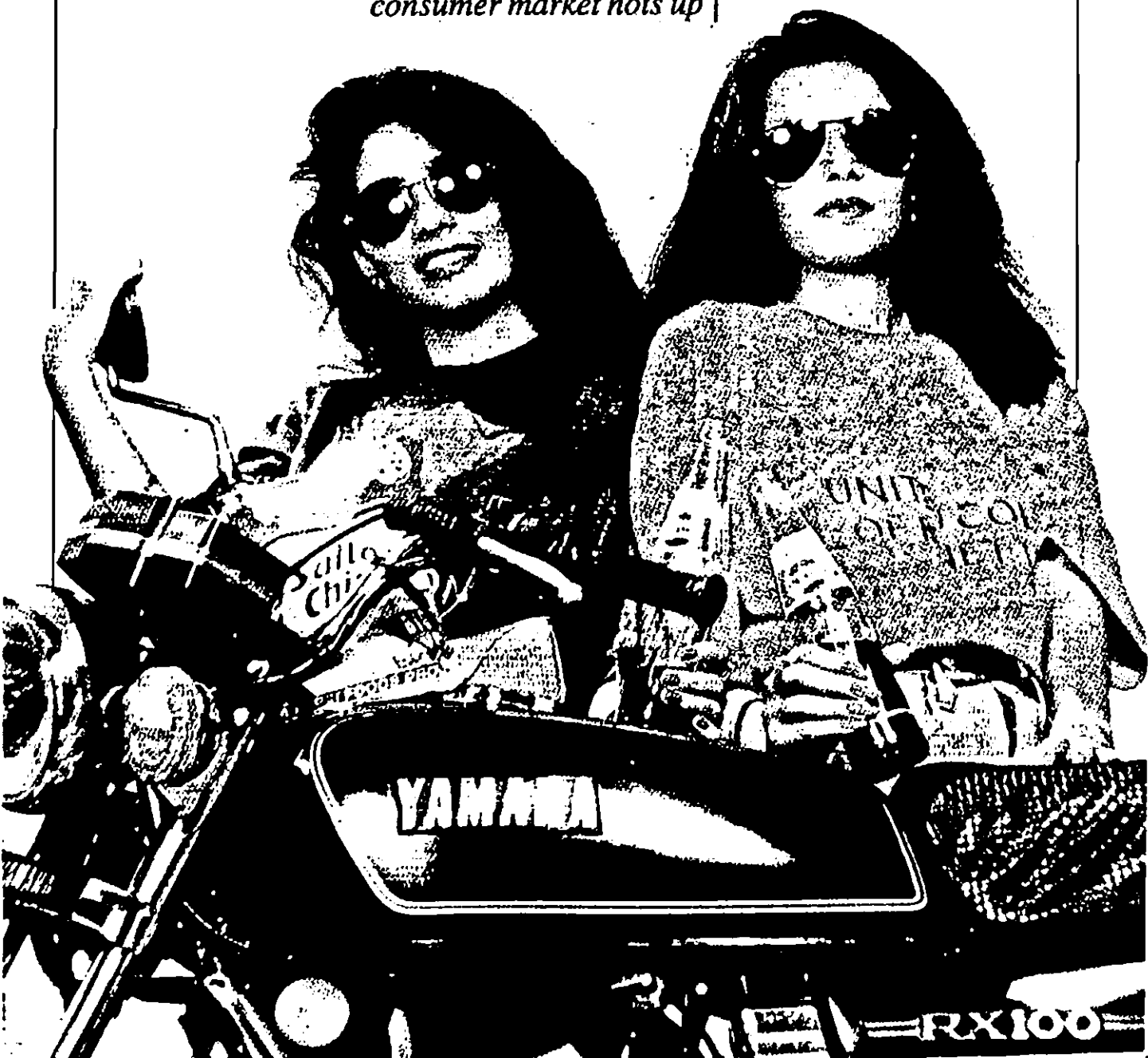


The foreign invasion

Benetton, Wrangler, Adidas, Ray-Ban, Yamaha, Pepsi...The battle for the Indian consumer market heats up

Ray-Ban. Rothmans. Coca-Cola. Sony. United Colors of Benetton. These names have three things in common. They are universal symbols of quality; they are all set to seduce India's middle class; they cost a lot of money.

And if you're willing to pay a price for them, you don't have to try your luck in a smuggled goods bazaar anymore. You can find them in your local shopping centre. If you don't, curb your "phoren" craze for a few months more and you will find them all over town. Only the names may be tricky. Some come



with the original labels and names. Others, the fruits of joint ventures, which have the original names hidden next to a hyphen, need getting used to.

Consider the audio-visual effect of BPL-Sanyo. Or the stamp of Bata-Adidas. Or the long-winded Mahindra & Mahindra Peugeot. Or the telephonically unpronounceable Whiteline-Sital Casa Spa. Such wordy marriages do not make for easy name-dropping. But Indian entrepreneurs choose to put most of their eggs in the basket of performance rather than marketing. They argue that once you have watched their TV set, jogged in their sneakers, sat behind the wheel of their vehicle and seen your pots and plates come out steaming hot from their dishwasher, you will endorse their claims.

There's everything in a brand-name. "It is an assurance of a quality product that suits needs, a sign that you are getting your money's worth," said Rajiv Desai, president of the Indian Public Affairs Network (IPAN), which conducts public relations exercises on behalf of companies. If Desai and many others like him, who welcome the fact that India has finally lost its manic fear of a multinational takeover, are to be believed, brand-names are the awesome gods of capitalism — symbols of devotion to quality and excellence, a signature of meticulous research.

It isn't for nothing that Coke sells itself as the real thing. Or Pepsi calls itself the right choice. Rothmans promises a taste of life, king-size. A pair of Ray-Ban beckons you to see for yourself. Sony need say no more than it's a Sony. Lee claims to be the brand that fits. Slazenger says it lets you win in style. The United Colors of Benetton appeals to people of all ages and hues — even though it draws its appeal from a gung-ho approach to advertising (see interview with the company president, Luciano Benetton) that some countries have banned as racist.

After decades of socialist hibernation, capitalism is exploding in India's face. The dismantling of protectionist controls at the instance of the International Monetary Fund (IMF) has left the country open to what the government and the 250 million-strong middle class consider the most welcome invasion in history. It has liberated them from a seller's market that left one with no choice but to buy Indian, even if it wasn't worth

Brand names are the symbols of devotion to



the price. It has netted an impressive Rs 21,200 million as foreign equity via 720 foreign collaborations approved since 1991-91, when the open-door policy came into effect. And it has made the middle class the new target of the titans of the free market, who aim to give them an interface with a world they never saw.

After decades of socialist hibernation, capitalism is exploding in India's face. The dismantling of protectionist controls has left the country open to what the government and the middle class consider the most welcome invasion in history

What does this mean for a country born into a fear of cultural subversion and a crave for self-reliance? The most strident protest has come from the Rashtriya Swayamsevak Sangh's (RSS) Swadeshi Jagaran Manch, which plans to relaunch its campaign against foreign goods at the end of the year. The Cassandras claim that some 1,500 foreign companies in India have cornered 76 per cent of the consumer market. Some 75 per cent of the pharmaceutical industry is controlled by multinational companies (MNCs), 95 per cent of whose products are non-essential drugs and which annually remit abroad, billions of rupees as profits.

Last year, the Manch had organised meetings where religious leaders and cultural personalities warned against incursion of imports that will undermine indigenous "values, language and way of life". Foreign goods were burnt in



LOOK AT THE SPOT WE PUT YOU IN.

Nestled in the shadow of the majestic San Juans, about 20 or so minutes from Pangaroo, Colorado, you'll find this bit of heaven. Sure, you have to go a little out of your way to get there, but that's what the 1992 Toyota 4Runner SR5 V6 is about. With a muscular 30-hp V6, shift-on-the-fly 4WD, and Toyota's legendary reliability, it's as prepared for the journey as you are. And wherever you go, you won't leave civilization behind thanks to a luxury interior and options like CD player and moonroof. So grab the atlas and pack a spot. We'll be happy to put you in your place. Call 1-800-GO-TOYOTA if you'd like a 4Runner brochure or the location of your nearest dealer.

"I love what you do for me."

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public and pamphlets handed out. Some showed an image of the goddess Durga, astride a lion, pasted on a map of India, which is under attack from a western vulture, blood dripping from its beak. Some 30,000 of its workers went from door to door in Delhi and elsewhere, warning people about the deleterious effects of foreign products and ideas that are destroying our cultural identity. They urged customers to buy Indian and spurn foreign.

To help people understand the difference between the two — which became a problem — the workers handed out printed leaflets which listed Indian and foreign companies producing the same items. Palmolive and Old Spice were taboo as shaving creams. Instead, you could use several locally-produced cream soaps. For blades, never use the cut-throat 7 o'clock. Willman and Erasmic. As for after-shave lotions like

Old Spice, they could be substituted with a mixture of water and locally-produced oils! Never use Lux and Pears for soap, it warned. And to wash your clothes, don't use Sunlight, Wheel, Rin or Surf but Nirma, 555 and Punjabi, among others. Never buy your child Cadbury's Dollops for ice-cream. And

What's all the fuss about, anyway? To most Indians, foreign brands are not new. Names like Colgate, Lever, Cadbury's, Phillips and Lipton have been synonymous with the daily bazar

never brush your teeth with Colgate, Forhans, Close-Up or Cibaca but any of 30 local brands, including Gay Chhap, Bandar Chhap, Dantmukta and Dr Strong. Some ethical cleansing this!

It's hard to take the RSS at its word. It's decision to revive Gandhi's 'Swadeshi' campaign is unconvincing. Wasn't it a member of the Hindu Mahasabha which assassinated Gandhi? Consider this apocryphal tale from Ram Das Pandey, a Manch worker, who was at pains to prove that the *swadeshi* drive has won a young following. A colleague of his, he claimed, had slapped his son because he wouldn't accept a Cadbury's, and later apologised to the kid. Such idealism can hardly be considered typical of a generation growing up on a diet of MTV, *Santa Barbara* and *The Bold And The Beautiful*. And as for the RSS' foreign goods hit-list, what did Pandey have to say about the Maruti many of his col-

leagues own? Would he label it Indian or foreign? A brand isn't always as foreign as it seems; and a non-brand isn't as Indian as it sounds. "Well, you have to speak to somebody in our head office about all that," Pandey lisped, drawn into troublesome turf.

Ordinary Indians have no patience with hypocrites. What's all the fuss about, anyway? To most of them, foreign brands or the messages they give out are not new. Many of these labels have become part of common life. Names like Colgate, Lever, Cadbury's, Phillips and Lipton have been synonymous with the daily bazaar. Just as the craze to go to an English-medium school has been synonymous with getting ahead in life. If anything, advertising and films have

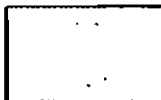


Bausch and Lomb: quality can help only one person — the consumer

legitimised the "phoren" lifestyle. This is evident from the uninhibited attitude to sex in ads and films today. Remember Hindustan Lever's Liril ad, that glued movie-goers to their seats well ahead of time, just to see that extra bit? As a senior official in the finance ministry deadpanned: "As far as the incursion of western culture into India is concerned, the damage was done long ago by Lord Macaulay, when he made English the language of the country."

Some things can't change. But other things can. For instance, the fact that Indian customers have long been taken for granted as a captive market by manufacturers of poor-quality products. Do brand names terminate or perpetuate the exploitation? How good is the product that comes with a knockout label?

WHO'S TIED UP WITH WHOM



(Approved in 1988)

Videocon International Ltd (Aurangabad) with Toshiba Corporation
Manufacturing: VCRs, VCPs and tape deck mechanism

(Approved in 1989)

Godrej & Boyce Ltd (Bombay) with Matsushita Refrigeration Company
Manufacturing: frost-free refrigerators

(Approved in 1991)

Hyderabad Allwyn Ltd with Seiko
Manufacturing: watches

Larsen & Toubro (Bombay) with Western Digital Corporation
Manufacturing: hard disk drives

(Approved in 1992)

BPL Sanyo (Bangalore) with Sanyo Electric
Manufacturing: VCRs/VCPs and VTD mechanism

Vintron Industries (Delhi) with JPN and Sony Corporation
Manufacturing: floppy disks

Bee Electronic Machines (Bombay) with Canon
Manufacturing: facsimile machines

TVS Suzuki (Madras) with Suzuki
Manufacturing: motorcycles AX100 and derivatives



(Approved in 1988)

Keshu Appliances (Delhi) with Hoover
Manufacturing: vacuum cleaners

(Approved in 1989)

Metropolitan Trading (Bombay) with British Van Heusen Company
Manufacturing: shirts

(Approved in 1990)

Webel Telecommunication (Calcutta) with Philips Radio
Manufacturing: walkie talkie sets

(Approved in 1992)

India Photographic Company (Bombay) with Kodak
Manufacturing: photographic chemicals



(Approved in 1988)

Hotel Leela Venture (Bombay) with Kempinski Hotel
Constructing: five-star resorts at Mohor Beach, Goa and expansion of existing hotels by adding 226 deluxe rooms

(Approved in 1991)

International Cocoa Products (Delhi) with Nestle
Manufacturing: chocolates



(Approved in 1989)

Hewlett Packard (Delhi) with Hewlett Packard (USA)
Manufacturing: computer systems including super workstations

(Approved in 1990)

Montari Industries (Delhi) with Bausch & Lomb
Manufacturing: soft contact lenses

Kancor Flavours & Extracts Ltd (Emakulam) with McCormick and Company
Manufacturing: oleoresins, spice alternatives, seasoning mixes, spice emulsions and flavours for food-processing industry

Avenna International Resorts (Margao) with Radisson Hotels
Constructing: hotels and restaurants

(Approved in 1991)

Digital Tools (Bombay) with Digital Tools Incorporated
Manufacturing: computer software (as well as consultancy)

(Approved in 1992)

Procter & Gamble (Bombay) with

Richardson Vicks
Manufacturing: synthetic detergents

Apar Ltd (Bombay) with General
Electric Company
Manufacturing: energy-efficient lamps

Indian Shaving Products (Delhi) with
Gillette Company
Manufacturing: razor blades and
advanced shaving systems

Hindustan Motors (Calcutta) with
General Motors
Manufacturing: passenger cars and
commercial vehicles

Godrej & Boyce (Bombay) with General
Electric
Manufacturing: compressors,
refrigerators, washing machines etc.



(Approved in 1988)

Gujarat Narmada Valley Fertilisers with
Siemens AG
Manufacturing: electronic telephone
instruments

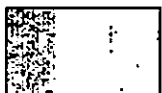
Carona Limited (Bombay) with Puma AG
Manufacturing: canvas and rubber
footwear

Approved 1991

Tata Engineering & Locomotive
Company (Bombay) with Mercedes
Benz AG
Manufacturing: diesel engines for
on-road automobiles



Sports & Leisure Apparel Limited (Delhi)
with LaChermise Lacoste
Manufacturing: Lacoste apparels for
men, women and children



Dadi Balsara (Singapore) with Pupa of
Italy
Manufacturing: perfumes and
cosmetics

Does the Third World get only third-rate? Just what is the foreign giant trying to sell? And why should anyone buy his spiel?

Answered J.S. Bajwa, vice-president of Bausch and Lomb, makers of Ray-Ban sun-glasses in India: "The specification sheets of foreign companies are very stringent and the suppliers' samples have to meet them." He explained: "For instance, in the case of Ray-Ban, some samples failed to qualify these tests up to nine or 12 times." He added that retailers have to subscribe to these specifications to stay in business. And such attention to quality can help only one person—the consumer.

Welcoming foreign brands was the best thing to do at the moment, many

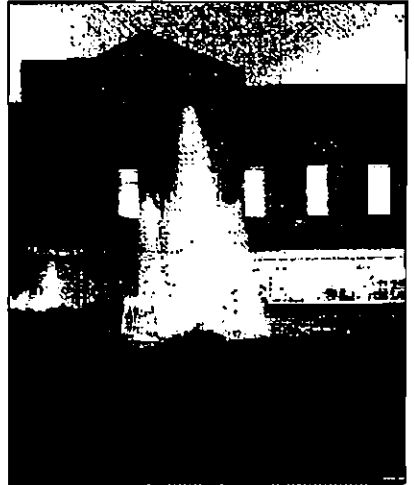


Maruti Udyog: *though it's vehicles are cheaper to run, the spares are notoriously expensive*

argue. Nothing succeeds like competition. And importing knowhow can only help. According to Rahul Bajaj, whose company, Bajaj Auto, makes both the 100 cc Kawasaki-Bajaj in collaboration with the Japanese, as well as the popular scooter, Bajaj, without foreign help: "It is in the nation's interest to promote the import of technology. The Japanese machines are fairly good in terms of emission levels, fuel-efficiency and safety. But so is Bajaj." He claimed: "Our scooters outperform Japanese scooters like Kinetic Honda in fuel-efficiency and emission levels."

Even if you regard this as a lot of hot air, there is no denying that some big western names have come a cropper. The sales of Cross pens were nothing to write home about. The Bata-Adidas collaboration licked the dust. When stu-

dents at the Delhi University asked Luciano Benetton why his United Colors ran, he admitted (losing some colour himself) that he had a problem with the dye. That the sweet medicinal taste of a Lehar-Pepsi is not half as good as the American original explains why despite its name, it hasn't made waves. Its potato wafers have fallen flat. "A loop on one of my local Wranglers came off," said one scribe. "My two-year old Maruti has a leaky radiator that has burned a hole in my pocket," whined another. Insiders report a sharp drop in the wonder car's quality control. The latest batch to leave the Gurgaon plant have axle problems. Which doesn't help. While they are cheaper to run, the Japanese-designed vehicles have notoriously expensive



Bajaj Auto: *it's scooters outperform Japanese ones in fuel-efficiency and emission levels*

spares.

But brand-name salesmen fiercely defend their reputations. "We've never compromised on quality," asserted Amrit Kiran Singh, a senior marketing executive with BPL-Sanyo. "We've been latecomers in each field because we've made an effort to bring out a better product." From TVs, VCRs and audio systems it has gone on to make fridges and washing machines that supposedly do a cleaner job than many others in the market. The fact that people refer to them as "BPL" and not Sanyo is proof of their success, Singh claimed. Viraj Chopra of Poddar International, which is getting ready to make and market Slazenger racquets and sports equipment from 1993, is certain his firm will come out with a line of products as good as the original. Maharaja International,

which has tied up with Italy's Sital Casa Spa, boasts that its Whiteline dishwashers and fridges will rank among the best in the market, thanks to its solid technological support.

Indigenous companies like Videocon and Parle are determined to lock horns with such parvenus riding piggyback on MNCs. In a dash of defiance, Videocon brought out special advertisements welcoming Sony and other brands to India because it said it was not worried. But it has been less than *swadeshi* in its own approach. It had a Japanese face advertising its products to bear out the claim that they are made with National technology. Indian jeans like Avis, which are believed to be more durable than their western competitors, outsell foreign labels. And Ramesh Chauhan's Thums Up and Limca have had the run of the market long enough to have become virtually unassailable by foreign competition — although it took a 500 ml. launch by Pepsi to persuade Thums Up to come out with a 500 ml bottle.

But then, you can't shut out the advantages of technology. Even top-notch Indian industrialists haven't been able to avoid collaborating with foreign partners. You name them and they've done it. Thapar. Nanda. Birla. Tata. Indian Shaving Products, after doing so well in



R.C. BHARGAVA

"What is economic liberalisation all about if the quality of life doesn't improve?"

the Indian market for decades, has teamed up with Gillette to gain that extra edge. Hindustan Motors has tied up with General Motors, Mahindra with Peugeot and Telco with Mercedes. And it is not even as though the battle is over. Said Escorts chairman H.P. Nanda: "All these foreign names are not happy for us to export because it bites into their market. So we have to do it with them." Not that the Indians object. "In exports, a foreign label is often necessary," he added.



AMRIT KIRAN SINGH

The fact that people refer to BPL-Sanyo as "BPL" and not Sanyo, is proof of their success, claims Singh

But how important are such labels for domestic consumers? Opinions differ. According to Bajaj, "The Indian consumer is not a fool to go by labels alone." But Bausch & Lomb's Bajwa said that the consumer has always believed in brand-names but over the last two decades, "he just couldn't get what he wanted". Came the information boom, with Doordarshan going commercial in 1982 (the year of the Asian and the beginning of the middle class consumer boom with millions of TV sets being sold) and

PRICE LIST

What's selling and for how much

GARMENTS

United Colors of Benetton: Rs 175-500

Wrangler jeans: Rs 510-710

SHOES

Bata-Adidas: Rs 500-1,000

Bata-Lotto: Rs 500-1,000

Carona-Puma: Rs 710-800



PENS

Cross: Rs 900

CIGARETTES

Marlboro: Rs 40

Rothmans: Rs 28

TELEVISIONS

BPL Sanyo: Rs 2,900 (36cm B/W) to Rs 20,000 (colour)

TOYS

Barbie dolls: Rs 80-340



He-man dolls: Rs 60-500

GI Joe packs: Rs 75-80

WASHING MACHINES

BPL Sanyo: Rs 9,700-15,994

AUDIO SYSTEMS

BPL Sanyo: Rs 1,000-10,000

DISHWASHERS

Whiteline-Sital Casa Spa: Rs 9,950

**J.S. BAJWA**

According to Bajwa, the consumer has always believed in brand names but "he just couldn't get what he wanted"

Star TV beaming down the "truth" about the foreign fantasy. "Now people know what's happening abroad," Bajwa said. As a result, world-class eye cure has become available to the consumer to help him see better. In other words, he saw the entry of foreign brands as the fulfilment of a long-denied human right. An extension of India's democratic principles. As R.C. Bhargava of Maruti Udyog Limited, now a 50 per cent Suzuki-owned company, said: "What is economic liberalisation all about if the

**RAJIV DESAI**

"We are an excellent trader class. Give us the brand name and we'll sell it like hot cakes"

quality of life doesn't improve?"

That question is paramount for the bulk of India's middle class. The 250 million men, women and children whom multinationals and the government now look to as their rescuers from ruin, and whose growing consumption habits will serve as an engine of economic recovery and growth. But how accurate is it to say that the middle class is as big as 250 million? Can office-goers, who use public transport, be clubbed

with executives; living on expense accounts; and small businessmen, who have large sums of money stashed away in banks and shares?

From the industrialist's point of view, it depends on the kind of commodity that is being bought. "Many, whom we consider poor, will buy colour TVs," said D.H. Pai Panandikar of the Federation of Indian Chambers of Commerce and Industry (FICCI). But he admitted: "The income levels of the middle class in India are different from the yardsticks used in other countries. If rupees were converted to dollars and an international standard applied, the class would be very small." But then, it is reforms in the financial services sector — bank loans given to them against their provident funds and savings — that give them the purchasing power to buy two-wheelers and cars that make life simpler and more comfortable, said Rajiv Desai. Only, banks have stopped giving loans after the stock scam sent them into a tizzy. As A.K. Malhotra, a sales executive with Kawasaki-Bajaj, pointed out, the two-wheeler market had shrunk dramatically because of this.

But Panandikar argued that despite this, the "degree of penetration" of various commodities into each income level was considerable. But what commodities did he mean? Televisions, one could

VCRS

BPL Sanyo: Rs 19,500-21,000

**100 CC BIKES**

Yamaha RX100 Escorts: Rs 32,972 (after taxes)

TVS-Suzuki: Rs 33,000

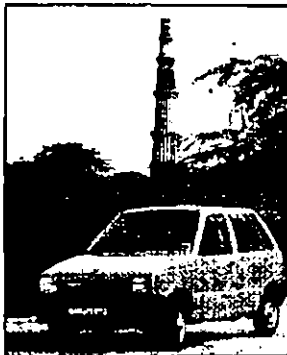
Kawasaki-Bajaj: Rs 27,672-31,319 (Delta

model)-Rs 28,998-32,787 (4S model)

Hero-Honda: Rs 31,500 (taxes extra)

AUTOMOBILES

Mahindra & Mahindra-Peugeot: Rs 2-2.5 lakh (taxes extra)



Maruti-Suzuki: Rs 1,69,280 (800 cc car)-Rs 3,80,463 (1000 cc car)

118NE-Nissan: Rs 2,37,000-Rs 2,75,000

Contessa-Isuzu: Rs 3,22,000

SCOOTERS

LML-Vespa: Rs 24,000

Kinetic Honda: Rs 24,829

REFRIGERATORS

Whiteline-Sital Casa Spa (165 litres): Rs 10,000

SPORTS GOODS

Slazenger (to be made by Poddar International and



marketed under the Slazenger brand name); badminton racquets (Rs 300-2,400) and tennis racquets (Rs 1,500-3,000). To be launched from early-1993. Also coming from Slazenger are cricket, hockey and squash equipment

"I find the Indian consumer to be most open-minded"

Luciano Benetton on the future of the Benetton label in India

Remember the stunning pictures showing a black kid as a devil complete with horns and scowl, a white kid as an angel and a nun in a passionate embrace? And remember the famous legend below them: United Colors of Benetton? Yes, the ads were banned in many countries. But despite that, Benetton became a household name. Benetton's suave president, Luciano Benetton, was recently in New Delhi to assure students and prospective clients in India, that there are more shades to Benetton than black or white. His is a world-class brand, synonymous with style.

Parts of Benetton's magic are the wages of kinship and fortitude: his rags-to-riches story and typically strong family-ties. The eldest son of a poor truck driver in Venice, he hit upon his first idea at home: marketing his sister Giuliana's creatively designed clothes. Soon, he delved into casualwear with a seriousness of purpose. The Benetton group was born. Starting as a backyard operation, the group grew into a chain of 7,000 exclusive stores, registering, last year, a turnover of some US\$ 2 billion through its operations in 100 countries. Not only that. Last month's issue of Fortune International listed Luciano Benetton as one of the wealthiest men in the world.

Benetton's three-day stay in New



Delhi was an occasion to mix business with public relations. Apart from explaining his controversial advertising style to students at Delhi University, he met with his Indian partners. The Dalmias have been making and marketing Benetton casualwear for adults. DCM has been chosen to manufacture and market Benetton's 012 range for kids from two to 12. He spoke to SUNDAY through an interpreter about brand-names and business and what has brought him to India. Excerpts:

SUNDAY: A brand often tends to mean more than a name. What does the Benetton label signify?

Luciano Benetton: The Benetton label signifies years of consumer satisfaction. It stands for a standard of quality which consumers, worldwide, have accepted. When you go for a Benetton, you are not just buying a product. You are buying the composite skills and ideas that go into making it. The brand signifies the highest level of technology that

has gone into making the product, the great creative minds that have designed the product and the best-quality raw material that we have constantly striven for.

Q: But is the Indian consumer as brand-conscious as his counterparts elsewhere?

A: The brand-awareness is growing rapidly. As far as the local brands go, people have always been conscious



Benetton signifies years of consumer satisfaction

of them. Now, international brands are also being accepted here. As the communication between countries increase, this is bound to happen. I have just travelled in Russia and China. And I find the Indian consumer to be most open-minded. He is extremely quality and cost-conscious.

Q: What accounts for this awareness of cost and quality?

A: I think one of the main reasons for foreign brands being accepted here now is that the Indian is travelling abroad. And if he doesn't go out there, he has the means to know about developments in the world.

Q: So your target clientele would be the top end of the market?

A: Initially, yes. The buyers will be the ones who travel abroad, or have contacts in foreign countries. They will be the ones who update themselves on the latest fashion trends abroad. And as the awareness grows in this segment, it will gradually percolate down to the other strata of the society.

Q: But the consumer's perception of international labels today, is that they are overpriced...

A: They may be priced higher than

the locally-available brands. But I wouldn't agree that they are overpriced. You have to compare them favourably. You are paying for the latest in international technology and the finest raw material. When you buy a Benetton product here, it is the same one that your counterpart buys in Japan or in any other European country. The cost will also slowly come down as we establish ourselves here. The raw material input is one of the main reasons for the cost. As we locate more suppliers of the kind of quality material we want, we will get them at competitive prices. And the capital investment we have made in terms of latest machinery would also be recovered over time. So as these happen, the price is bound to come down.

Q: What is your opinion of the Indian fashion industry? What do you think of the competition you face here?

A: The competition is very tough. If there is no competition there is no fun doing business (*smiles*). Competition is necessary to open up the market. The fashion industry in India has a lot of potential to grow. When international brands come in, the existing technology will also improve. I think



there is enough room for all the players. But as the market opens up, competition is going to get tougher. And the consumer will benefit most.

Q: Was the recession in the European market the reason for you to explore this part of the world?

A: Not really. We are doing very well in Europe. Coming to India is part of our expansion programme.

Interviewed by Satish Padmanabhan/New Delhi

understand. But household appliances considered *passee* in middle class homes in America, no. A leading Bengali daily recently asked its readers if they owned washing machines, dishwashers, TVs, VCRs and microwave ovens. That was a sure way of finding out if they had succeeded in life, it said. "Most of us salary-earners, who use public transport and don't live on expense accounts would never dream of wasting Rs 20,000 on a washing machine," protested Anjan Sengupta, who was aghast at the newspaper article. "Don't those who write these articles know this?" As for the upper crust of the middle class, who are in a hurry to buy such goods, Sengupta wondered if they weren't actually turning into "non-resident Americans".

The government is least worried about such deviations from Gandhian abstinence. Said an official in the finance ministry, who declared he had done a doctoral thesis on Gandhian economics and firmly believed in it, "Only good can come out of the entry of foreign multinationals and the brands." He reasoned that the MNCs, lured by the middle class that isn't, were sharpening competition and improving the standard of Indian-made goods. If their ventures failed, they would be forced to go into exports, which made better sense than closing shop. Anyway, India stood to gain. "We are an excellent trader class," argued Rajiv Desai. "Give us the brand name and we'll sell it like hot cakes." He cited the example of an Indian family that had taken over the jinxed Dunkin Donuts chain in America and turned it around. Be it Slazenger or Lacoste or Benetton, you could count on an Indian to succeed.

But there was a catch: Indians could do what Singapore and Hong Kong did with American brand names better; but it shouldn't attempt a technological revolution and try to beat the Europeans and Americans at their game. Regardless of its reservations on patent laws and the Dunkel draft, India ought to concentrate on doing what it does best — assembling and selling, and not re-inventing the wheel, votaries of liberalisation say.

Who knows? Perhaps it was seeing too many well-run Indian motels, farms, McDonalds, Burger Kings and Dunkin Donuts outlets in a recession-hit America, that has drawn multinationals to the home of the instinctive businessmen they marvel at. •

Nirmal Mitra and Satish Padmanabhan/New Delhi