn you that it's one that reflects many generalizations. And as we've been told several times this morning, all generalizations about India—with the possible exception of this one—are wrong. We know that for almost everything you might say about India, the opposite is also likely to be true.

So when did this change come about? When did India change from the old brand to the new one? My view is that India began to transform itself in 1991. Although this date may be a little arbitrary, those of you who are familiar with India will know why I picked 1991. That was the year in which the first of a series of major economic reforms were instituted. That was the year India really began the process of opening itself up to the working of markets, to outside goods and capital.

These economic reforms have been far more important to India than many people abroad realize. Nandan once told me in an interview that if the economy had not been liberalized in 1991, Infosys

There is very little evidence to suggest that the economic reforms behind India's progress have much popular or political support. There is a greater, vaster India—the one that elects the politicians—that doesn't necessarily buy into Brand India. And unless we find a way to get that buy-in, our growth may not be sustainable.

One approach might be to emphasize the benefits that can be traced to the economic reforms. We could point to India's five-year plan to invest a record $25 billion in education, made possible by robust economic growth and tax revenues. But I don't hear these arguments being made. There are some fairly direct links between higher economic growth and social progress. But these links have not been well articulated—in part perhaps because of our past tendency to be reticent in promoting our successes.

Vir Sanghvi

would have gone bust. They were considering closing down the company. And that was what, just 15 years ago?

The reforms changed India much more dramatically than most people in the West realized. But there were other things going on in 1991 as well. That was also the year when educated Indians, including Indian politicians—with the exception of the communists—largely came to terms with the fact that the Soviet Bloc was dead, that communism had been defeated, and that India could no longer play its old balancing act between two superpowers. We knew that the old ways of state power were dead, and that we had to make new choices.

This was also the time when satellite television arrived in India, along with the flood of global products that accompanied the 1991 liberalization. It was a time when we finally began to see the world in real time. We finally felt part of the world, we felt connected. And I don't think the significance of this has ever been fully appreciated. It was hugely important for the Indian middle-class. We felt, finally, like citizens of the world.

And there were other factors. One of the most important, and I think everyone's talked about it, has to do with Indian demographics. By 1991, the generations that had run India from around the time of independence were gone. We had lots of young people then. And with something like 65% of the population of India today under 30, that's even more true today. India is one of the world's youngest countries. And this means that the people who are now transforming the way in which government works in India are people who don't remember an earlier time. They don't remember the colonial era; they are products of an independent India. And the people you get when you reach a call center in India today are people who remember only the last ten or 15 years. They don't even remember what India was like before economic liberalization. And, as I suggested, these demographics have been very important in changing the way middle-class India behaves.

Demographics have also been important in terms of the Indian diaspora, in terms of all those Indian emigrants and their children who have had successful careers in their new countries. Not much is said about the diaspora. But the success of people like Arun, which perhaps wouldn't have happened 30 years ago, has had a major effect on how India is perceived. And the fact that there are so many Indians, perhaps not as successful as Arun, but certainly in top corporate jobs all over the West, has changed the way India is perceived. The diaspora has also become a huge market for Indian popular culture. They've become cheerleaders and lobbyists for India. And, as we have seen in the United States, they have done a lot to change the image of India.

So, to sum up my argument, in 1991 something happened in India that led to the withering away of Old India—and a new India was born. But, as I've also suggested, it is a generalization that is bound to be misleading, especially when applied to a complex place like India. Brand India is essentially a middle-class phenomenon. But, as several people have said, there are many Indias. And, of course, there is much of India that does not shine. Much of India is still in darkness. There's a lot of poverty, a lot of chaos. There are many, many deliverables that haven't reached the poorest in India. But with a bit of luck, we'll get there. And it's 1991 that got things started.

Balancing Global and Local Management

Heyward: Thanks very much, Vir. That ends our opening round of comments by each speaker. Now let me pose a few questions to the entire group.

Several of you have suggested the potential for conflict or tension between Western and Indian consumers and management methods. To what degree are Western companies adapting to an increasingly empowered Indian business culture, as opposed to trying to make India adapt to Western ways? Arun, perhaps you could start this by telling us about your recent experience in rebranding Hutch.

Sarin: We bought our position in this company just six months ago. And what we've since found is that Hutch was actually a very well-run company, even better than we thought when we made our investment. And this was not a company, by the way, where we planned to add value by overhauling its management or systems. We found both to be in very good shape. And we're still very early in the process of integrating the company with the rest of Vodafone.

We now have operations in 30 countries, and we've grown principally through acquisitions. So we're quite used to acquiring companies and then instilling in them our Vodafone values. But, at the same time, it's also important for the companies that we acquire to retain their local character and customs. As I like to say to all our employees, "When we're in Germany, Vodafone is a German company. When we're in the U.K., it's a British company.

And when we're in India, it's an Indian company."

But while we want our overseas businesses to keep their regional or local character, we also want them to understand and become part of our corporate culture at Vodafone—to understand who we are and what we expect of them. There are three words, or traits, that we use to describe Vodafone to our own people and to our customers. Those words are "red," "rock solid," and "restless." "Red" is for passion, passion for serving the customer and for everything you do. "Rock solid" means dependability; it tells people they can rely on us. And "restless" is meant to suggest our pursuit of innovation in whatever we do; we want to do better the next time.

This three-point slogan is also meant to remind people of our firm-wide commitment to principles of business ethics and corporate social responsibility. As you can imagine, when you have a global brand, if you have trouble anywhere around the world, that trouble travels at Internet speed these days. So I personally try to make sure that the leaders of our businesses around the world are all people we would be proud of calling "Vodafoners." And if I'm not comfortable, then we change the people. That's a big part of the process of integrating companies into Vodafone—and it helps me sleep at night.

Heyward: Martin, what about your own experience in integrating companies?

Sorrell: I obviously have to agree with everything that Arun says since he's my client—and in fact I do. But WPP is in a somewhat different situation than Vodafone in the sense that WPP's experience in India goes back a long way. Our investment and operation in India started in 1987 with the acquisition of J. Walter Thompson in India, a firm that at the time had been around for, I think, about 50 years. So our roots in India—through the acquisitions and the development of WPP, and through our purchases of Ogilvy, Young & Rubicam, and Hill & Knowlton, among others—go back many, many years.

Now, to answer Andrew's question, I think it's a matter of achieving a delicate balance—a balance between keeping some degree of control and direction by headquarters while also encouraging local or regional decision-making, and bringing in local management at the highest levels. If you're running a portfolio of global companies, you want a group of companies that are not only the best at what they do, but that are also operating in the strongest countries. Our operation in India is a good example. By the end of this August, it was growing its top line by well over 20%, as compared to GNP growth in India of about 10%. There's an iron law that in these faster-growing markets advertising and marketing sales typically grow at about twice the level of GNP growth—and our India business is living up to that expectation.

When foreign multinationals come into a new country, they often feel more comfortable having expatriate managers oversee and develop the business. But my own view is that expatriates are not the answer; they are not part of a viable long-term strategy. At the risk of sounding a bit callous, the Asian recession in 1997 gave us an opportunity to take out a number of expatriate posts not just in India, but in Asia as a whole. And while that was clearly good from a cost point of view, it had the more important benefit of sending a clear signal to the locals and nationals that the opportunities inside the company were totally open.

Ultimately, the growth and success of our businesses in those countries—in the BRICs and in countries like Indonesia, Vietnam, and Pakistan—have depended on our having national staff to run and develop them. The growing complexity of businesses at a local level means that important local and national functions must be fulfilled by national management. And besides staffing with nationals, the success of multinationals also depends on their ability to provide their most talented local managers with opportunities to manage outside their own countries.

But if business has become more local in this sense, we have also seen a significant trend in our multinational clients toward an emphasis on global branding, toward the creation of so-called "billion dollar" brands. And this means that country managers must focus not only on building the local business, but on matters that could affect the global reputation of the entire firm. Corporate social responsibility initiatives are a good example. Government relations, relations with educational institutions, and development of R&D programs are other examples where global and local concerns will come into play and have to be balanced. Like all things in life, it's not a matter of black and white, but discriminating amongst shades of gray. If you go too far to either the global extreme or the local extreme, you can be penalized.

So, again, multinationals are increasingly finding themselves faced with balancing global and local imperatives. And, frankly, market conditions will demand that you pull a little bit more one way at some times and a little bit more the opposite way in others. And I would predict that some of the functions now exercised by regional managers will be transferred to headquarters, thereby reducing overhead. My prediction is based in part on the fact that the technology represented by Nandan's and Arun's companies is giving us the opportunity to enlarge our span of control, to run at least parts of our business in a more centralized way.

Heyward: Nandan, can you give us some perspective on this? Is Infosys increasingly working in other countries and really spreading its footprint around the world?

Nilekani: As you said, Andrew, the rise of IT companies like Infosys and TCS is one of the big success stories in India. This was an industry that had only about $50 million in revenue during that make-or-break year of 1991. But it's now a $30 billion industry, accounting for 3% of India's GDP and employing 1.6 million people. And given the current growth rates, we see no reason why the industry won't double to $60 billion in the next four to five years.

The success of these companies has played a huge role in building the India brand and demonstrating the quality of India's human capital. So I think our challenge today is to build on this brand—or to build within this broad umbrella brand of technology savvy companies. A big part of this challenge, however, is to transform our current brand, which is based mainly on our successes in outsourcing, into one that stands for the capability of doing what we call business "transformations." That's the goal we are all working toward now.

And in working toward that goal, we face the task of demonstrating to the global business community that we are not just an *Indian* company, but a company that is truly global in our operations and in our work force. We have recently started hiring American college graduates and training them in India, and then sending them back to work for us in the U.S. And our friends at TCS now have employees in a variety of countries all over the world. This is the wave of the future for the most successful Indian companies. As Arun said earlier, we will become truly multinational corporations, with local operations and employees all over the world, and a multicultural work force.

Challenges to Brand India

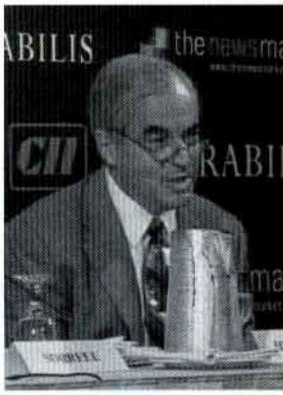
Heyward: Okay, we've now heard a lot about the promise of Brand India. Let's talk about the challenges that stand in the way of realizing this promise. We have heard several references to infrastructure problems, and to the "bit of chaos" mentioned by Martin Sorrell. These are still issues that have to be confronted. And then there's obviously the challenge of addressing the poverty, the whole notion of "two Indias" that has become something of a cliché. How do we deal with that?

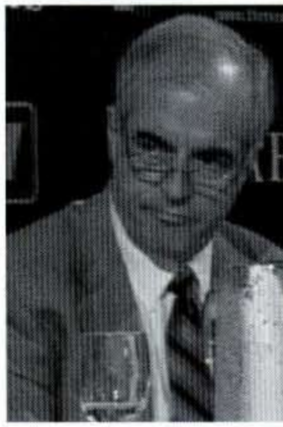
And let's start again with Amitabh. As somebody who has had such success in your home state of Kerala, and also nationally, with "upscale" marketing, what do you see as the main challenges? What do you see as the contradictions that have to be resolved?

Kant: Well, in the long run, no brand will succeed if the message and the perception do not match the reality. The "God's Own Country" campaign ultimately worked in Kerala because the state was able to deliver on its promises to tourists. Our social indices were very high. We had 100% literacy, and the health standards were also very high. It was the most advanced state in India. Even if you were touring in the back water, the person driving the boat was probably reading three newspapers as well as Arundhati Roy's book "The God of Small Things." So, most international tourists who came into Kerala had an amazing experience.

But now let's take the question of infrastructure. In India today, there is increased focus on infrastructure. And much of the work is being carried out and funded by partnerships between the states and the private sector. Airports, for example, have been privatized in Mumbai and Delhi. And there are now 35 provincial airports that are being developed or expanded. There is also a lot of investment in improving roads and highways. So there's a huge amount of work going on.

But let me point to one impediment to progress in this area. As India has changed from being a more centralized democracy to a highly decentralized form of governance by the states, much of the real decision-making authority has moved to the states. And for the branding of India to move forward, the states themselves must play a more active role. The political and civic leaders of each state—and even, in some cases, the panchayats—must take ownership of their brand and drive it forward. And when that happens—when there are good roads and effective civic governance in each state—then we will have realized the promise of Brand India. For Brand India, as I said earlier, is the just the aggregation of the brands of its individual states.





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Andrew Heyward

Heyward: Nandan, do you have a perspective on this?

Nilekani: I think there is an important difference between building a corporate brand and a country brand. In the corporate case, if you're launching a product, you can design it, price it, and distribute it. You have complete control over that brand launch. But when you are dealing with a country brand, you have absolutely no means of ensuring that the brand delivers on its promises. If you're creating a brand for India, you can't guarantee that the taxi driver will be nice to the guy who lands at Delhi Airport. And because there are so many uncontrollables, we have to be very careful that the promise does not get ahead of the reality. Because if that happens, you have a backlash—and then you're farther behind than where you started.

But having said that, we still need to go forward with our brand-building. We need brand-building to bring in foreign investors and companies, which in turn creates jobs and tax revenues and other benefits. So, I think for the people running the Brand India campaign, managing this potential gap between reality and perception is a delicate, and very important, task. But at the same time, you have to keep pushing the brand; it's an essential, a strategic, requirement.

Sorrell: I agree with that completely. But let me raise this question of infrastructure because I think it's the main advantage that China has over India at the moment. China is investing $45 billion in one way or another in the Beijing Olympics. And when I say "in one way or another," I'm talking, among other things, about its airports. Anyone who's landed at Beijing Airport and seen Terminal 5, the Dragon or Foster design terminal, will have seen what I'm talking about.

Now, I'm far from suggesting that India's lack of infrastructure will prevent it from attracting foreign investment. Anyone running a multinational will not choose *between* China and India. You will do both. You will choose to invest in the faster-growing economies rather than the slow-growth economies of, say, Western Europe—economies like the U.K., France, Germany, and Italy—though Spain and Ireland may be exceptions here.

So, again, it's not a question of either China or India. But, at the margin, I think infrastructure can be a critical issue for, say, investment decisions by overseas companies. For example, India is seeing significant development of its airports. But our own experience in working with the development of those airports suggests that things are, if not chaotic—and that's much too strong a word—then a bit disorganized. And I do think there is considerable room, and good reason, to improve this situation.

In this respect, Amitabh's emphasis on the role of the 27 states is helpful in one sense, but unhelpful in another. If you want to have a national network of highways and airports, you have to have a national plan. And that kind of central planning is, of course, the strength of the Chinese system. It's state-controlled capitalism. They're trying to harness the best of both systems, central planning and decentralized markets.

But I also think that Nandan's theme for Davos—the promotion of India as the world's fastest growing democracy—is a good one. It's the right strategic line for India. But let me also suggest that a bit more central coordination of some infrastructure initiatives might help India attract even more foreign investment. WPP now has some 5,500 employees in India. And there are all kinds of businesses, from manufacturing to the different types of services business, that rely on infrastructure in various ways and to varying degrees. And I think the dependability of that infrastructure—in the sense that Arun identified as one of the three main contributors to Vodafone's brand—is pretty important. It's important for India to have a reliable infrastructure.

Sarin: I just want to underscore Martin's point that investing in India and China is not an either/or proposition. In addition to our $11 billion investment in India, we have a minority position—a 3.27%, stake—in a very large company in China that has 350 million customers. In India, by comparison, our company has 35 million customers, though that number is growing at 1.7 million customers a month.

So the point here, as Martin said, is to invest in growth, in *profitable* growth. You take the opportunities wherever you can find them.

The Problem of Two Indias

Sanghvi: I want to respond to Andrew's comment about "two Indias," which, I agree with him, is a cliché. Nevertheless, it is a cliché that seems to have a lot of credibility. There is very little evidence to suggest that the economic reforms I cited as initiating India's progress have much popular or political support. The last government went to the elections with the slogan "India shining," and describing India's economy as the envy of the world. But that government went down to a sharp defeat.

Since then, all Indian politicians have been very careful about emphasizing economic growth. There is a greater, vaster India—the one that elects the politicians—that doesn't necessarily buy into Brand India. And unless we find a way to get that buy-in, this growth may not be sustainable.

One approach might be to emphasize the benefits that can be traced to the economic reforms—for example, the ability of the Indian economy to keep growing in spite of agricultural disasters and the huge oil price increases. We could also point to India's five-year plan to invest a record $25 billion in education, all made possible by robust economic growth and tax revenues. But I don't hear these arguments being made. There are some fairly direct links between higher economic growth and the potential for social change, social progress. But these links have not been well articulated—in part perhaps because of our past tendency to be reticent in promoting our successes.

Sorrell: One way to make the case for growth is to focus on the alternative—that is, what happens to countries that fail to grow. Why is it that Latin American countries like Brazil and Mexico have always promised, but never really delivered? It's because the populist argument has always prevailed in their politics. The leaders of Brazil and Mexico have been unwilling to discipline their unions and cut their government programs and bureaucracy because it is not a popular thing to do.

So the clear alternative to Brand India is a slow-growth India. That's what you get if the populist and protectionist politicians win. But as I said earlier, I think the biggest spur to Indian growth has been the development of China. The liberalization of the economy in 1991 might have been a necessary condition for this, but I think the biggest stimulus to growth in India has been neighborhood envy. The Indians looked at what was happening in China, and they recognized they could do it, too. And as long as China continues to grow, I think that will be a big political, social, and economic stimulus.

Kant: I agree that the underlying premise of Brand India is that the only way to eradicate poverty is through free markets and economic growth. But there is definitely a failure of communication at work here. The polls will tell you, for instance, that despite all our efforts to promote the benefits of privatization, even the vast majority of Indian middle-class people are opposed to the privatization of nationalized industry. So, I agree with Vir that there just isn't the kind of popular support for economic reform and growth that one would have liked. And I too think it is the result of our failure to communicate our successes.

Think about what India was like 60 years ago when we first became independent. There were strong doubts about the very survival of the country. Sixty years ago 72% of the people were below the poverty line. Today the number is down to about 24%—a number that, although still too high, represents very real progress. And the country has moved forward dramatically in terms of education, health standards, and infrastructure. Now, if we want to continue our policy of higher government outlays on education and health care, we will need strong economic growth to provide the tax revenue needed to fund them. In the private sector, Arun has been able to invest heavily in growth because he's succeeded in providing high returns for his shareholders—and, as a result, they're confident and happy to let him invest their capital. By the same token, those Indian states like Kerala that have achieved higher levels of growth also have the highest levels of local government expenditures and the highest health and living standards.

So I think the message is a straightforward one: where you have economic growth, things like primary education and health care improve with them. My vision—and my goal—is to engage not just the Indian middle class but our other 800 million people in this process of brand-building. To the extent we succeed, our private sector will prosper—and its success will mean higher government spending and better lives for all.

Heyward: So you're saying that Indian politicians have been unable to persuade the people of the benefits of these economic reforms. What advice could we give the political party in India that wishes to win and stay in power?

Nilekani: Although we all talk about the benefits of economic growth and believe that only growth can alleviate poverty, it's important to keep in mind that elections in much of India are still decided on the basis of community and caste. There was a time in the 1970s when we had these great mandates that cut across caste and communal lines, when people voted not as Hindus or Muslims or Brahmans, but as Indians. But there are divisions in—in fact, I would say there has been a fragmentation of—our society that I think has been clearly reflected in our election outcomes.

As Amitabh said earlier, it's important to think of India as an aggregation of different states, each with its own people and interests. You can talk about growth all the time in New York. But if a politician in Rajasthan really wants to build a shopping mall next to the Taj Mahal—as one nearly did—it's not easy to prevent it. Regional politicians are not responsible to anyone other than the regional electorates. And, unfortunately, electorates rarely vote politicians in or out on the basis of economic performance. The vote on the basis of caste. And unless we solve this conundrum, unless we find a way of making the electorate vote on the basis of growth or on economic issues, I think we have a problem.

Sorrell: This may not be the most politically correct way to make this point, but let me draw some parallels to France. When the French government decided to have a 35-hour week, people who were working 40 hours went to 35. And in government establishments, they went from 35 hours to 30 hours a week. Friday has become a slack day and people have started to have three-day weekends.

Now, if you choose to do that, that's fine. But you have to make people understand the implications of that choice. Many people may, and probably will, be happier with the 35-hour week. But companies are going to make less money, people are going to earn less money, and governments are going to have less to spend on the public services that we all claim to want.

My point is that if you pass these measures, you may please some people, but you have to live with the consequences. I think our challenge is to show people that, unless there's free trade and strong economic growth as a result, there will not be an increase in living standards. In 1991, communism disappeared as an alternative to capitalism; it's gone. But if the current democratic system is going to continue to prosper and deliver, you have to show people the consequences of electing politicians who pass measures that interfere with free markets and reduce economic growth.

I think that if India doesn't continue on the path it's established in the last few years, it will suffer as a result. And I think other countries will take up the slack. The world's economies are becoming more and more competitive. Look at the growth of Russia, China, Brazil. Look at Central and Eastern Europe as a whole, and the Middle East. Look at the growth of the Gulf States and of Africa. The world is becoming increasingly competitive. And I think you have to view it almost as a corporate race, if you like, to attract foreign interest and foreign investment. If you don't want to compete in this way, if you don't really want free markets, at least recognize the implications of your choices, the tradeoffs you're making.

Nilekani: On this question of getting popular or political buy-in, I agree with Vir and Amitabh that all the data indicate that people don't want privatization. Most people, especially those at the lower economic levels of society, want the state to be the guarantor of goods and services—which I think is a completely natural, and reasonable, response. So, where we have a big job ahead of us is in convincingly demonstrating the link between this economic growth and the resulting benefits for the masses of people, for the 800 million that Amitabh mentioned.

A big part of the problem here is that economic growth will definitely cause income inequalities to go up, at least initially. People who are educated and who have access to the global marketplace will do much better than those who don't—and that will accentuate income inequality. So, I think there's a big job ahead to show how this kind of reform process is actually good for everybody in the long run. It certainly needs to be done much better than it is now.

Sarin: Well, let me just point out that when we were making our own decision to invest in India, we were actually favorably impressed by the way the incremental GDP in India gets spread throughout the different economic strata. Our view at Vodafone is that a certain degree of wealth distribution within a country is necessary to support a deep market for mobile phones. And when making a major investment in any country, the extent to which wealth is distributed throughout the society is one of the key variables we look at. I will also tell you that we have looked at a number of countries where wealth is created, but remains highly concentrated in the upper classes. And we have been very reluctant to invest in countries where the wealth, because of political or social barriers, doesn't "trickle down" readily. But, as I started by saying, India appears to us to have the kind of wealth distribution where, when the economy prospers, people in all levels of the economy seem to benefit.

Heyward: Arun, you spoke of the reverse synergies, or mutual learning, that has resulted from your $11-billion investment in India. At the same time, you own 3½% of Mobile China. Do you believe that India's free-market democratic system allows for greater reverse synergies than China's state-controlled capitalism?

Sarin: Not necessarily. We are now the single largest foreign investor in Chinese mobile telecom. A few years ago, we invested $3 billion. As of yesterday, our investment there was worth $10 billion. And it has been very much a two-way, mutually beneficial relationship. We think we have brought a lot of valuable expertise and insight to our Chinese partner. At the same time, we have learned quite a bit from our partner and just from operating in the Chinese economy. I mentioned earlier that our company in China has 350 million customers. And we have learned a lot just from watching how mobile telecom has penetrated the Chinese rural networks. But we have also learned a lot from operating in other countries, countries such as South Africa and Egypt, and Romania and Turkey. We are continuously learning from our operations all over the world.

And having acquired all this learning and experience, we then try to apply it when we come to a new country like India. For example, there's a process called "network sharing" that is allowing us to share the spectrum and the electronics in a way that is both cost-effective and energy-conserving, or what people now refer to as "green." Because only about 40% of India's population is covered by telecom networks, we are now building networks where there were none before. In the United States, by comparison, coverage is now at about 98%–and in much of Europe, we are almost at 100%.

As a result, I would describe our operation in India today as a kind of pioneering venture. In a sense, we are *leading the world* in how to build effectively. As we build out these networks over the next few years, we expect to learn more about how to make things even more green and conserve more energy. And when that happens, we will take those ideas out of India and bring them to the rest of the world.

Measuring Success

Heyward: Let me finish with one last question: How will you know that Brand India has been a success? And how will you measure the value of your brand once you've finished your campaign?

Sanghvi: There are two basic ways to measure how Brand India unfolds in the next five, ten, or 20 years. One is hard and the other is soft. The hard way would be to look at what happens in the country in both a macro and micro sense. Let's see if this nine or ten percent growth continues year after year. And let's attempt to measure whether the income increases are distributed, with all groups benefiting from economic reform. The soft measures would have to do with how people think about India today, as compared to how they thought about India ten years ago. And how will you think about India ten years from now? We need to track both types of measures for India to continue to make progress.

Kant: I agree that we need sustained levels of growth in the coming years. The period of remarkable Indian growth has been too short to have enough of an impact for people to really buy into it as a way of improving their lives. But it's also important, as Vir just suggested, that we function as an effective and fairly stable democracy system. Do we have elections at the right intervals—or do we have too many of them with too frequent changes of power?

I also think that, since Brand India is an aggregation of many local brands, effective and stable civic governance at the grassroots level is a key issue. And municipal elections are a good indicator of what's going on. My experience has been that wherever there has been good civic and municipal governance—where there is economic growth and investment in health and education—the local governments tend to remain in power.

Heyward: Vir, what are your thoughts on how a free media plays a role in the branding of a nation, a role that is different in India than in China?

Sanghvi: I think it's very important in any kind of branding for there to be free media. And, as you suggest, that's a major difference between India and China. India not only has a free media, but a vibrant media, and a vibrant popular culture. Bollywood is now bigger than Hollywood. Indian television channels are on par with the best in the world, and Indian newspapers are winning awards. And all this suggests to the world that India is a democratic state committed to human rights.

Heyward: Martin, any last words on the value of soft brands and how to value them?

Sorrell: I thought you would never ask, Andrew. At the risk of sounding commercial, let me just mention that there are at least two reasonable methods for quantifying the value of brands that I'm aware of. One, which is called Optimor, has been developed by Millward Brown. The other, which was developed by Young & Rubicam in work with the New York consulting firm Stern Stewart, is called Brand Asset Valuator. These methods can be used not just to value brands, but to identify various sources of brand value and ways of increasing it.

And as both of these valuation methods would tell you, the soft side is a major contributor to the value of Brand India. Much of this has to do with Vir's comment about the importance of India's commitment to democratic values. And I also agree strongly with Vir's point that Bollywood and the Indian media play a pivotal role in building Brand India, in influencing what people perceive India to stand for, and what it could stand for even more in the future.

Finally, I believe that India's media successes are providing us with just a glimpse of the creative capabilities of the 1.1 billion people in India. What we're seeing in India today is just the beginning, and the continued development of these capabilities will end up permeating everything. It will affect not just our creative services industry, but lead to innovations in marketing and design—and to improvements in business processes generally—in all kinds of organizations, public as well as private.

In terms of public organizations, we're seeing a big emphasis on country branding, and on regional and city branding as well. We're seeing presidents, prime ministers, governors, and mayors all focused on marketing their jurisdictions in a world that, over the past 20 years, has grown primarily through free trade. So, if you ask me, "What has been the biggest driver of WPP's growth?," I will tell you that it's been the growth of free trade and the absence of protectionism. And I fully expect this to continue.

Heyward: Well, let's end on that note. I want to thank all the panelists for an entertaining and instructive discussion. And, again, my congratulations to you all on India's 60 years of independence. It will be exciting to see how things develop from here.