India: The promise and possibilities for global companies

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India often attracts multinationals seeking new business opportunities. What strategies will help them thrive in this compelling but unique market?

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India is drawing attention as a global business hub. With a strong talent base, a large pool of consumers, and continuously improving infrastructure, the country offers many opportunities for multinational companies over the next decade. According to one estimate, India could gain up to $0.8 trillion to $1.2 trillion from trade-flow shifts by 2030 and boost the country's GDP share for manufacturing from 16 percent in 2023 to 25 percent by 2030.[1]

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As with any new venture, companies that expand into India may encounter unexpected challenges. While the country's government has strong pro-business policies, companies may need to grapple with complex regulations, labor strikes, and red tape. India's vast consumer base, with its huge variations in product preferences and spending power, could also present hurdles for marketing and sales. Some multinational companies have thrived in India despite these obstacles, but others have reduced, or even ceased, local operations.

What factors distinguish winning multinational companies from the rest of the pack? And with the landscape changing so quickly, what is the best time for companies to expand operations within India? To answer these questions, we first reviewed the Indian market's unique characteristics and then identified five factors that are common to winning companies: taking a long-term view, empowering the right leaders, customizing products to suit local tastes, localizing operations, and moving fast.