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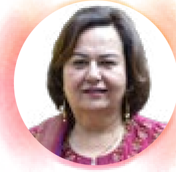

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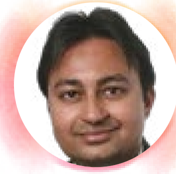

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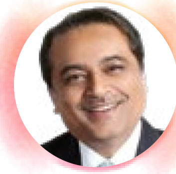

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EDITOR-IN-CHIEF'S NOTE

WE THE *AATMANIRBHAR*

SELF-RELIANCE is not a new concept in India. In the early days after Independence, not having to import food – including basic grain– from the developed world connotated self-reliance and India did cross that bridge. Self-reliance implied industrialisation subsequently and that was ensured too. In the wired world of the 21st Century, the word *aatmanirbharta* or self-reliance, has a new ring to it. In every argument, this will be the right call. Yet, be it as individuals, an ecosystem or a country, we were never islands.

In this connected world, where walls are crumbling every day, where we speak of a global village, where even within our societies relationships are in play with neighbours that are not always apparent, how should *aatmanirbharta* be perceived? The way I see it, the concept does not preclude a like-minded partnership, allies and the ability to trust one another.

In this issue, we factor in the myriad conversations around *aatmanirbharta* and examine the topic from different angles. Much has been written on the India-China relationship, the stance taken by the government and where we stand on the inter-country dependence scoreboard. We have connected the dots here to look at the bigger picture of how India Inc. is looking at this development. We have also added some pertinent views from industry leaders like R. C. Bhargava of Maruti and Gautam Singhania of the Raymond Group, and how *aatmanirbharta* can play out in certain industry sectors.

The TikTok ban sent the digital content creation industry (involving a revenue of Rs 120 crore) into a tizzy. Many influencers felt the heat of the decision. Every closed door, however, does open up a window. In this case, it appears that a host of windows have opened up for Indian content creators. This is interesting, not only because we are seeing Indian startups once again really pushing the envelope, but also because some very established Indian companies have joined the contemporary content creation race. These truly are signs of a more evolved proposition coming into play. Our cover story looks at what these potential global people brands are doing and how they see the changes in the ecosystem.

We take a close look at Google CEO, Sundar Pichai's, announcement of a $10 billion 'Google for India Digitisation Fund' to help accelerate India's digital economy. A leader in the global fearsome five, Google is gearing up for its biggest play in India yet, and who better could lead it in these times than the India CEO, Sanjay Gupta? We can already see Google's strategic investment in Jio to create entry level phones, indicating the depth of what is to come. I, for one, am most excited.

We have this and much more packed into this issue. Technology has truly become a business imperative, and will play a part in India's drive to be *aatmanirbhar*. In this issue, we have captured some fascinating comments from industry captains and decision makers.

Happy Reading!

ANNURAG BATRA

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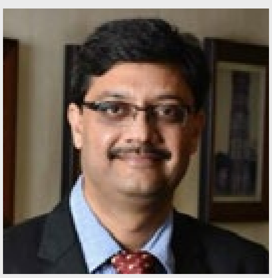

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PATH TO A SELF-RELIANT INDIA?

This refers to the editorial (**"Technology Transformation Tryumph", BW, June 10**).The author has clicked right in defining a path for a self-reliant India claiming it is on its way to becoming a digitally advanced economy. But what is undeniable is Chinese supremacy in science and technology. The fact is China has become sufficiently advanced to efficiently compete with the US and the Euro nations. Apart from dismantling tariff protection in a calibrated manner, our goal towards achieving self-reliance must take into account the need for developing cutting-edge technology which alone can usher in competition and economy in production. Look at the dependence of the entire world on 5G technology developed by Huawei.

If we have to make our mark in competitive production, this dichotomy must end and we should link our publicly funded-research facilities with the enterprising capabilities of the private sector.

MANOJEET SINGH, EMAIL

UNDUE HASTE

This refers to the editorial (**"The Jab The World Awaits", BW, May 10**). It will be an honour for us if India becomes the first country to come out with a vaccine against Covid-19. But as a young citizen, I think the deadline that the Indian Council of Medical Research has declared is unrealistic. If the deadline declaration is only due to political and public pressure, it's a big concern for everyone. From my readings I found that under normal circumstances, vaccine trials require a certain period — mostly the time is in years.

Any undue haste in the production of a Covid-19 vaccine may not only increase the risk of side-effects but also pose a threat to life.

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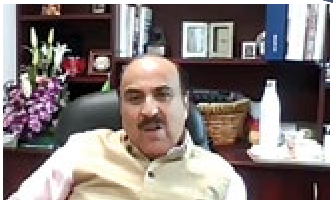

Harish Kohli, President & MD, Acer India talks about the challenges and opportunities presented by the Coronavirus pandemic

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NEW INSIGHTS ON COVID-19

Public health facilities, which was ignored for decades, have bear the lion's share of not only preventive and rehabilitation programmes but health treatment as well

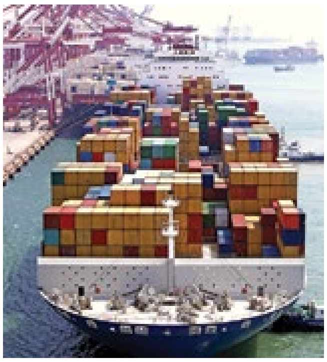
REALME C11 SOON TO DEBUT IN INDIA

The key highlights of Realme C11 include a 6.5-inch display, mammoth 5,000 mAh battery, dual rear camera setup and MediaTek Helio G35 SoC processor

BW OPINION

How 2020 Will Impact 2021?

The government has already announced a series of support measures. Falling tax income and rising expenditure to support many social and employment schemes will increase the government's fiscal deficit in 2021, write SS Acharya & Ajey Nandurkar



Will Anti-China Sentiments Go A Long Way

The boycott of Chinese goods will have little impact on trade deficit as industrial use accounts for an overwhelming share of Indian imports. The sectors that depend heavily on China for intermediate inputs include chemicals, automobiles, textiles, basic metals, and machinery, and the services sectors like construction and transportation

Boycott China: Are We Ready?

The industry needs to adopt the strategy of 'China plus one', but this cannot be done overnight, they need to carry out market research to find out suppliers in other countries, check their credibility, quality of supplies and then establish business relationship. According to industry players, this can only be initiated once the current situation returns to normalcy

The Importance of Buying A Joint Life Insurance Policy

A joint life insurance policy covers the life of both husband and wife under a single policy. Instead of buying two separate life insurance policy, many couples are now opting to purchase a single joint life policy. There are primarily two variants of a joint life policy. One can either opt to buy a joint term life policy or a joint endowment plan

Why Tech-led Solutions are Becoming Necessary for Construction Industry

Technology has changed the world and it has changed the way the construction industry operates today. Advancement of technology has enabled the industry to further personalise the customer experience at every touchpoint. The latest advancements have benefited the industry in innumerable ways, it helped in increasing operational efficiency, reduce overhead costs, and projects are handled efficiently

Smart Administrative Response to Covid-19 Crisis in Bokaro, Jharkhand

Amid the crisis, the District Administration of Bokaro took the responsibility of enforcing the vision of the Center and the State governments to mitigate the disastrous situation. The district bureaucratic machinery is at the core of India's governance model of being a welfare state. It ensured effective service and goods delivery, including social security and safety net

Covid-19: The Resurrection Of The Corruption Virus

The UN estimated that the global cost of corruption amounts to an alarming $2.6 trillion or 5% of global GDP. As per the World Bank, businesses and individuals pay more than $1 trillion bribes every year. India's ranking has moved down as compared to the ranking in 2018, and now it stands at rank 80 among 180 nations

Digital Marketing: Things to Know

The tools for advertising on digital differ from television, and it needs specialists for planning and executing the fundamental tenets of brand marketing and advertising remain true even for digital marketing

Why Men's Health Matters

Like women, men are also prone to nutritional deficiencies and go through mid-life crisis and have lower longevity as compared to women. Work stress, running the house and vices like smoking and drinking take the toll on health

'THIS OPENS UP OVERSEAS TOURISM TO A COMPLETELY NEW SET OF PEOPLE'

tourHQ has pioneered live interactive tours that are delivered from the streets of the city. These tours have a completely different feel and are the next best thing to actually travelling to a new place in person, says Gaurav Kumar, Founder, tourHQ

'WE'RE AIMING DOUBLING REVENUES THIS YEAR.'

Avaali works with enterprises to help them to accelerate process agility via digital. We offer consulting, automation of processes with technologies like RPA, OCR, Information Management solutions and AI Chatbot solutions, says Srividya Kannan, Founder and Director, Avaali Solutions

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ROARING MARKET SHARE OF JIO RELIANCE

ON THE BACK of a myriad investments, from very powerful and strategic investors, analysts have predicted that Reliance Jio's game plan of winning over not just new, but 2G customers with entry-level handphones, and its overall ecosystem play, may well take its subscriber and revenue share to nearly 50 per cent of the market by 2025.

Jio's challenging market dynamics have not created the best times for telecom players, who still battle concerns. But it did mean good news for the consumer. In a country, which is now chiming the mantra *'roti, kapda, makaan aur data/wifi'* as living essentials, Jio's contribution cannot be overlooked.

However, if predictions do hit the mark, and Jio is sitting on a lion's share of the pie, would we still be speaking of a market that is good for consumers? Especially when there isn't a rival to match it equally. The Indian telecom sector more and more resembles a kingdom where the market leader is the monarch of all he surveys – but kingdoms do not really have the best track record of serving the interests of their subjects – do they? **—Noor Fathima Warsia**

ALL ABOUT SPEED

FOR TELECOM SERVICE providers, Vodafone-Idea and Airtel, offering 'premium plans' (high data speed, priority services and more at premium rates) for their high-paying post-paid customers was aimed at driving revenue. Sadly, Airtel's 'Platinum' and Vodafone-Idea's 'RedX' plans have been stopped, for now. Reportedly, Jio was unhappy. It wrote to the sector regulator, the Telecom Regulatory Authority of India (TRAI). A notice was served asking them to put these premium plans 'on hold'. Vodafone-Idea has moved court against the notice. Airtel may follow soon. Jio wants to become a party to the case. But Trai says all it wants are answers to some basic questions. For example: What is the mechanics of offering higher data speed on a wireless network? Will it compromise the services of non-premium customers? The TRAI explains: In a fixed line, there is a dedicated pipe to home or office. Therefore, data speeds can be increased or decreased and charged accordingly. In a wireless situation every mobile phone is connected to a common tower. It is a shared medium. The TRAI wants to know 'how'? Sounds logical? These telecos say they can. All eyes are now on TDSAT. **— Ashish Sinha**

K. P. OLI'S FOLLIES

CASTING aside Nepal's historical and diplomatic legacy, Prime Miniser K. P. Sharma Oli has taken help from China's Ambassador to Kathmandu, Hou Yanqi, to save his chair. He then indulged in some anti-India slogans. Now Oli, who is also Chairman of the Nepal Communist Party, claims that the birth place of Lord Ram, protagonist of the Indian epic *Ramayana*, is actually in Nepal.

Nepal's Parliament has recently unanimously

passed the Second Constitution Amendment Bill that features Indian territories in Lipulekh, Kalapani and Limpiyadhura along the Indian border in Uttarakhand's Pithoragarh district. The disputed area is just 50 km in the district of Pithoragarh in Uttarakhand. Nepal shares a 1,751 km border with India across the states of Sikkim, West Bengal, Bihar, Uttar Pradesh and Uttarakhand. Oli is no doubt emerging as the Asian version of Latin America's Maduro Moro.

— Manish Kumar Jha

Photograph by Shutterstock

THE VIRTUAL WORK SPHERE

AS WORK- FROM- HOME (WFH) becomes the order of the day during the pandemic, the future of the workplace is expected to undergo significant changes. Many companies are watching this space closely to see trends that may have business-outcome-altering impact because many will continue with Work-From - Home to some degree, even after the lockdown has been lifted in toto.

Microsoft recently released its second Work Trend Index that had some interesting takeaways on the subject. The study shows that remote collaboration is more difficult, and that the transition back to in-person work might just be as hard. It says that video meetings lead to fatigue, and also that the nine-to-five workday may be fading away completely. The key words here are hard, fatigue and fading away.

Companies are paying attention to the mental well-being of employees in an altered work atmosphere. When the virtual work sphere is weighed against the traditional one – where a great deal of camaraderie emanates at the coffee machine – a key aspect is still missing.

There is a need for social bonding at the workplace. Once upon a time trust exercises and team bonding was a relatively simpler affair and happened easily at workshops, off-location conferences and the occasional office bash. But once all that and the watercooler goes missing, where else will team spirit come into play. A rethink is required **— Noor Fathima Warsia**

JORDON'S SNEAKERS UNDER THE HAMMER!

THE AUCTION HOUSE, Christies's has seen many novel items go under the hammer in a world that prizes belongings of those they adore or revere – from antiques and jewellery, to wines. The British auction house will soon call in bids for a pair of sneakers. Yes, you did get that right. Only these prized footwear belonged to the sports icon Machael Jordon. Apparently, the Netflix documentary *The Last Dance* has stirred up interest in the life of the famed basketball player. As many as eleven pairs of his footwear will be up for auction at the Christies on 30 July.

The highlights of the sale include a 1984 Nike Air Ship Jordan wore during his rookie season (estimated to fetch anything between $350,000 to $550,000), a pair of the sports icon's 7 'Olympic' worn by him in the Dream Team's gold medal game in 1992 (estimated to fetch $50,000 to $70,000), and a pair of classic Jordan 14s he wore during practice for his final Bulls appearance (estimated to fetch a price of $6,000-8,000). The much-anticipated auction will go live on the Christie's website between 30 July and 13 August.

— Jyotsna Sharma

Photograph by Christie's

GOLD WILL GLITTER!

PRICES OF SAFE haven gold began doing cartwheels long before the pandemic gripped the world and touched $1800 an ounce in June. In India retail prices of 22 carat gold are hovering close to Rs 47,000 per 10 gram. As the world coped with a slowdown in growth in 2019, even mega economies pared interest rates, driving investors and even central banks to stock up on gold as a nest egg. The pandemic has in addition, induced

governments around the world, including India, to resort to expansionary monetary policies, bringing down rates further.

So this time round, the scout for gold is led by the central banks themselves. The World Gold Council's 2020 Central Bank Gold Reserve Survey suggests that central banks plan to increase their gold reserves over the next 12 months. So, in the days aheaad, gold will continue to glitter as investors stock up. **— Madhumita Chakraborty**

WPP'S CREATIVE agency Ogilvy announced the appointment of Andy Main as its new global Chief Executive Officer in June. Main joins Ogilvy from Deloitte where he was global head of digital and will succeed John Seifert, who stepped down after 41 years at Ogilvy, including five as CEO. Main took the helm at Deloitte Digital in 2014. During his tenure, Deloitte Digital made the first significant move by consultancy firms into creative services with the acquisition of multiple creative agencies ... Heat, Pervorm, Acne, Market Gravity, CloudinIT, Brandfirst ... beginning a trend that has reshaped the marketing communication industry. Today, Deloitte Digital offers creative, technology and consulting services to many of the world's leading companies.

One of the big stories in the marcom industry over the past few years has been the rise of the consultancies – PwC, Accenture, Deloitte, Ernst & Young, Grant Thornton, McKinsey et al – as major players in the mergers and acquisition space of ad agencies. Accenture's Interactive division has been one of the most acquisitive ... UK's hotshop Karmarama, Irish agency Rothco, but most importantly New York creative powerhouse Droga5. In all, Accenture Interactive has acquired more than 30 agencies over the past few years. Interestingly, these have been in every conceivable discipline – full-creative, design, web build, search, SEO, branded content, CRM, production, data, media ... on almost every continent, bar Africa. Accenture Interactive in fact spent $1 billion in 2017 on just acquisitions in the advertising space, signalling an aggression hitherto not known.

ADVERTISING'S TOMORROW

Coders or Copywriters?

Between consultancies on rampage, or worse consultants moving in to run ad agencies, I don't know what is more disturbing news for the advertising business. But before we get into answering that question, let us address a more basic question: why are the consultants trying to invade the advertising space? Well, all businesses need to expand and grow, and extending a suite of newer services to clients (including advertising, marketing, strategy, media, design and allied services) has long been a temptation. And if those new offerings can leverage the organisation's current expertise and footprint, then so much the better. Consultants have a great deal going for them – existing client relationships in most cases; many years of experience of operating at both global and local levels; great understanding of strategic disciplines and proven experience in strategy implementation; deep pockets that agency holding groups no longer possess, and last but not the least, a huge talent base which can offer clients quick and impactful end-to-end services.

Most significantly, consultancies have the reputation of being cost-savers and problem solvers, whereas traditional advertising agencies have always been seen as cost drivers. The traditional business of consultancies is centred on known and proven methods and models into which they can efficiently deploy staff to collect data, provide reports, implement systems – which can be both highly profitable as well as almost universally replicable. Luckily for the consultancies, new-age requirements of the advertising business such as digital transformation, programmatic, performance marketing and more, can be easily mechanised, which is a skill consultants excel at. Creative agencies, by their very nature, rely on individual talent to come up with new

THE POOR COPYWRITER AND THE ART DIRECTOR HAVE JUST BECOME INCONSEQUENTIAL IN THE JUGGERNAUT OF BUSINESS VENTURES THAT BLUDGEON THEIR WAY INTO CREATING MARKETS

ideas for campaigns and market stimulus. These need intense human interaction and out-of-the-box ideation. And that has all along been the USP of the advertising business. But a USP that now seems to be losing competitive advantage and appeal.

Agencies too have reacted. Yes, reacted more than responded. TBWA, for example, created the Pirate Collective that has film directors, photographers, musicians, animators, illustrators, content creators, influencers, designers, writers, developers, technologists, art directors, strategists, producers and more, all under one roof to orchestrate the kind of creative output that goes far beyond what the traditional agency can offer. Or consultants can even dream of offering. More and more ad agencies are 'modernising' the traditional creative function by adding on futurists, patent and IP lawyers, engagement and UI/UX strategists, ethical and governance advisors, behavioural scientists, psychological and qualitative researchers, data and trend analysts, experience specialists, green thinkers and, many shades of content creators in film, social, digital, and mobile.

So is the copywriter irrelevant? Is his partner, the art director, obsolete too? Well, my view is simply fifty-fifty. Why? Building a business is no longer predicated on the advertising industry's biggest promise: The Big Idea. Today, the businesses themselves are The Big Idea. The very success of disruptive, fast-growing businesses like Uber or Airbnb or Netflix is the result of astute strategic thinking and mind-blowingly user-friendly customer interfaces, rather than high-impact advertising. Rather than pushing messages at consumers, marketing is today all about solving complex business problems and realising a brand's strategic vision. The poor copywriter and the art director have just become inconsequential in the juggernaut of business ventures that bludgeon their way into creating markets that never previously existed by dint of smart positioning and opportunity maximisation. Technology is at the heart of most such businesses. Advertising is but a reach extender, not a force multiplier.

So, will the coder replace the copywriter? No, that is also no solution. The coder is logical, technical and sequential. But not really 'creative-creative'. He can be creative in his own way – the Googles and Apples of the world are more creative than any ad agency can ever be. But the kind of creativity that brands seek from ad agencies is still about creating awareness, and more importantly desire, for their offerings. The coder can make the journey more enjoyable, perhaps predictable too, but he can't drive you to the destination.

In the consultant versus creator battle, the danger is the commoditisation of the creative product. If that is allowed to happen, the consultant will win. And, that will depend on who is made responsible for choosing the creative partner: the CMO, or the supply-chain team. Unfortunately, in most large clients today even when the CMO makes the choice, the veto is wielded by the bean-counters who 'negotiate' the creative offering as a service, much like plumbing and air-conditioning. That is when the ad agency, sadly, suffers the ignominy of moving from 'partner' to 'vendor'. Pity! BW

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The views expressed are personal and do not reflect those of BW Businessworld

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Reading The Signs

A play to digitise, reverse migration, and acceleration of digital transformation due to the pandemic and the government's sharp focus towards self-reliance, India is taking strong steps to remain an important destination for businesses

LET'S FACE IT. The on-ground reality in India right now is not very bright. Even before the pandemic caught the economy in its grip, many sectors were under stress, warning not just of slowdown but downturn. The economic devastation that faces the country now cannot be fully understood yet. The government's stimulus package came as some relief for some industries but more than that, a long-term plan is in play, and it should not be ignored.

Pandemic led to two outcomes that promise a permanent shift in everyday work and life. A broad outcome was the acceleration of digital transformation. This has one inference when it comes to corporate and connected India. Essentially, some element of technology was already present in this version, and has now adapted itself to a bigger, deeper, more aggressive form. For example, we already had video conference apps on our phones and systems — now we just use them eight hours a day.

This version is understood. Within this itself, are the companies and businesses that are going digital for the first time — small grocery stores that need to find digital distribution or local businesses creating capability for the first time for their consumers to pay online.

A much narrower, albeit with widespread impact, outcome is reverse migration. Many dismiss this as a movement that is too miniscule to impact businesses. In many ways, that can be a short-sighted approach. Reverse migration, before anything else, is a change of mindset. For decades, Indian working class — both blue collar and white collar — have looked at the big city for income, for realisation of the big dream and for becoming future ready.

Reverse migration has already brought a change in this mindset. Couple this with companies becoming comfortable with work from home, and with accelerated digital transformation directly impacting sectors such as agriculture, healthcare and even education that are big in India's underbelly, and it becomes more evident that the markets in rural and small town India are opening up.

This change, that we have been speaking about for a minimum of five years now, is now truly here. And just because it was spoken of for so many years without a visible impact on overall businesses does not mean that this will be the same now as well. This is the new abnormal of the post-Covid world.

Some companies are already looking to occupy and partner in this space that will open unprecedented opportunities. Reliance Jio is among them. With its overall play, it has already set the stage to partner with local grocery to make e-grocery a dominant format in Indian retail. Its partnership with Facebook, wherein Facebook acquired 9.99 per cent stake in the company, becoming the largest external stakeholder in Jio Platforms, was a step in this direction. This deal is expected to directly impact Jio Marts by leveraging Facebook-owned WhatsApp's 400 million users in India.

The Google relationship, where again Google acquired a 7.7 per cent stake in Jio, will see it manufacture entry level handsets for Indian consumers. Jio's partnership with both players is seen as having come at 'discounted' price because the two came in as strategic tech investors.

Reliance Jio read many early signs of the direction the Indian economy landscape needed to move in. Some are reading now as well, in order to become future-ready businesses in this new world. However, many more need to join this wave to make a faster and bigger impact on India. BW

Prakash Iyer

PI TALKIES

ALL ABOUT THAT HANLON'S RAZOR

WITH THE NUMBER of bearded faces you see in every webinar, you might think Hanlon's Razor is a new brand of shaving gear. No, it's not. Hanlon's Razor is a mental model. A way of thinking. It will change the quality of your relationships. Ever since I learnt about it some years ago, it's made me a happier person. So I wanted to introduce it to you too.

Hanlon's Razor says "Never attribute to malice that which can be explained by negligence." Next time you feel hard done by, don't attribute it to ill-will or evil intent. Never do that. Think of it as an aberration. Chances are it was an oversight.

Got only eleven bananas when you paid for twelve? No, the fruit vendor is not a cheat. He counted wrong. Your friends went for a movie without telling you? No, it's not that no one loves you anymore. They forgot. That's all.

Hanlon's Razor helps you reset the default option in your head. It makes sure your starting premise is that people are good

Think about what happens when something goes wrong, or when we feel hard done by. Our instinctive response is to attribute motives to it. Someone did it on purpose, to hurt us. To harm our cause. And once we let that thought into our head, we get upset, agitated. Angry with the person who did it. And we resolve to get even, to avenge that hurt. Happens, no?

With Hanlon's Razor, you stop doing that. You tell yourself it was an oversight, an unintended mistake. And it is not that the person – or the world – is conspiring against you. If you think of it that way, it doesn't upset you.

Imagine. There's an important project you have been working on. In fact, you have been leading it together with a colleague. It's going well, and you are hoping a successful project will do good things for the company. And for your career. And then you discover that your colleague has sent a mail to the boss, and to all the stakeholders, updating them on the project status. Without marking you on it. You only learn about the mail when it gets mentioned in a meeting. You feel betrayed. You are convinced your colleague did it to hog all the credit. To make the bosses think he is the one doing all the work. And to make sure he gets that promotion ahead of you. You don't want to work with such a terrible guy. You even say some nasty things about him to a friend. Which reach his ears too in no time. And the relationship gets soured.

Think about it. Maybe it was just a mistake. He missed copying you on the mail, that's all.

Some of you will argue "You don't know him, he did it on purpose." Perhaps. But that's a remote chance. A smaller possibility. It's not the norm. Hanlon's Razor helps you reset the default option in your head. It makes sure your starting premise is that people are good. People want to help you. The world is a good place. Try using Hanlon's Razor, and you will discover that is indeed usually the case. And you will find the whole universe conspiring to make things happen the way you want them to.

Hanlon's Razor will make you happier. And make your world a better place too.

That banana seller is a good guy after all. BW

Iyer is an author, speaker and leadership coach and former MD of Kimberly Clark Lever

COLUMN | *By Srinath Sridharan*

Reviving the Indian SEZs

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HE SEZS ARE INDUSTRIAL enclaves entitled to fiscal benefits and located within a country's sovereign borders with the objective of increasing balance of trade and attracting newer inward-investments into the country, along with creation of newer jobs. As a concept, SEZs began in the mid-1950s in countries with larger presence in industrial sectors.

Ireland was one of the earliest adopters of the strategy and the first to set up an SEZ. The concept of labour-arbitrage which started as a competitive advantage for nations to compete with one another in global trade, saw the 1970s develop labour-intensive manufacturing-focused SEZs.

China opened up its first SEZ in 1979 in Shenzhen, and thereafter took huge strides in institutionalising mega-SEZs as economic powerhouses.

India & its SEZs

Prior to the concept of SEZs, India relied on the Export Processing Zones (EPZs), which did not make a deep impact on foreign investors. The SEZ Act 2005 enabled private participation in infrastructure development and development of export-oriented hubs for products and services with large employment potential. The SEZ Act 2005 provided for direct and indirect tax exemptions by the central government and SEZ policies of states gave concessions / waivers from levies of state governments.

For manufacturing SEZs, plotted development (including development of infrastructure of utilities) is necessary and for service-sector SEZs, ready-made office spaces are mandatory structures. The more popular SEZ category in India has been the services sector as fully-furnished office premises with 24 x 7 power supply for IT units, plots with utilities (power, water, sewage, gas and fuel facilities, telecommunications, ETPs, etc.) were offered. Effectively, the tenant-IT/ITES units had negligible investment in capital assets, which suited their operations.

An interesting aspect of the SEZs is that no labour unions are allowed within them. That's been a big positive for its users. Despite skilled and educated workforce, states insisting on trade unions have lost out on IT / ITES talent employment generation.

The SEZs across India have attracted investments of over Rs 5.2 lakh crores so far and have current capacity utilisation of just over 50 per cent; using this capacity, they employ nearly 20 lakh people (of which IT/ITES SEZs employ 80 per cent of the head count).

There are currently 355 SEZs, of which 70 per cent are IT / ITES focused. Not all of these IT / ITES units are focused on exporting services. Many of these export products like IT software, electronic items, assembled parts such as printed circuit boards, etc. In fact, SEZs account for over 26 per cent of the total exports of the country and the export value is over Rs 7 lakh crore (fiscal 2019).

SEZ – policy disconnects

Levy of MAT and withdrawal of DDT exemption in 2012 was a shock for SEZ developers. Another taxation issue that cropped up was the sudden introduction of the sunset date for termination of direct taxation benefits for SEZ developers in the year 2017 and SEZ units in the year 2020. This probably stemmed from the intention to implement the Direct Tax Code (DTC) and the consequent move to withdraw all concessions / rebates granted to entities under the Income Tax Act (ITA) 1961. This not only hurt the developer community who had invested in SEZs but now pushes the envelope for the SEZ units, especially with the expected economic slowdown and the need to be ultra-competitive to gain / hold onto global export businesses with competitive pricing. Also, from global trade perspective, this move of withdrawal of taxation benefits from services SEZs has not been taken well and the complaints about it have been upheld in the WTO.

In the past few years, many of the ASEAN countries have tweaked their taxation and fiscal policies to attract global players to invest in their SEZs and have also worked on the developmental set of their skilling initiatives. Consequently, Indian SEZs have lost some of their competitive advantages globally and hence need fresh policies. Many units also migrated to other destinations, including the Philippines, Vietnam, Thailand, Malaysia, China with local government support, taxation benefits. (For eg., SEZs in Indonesia and Costa Rica enjoy Income Tax exemption for 12 years. SEZs in Thailand are exempt from corporate tax for 13 years.)

This loss of business for Indian SEZs results in reduced forex earnings and forced-reduction in head count. Further fall in demand could lead to unutilised land and / or unoccupied built-up premises within SEZs. Exit of existing clients would further aggravate the issue of vacancy in SEZs, thereby putting existing investments in peril. These idle assets could create stressed assets within the economy and increase the woes of the banking sector. For a country that believes in climate change and its severity, the exit of IT/ ITES businesses to other countries would also mean transfer of non-polluting industry from our country. Many of these crucial elements have also been documented by the Baba Kalyani led committee, constituted by the Ministry of Commerce and Industry to study the existing SEZ policy. This committee submitted its recommendations in November 2018.

MANY OF THE ASEAN COUNTRIES HAVE TWEAKED THEIR TAXATION AND FISCAL POLICIES TO ATTRACT GLOBAL PLAYERS TO INVEST IN THEIR SEZS AND HAVE ALSO WORKED ON THE DEVELOPMENTAL SET OF THEIR SKILLING INITIATIVES. CONSEQUENTLY, INDIAN SEZS HAVE LOST SOME OF THEIR COMPETITIVE ADVANTAGES

Baba Kalyani committee report — in brief

It had been set up with a broad objective to evaluate the SEZ policy towards making it WTO-compatible and to bring in global best practices to maximise capacity utilisation and to maximise the potential output of the SEZs. The committee had a key suggestion to move the SEZ philosophy from export-oriented to broad-based Employment and Economic Growth approach (Employment and Economic Enclaves-3Es).

The critical recommendations of this committee included:

- Extension of the sunset date of 31/03/2020 and retaining

COLUMN

By Srinath Sridharan

taxation benefits as per SEZ Act 2005

- Formulation of separate rules and procedures for manufacturing and service SEZs
- Infrastructure status to SEZs to improve access to finance and to enable long-term borrowing
- Enhance competitiveness by enabling ecosystem development by funding high-speed multi-modal connectivity, business services, and utility infrastructure
- Procedural relaxations for developers and tenants to improve operational and exit issues
- Broad-banding definition of services/ allowing multiple services to come together
- The flexibility of long-term lease for developers and tenants
- Dispute resolution through arbitration and commercial courts

The SEZs in India have proved to be a success story for the IT/ITES industry. Given the prowess of the Indian workforce in the services sector, it is imperative to continue government support for these hubs in terms of continued tax exemptions and fiscal concessions. To encourage growth of the services SEZs, enabling generation of massive job opportunities to the huge educated population of the country, flexibilities in operations and easement of procedures is vital by ensuring necessary amendments to the existing SEZ policy. Implementing these suggestions would provide the necessary boost to economic recovery in the current recessionary scenario.

In this context, some of the suggested policy tweaks are:

Fiscal Incentives

- Considering the sensitivity of 'Employment Generation' and 'Forex Earnings', it is imperative to extend the sunset date for SEZ units. (E.g. SEZs created an employment of approximately Rs 19 lakhs in 12 years and the further potential entails an additional Rs 19 lakhs in six to eight years.)
- Extension of direct tax benefit to 'services' have neither been objected to by WTO member countries nor do they violate international agreements. Hence, continuation of income tax benefit on export revenue of 'Services SEZs' needs to be considered.
- IT SEZs should be granted features similar to GIFT SEZ; with a consideration that, both these SEZs operate through the 'web-enabled' interface and render services (financial or IT) to their clients. Here the feature is related to tax benefits. MAT is levied @ 9% to IFSC entities (GIFT project) and @ 20 % for other SEZ units.

THE SEZS IN INDIA HAVE PROVED TO BE A SUCCESS STORY FOR THE IT/ITES INDUSTRY. GIVEN THE PROWESS OF THE INDIAN WORKFORCE IN THE SERVICES SECTOR, IT IS IMPERATIVE TO CONTINUE THE GOVERNMENT SUPPORT FOR THESE HUBS IN TERMS OF CONTINUED TAX EXEMPTIONS AND FISCAL CONCESSIONS

Ease of Business

- Permission for domestic units to operate from Non-Processing Area without availing indirect tax exemptions (industrial activity in addition to permissible social activities)
- Change in Net Foreign Exchange (NFE) criterion of units for occupying office space within the BUA of Processing Area and factoring-in the investment and employment parameters to determine qualification
- Flexibility of utilisation of Non-Processing Area (dual usage) by developers for creation of social infrastructure by removing existing usage restrictions (development to be governed by locational requirements).
- Broad-banding the services definition (Rule 76 of SEZ Rules 2006) to include all services permitted under GST Regulation.
- Permission for reverse job-work. (Sub-contracting activity on behalf of domestic units for sale in domestic market without tax benefits)
- Simplification of the Exit Process is needed. Currently the SEZ denotification has to be approved by multiple entities and takes over ten months to complete.

Implementing the suggestions made above will provide the necessary boost for economic recovery in the current recessionary scenario and sustain the concept of SEZs and rebuild it to its potential. BW

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The views expressed are personal and do not reflect those of BW Businessworld

Stimulus Must be Targeted Well; Implemented Better

MOST HAVEN'T recognised that this recession is not caused by an economic bubble, nor is it related to policy frailty or spurred by business error. It is a natural disaster and the effect is as much a health calamity as an economic shock. While we celebrate 'freedom' from the lockdown and ride to 'livelihoods, mingle with colleagues, transact with others – one wonders if something is amiss.

'Livelihood & lives'; both important: We are 'chancing' our health; recklessly, riding roughshod over it; ignoring precautions, endangering self and grieving others every time we step out to enjoy a meal, revel in the multiplex, shop and take in a leisurely stroll.

The second wave of the pandemic is imminent. The secondary impact will once again bring in the Sophie's choice; 'if the virus is not contained many will die, but if the containment is at the cost of the economy many more will suffer'.

The lockdown has saved many lives, provided us the time to prepare and respond to the crisis and reduced the fatality rate. However, locking the economy again will plunge economic activities into a morass, slow demand, and reverse the recovery cycle. It will sink the economy into acute repression, perpetuating a depression.

As much as five per cent of the population will be affected; five in every thousand fatally. Overwhelmed health infra has been an abject lesson of what to expect.

Financial uncertainty & stress: Lockdown 2 will sink the MSMEs, weaken the larger corporates and stress the financial sector deeply; banks will be precariously positioned, NBFCs paralysed. A rupee in every ten lent may not return. Higher NPAs will tie up funds.

There will be several other collateral damages, including a desecrated credit culture, denying the deserving much needed credit. This may precipitate further to the priority sector, spiralling into farmers' distress and social unrest.

However, locking the economy again will plunge economic activities, slow demand, and reverse the recovery cycle. It will sink the economy into acute repression, perpetuating into a depression

The poor and the deprived will lose livelihoods, and wages will get subdued. The middle-income group will experience dwindling assets and diminishing savings. Most others will face uncertainty and experience financial stress. Despondency and hopelessness may fuel unrest.

Resilient & implementable policies: The labour market and 'workspace' will evolve. 'Work from home' will encourage more women into the white-collar sector, while the blue-collar space will see intense unionisation.

Rebuilding business will need 'integrating' supply chains, reorienting processes; and innovation. Change is challenging. The government can employ several instruments, including relaxing regulations for compliance, repayment and even advance payment to save businesses.

In the meanwhile, the government's ambitious, much touted, but badly targeted and un-implementable stimulus package has not worked and won't. Instead, it will worsen fiscal deficit numbers and forestall the much- needed stimulus.

Demand fuels the virtuous cycle: The government must reorient the package and target the pockets of the consumer to fuel demand and stimulate the virtuous cycle of demand-led growth.

Policy makers need to develop innovative and yet robust templates, policies that are broader, resilient and sustainable. The government must focus on completing projects, particularly rural infrastructure. Completed projects catalyse economic activities, are value drivers, and high multipliers. In addition, a focussed administrative and generous monetary measure will create an ecosystem for gradual revival.

Effective implementation is necessary to navigate through the crisis for the inevitable second wave of the pandemic. Once the spread and the secondary effect are managed, economic recovery could surprise us. BW

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COLUMN | *By Vibhu Arya*

The India-China App Warfare

TEN PER CENT OF INDIANS speak English as their first, second or third language. The remaining 90 per cent converse in Indian languages. Consultants, venture capitalists and experts have christened this category, Bharat. Here's the hard-to-swallow truth – the 500-odd Chinese startups in India are built for Bharat – some exclusively for Bharat.

There are three countries-of-origin for consumer technology systems in India, the first is made, controlled and monopolised by American tech giants like Google, Facebook, Instagram, WhatsApp and Twitter. Much of this internet system believes in doling out free products in exchange for user subservience with their data, stored not in India, but in the cooler climes of the Nordic. Their data is fodder for hundreds-of-billions-of-dollars, state-of-the-art global programmatic advertising industry, which dishes out highly relevant ads to unsuspecting Indian users, in lieu of 'free' products (yes, those Good-Morning-Forwards come at a cost!)

American tech companies in India focussed on the 10 per cent English speaking Indians, understandably belonging to a higher socio-economic class. These American monopolies continue to grow stronger and stronger. Their listed parent companies inch towards a Covid-cum-Warren Buffet's-logic, defying trillion dollar market capitalisations on NASDAQ. Walmart owned PhonePe and Google together account for over 80 per cent of all UPI transactions in India. Imagine the data and advertising revenue which shall accrue to Google.

India's second internet system is run by Indian startups, founded by engineering graduates funded by local as well as multinational venture capital money. Think of Paytm, Flipkart, Snapdeal, MakeMyTrip, Ola, Practo, Zomato, Swiggy, Oyo, Byju's etc. These are focussed on cracking difficult problems and on serving all Indians – the English and non-English speaking – from metropolitan cities to small towns alike. Unlike their American counterparts, none of them dish out "free" products in lieu of user data. Instead, they focus on building real products and services. These companies enjoy fantastic scale. Flipkart has delivered a multi-billion-dollar exit and all of them continue to motivate mint fresh graduates, returning after their mandatory trip to Manali or Leh, with a bulky DSLR dangling from their necks, as a shot at entrepreneurship.

Interestingly 18 of the top 30 Unicorns produced in India have Chinese investment interests. Indian VCs, consultants, journalists and startup expert Twitterati persistently holler out for 'Build for Bharat'. So loud is the cacophony that young entrepreneurs from China's consumer tech industry find it impossible to build and compete with the dominating presence of three players, Baidu, Alibaba and Tencent. These three players have heard the call loud and clear, leading to the birth of India's third consumer technology system – the Chinese startups – headquartered in China, funded by Chinese and multinational venture capital money, with operations in India.

Think of all the 59 banned apps, TikTok, ClubFactory, ShareIt, CamScanner etc. India is bustling with Chinese startups, from dating, adult dating, astrology services, live video streaming, entertainment, cross border ecommerce, utility apps, to over 100s of Chinese digital lending companies operating in India. There are over 500 Chinese startups in India, all wanting to ride the Indian digital gold rush!

On June 29, Indian television channels began flashing news that India was banning these selected 59 apps. Many others of the 500 odd Chinese apps across dating, gaming (PUBG), fintech, were miraculously, spared. The apps were banned under section 69A of India's Information Technology Act. This section has previously been used to ban porn, piracy, torrents and is making its debut in banning regular commercial 'businesses' and apps – utilities, entertain, ecommerce, etc.

These 500 odd Chinese apps entail entire business operations. There are several thousand Indians in the Chinese app ecosystem as users, suppliers, employees and professional service providers. *The Atlantic* reports, "For Indians, TikTok is a mix of "timepass" and creative outlet, but for more and more of them, it is also a career choice, a path to financial success." For TikTok influencers, the ban is the equivalent of a demonetisation of their digital identity and livelihoods.

Likewise, Club Factory and Shein are two extremely popular ecommerce operations in India. Beyond their banned app, there is an entire ecosystem of Indian sellers, logistics, warehousing, digital marketing teams etc. These two have been banned, which is the equivalent of a digital lockdown of their operations. Most Indian buyers on these platforms belong to tier-2 and tier-3 cities in India, longing to buy an affordable, fashionable, generic, unbranded, mass-market product on impulse, preferably via cash-on-delivery.

A truth hard-to-swallow is that these 500 Chinese tech startups in India finally have the pulse of the Indian consumer and now fearlessly compete in India's democratic free market, and they are loving this never before freedom. This competition creates multiple winners across the startup ecosystem, most importantly the Indian consumer, who has an additional choice, to shop on Shein vs Amazon or use TikTok over Instagram. The banning of these 59 apps removes consumer choices and the loser is everyone in the ecosystem.

To quote Mark Twain, "*History doesn't repeat itself, but it often rhymes*". Every time an industry is protected, it's long term competitiveness and ability to innovate is impacted negatively. Simply put, protectionism always ushers in complacency which reflects in product quality. Think of the quality of Maruti, Padmini and Hindustan Motors before international car manufacturers entered the domestic market. Sadly, some 54 MNCs left India in the 1970's during the reign of the Janata Party. Maruti has fought well, prospered and continues to hold a > 50 per cent market share without any protectionism.

Indian startups were innovating and competing head-on with Chinese startups, building for Bharat. We are all cheering for them and may the best product win! This ban will certainly give on a platter, space for Indian startups to fill the vacuum created by the 59 banned apps, perhaps make the competition local vs the hitherto international competition with Chinese startups on our home ground. Flipkart, Ola, Paytm were all built minus protectionism. They competed with global leaders and went on to create category leaders. Imagine, their fate or product quality with protectionism.

All is not lost for the 59 banned apps. The government could rescind the ban order should it deems these apps to be safe for India and Indians. Moreover, any of the banned apps which entered India prior to 2017 could seek protection of their interests and investments for 15 years from the investment date, under the China-India Bilateral Investment Treaty, in force between 2006-2018. The government should lay down strict rules and regulations that all apps need to adhere to irrespective of their country of origin or investor. Let free markets prevail! BW

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The views expressed are personal

GOOGLE'S GAME

SANJAY GUPTA, Country Head & VP, Google India

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OOGLE'S PLAY IN India began nearly 16 years ago, when in 2004, it opened its first offices in Hyderabad and Bangalore. The focus then was information through Google search. It then undertook a deeper task of awareness of the Internet in rural villages through programmes such as 'Internet Saathi'. The programme helped more than 30 million women across India to gain digital skills.

Over the years, Google kept deepening its India footprint, increasingly using more advanced tech, for example, Google AI (artificial intelligence) to create a flood forecasting system designed for India's monsoon season, to build products for the country.

With presence in nine Indian languages inclusive of voice search, and eyes on over 500 million Internet users, for Google, India was always core to its 'Next Billion Users' initiative. Now, the global tech and digital leader has put more of its money where the mouth is.

A $10 Billion Commitment

Google has parked $10 billion (Rs 75,000 crore) for India Digitisation Fund, which will be spent over the next 5-7 years. According to the CEO of Google and parent brand Alphabet, Sundar Pichai, this fund is to help accelerate India's digital economy.

Pichai made this announcement

during a virtual edition of Google for India 2020. Citing examples from Google's work in India, he stated that several innovations have started in India and then expanded to the rest of the world. But India's own digital journey "is far from complete".

"There's still more work to do in order to make the Internet affordable and useful for a billion Indians, from improving voice input and computing for all of India's languages, to inspiring and supporting a whole new generation of entrepreneurs," Pichai commented.

Aiding India's Digital Economy

Pichai explained that the creation of the India Digitisation Fund is a "a reflection of Google's confidence in the future of India and its digital economy". A point that can be seen in the investments the country has attracted from other tech platforms including Facebook.

Sanjay Gupta, Country Head & Vice President, Google India elaborated on this thought. He explained that every day, more Indians are learning to do things digitally. Increasingly, there is a need to digitally solve the challenges that India faces in health, education or agriculture. More businesses need to be connected and bring digital to their core offer.

> **There is a need to digitally solve the challenges that India faces in health, education or agriculture. More businesses need to bring digital to their core offer**

As Gupta pointed out, there is a clear need to get the next 500 million people connected to the Internet. The government and several companies in India are constantly taking steps towards this goal.

In this backdrop, Gupta observed, "We need to be more competitive equally. We need to create job opportunities for young Indians. This vision needs the power of every Indian, to get behind this dream. This is the moment when a technology company like ours, businesses both big and small, and Indians at large can play a transformational role. This opportunity of a digital India excites us at Google. Our mission is to make the Internet helpful for a billion Indians and empower India to become a leading digital economy."

All of Google's decisions in India are guided by this thought.

The Jio Partnership

While Google has been investing in many Indian businesses through Google, as well as its growth equity investment fund CapitalG, the India Digitisation Fund will be creaated through a mix of equity investments, partnerships, and operational, infrastructure and ecosystem investments.

The first big move is seen with Google signing an agreement to invest $4.5 billion (Rs 33,737 crore) in Jio Platforms, taking a 7.73 per cent stake in the company.

Google and Jio Platforms have

SUNDAR PICHAI, CEO, Google & Alphabet

BIG

Google has earmarked a $10 billion Google for India Digitisation Fund to help accelerate India's digital economy; it is also joining hands with Jio to launch a Made in India smartphone By Noor Fathima Warsia

TOP TAKEAWAYS

- Google to invest Rs 75,000 cr for India Digitisation Fund
- Fund to help accelerate India's digital economy
- Will be done through investments & partnerships
- First investment: Rs 33,737 cr in Jio for a 7.73% stake
- Google plans to build in India & benefit the world

We look forward to working alongside PM Modi and the Indian government, as well as Indian businesses of all sizes to realise our shared vision for a Digital India

inked a pact to jointly develop an entry-level affordable smartphone with optimisations to the Android operating system and the Play Store. "Together we are excited to rethink, from the ground up, how millions of users in India can become owners of smartphones. This effort will unlock new opportunities, further power the vibrant ecosystem of applications and push innovation to drive growth for the new Indian economy," Gupta explained.

The Jio deal is the first of the many local partnerships that Google is exploring. It intends to work with other leaders in the local ecosystem to ensure that smartphones — together with the apps and services in the Play Store — are "within reach for many more Indians across the country".

The Focus Areas

The Google investment will focus on four broad areas that it believes is important to India's digitisation. The first in this is enabling affordable access and information for Indians in their own languages. The second is building new products and services that are deeply relevant to India's unique needs.

Empowering businesses as they continue or embark on their digital transformation is the third bucket and the fourth is leveraging technology and AI for social good, especially in areas such as health, education and agriculture. "As we make these investments, we look forward to working alongside Prime Minister Modi and the Indian government, as well as Indian busi-

Photograph by Ritesh Sharma

A large part of Google's efforts is towards making the Internet do more for Indians. Its way forward with India Digitisation Fund stays the course in this objective

nesses of all sizes to realise our shared vision for a Digital India," Pichai commented.

A large part of Google's efforts is towards making the Internet do more for Indians. Google's way forward with India Digitisation Fund stays the course in this objective.

Informing India

Google's core mission to organise information and make it universally accessible and useful was seen in India during the Covid times as well. "We worked with the World Health Organisation and Ministry of Health & Family Welfare to surface credible and authoritative information on Covid-19 across all Google platforms like Google Search and YouTube, and in multiple languages. We also put out preventive measures and safety precautions," Gupta informed. Besides, Google worked with My Gov and several state governments to organise information for over 11,000 food and sleep shelters, spread across more than 700 cities.

"We made this information available on Google Maps, accessible to feature phones through our Phone Line initiative with Vodafone Idea. Through services like Google Meet, Google Classrooms, Read Along and YouTube Learnings, we provided safe options for schools as they were required to go completely digital. Google Pay contributes digitally to PM Cares, and in a few weeks, it generated Rs 120 crores," Gupta explained.

Building for the World

An important takeaway is Google's approach of building for (and in) India and taking it to the world. Pichai reminded that people in India no longer have to wait for technology to come to them. In fact, a whole new generation of technologies are happening in India first.

"Google's efforts in India have deepened our understanding of how technology can be helpful to all different types of people. Building products for India first has helped us build better products for users everywhere," Pichai explained.

A recent example is GPay, a way to pay contactless or online. Together with the rise in BHIM-UPI adoption, GPay allows paying rickshaws, or sending money to family in other towns and the likes. "India is setting the global standard on how to digitise payments, and it's now helping us build a global product," Pichai informed.

Google AI-powered reading tutor app Bolo, now called Read Along, is another example of a technology built specifically for Indian users. This has now rolled out to 180 countries in nine languages, with more to come.

Another area Google has been active in is the digitisation of small businesses. Just four years ago, only one-third of all small businesses in India had an online presence. Today, 26 million small and medium sized businesses (SMBs) are discoverable on Google Search and Maps, driving connections with more than 150 million users every month.

The pandemic has further accelerated the adoption of digital tools. Small merchants across the country are now equipped to accept digital payments, making it possible for more small businesses to become part of the formal economy, improving their credit access.

Reflecting on the overall picture, Pichai said, "There's no question we are facing a difficult moment today, in India and around the world. The dual challenges to our health and to our economies have forced us to rethink how we work and how we live. But times of challenge can lead to incredible moments of innovation. Our goal is to ensure India not only benefits from the next wave of innovation but leads it. Working together can ensure that our best days are still ahead." BW

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THE SHOW MUST GO ON. AND IT IS.

A single TikTok ban has spurred the arrival of at least four rival platforms from leading media businesses including Instagram, Zee Entertainment Enterprises (ZEEL) and Times Group, creating a wave in the user-generated content market. These launches are not a case of leveraging another's loss — India was TikTok's biggest overseas market prior to the ban. But it is about making a strategic move at the right place and at an opportune time.

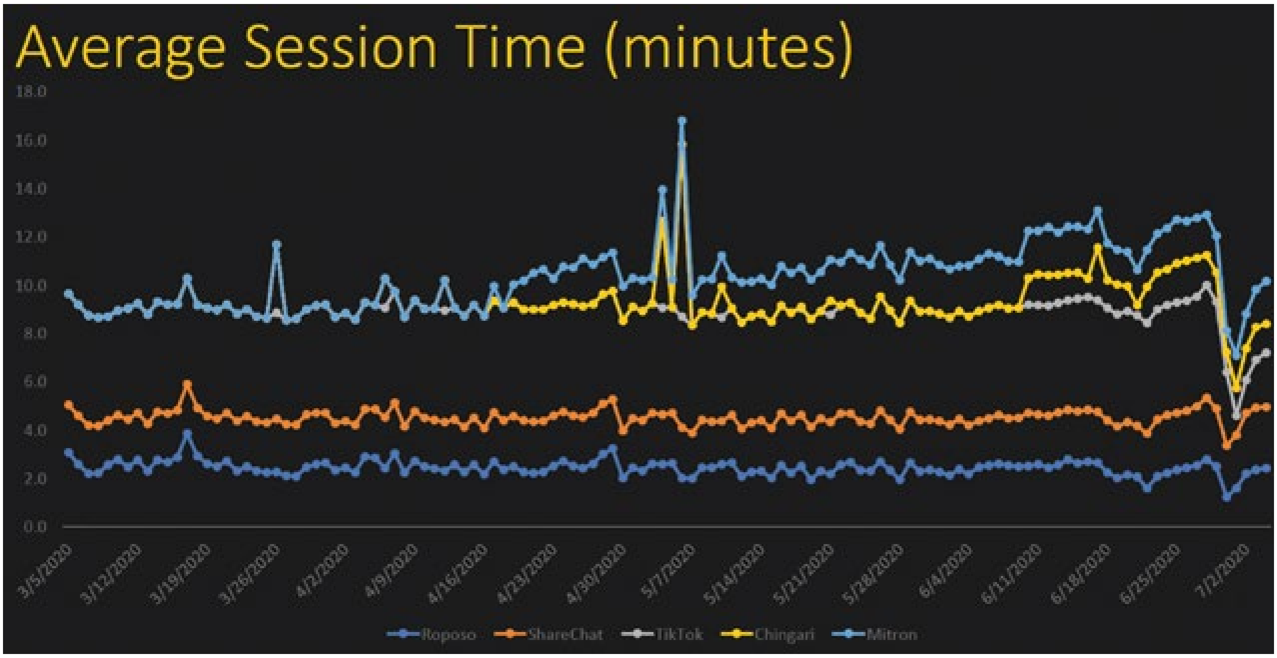
Consider this. Two weeks after the ban, Roposo claimed it was peaking at 500,000 new users an hour, and expecting to have 100 million by July end. Roposo is joined by the likes of Chingari, Mitron and ShareChat — all Indian start-ups that are raking in the spoils. At a time when India, Asia's third largest economy, is rapidly adopting digital and taking big steps to grow the user base for connected audiences, these movements are strong not only in driving digital *atmanirbharta* in user generated content, but also in creating global people brands from India.

The platforms, including TikTok, had become a beacon of hope for name, fame, money (a minimum of Rs 120 crore annually for the top 100 influencers of TikTok alone, as per an Indian Institute of Human Brands report) and entertainment among many across India's varied social, economic and geographical strata, and surprised many.

INDIAN CONTENT CREATORS AND DIGITAL ATMANIRBHARTA

The ban on TikTok may have come as an unpleasant surprise to content creators, but the market already is gearing up for platforms from Zee and Times in addition to existing home-grown platforms and also Instagram Reels By Radhika Bhirani

Photograph by Shutterstock



SOURCE: KALAGATO

Nevertheless, these are just a speck in the country's content creation ecosystem, which is waiting to explode, thanks to the rapid spread of mobile access, insatiable demand and anytime-anywhere content consumption, a population of 1.3 billion, 688 million Internet subscribers, nearly 400 million smartphone users, and an audience rendered homebound for content creation and viewing amid the Covid-19 pandemic.

Consumer as the Creator

The consumer, the latest EY-FICCI report on Media and Entertainment notes, is becoming the new content creator. This has given rise to influencers, whom advertisers have been tapping into to reach a wider audience. While YouTube claims over 1,200 creators with a following of over a million each today, TikTok, which had a 200-million-strong user base in India, claimed several hundred such creators. The numbers are only poised to grow through foreign and home-grown platforms that are mushrooming in the space.

The report expects over 10,000 such creators in the fray by 2025, and media companies are looking at a challenge to build, sustain, incentivise and grow such creator communities.

Ashutosh Harbola, Co-founder & CEO of influencer marketing platform Buzzoka says, "It's a snowball effect. What one will lose, the other will capture very quickly. The important question to ask is, 'Has the market matured?' The answer is yes. TikTok has given a big push for that market to mature, and if any player enters now, it's a great market opportunity to capture a huge user-base."

The ban on Beijing-based ByteDance-owned TikTok (formerly Musical.ly) followed a border clash between India and China in June. A report in China's *Global Times* says ByteDance, which had invested over $1 billion in the Indian market and owns two of the other banned apps — Helo and Vigo Video, could incur a loss of $6 billion from the ban.

The Indian government has raised concerns regarding data security and threat to the country's sovereignty, and is currently drawing clarifications from stakeholders of the 59 Chinese

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Ashutosh Harbola, CEO & Co-founder, Buzzoka

apps that have been banned to review the matter further.

Emergence of New Players

Meanwhile, both old as well as new foreign and native apps and companies are trying to adapt to a market where content creators, consumers, and advertisers are hungry for more. So, here come Instagram Reels, HiPi, Mx TakaTak, Gaana HotShots, Roposo, Chingari, Bolo Indya, Mitron, ShareChat and the like. Some have been around in the market, some in the testing phase, some launched just days after the ban, and some looking at a mega launch soon. And not all are startups. HiPi is from ZEEL, while Mx Takatak and Gaana HotShots are from Times Group.

Rajneel Kumar, Business Head – Expansion Projects & Head, Products, ZEE5 India, says that HiPi, due to launch soon, is intended to further consolidate ZEE5's positioning as India's entertainment super-app. That its launch follows a TikTok ban is not something they could have predicted, but Kumar admits there was a bit of reprioritising of other releases to expedite the processes for HiPi.

Meanwhile, Instagram has since extended a testing of Reels in the country starting July 8. "India has always been a priority for us. All of our test countries (Brazil, Germany, France and India) represent vibrant cultures, and in India consumer demand is strong with videos making up over a third of posts on Instagram. We're excited to see what people create with Reels," says Manish Chopra, Director & Head, Partnership, Facebook.

"In the past few months, we've seen incredible growth as people use our platform to connect with people and interests in this time of social and physical distancing. Many creators have been a source of constant information and entertainment, and a few everyday people have become new creators on Instagram and gained national audiences as well. Reels will take this ahead," Chopra adds.

At the onset, Reels was populated with content from diverse public figures and creators, such as Ammy Virk, Gippy Grewal, Komal Pandey, Arjun Kanungo, Jahnavi Dasetty aka Mahathalli, Indrani Biswas aka Wondermunna, Kusha Kapila, Radhika Bangia, RJ Abhinav and Ankush Bhaguna. That's also going to be the modus operandi for other apps, which are even offering new creative tools, user-friendly interface, building a creator-advertising community, and content.

"India has always been a priority for us. All of our test countries like Brazil, Germany, France and India, represent vibrant cultures. In India, consumer demand is strong with videos making up over a third of posts on Instagram. We are excited to see what people create with Reels"

Manish Chopra, Director & Head of Partnership, Facebook

Says Gaana CEO Prashan Agarwal, "HotShots' biggest USP is the community of leading celebrities and content creators like Neha Kakkar, Darshan Raval, Riyaz Aly, Avneet Kaur, Sunanda Sharma, amongst others. Cross-cultural influencers who were getting a decent dose of consumption in India with erstwhile platforms are also likely to start creating content on home-grown apps like ours to cater to the Indian audience."

Even ZEE5's Kumar says they will launch with over 300 influencers — the plan includes making HiPi the home for actors of ZEE's TV shows and original content across its streaming platform — and eventually expanding it by another 200 and more to make it an "ever-growing list".

Digital *Atmanirbharta*

It is all about giving a push towards *atmanirbharta*. Gaana HotShots, for one, is pitched as a platform which "offers emerging and established influencers an opportunity to migrate to a robust Indian platform and build their own success stories. Bolo Indya, touted as a 'Made in India' brand for all content creators who want to 'go local', claims to represent PM Modi's *Atmanirbharta* and 'Vocal for Local' initiatives. There's also ZEE5's HiPi, which is said to be a 'made for an Atmanirbhar Bharat' platform for making content.

Bengaluru-based advertising tech unicorn InMobi Group's Roposo is described as a "product of Indian minds". Avinash Saxena, Co-founder, Roposo, which currently has 75 million users and has worked magic with theme-based channels to attract users, says, "This is a digital *atmanirbhar* moment for India. A lot of startups, and not just in the content space, have got the opportunity to showcase what they are building and also to get a fair share of viewers' attention. Hopefully, we will see world-class products coming out of this."

So even if this means a 'more the merrier' scenario for content creators, success would need to be measured based not just on the number of active users and downloads, but also user engagement indicators such as open rates (the number of times an app is opened by an user in a given day) and average session time.

Saxena says Roposo's daily active user-base now stands at 20 million, and time spent is 40 minutes per user daily. "The growth has been great. We hope that in the coming weeks we will cross the 100-million-users mark. Before the Covid-19 pandemic, we had 50 million users, and we are happy with the way we are growing."

An analysis by data analytics firm KalaGato shows that while TikTok lost almost half of its unique users to Indian competitors such as Mitron, Roposo, Sharechat and Chingari within 48 hours of the ban, user-level engagement among Indian social media apps was yet to catch up with TikTok's engagement levels. Of course, it will take time.

KalaGato Co-founder and CEO Aman Kumar says, "The growth of the Indian companies is very impressive. But all said and done, TikTok created a lot of smart proprietary technology. Therefore, it is easy for people to say 'I am going to build something similar', but it must be the same in performance, the way people perceive it in terms of utility, etc."

Kumar further says, "People didn't use TikTok just because Tikok was also there. They used it because of what TikTok offered them. If you see the subset of users that used the platform, it is quite dissimilar to Instagram. That tells you that people chose TikTok because as an ecosystem, it may have felt more familiar to them." What TikTok brought to the table was deep penetration into India's hinterlands through 15-second videos, allowing the dreamers to go beyond their dreams, earn a living, and for brands to reach the masses through them.

ZEE5 will launch with over 300 influencers – the plan includes making HiPi the home for actors of ZEE's TV shows and original content across its streaming platform – and eventually expanding it by another 200 and more to make it an ever-growing list

Rajneel Kumar, Head, Products, ZEE5 India

TikTok India head Nikhil Gandhi, who has said that the platform has not shared any information of its users with a foreign government, including the Chinese government, points out the app's contribution in "democratisation" of the Internet.

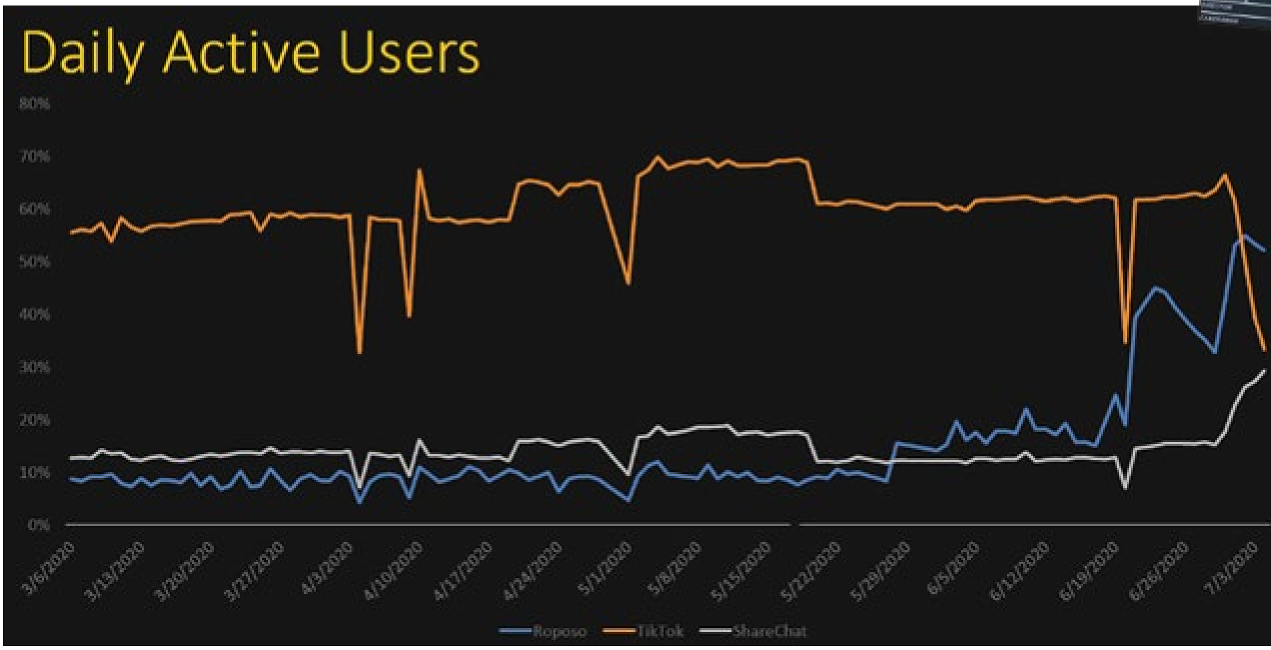
"It has democratised the Internet by making it available in 14 Indian languages, with hundreds of millions of users, artistes, storytellers, educators and performers depending on it for their livelihood, many of whom are first time Internet users," Gandhi said in a statement.

Content Still is King

Content has in the past few years emerged as a vital differentiator and a fierce battleground for most companies, including the Big Five in the tech domain — Google, Amazon, Facebook, Apple, and Microsoft. "Big, global stars can come out of India," Ajit Mohan, MD, Facebook India recently said about the idea behind testing Reels in the country.

Even Indian players are readily tapping into the opportunity by spreading their wings, giving a reason to content creators, both experienced and budding, to be excited. "Many creators are starting from scratch. This makes it exciting for the younger, budding creators to lap up the opportunity and get a shot at building an audience. As for the more popular creators on TikTok, they're going to be in demand from multiple platforms," says Viraj Sheth, Co-founder & CEO of digital entertainment startup Monk Entertainment.

ZEE5 also plans to have two platforms which ease the process of making user-generated content profitable. One will be a self-service window for advertisers to leverage the ZEE5 platform, and another a creator tool where verified users would be on a revenue sharing model with the par-



SOURCE: KALAGATO

ent platform for advertising shown on content they have uploaded. If such efforts fructify, they may expand the pie of earnings for influencers of TikTok, which was in the early days of trying to monetise its business via TikTok ads as well as a business model for its own and its influencers' benefit.

Influencers Speak

For now, the influencers are focusing on establishing presence on Instagram and YouTube, but say the idea of having a successful home-grown app in the space resonates well with the sentiment of self-reliance.

"There is significant noise in the short video market currently, but the final differentiating factor would be the quality of content and the quality of the product. HotShots' biggest USP is the community of leading celebrities and content creators such as Neha Kakkar, Darshan Raval, Riyaz Aly, Avneet Kaur and Sunanda Sharma, amongst others"

Prashan Agarwal, CEO, Gaana

Mohak Narang, a 19-year-old from Hisar in Haryana with a following of 14.3 million on TikTok, says, "We do have plans to migrate to the Indian platforms, but right now I am piling content. As and when I feel I have a decent following on Instagram or YouTube, I will support the Made in India apps. That is the plan."

Similarly, TikTok-er Shivani Kapila, who too has been growing her presence on Instagram and YouTube, says she needs some time to understand what's happening before taking a call. "What I am sure is the show must go on," she says.

If a single app of the scale and reach of TikTok was to emerge from India, it would do another thing necessary for the ecosystem: clear the clutter for talent, and open the pool for more people to break the glass ceiling.

Chingari, for example, is trying to woo more users with its 'Chingari Star — Talent ka Mahasangram', a digital talent hunt where the best content creator will be given Rs 1 crore in prize money. "The competition is aimed at promoting desi talent and helping them fulfil their dream of becoming famous and rich," says Sumit Ghosh, Co-founder & Chief Product Officer, Chingari App.

What's a win-win for these platforms is there is an audience waiting to watch, especially amid the pandemic, which has left consumers scrambling for entertainment avenues at home.

But from an advertiser's perspective, KalaGato's Kumar asks, "Creators are happy to switch platforms as they are there for the money/influence/followers. But brands will advertise where their customers are. Tomorrow, if a number of people start using another platform, then brands will switch over too. But are fans switching over? For that to happen, we have a long way to go." BW

DEMOCRATISING CREATIVITY

AT a time when digital media consumption is accelerating, Amin Lakhani, COO, Mindshare South Asia, GroupM's media agency looks favourably on the slew of new launches, and homegrown brands, in the short video content space. In a chat with Noor Fathima Warsia, he observes that the times ahead promise clutter-breaking marketing solutions from such platforms. Excerpts:

With the TikTok ban, it appears the market is ripe for existing players to up their game and for new players to stake a claim. While we are seeing some signals of shift in audience behaviour, will advertiser money shift as well?

It is still too early. It has barely been 20 days now since the TikTok ban to notice any decision making tends. However, the principle remains the same. Consumers or audience eyeballs follow stories and money will follow eyeballs. These three are connected. As consumers become more evolved and are exposed to newer, better and engaging story formats, the platform will attract more audience.

TikTok as a platform did create a change in the ecosystem for the content creating industry. Now, when it is not operational in India at present, it opens up opportunities for either product launches or existing players to ramp up offer. However, for advertiser monies to shift, we have to still see if the new platforms are brand safe, have measurement, bring incremental reach, and whether the consumer experience on the platform is as good or equivalent to earlier platforms.

We are seeing established media companies launching products and also new players — does one have an advantage over the others?

In terms of pedigree of experience, for sure, Zee is the oldest, and arguably the platform from the Times Group as well. But that is not sufficient condition to be successful. Google and Facebook were new once. All of these platforms are at the same starting line from a user experience standpoint. The initial advantage perhaps is that platforms that have other media products in play will be able to leverage it better to access consumers, giving them some headroom towards sampling. The real test still is if a consumer takes on the platform.

We are speaking so much about *atmanirbharta*. Will marketers make a choice from that lens?

Marketers will definitely put value on Atmanirbhar Bharat. It is a virtue to be proud if. Their objective, however, is to ensure their organisations are in line with this vision. The marketing play will have to support this company goal of staying on the path of *atmanirbharta*.

Are you seeing more clutter-breaking solutions come into play with this outburst of content platforms, short video taking a lead in that present?

There is no doubt about that. The success of TikTok has really paved the way. It has caught the attention not only of the consumers but also of the marketing community. Once you have hit the sweet spot, the trajectory is towards growth. Also, the digital nature of these platforms is a great leveler. It will enable people in India's heartland just as much as it would in urban India, thereby democratising creativity itself. BW

Photograph by Ritesh Sharma

"I Totally Support #VocalForLocal"

SHE has over 40 million followers on Instagram, 10 million and above on YouTube, 14 million-plus on Facebook. And had 17 million fans and beyond on TikTok. A popular singer and a reality TV show judge, celebrity influencer **Neha Kakkar** has spread her wings across social media platforms with her quirky videos, collaborative content with artistes from across the country, and creative concepts over the recent past. In this interview with **Radhika Bhirani**, Kakkar speaks on opportunities opening up for content creators in India. Excerpts:

Has the rise of Indian apps in the user-generated content opened up more opportunities for content creators?

This is a great time for content creators in India. It not only gives people from across the society a chance to showcase their talent, but also gives them an income through paid partnerships and various other associations. We are definitely in a reality, where the more, the merrier.

Do you feel this rise in the 'digitally atmanirbhar' sentiment will draw more people from tier-2, tier-3 cities to leverage the opportunities that the ecosystem presents?

As for the ecosystem, thanks to the digital boom, the world has become a smaller place to live in. Everyone out there is showcasing some form of talent sitting from their homes and phones.

Everything is just a click away. It is entertaining and de-stressing, and at the same time, it keeps you in touch with your creative side. If you are good, one can monetise the content too. The future is bright.

As a public figure, how did your presence on platforms such as TikTok or Instagram help you establish a deeper connect with fans. Did this also turn out to be fruitful in terms of generating more brand associations and visibility?

I believe that as a public figure, one needs to be one's genuine self. You should be original on social media instead of trying to be someone else. That is what worked for me. This gave me an instant connect with people ranging from a child to a senior citizen. They become a part of your life's journey through thick and thin. This, in turn, also helps brands in achieving at least one of their attributes via the celebrity on social media if the connect is good. Consequently, there is influx of brand endorsements.

Have you considered joining the rallying for #VocalForLocal by being on any of the Indian apps in the short video content space?

I am a true Indian, and I would love to join an Indian app. I totally support #VocalForLocal. Soon you will be seeing me creating content on some of the Indian apps as well, and I believe it will be good. BW

Not TikTokers Or Instagrammers, But Content Creators

AMONG the top women influencers in India's social media universe, **Kusha Kapila** has established her 1.2 million fanbase on Instagram, and more across platforms, with a steady stream of creative content around her alter egos 'Billi Maasi', 'Gurri Di Mummy', 'Naina', 'DJ Aarti' and the likes. In her observations, as told to **Radhika Bhirani**, the social media influencer advises that viewing one's presence with a single lens is similar to limiting one's creative potential to a silo

IT IS NOT WRONG TO SAY THE TikTok ban has left many content creators scrambling for visibility in current times. But my advice is that do not put your eggs in one basket. Perhaps this phase is a great way for many creators in India to know that expanding yourself should be priority. If you want people to take your business seriously, you cannot be only on one platform.

When I had just begun posting on Instagram, I remember, I did not have access to internet for four days, and I could not post. That is when I realised that my life has to be more than an app. And I decided to try and have as much presence anywhere and everywhere as possible.

As content creators, we must remember, we are not TikTokers or Instagrammers or YouTubers, we are creators, writers, directors of photography, edit masters — we are many things. And we can take whatever we create to any platform. The answer in changing times simply lies in adaption.

We are living in times of lockdown, and people have been generating content from their homes. This is human nature. We are quick to adapt. We should trust our basic human instinct, and leverage the fact that we can transition, and just go with it.

Knowing the end-goal is vital. It is a good time to take stock of why content creators do what they do, why are we in this. Is the end-goal making money? Is it getting famous? Is it for social validation? Or is it for entertainment? My advice to content creators is choose your platform accordingly.

If you are creating for the sole purpose of creating money, go to platforms where you know you can definitely monetise your presence, like YouTube, which is the only platform as relevant today, as it was a decade ago.

That being said, newer initiatives such as TikTok are noteworthy for reaching through to people who never thought of themselves as creators. It did not only go to tier-2 and tier-3 cities, but it also went to rural India. It was a space, where TikTok specifically was the first mover.

Now it has been taken away but there are many new options. For content creators it means becoming first movers on an Indian app, and why not? Do it. I will definitely try them out. BW

INFLUENCERS SPEAK

When comedian Jerry Seinfeld used mundane occurrences to evoke laughter, who knew he would become a global image one day? The fact is, you never know from where and when a star is born. The burgeoning platforms in the short video content space are leading to the emergence of a global human brand from India. It cannot be dismissed that the virtuous cycle of content creation and consumption is creating a distinct scene, allowing the common man to live uncommon dreams through the digital world. Creating content heroes, marketers say, should be a long-term goal for the new and emerging platforms in the domain. And that would lend a hard push to India's soft power. But for that to happen, the platforms need to have the right mix of ingredients to appeal a userbase — from a creator, audience and advertiser perspective — with tastes as diverse as India itself. Apps like TikTok changed the game in the social media space with short -video content. The platform made it easy to create content for the tier-2, tier-3 and tier-4 people with smartphones and earn money easily.

By Radhika Bhirani

SAMEEKSHA SUD

24MN	3MN

WITH OVER 24 MILLION fans on TikTok, Sameeksha Sud is counted among one of the top 10 influencers on the currently banned platform in India. Her popularity as a social media influencer was preceded by a career as a Hindi television actor. But a shot at lip-sync apps and a chance to make original short-form content via a challenge, gave her a taste of being able to do something new. With TikTok gone since June 29, Sud's earnings, like many others, who were on the platform, have been affected. But she has put her energy into posting more content than she used to earlier, on her Instagram and YouTube pages. Her YouTube presence is through TeenTigada, which she created with Bhavin Bhanushali and Vishal Pandey. "I was shocked about the ban initially, but obviously, no app and nothing else is bigger than our nation. I support it, and I am confident that what will happen, will happen for good. Whatever the final decision may be, I stand by India," she added, who wants to wait and watch before taking the plunge into a new platform. Pointing at the USP of TikTok Sud said, "The fame that I got from the platform is one thing. But it gave an opportunity for talents in smaller towns to have a shot at a quick rise to fame. People from smaller towns got a bigger stage through this unbiased platform, where good talent could emerge out of anywhere." She is sampling Instagram Reels nowadays, and also getting some television show offers once again.

MOHAK NARANG

14.3 MN	810K

HE'S JUST 19 and raring to go. The past six to seven months, much of which went by in the lockdown, proved to be a boon for Narang, who was able to notch up a fan following of 14.3 million on TikTok. The youngster from Hisar is known to India's TikTok fans for his romantic, comedy and fun videos. When he started his journey, social media craze was not at its peak. But he was intrigued by the game of fame. TikTok was Musical.ly back then. People mocked him. But he ignored that. "I started slow, but in the past five to six months, I got a tremendous spike in the following. I was trending each day. I ensured to take part in challenges and increasing my presence. On an average, I was getting 2-3 million likes on each video," he said, who is now busy building his visibility on Instagram and YouTube. With his TikTok presence, he was being able to earn a "good amount" every month. According to industry experts, a talent with the following Narang can earn up to Rs 200,000-250,000 every month through song promotions, jingles, official challenges, et al. Since the lockdown, Narang said his income was down a straight 50 per cent. Not choosing to follow other influencers, who are running helter skelter to newer apps, he wanted to wait till the "time is right". He's up for supporting a 'Made in India' product. He added, "I would love and prefer to promote an Indian platform. I will shift my presence to an Indian platform, and it will give me a good feeling too, doing something for the country."

SHIVANI KAPILA

10.6 MN	171K

HOW DID @LITTLEGLOVES take birth? Through Mother TikTok! It was her base. She grew with Mother TikTok well. She worked hard. She knew how to cater to her audience. But now it's gone. Now everything that I had planned for the next five years has gone," rued Shivani Kapila, who left a cushy job in the human resource to pursue a newfound passion of content creation two years ago. The interim ban on TikTok, where she grew her presence to 10.6 million followers with quirky videos featuring her mother-in-law as well as "partner in crime" Umesh Saini, has come hard on her. "I had a well-settled profile, which was growing. I had a lot of brand collaborations. And suddenly everything went to nothing. Within a minute, I lost two years of my life. I left my job, changed my city, I grew my account... All that was gone," said Surat-based Kapila, who is now making strides to grow her presence on Instagram and YouTube. On TikTok, her popularity led to interesting collaborations and opportunities to monetise. "I was happy to earn through my creativity," she added, whose Instagram presence currently stands at 171,000 followers. Her earnings, she shared, are currently down by 100 per cent. "I used to get 2-3 collaborations per week, which is now stopped. I am sure any platform, which will give us the right recognition, will attract creators," she added, who is yet to try out any of the Indian origin apps in the short video sharing platform space. Sentimental about losing the connection she had built with her fans, she said, "It's like losing a well-built family."

GEET

1.1MN	181.3K

FOR GEET, A FORMER lawyer, her presence in the TikTok world — spread across three channels @TheOfficialGeet (4.6 million followers), @EnglishWithGeet (6.3 million followers) and @OfficialGuruG (550,000) — was an extension of her life as a social worker looking to make a difference in the society. Hopeful that the ban on the short video sharing platform is not permanent, she felt there is currently no platform to "match the organic reach" that influencers were getting through the easy-to-share, bite-sized and inclusive format of TikTok. "It was allowing me to have such an amazing impact," said Geet, who as a child harboured a dream to be an actor, until a car accident left her wheelchair-bound. It didn't, however, dampen her spirit. "The reason why I gave up acting was because my teacher told me that I was on a wheelchair, I could not be an actress. TikTok was an equaliser. It was allowing people to be on the same footing. People felt accepted, and they could have dreams for a better life," she added, one of the early motivational and educational content creators. "In a slum, I can reach from 20 to 100 people with a particular message. And here, with a short video, I could reach hundreds and thousands of people. I realised through TikTok that 15 seconds is all it takes to change a life, a heart and a mind," she said, adding, "People are using other apps, but I hear that during peak hour surge, these platforms are unstable as they weren't prepared for so many users so fast."

ABHESHEK GARG

1.3MN	207K

ABHESHEK GARG, WHO calls himself a 'lifestyle advisor', started his journey as a digital influencer with Instagram. He perceived TikTok as a medium aimed at India's tier-II and III markets. But over the past six months, driven by his own experience, he felt the perception was changing. "My growth on Instagram increased 10-fold after I joined TikTok," he said, a plywood manufacturer who was raised in Yamuna Nagar, Haryana. His presence on the platform won him the Karamveer Chakra award for raising awareness on social causes. He believed expansion is a necessity for content creators, but there's a lack of a "good and stable" alternative to TikTok, except Instagram Reels from the international market, and India's Roposo. "It is a chaos with numerous options right now, but Roposo is the closest substitute and user-friendly. A lot of things are similar, and it's also an Indian app," he said, noting the wave of the 'atmanirbharta' sentiment. He added that before the ban, TikTok was aggressively testing a 'TikTok Creator Monetisation' module, which would help connect creators with brands directly on the platform. India, he believed, is fully capable of coming up with its own app, but it has to build an unmatched ecosystem and user engagement rate. "If one has to speak about the big players, lets understand that they are big because of the Indian audiences on their platform. The number of Internet users here is high".

IS A BHARAT NOT QUITE *NIRBHAR* ON CHINA REALLY A PIPEDREAM?

India has taken firm steps to reduce dependence on imports and investments from China, but hard numbers show up many hurdles

By Avishek Banerjee & Siddharth Shankar

MID-JUNE 2020, the Department of Telecom (DoT) of the Union Ministry of Communications, asked two state-run telecom companies – BSNL and MTNL – to refrain from using Chinese equipment in their 4G expansion. The DoT advised private telecom operators to do the same.

Later in the month, the Maharashtra chief minister paused three Chinese projects worth Rs 5,000 crore (including Great Wall Motors). Soon after, Uttar Pradesh and Haryana made conditions for imports from China more stringent too.

At around the same time, a union of MSMEs (micro, small and medium enterprises) in Noida, comprising 20,000 MSME units, decided to boycott Chinese products and equipment in their manufacturing processes. In early July, Union Minister Nitin Gadkari announced a ban on Chinese companies. (both independent and joint ventures) participating in highway projects. He said Chinese investors would be discouraged in MSMEs too.

A more direct consumer facing development came in July, when the government banned 59 Chinese mobile applications, including social media platforms, such as TikTok, WeChat and Helo, citing the "country's sovereignty and integrity, and security of the state". Soon after Union Power Minister, R. K. Singh, declared that India would not import power equipment from China.

Action began at the company level too around this time, when companies like the JSW Group voiced decisions to boycott China. The group said it would

stop importing $400 million worth of goods from China over the next two years. Earlier the Indian government had made changes to its foreign direct investment (FDI) policy mandating government clearance of all FDI inflows from countries that share land borders with India, which of course, pertain to investments from China too.

The government, companies, consumers – have all taken a firm stance against China. While the immediate trigger was the clash between the troops of the two neighbours at the border in Ladakh, the decisions also come when India is firing on all cylinders in its bid to achieve '*atmanirbharta*' or self-reliance.

Boycott of Chinese goods is no longer limited to rhetoric and firm measures have been taken by the government to reduce dependence on imports from China. For instance, India has commissioned four new urea plants that should go on stream before 2021, which is a step toward self-reliance. All of this, however, is only half the story. The other half of the story is the very crux of the problem itself – India's deep dependence on China.

Chinese investments into the Indian economy amount to nearly $8 billion in myriad sectors including Indian startups, tech companies, smartphones and applications (apps)

A Relationship Too Deep

Earlier in the year, when the coronavirus had just reared its head and China was the place of origin, the TVS Group, Hero MotoCorp, Mahindra & Mahindra, Maruti Suzuki, had all indicated disrupted manufacturing and production, owing to supply glitches from China. .

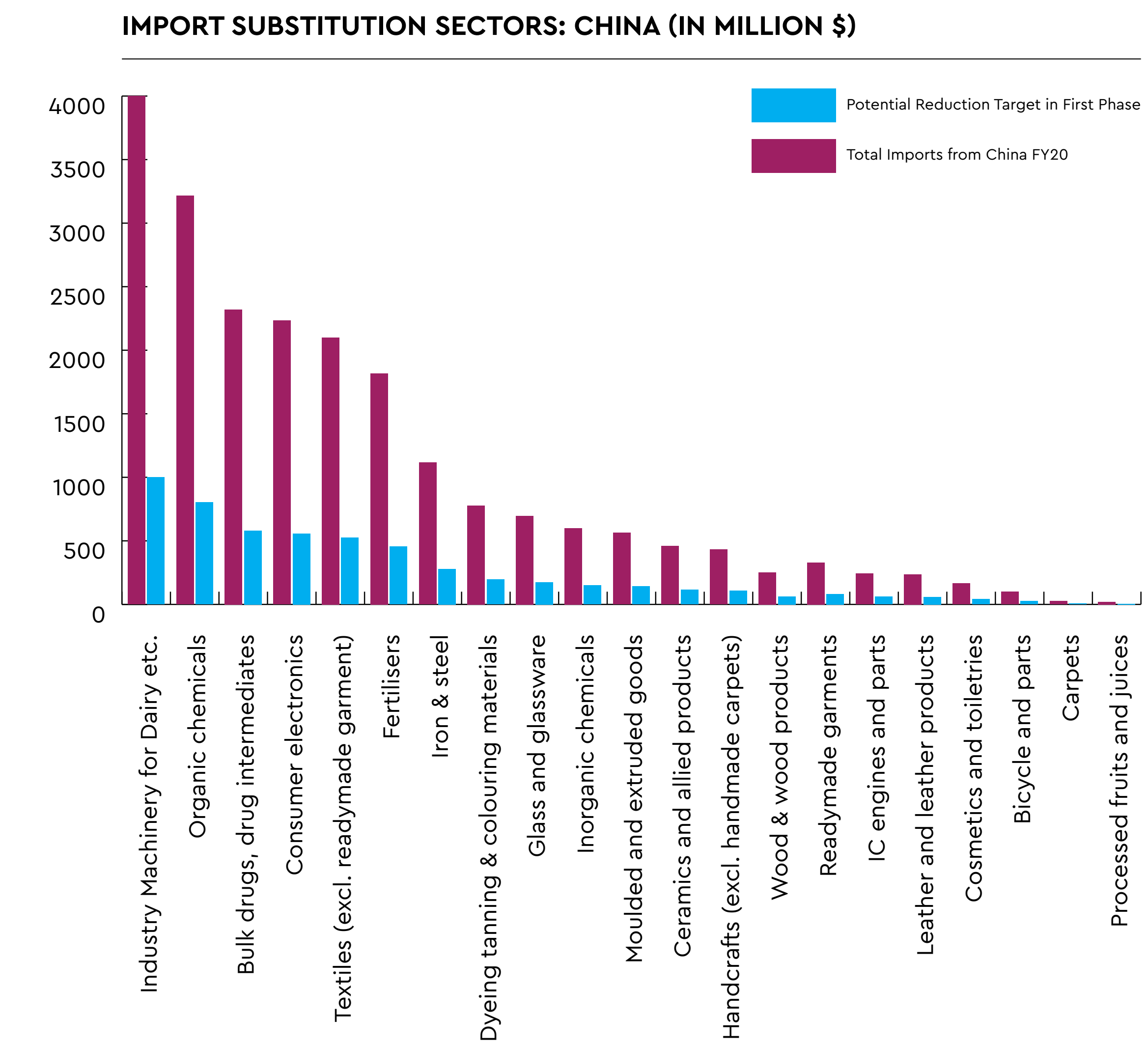
India is a large importer of components from China. In 2018-19 imports from China made up 27 per cent or $4.75 billion out of the total $17.6 billion imports into India, according to the Automotive Component Manufacturers Association (ACMA), the apex body of auto parts manufacturers. India imports drive transmission parts, electronic and electrical items, cooling systems, suspension, braking and steering parts from China.

India depends heavily on China for batteries and battery cells used for building electric vehicles. At present, no company in India makes these components locally while China has a near monopoly in battery cell production in the world. Not just the auto sector but pharmaceuticals, consumer durables, telecom, power, luggage and several other industries are in a similar predicament.

Chinese investments into the Indian economy amount to nearly $8 billion in myriad sectors including Indian startups, tech companies, smartphones and applications (apps). At least 18 of 23 Indian startups, including Paytm, Snapdeal, Ola, Swiggy, Zomato and BigBasket are backed by Chinese investors such as Alibaba, Tencent and Ant Financial.

According to data and analytics firm GlobalData, Chinese investments in Indian startups have grown 12 times over the past four years to $4.6 billion in 2019 from $381 million in 2016 with a majority of uni-

Photographs by Shutterstock



Source: Government of India; Centre for Monitoring Indian Economy (CMIE)

corns in India being backed by corporates and pure-play investment firms from China. Industry pundits claim that in the short-term, India's decision may affect liquidity in Indian firms, especially home-grown unicorns and startups.

"The economic consequences of these moves are likely to be decent initially. However, a bigger impact would come if India decides to completely break away from China and seriously try and secure stronger strategic ties with the United States, Japan, Australia, France, UK and other such countries," says Kausshal Dugarr, Founder and CEO, Teabox, India's luxury premium tea brand.

Investors Unfazed

While the situation is marred by several uncertainties, most Chinese players maintain that this is a temporary phase and that it will not impact Chinese brands in India. Chinese smartphones like Oppo, Vivo, Realme and Xiaomi command a lion's share of the Indian market at 72 per cent, outselling Nokia, Samsung, Motorola and Apple.

Over the last few years, a handful of Chinese auto giants like MG, Great Wall Motors, Haima, etc. have also forayed into India. Retailers opine though, that the growing anti-China rhetoric is unlikely to sway consumer behaviour, because of the perceived 'value for money' in Chinese products, especially smartphones.

Xiaomi, the smartphone market leader in India, has seven factories in the country. It was planning to invest more than $500 million to expand its retail presence in India. Other manufacturers such as Oppo, Vivo and OnePlus also run self-owned manufacturing facilities in India.

"The fact that we have been able to

grow from a non-existent brand nearly five- and- a- half years ago to a brand that leads in the smartphone category in the offline space and is number two in the overall market, reflects the strong love and support of customers, retailers and business partners," points out Nipun Marya, Director, Brand Strategy, Vivo India.

Marya expects this sentiment to continue. "People within the Vivo ecosystem, whether they are retailers or partners, know the kind of investments done in establishing our made in India commitment. Through our make-in-India initiative, 100 per cent of what we sell in India, is made in India. We have already earmarked Rs 7,500 crore investment towards Make in India with respect to manufacturing. This will in turn generate employment opportunities for 10,000 directly and 30,000 people indirectly," he goes on to say.

"We need to be the factory of the world. This process will be a phased and calibrated one, wherein we can develop deep competencies, "

PANKAJ MOHIDROO,
Chairman, ICEA

Teething Troubles

While Chinese players are unfazed, some industries are facing the brunt of the ban on imports. The immediate impact of the anti-China trade policy could affect the supply chain of Indian manufacturers. Auto and smartphone industries are, for instance, dealing with heavy surveillance of Chinese parts at the various ports in the country. Many consumer electronics makers have said that production would be "paralysed" if they were unable to import crucial intermediate goods from China.

"We are not worried about finished goods. But most players across the globe import key components such as compressors from China. It would take a long time to set up local supply chains, and there are few alternatives for certain kinds of imports," says B. Thiagarajan, Managing Director of Blue Star.

Rajan Wadhera, President, SIAM, too corroborates the fact that import consignments being subject to manual inspection, was resulting in inordinate delays in clearance at the ports. "Inordinate delays in clearance due to congestions at ports could eventually impact manufacturing of vehicles in India. The industry is piecing itself together as growth is limping back. Any further disruption at this juncture is best avoided," says he.

"It would take a long time to set up local supply chains, and there are few alternatives for certain kinds of imports,"

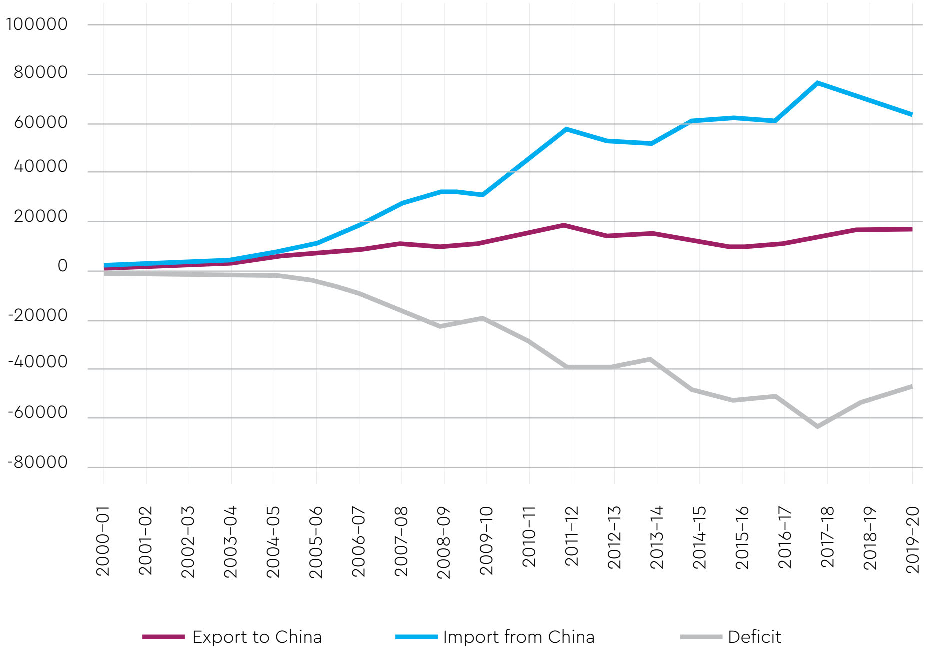
B. THIAGARAJAN,
Managing Director, Blue Star

Atmanirbhar Bharat

Chinese stainless-steel companies have set up large production capacities in Indonesia and have been shipping products in large quantities into India. "Unwarranted imports of stainless steel products from Indonesia have distorted the stainless steel markets, not just in India but around the world. During the countervailing duty (CVD) investigations carried out by the Government of India, it was proven that Chinese mills producing stainless steel flat products enjoy subsidised logistics and resources," points out K.K. Pahuja, President, ISSDA.

"*Atmanirbharata* has been at the heart of our core strategy since 2014-15. The result is that CBU (completely built up) imports from 78 per cent of domestic demand in 2014-15 have come down to three per cent. We need to be the factory of the world. This process will be a phased and calibrated one, wherein we can develop deep competencies, which see us through for the next two-three decades. There is no place for any knee-jerk or disrupted action in this project," says Pankaj Mohindroo,

INDIA'S TRADE WITH CHINA: AN EVOLUTION (MILLION $)



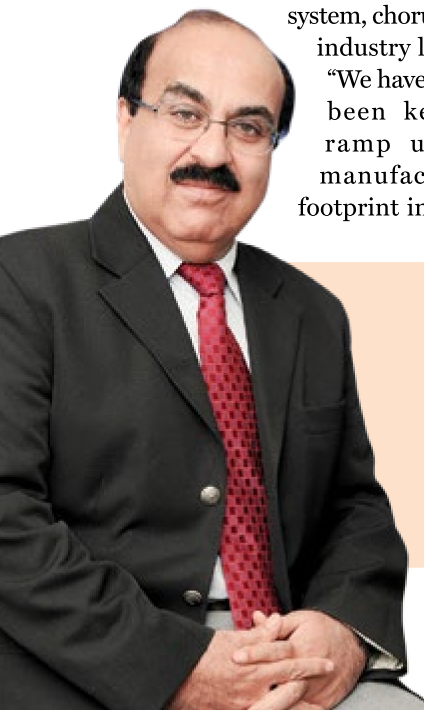
Source: CMIE

Chairman, India Cellular & Electronics Association (ICEA).

Factory of the world

Could India truly be the factory of the world, by decreasing it's dependence on China? Yes, indeed, it is possible if there is an enabling eco-system, chorus most industry leaders. "We have always been keen to ramp up our manufacturing footprint in India. But we all know that is not easy. You cannot just unplug factories in other countries and bring them to India. The infrastructure, incentives, commercials, etc. must make sense," point out. Rahul Agarwal, Manaing Director, Lenovo India.

"We have been requesting the government to give us some incentives (for laptops, desktops, etc). The government has done that in the mobile industry by coming up with a Production Linked Incentive (PLI) scheme and if they can extend that to computers, we can enhance our manufacturing and R&D activities in India," says Agarwal.



"Not only source components from here and Make in India, we are also ready to export,"

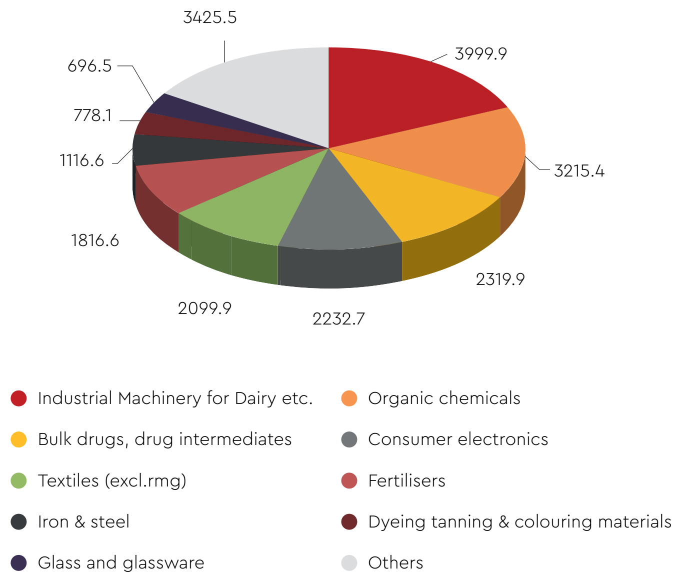
HARISH KOHLI,
Managing Director, Acer India

Shedding Flab

On the flip side, India's trade with China did indeed decline from $89.71 billion in 2017-18 to $87.07 billion in 2018-19. Data from the Directorate General of Commercial Intelligence and Statistics indicates that India's imports from China were $70.32 billion in 2018-19, while India's exports to China were $6.75 in 2018-19. India's trade deficit with China was $53.57 in 2018-19, which decreased to $48.5 billion in FY20.

Acuité Ratings & Research claims that India can potentially reduce its trade deficit with China by $8.4 billion over FY21-22, which is equivalent to 17.3 per cent of the deficit with China and 0.3 per cent of India's GDP. Without any significant additional investments, the domestic manufacturing sector can substitute 25 per cent of the total imports from speci-

SEGMENT WISE IMPORTS FROM CHINA (MILLION $)



Source: CMIE

fied sectors in the first phase.

"The dependence of the domestic economy on Chinese imports remains high with direct contribution to over 30 per cent of India's aggregate trade deficit. Over the past three decades, India's exports to China grew at a CAGR of 30 per cent but its imports expanded at 47 per cent, leading to lower capacity utilisation of domestic players in a few sectors," explains Suman Chowdhury, Chief Analytical Officer, Acuité Ratings & Research.

Reality Check

Even though there is intense clampdown on Chinese products and investments in the country, the impact may not be that earth shattering as China accounts for 0.5 per cent of FDIs into India. China is India's largest trading partner, with trade being skewed in China's favour. Out of the $2.5 trillion overall Chinese exports in 2018, India accounted for around $70 billion, which is roughly three per cent of the total exports.

"We are ready to put everything here, but the key point is to have chipset manufacturing companies like Intel or AMD to set up their fabrication plants here in India. We have been saying we are ready to look at whatever is available in the country and we are ready to buy it from here. Not only source components from here and Make in India, we are also ready to export," says Acer India MD Harish Kohli. "Acer India has been exporting desktops to Vietnam, Indonesia, Thailand, Philippines from our factory in Pondicherry," says Kohli speaking to *BW Businessworld*.

At present, India imports almost 50 per cent of its electronic goods and 75 per cent of raw material for lucrative generic medicine. China is not dependent on India to the same extent for raw materials or intermediaries. India imports mainly toys, lightings, electronic products, parts of computers, cars and motorcycles, milk products, fertilisers, antibiotics and mobiles, among other things.

> "You cannot just unplug factories in other countries and bring them to India. The infrastructure, incentives etc. must make sense"
> **RAHUL AGARWAL,** *Managing Director, Lenovo*

Rooting for a non-China *nirbhar* (reliant) India, has a ring of nationalism around it, but it is not a mission that will prove easy to achieve. India's move toward self-reliance and toward leveraging an opportunity when companies globally are looking at alternatives to China, will only truly play out if the Indian government pushes more to create an enabling ecosystem and ease of doing business in India. The road ahead is clear, but still way too long. BW

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UNDERSTANDING ATMANIRBHARTA

Global competitiveness requires that costs of production in India be lowered to the levels prevailing in the most efficient manufacturing countries, writes R.C. Bhargava, Chairman, Maruti Suzuki

RECENTLY, THE PRIME Minister gave a call asking Indian industry to become Atmanirbhar or self-reliant. The Covid pandemic, and the subsequent Chinese problem, has highlighted the dependence of Indian industry on imports to keep manufacturing lines functioning. Attaining high rates of manufacturing growth and becoming globally competitive would be difficult if there is a large import content in manufactured products.

Global competitiveness requires that costs of production in India be lowered to the levels prevailing in the most efficient manufacturing countries. Indian industry, to become a part of the global supply chain, also must have a high degree of reliability in making supplies. Both objectives would be best served by localisation of imported materials but at competitive cost and quality. Policymakers must understand the importance of helping to lower costs of production.

India would need to widen and deepen its manufacturing industry in a competitive manner to reduce dependence on imports. Subject to technology being available, this requires high volumes of production and a cost-competitive operating environment. In many industries, the volumes of production in India is now large. Pharmaceuticals, automobiles and cellphones are a few examples. The potential for growth for many products is immense.

Often the technology required for localisation is with foreign manufacturers. Till now most of them have not invested in India because they found that other countries offered a better environment and they went to countries such as China, Vietnam, Thailand and Indonesia. Facilities in these countries were used to export to other countries including India. It is obvious that if Atmanirbharta is to be achieved, and dependence on exports reduced, India should become a more attractive place for investment by such manufacturers.

It is surprising that for long policymakers have not attempted to make manufacturing in India cheaper and more competitive. The 'Ease of Doing Business' campaign and the numerous reforms undertaken in the last six years have been the first effective efforts in this direction.

More needs to be done, particularly in respect of reducing costs of manufacturing and increasing competitiveness.

In my very recently released book Getting Competitive I have analysed why India has not become a competitive manufacturing country and made some suggestions on what needs to be done. The root cause of the problem lies with policymakers not understanding that an essential condition for competitiveness and growth is to keep manufacturing costs as low as possible. Policies should have been designed with this objective. Instead, most policies and strategies in the period up to 1991 did the opposite. Even after that government policies largely continued to result in higher costs of manufacturing. In the last six years, the environment for doing business has significantly improved but much more needs to be done to reduce costs of manufacturing, and to increase demand for manufactured products.

Industrialising India and building a socialist society were two main objectives of the government in the 1950s and remain valid even today. The error in policies was to try and bring in socialism through strategies and policies for industry. Industrial growth was to be spearheaded by public sector enterprises. They were also supposed to help in creating a socialist society. Both objectives were not achieved, and these enterprises are one reason for the non-competitive working of the private sector.

Many inputs, such as electricity, were higher priced for private industry so that other customers could pay lower prices. With employment generation in government and public enterprises being a priority objective, costs of production were often high and quality inconsistent. Lending costs for industry were raised as banks were required to give cheaper loans to other borrowers. The result was that manufacturing costs became uncompetitive; growth of demand was lowered and attractiveness of investments in manufacturing suffered.

The distrust of the private sector industrialist, continuing till now, and the fear of being accused of corruption, has determined how government officials deal with private industry. Decision-making usually takes a long time as value of time is not appreciated. There is no attempt to facilitate competitive manufacturing. Outcome is higher costs.

The rate of taxes on manufactured products were fixed on socialist principles. This has continued till now. It needs to be recognised that manufacturing can grow only as fast as demand grows. High taxes lead to lower demand and slower growth. A longer-term view must be taken by policymakers. I do not want to convey that competitive manufacturing only requires government actions. Industry has a major role to play and that aspect has been discussed in my book.

Atmanirbhar India requires an environment where government and industry work as partners, demand for manufactured products grows at a high rate, doing business becomes as easy as anywhere else and manufacturing is competitive in terms of cost and quality. BW

"China's Loss Should Become India's Gain"

GAUTAM Singhania, Chairman & MD, Raymond Group details the mindset that India must have to become self-reliant and to seize global opportunities, in this interview with BW Businessworld's **Siddharth Shankar** and **Avishek Banerjee**. Excerpts:

Given current conversations, especially after the geo-political conflict with China, what are your thoughts on how soon will 'Make in India' and being self-reliant be closer to a reality?
I have always been a big supporter of Make in India and the Raymond Group has always made investments within India. I should say this with all transparency that as a group, we have the option to invest anywhere in the world, including China. When we make an investment decision in India, it is after evaluating China. Because we find it is more cost-competitive to make in India. In the current scenario, we must further promote the concept of 'Be Indian, Buy Indian'.

Every country has its concerns. Many are closing borders and thinking with an internal focus. While we are not allowing travel and tourism, India has 1.3 billion people. If each one helps one, and each spends one dollar, we can spend a lot of money. We can kickstart the economy because we are in a favourable position, where we can do the manufacturing. We already have the consumption base. Many countries do not have this advantage. In the UK recently, there were calls like please go and eat out in a restaurant and support a restaurant. Consumers are supporting their own economy.

Also, there is pent-up demand in India already and the moment we see operations resuming, we will see people spending – take the example of the massive influx of tourism within Goa as hotels opened up. Incidents such as these will grease the wheels of the economy.

> "With a 'Be Indian, Buy Indian' mindset, we can emerge from the economic situation we are in much faster than any other country. But we must open up and get the economy started"

The textile industry in India was long affected by imports from China of goods that were considered cheaper, substandard even. Is this changing now?
Apart from cheap and substandard products that come from China, there was wrong declaration of goods as well. They would write international brand names on the fabric and export it to India. They would say this is cashmere while it was polyester. Essentially, this is dumping, and it needs to be stopped.

We understand that in India, one would rather pay 2-5 per cent more for a product but support their own country than worry about imports. Arguably, even if we stopped import of every product, unless it is essential, for the next one year, India will come out stronger. With a 'Be Indian, Buy Indian' mindset, we can emerge from the economic situation we are in much faster than any other country. But we must open up and get the economy started.

How do we get companies moving out of China to set up base in India?
Eventually, it is about policies that are set. Sitting in London or New York, the world is your oyster. You look at where to get the best returns from, which boils down to the ease of doing business. The current situation where businesses and companies are finding alternatives to China is really a once-in-a-lifetime opportunity. The government needs to really gauge whether India is getting enough of the pie that is coming out of China. It should set its own target. We should ask ourselves what is stopping us from getting 90 per cent of this pie when we have such a big thrust on Make-in-India. Right now, what is China's loss should become India's gain.

Do you see the ease of doing business in India changing for it to become a global hub in manufacturing?
Ease of doing business has many criteria. If you look at the scorecard, it is not only one item that will make someone invest. And 'ease' is the operating word here. It translates into everything you have to do — whether you have to get permission, dealing with labour, infrastructure, how to get a ship to export on time, the size of the domestic market — there are many such aspects that go into ease of doing business. So far, companies have seen, and have decided that China is easier to do business in. That is why the investment went there. A change has to come at that level for India to grow and build itself.

What about at the consumer level? Do you think consumers will shell out more money to buy Indian?
The first question is why should it be more expensive to make in India? If China can make it at a certain cost, why can companies in India not make it at that or lesser cost? If the government is subsidising the Chinese product, then that is an unfair trade practice. We need to break the product up, part by part, to fully understand where the cost difference is. I am sure if a company asks five or 10 per cent more for an Indian product, consumers will understand. But if the ask is 50 per cent more, then no one will understand. BW

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'ATMANIRBHAR' THROUGH MAKE-IN-INDIA FOR CONSUMER DURABLES

One of the key sectors that could drive home the Atmanirbhar goals for India is the consumer durable sector, with a size of $10.9 billion in 2019, writes **Anand Ramanathan,** Partner, Deloitte India

SINCE THE COVID-19 OUTBREAK, many countries are contemplating how to become self-sufficient ('atmanirbhar', in India) and are exploring alternate routes to their key suppliers. One of the key sectors that could drive home the "atmanirbhar" goals for India is the consumer durable sector — with a size of $10.9 billion in FY19, of which only $4.6 billion was contributed from domestic manufacturing. In the pre-Covid scenario, the sector was estimated to double by 2025, reaching a market size of $21 billion.

In the consumer durable industry, China has emerged as the manufacturing hub for the world. The present dependence of India on China cannot be underestimated, with 45-50 per cent of completely built units and 70 per cent of components for consumer durables imported from China. The consumer durables sector presents opportunities for companies and the government to achieve Make-in-India objectives.

Local behaviour and products indigenisation: Consumer needs are shifting towards convenience, automation and home consumption as people are moving towards do-it-yourself. More exposure to products is highlighting the need for customising to Indian habits such as high oil content in food, type of utensils, home size, type of flooring, environment, etc. to enable performance and adoption in the market.

Underpenetrated domestic market and export market: Household penetration levels for most consumer durable categories are lower for India, compared to other countries – the penetration level of ACs are at 4-6 per cent, refrigerators at 30-33 per cent and washing machines at 11-13 per cent. With low domestic manufacturing, opportunity to localise products and manufacturing is seen to be abundant. In 2018, white goods exports from China stood at $75 billion. The export of appliances from China to the world is expected to exceed $100 billion by 2025 — presenting a larger opportunity to cater to South Asian diaspora across the globe.

Reduction in trade deficit: In FY20, India saw a trade deficit of more than $48 billion with China. Out of the total imports of $65 billion from China, 30-35 per cent are electrical and electronics goods. Even though the dependency on China for electrical and electronics goods has declined, manufacturing in India will help in reducing trade deficit.

Re-energise private investment and generate employment: This sector has attracted $14 billion of investment in the past five years for capacity expansion. The higher import percentage provides business opportunity to manufacture goods locally which can attract even more investment from Indian players. Presently, the sector employs 2.54 lakh people, primarily across the five products including air conditioners, refrigerators, washing machines, television and audio. With increased localisation, it has the potential to employ additional 1.54 lakh people in next five years. India has a competitive advantage of blue-collar and white-collar workforce available at lower cost against China that can drive higher productivity.

Positive impact on component manufacturers and adjacent sectors/ MSMEs: Consumer durable products are dependent on components and India is heavily dependent on China for import of critical components such as compressors, motors, electronic chipsets and more. Localisation of these components, at scale, can enable cost parity and also re-vitalise the micro, small and medium enterprise (MSME) sector and open up opportunities for further downstream value additions. The government has set up industrial parks to facilitate clusters like the auto cluster in Chennai, to enable Make-in-India in this sector.

Drive operational efficiencies: Due to increased supply chain localisation, dependency on external factors can be reduced and hence efficiencies can be driven in supply chain, operational processes, inventory levels and logistics.

Economies of scale and automation: China is the world's largest home appliance manufacturing and exporting country driven by its large domestic market and initial investment in scale. The number of units sold for AC, washing machine and refrigerator in China are 19 times, 65 times and 8.55 times that of India. China has the largest AC compressor manufacturing hub, with total installed capacity of 86.2 per cent in the world.

> In FY20, India saw a trade deficit of more than $48 billion with China. Out of the total imports of $65 billion from China, 30-35 per cent are electrical and electronics goods. Even though the dependency on China for electrical and electronics goods has declined, manufacturing in India will help in reducing trade deficit

Stronghold in global markets: China has emerged as a low-cost manufacturing destination for consumer durables, accounting for 33.5 per cent of the global AC exports and 23 per cent of global refrigerator exports.

Lower raw material and operational costs: Raw material costs account for 50-70 per cent of total costs of consumer durables. China enjoys ease-of-availability of raw materials for commodities like copper, steel, aluminum, plastic and ancillary components/ parts.

Innovation-focused supplier and R&D ecosystem: Many private sector companies have played a pivotal role in building ecosystem partners to design and develop smart hardware products. Consumer appliance products have evolved into smart appliances through internet of things, app-based control and automation using artificial intelligence. In China, 43 per cent of consumers of electronic products have at least one type of smart device.

Integrated infrastructure: China has made its industry hubs more efficient through its integrated infrastructure like large ports, well-connected highways and multi-modal logistics, which are important to drive international trade. Its industrial hubs are designed in such a way that factories and their suppliers are placed close to each other to minimise expenses. After the launch of the Belt and Road Initiative (BRI), export of China's appliances to the BRI (Brazil, Russia, India) countries increased from about $154 billion in 2012 to over $204 billion in 2018.

In the current environment, when the world is looking at an alternate hub, India is amongst the list of consideration for most manufacturers. It presents an opportunity to the Indian manufacturers to step up and make a mark at the global level in the consumer durable industry. BW

Contributions by Raunak Baheti, Director, Deloitte India and Parminder Saluja, Associate Director at Deloitte India

A CASE FOR AUGMENTED INTELLIGENCE

SANJAY SRIVASTAVA, CHIEF DIGITAL OFFICER, GENPACT ARGUES THAT ARTIFICIAL INTELLIGENCE HAS BECOME A MISNOMER AND MUST BE REVISITED TO REITERATE THE SIGNIFICANCE OF BOTH MACHINE PREDICTION AND HUMAN JUDGEMENT TOWARDS CREATING RIGHT BUSINESS DECISIONS. EXCERPTS FROM AN INTERACTION WITH NOOR FATHIMA WARSIA

You have spoken about the need for talent to be 'bilingual', especially in companies that serve as tech partners for businesses. Why do you see this as such a critical issue to focus on?

The world does not need so many machine learning experts. They need to know how many of these understand the domain and can apply the tech in it. Technology by itself is just an instrument. You have to be able to use the instrument for business needs. At Genpact, our employees are deep in tech and in domain. We are trying to take those strengths and blend it together into one composite. Each of our colleagues understand both sides of the whole. When you do that, you approach a problem set much more holistically.

The insights become different and richer with kind of holistic approach. And it has a direct impact on business outcomes. At the end, data can show you some insights, but you need to go to judgement from there and for that, you need someone who understands the domain. This is hence a big focus for us.

Even as you say that talent needs to be bilingual and that the domain and the technology both needs to be understood, do you not think that adding more jargons, augmented intelligence, for instance, when people are still trying to grasp artificial intelligence does not really help the case?

I must confess I am among those who have probably contributed to this problem of tech jargons. But too often artificial intelligence (AI) is misunderstood and misplaced. It is a misnomer that if you have AI, it is all automated and hence human is not required. The benchmark becomes that if you cannot replace it, it is not AI. In my mind, that is the farthest from the truth. The reason we speak about augmented intelligence is because it is not replacement, but addition. It is about how you combine technology to augment the intelligence of a human being.

AI is a prediction machine, but you need to apply judgement to that prediction. The combination of the two takes you to action — any business decision is done like that. Augmented intelligence brings this concept of 'computer in the group, human in the loop' much better than AI.

We are constantly reading comments on how technology has become a business imperative in Covid times. But the same statements have been made now for nearly a couple of years now. Were corporates not taking it seriously before February 2020?

You are right. All language on digital transformation that we were speaking even a couple of years ago, is still the same. But the pandemic has propelled the need to drive business change. The tech was there but the business impact has changed now. The job now is not just about the technology but making a prediction from that dataset, in an efficient and cost-effective manner. The tech partner now needs to bring added advantage to the business— businesses need it. The digital transformation that we have been speaking about as an industry, has new meaning and relevance in Covid times, and has become the only way to drive change. Digital transformation is coming to the rescue of manufacturing, supply chain, distribution — its role has significantly changed to even become life or death for some businesses.

The pandemic has also required people to revisit their businesses to become more relevant to current needs. Do you see change management truly assisting in adoption to new ways of work?

Covid has made everyone a data analyst and thinking through change

management is important. Part of change management is getting the right mindset and focus on issues. And then taking those recommendations and implementing it in real life to drive change. During the pandemic, several businesses came to a grinding halt. Companies had to revisit their overall business models so that they can make the shift and move to a different world.

This will not happen by chance. Look at the amount of programming and information that the Indian government had to do to get the word of the pandemic out. The same needs to happen to enterprises and in deploying technology.

Despite technology becoming such a business imperative and the rise of the likes of AI, there is still a degree of uncertainty when an action is thrown out. Business managers some wariness in accepting it as is. What is your advice on how tech players should tackle this?

In fact, the number problem with AI today is adoption. People are still not sure how and whether it is going to really work. Most enterprises that are looking to deploy AI are also seeing ways to address this. They just do not want to know the analysis and advice or action, but also the reasoning behind it. You cannot take a black-box approach if you want better adoption of the AI. The solution is developing white-box algorithms. This involves bread crumbing so that every element can be broken down and is accessible with just a click. This ability to go to data source that drove the end point decision is similar to how it would be if this was done manually. At Genpact, we are trying to recreate human curiosity in the world of AI with this approach. This is a great way to drive adoption, making a company much more agile and resilient. BW

Kiran Karnik, *Independent Strategy & Public Policy Analyst*

TECH'S TRUE TRIUMPH

Economic activity, it seemed, would be at a complete standstill in the pandemic but technology came to the rescue

IF THERE IS ONE CLEAR WINNER EMERGING FROM THE COVID 19 PANDEMIC, IT IS TECHNOLOGY.

Immediately after the sudden lockdown, practically everything was shut and movement restricted to medical staff and other frontline workers, or for purchase of essential commodities. People were advised to stay in their homes and not cross the threshold of the front door. Factories came to a grinding halt, restaurants, theatres and malls were shut, and offices were empty. Humming industrial areas were silent, and buzzing city centres transformed into ghost towns. Buses and autos, taxis and trains were immobilised.

Technology: A Key Player

Economic activity, it seemed, would be at a complete standstill. But technology came to the rescue. It facilitated work-from-home (WFH), making possible the continued operation of some services. Amongst these, the most outstanding example – one that exhibited an exceptional speed of response and an immediate re-orientation of organisational and work processes – was the IT industry. India's biggest export sector was quickly back on its feet, from what could have been a knockout blow, ensuring uninterrupted service to its customers in India and abroad. Other sectors too began to use WFH to the extent possible and a modicum of business became possible.

The enabling technologies for WFH – communication, computers, Internet, video-conferencing – are hardly new, but their widespread use is not. Other technologies, often combining biology with electronics, IT, data analytics and artificial intelligence, are being used to develop vaccines against the virus and to search for cures.

Tech will help to substantially reduce the time to create and test new vaccines, to the point where a proven vaccine may well be possible as early as year-end. It is also being used for epidemiological studies, analysis and predictive modelling.

Apps like Arogya Setu have been developed to track cases and for contact tracing, while technological innovations are driving cheap and rapid diagnosis or testing. Electro-mechanical technologies are creating cheaper ventilators, while materials science is playing a role in devising safe and comfortable personal protective equipment (PPE) for frontline workers.

Clearly, the magic world of technology is helping to solve some of the most vital problems related to Covid. It is this that gives people the confidence to look ahead and plan for what they see as the 'new normal'. Almost everyone defines this as including a very substantial amount of WFH, as also learn-at-home (online classes), shop-from-home, cater (food)-to-home, and socialise-from-home (through video calls).

The New Normal

Many companies are already pivoting their services and business models to meet these emerging needs, moving to greater digitisation and no-contact remote dealings. In all probability, this is what the new normal may need, and agile businesses that quickly make this change may be the ones that succeed. Restaurants that become cloud kitchens, only catering to home delivery, local shops that become warehouses, which only take orders online, travel companies that provide augmented reality content instead of physical sight-seeing tours: these may soon be the stars of tomorrow.

Yet, a very different view is possible: not just as a contrarian viewpoint, but based on the logic of human behaviour. Consider the fact that we are social animals, almost by instinct and as a part of our DNA. Most living beings operate in groups or herds; humans too have, for centuries, been structured as families, communities and tribes. In India, this is even more pronounced, with a definite preference for large gatherings. Practically all festivals are celebrated with friends and family, or by visiting (crowded) temples and mosques. There is little concept of private space: in any queue, for example, the normal distance between two strangers is no more than a foot at most!

In this socio-cultural context, how long will we maintain physical distancing, and for how long will people avoid throwing a party, or dining out with friends, or going to a movie theatre? Given short public memory, the fears of Covid may soon be forgotten.

After all, tuberculosis spreads in a manner similar to the Covid and – though it causes 450,000 deaths a year in India – we don't see anywhere as much concern (amongst people or authorities). Like TB, we may learn to live with Covid and revert to life and business as usual. So, as sociology triumphs over biology in some sense, we may soon see 'house full' boards outside theatres, restaurants, where you can't get a table, and malls bustling with crowds.

This scenario, unlikely as it may be, poses a new challenge to technology: can it provide solutions that enable people to live life as they choose to? Can the wonders of all the new technologies facilitate this – through vaccines, real-time contactless diagnostic tests, virus-repellent creams, 'danger' warnings on your cellphone, protective clothing that looks like normal wear, and other such innovations? Technology is already ubiquitous; its true triumph will be when it becomes an unobtrusive and invisible facilitator of a preferred lifestyle. BW

Richard Rekhy, Board Member, KPMG
Dubai & Former KPMG India CEO

DOES INDIA NEED A CHIEF TECHNOLOGY OFFICER?

The Government can use technology not just for its own purposes but can help in deploying the same across the agriculture sector

IF WE DON'T ALIGN TOGETHER, HUMAN BEINGS ARE GOING TO FIGHT EACH OTHER, BECAUSE EACH TECHNOLOGICAL REVOLUTION MAKES THE WORLD UNBALANCED": JACK MA

Businesses have already been transformed significantly over the last two decades with the advent of internet and the advancement of technology in each domain of business.

From Mass Production to Mass Customisation

Events of the magnitude of the two World Wars and the current Covid pandemic lead to a massive spurt in adoption of technology. If there were any debates or doubts about the necessity of digital transformation to business growth, the coronavirus has cleared them. We are going through one such change where the entire society is moving towards accelerated adoption of technology.

Basically, we are entering a phase of accelerated change. We are moving from mass production to mass customisation.

In the past, entire civilisations have perished due to rapid change of circumstances that the civilisation could not adapt to. Companies should brace to go through such a situation for a few years. Global economy was already weakened and in the post-Covid time, the economy appears to be highly fragmented with the pre-Covid nationalistic sentiments becoming sharper and global supply chains being completely disrupted.

As in most challenges, one has to first address the immediate short-term challenge of restarting business and the cycle of revenue inflow and managing expenses. There will be numerous challenges in restarting, and not just incorporating social distancing as a way of life and of doing business. Issues such as increased work-from-home (WFH), associated data security issues, associated HR challenges, costs, contractual obligations with clients that get violated with WFH, not being able to do certain work that is unsuitable from being done from home.

Managing finances and working capital would be one of the biggest challenges. And then comes the issue of managing medium term expected shocks such as a second phase of the pandemic or mutated pandemic or other pandemic, global conflict — both kinetic conflict and non-kinetic in form of protectionist steps as well as active economic warfare, increased cyberattacks, attacks on critical infrastructure including banking.

We would also have the challenge of significantly changed consumer preferences, higher preference for digital delivery of services, etc. and hence need to rearchitect product offering, portfolio and delivery mechanisms.

Digital Transformation is Imperative

The most important lesson from Covid-19 and realisation by the businesses

today is that the accelerated digital transformation is imperative, and businesses will not have the luxury of making a slow transition. We see the race to create a Covid vaccine within a year, which was previously unheard of. New technologies are being adopted to accelerate vaccine development that would otherwise take decades.

The new wave of technology adoption is also making businesses far more efficient in how it reaches out to customers, how it manages its supply chains, how it manages its internal processes and how it manages innovation. It is leading to reduction in manpower, travel and is eliminating redundant processes. In fact, we have seen some businesses pivoting from offline to online like education and learning and development (L&D).

While many businesses suffered, the retail online businesses continued to thrive, which is a live example of the changing consumer behaviour need and how companies can respond to the same. Video communication and social media platforms are the order of the day and will continue to be so.

The startup community is quite large and it is bringing innovative and out-of-box solutions to current day problems. Basically, this would completely transform how we work, live and interact with each other. This will improve productivity and probably give better work-life balance to people. Some business practices such as remote work, tele-medicines were found attractive, but there was slow adoption as we know anything that requires a behaviour change takes long time to get adopted. However, due to suddenness of this pandemic, people are left with no choice but to adopt the technology.

What we also look forward to is the government participating in this revolution. The moot question is – does the country need a Chief Technology Officer (CTO)? The government can use technology not just for its own purposes but can help in deploying the same across the agriculture sector.

One fact that this outbreak has established is that businesses are getting into no touch or low touch future. It will be a future, where artificial intelligence (AI) will play a critical role in improving the impact and productivity.

It will be a future in which most aspects of our lives as consumers, entrepreneurs, service providers will be trackable, traceable and data-monitored by the next generation technology. It will be a future of virtual reality and augmented reality. The faster companies align their activities to the new technology, they will be better positioned to not only survive but thrive.

The question to reflect on right now is whether as the consumer need and behaviour changed, did we change?

'Technology has to be invented or adopted': Jared Diamond BW

IN DEPTH SPORTS

ROAD TO RECOVERY

Sporting experts believe live sports will come back, albeit with reimagined formats and a change in approach By Ruhail Amin

TO SAY THE FACE OF LIVE sports, as we had known it, has changed is an understatement. The beast that had braved global recessions, geo-political conflicts and some of the other worst-known challenges was caged during the pandemic and is now undergoing transformation. While some countries have been able to make some form of recovery, any attempt to revive sports in many markets, in the last 100 days, has been met with roadblocks, leading to losses to the tune of billions of dollars. India is among the latter.

The pandemic saw India's tour of Sri Lanka called off, and the post-

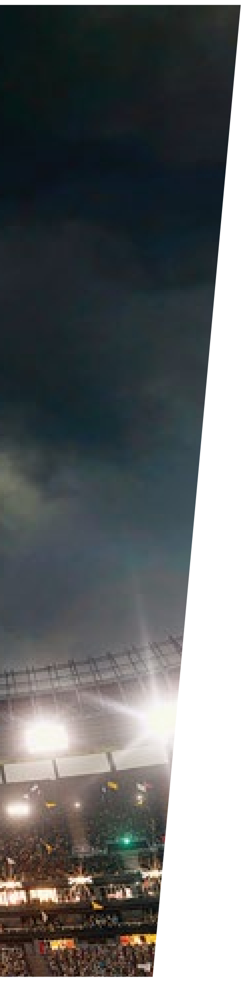
ponement of the Indian Premier League (IPL). With the rising Covid-19 cases in India, which at present number more than 7 lakh, the future of sports is still in the grey. New Zealand, on the other hand, has recently seen 43,000 fans packing a stadium for a rugby game. The country could accomplish such a task as they were able to reach the enviable goal of being Covid-free. From a basic survival perspective, industry captains are asking themselves whether a scenario of a comeback like this is possible in India or does the market need alternate arrangements for sports to flourish again.

On sheer numbers, with the rising tally of Covid-19 cases, the planned sporting tournaments this year are already in deep freeze. There is no definite timeline in place for revival – a day when stadiums will be filled again is not probable in the foreseeable future. Which in turn leads to the question — what is the road to recovery for live sports in India?

Sporting experts believe that live sports will come back eventually, albeit with reimagined formats and rulebook. Some top Indian sporting companies such as Procam International are already working on a recovery strategy if this pandemic persists.

Procam International has commissioned an exhaustive research to look at the revival of live sports in the new normal. Some key characteristics of this include heightened safety, socially distanced play and yet having the feel of participatory sports.

"We are working with international agencies to come up with systems that can be followed. We have come up with an exhaustive research paper.



"I would like sports to restart immediately. But as a sports administrator, I do not have the courage to restart sporting operations"

DEEPA MALIK, *President, Paralympic Committee of India*

The focus is on the people — how do we take care of 50,000 people that participate in these marathons. The state governments will have to come forward and work closely with us for resumption," said Vivek Singh, Joint Managing Director, Procam International.

An Ideal Pause Moment

Some sports experts believe this pandemic is also a time to pause and rethink about the overarching strategy that has shaped up the culture of sports in this country. According to them, when sports does come back, while there will be more ethos and connection with sports at large, and there will also be the need to relook at the overall sports policy.

According to Sundar Raman, sports advisor and consultant as well as formerly CEO, Sports, Reliance & COO of IPL, there are certain habits that we are forming in the Covid period that will help sports after the pandemic. Raman is of the opinion that the pandemic has taught us to be independent and to set our priorities. He explained, "It has taught us to be reliant on our own revenues instead of depending on international monies."

Raman emphasised that a large country such as India needs a sports model that is based on academics. This requires the current infrastructure at schools and college to improve to support sports.

In India, the marriage of the human resource development ministry and the sports ministry is paramount, says noted sports journalist Boria Majumdar, who is also academician and author. Bringing experience of interacting with leaders of the sporting world, in his view, the University Grants Commission (UGC) needs to come up with a policy where sports can be integrated in the academic framework. This will ensure that the country has sports taken up at grassroots level, and help in developing the overall sporting industry.

Back To Action

There are no easy answers when it comes to bringing back the live sporting scene. The pandemic, in fact, may have skewed dynamics more in the favour of digital and e-sports. While the action may indeed be shifting to online engagement, Procam International's Singh believes that if the WHO (World Health Organisation) guidelines are properly followed, outdoor sports could be a better option.

"The entire sports ecosystem has come out alive, though at a professional level, there are a lot of things to consider. If the WHO guidelines are properly followed, outdoor sports is going to come back bigger and better," Singh asserted.

The revival of live sports is an existential question for many. Actor and rugby player Rahul Bose reminds that Indians, like audiences anywhere in the world, are emotionally involved with sports. "It is going to start sooner or later," he said. He cautions though that there are individual responsibilities on sportspeople to adhere to the new set of safety measures.

"It (the pandemic) has taught us to be reliant on our own revenues instead of depending on international monies"

SUNDAR RAMAN,
Former CEO, Sports, Reliance & COO, IPL

Adding to this, Deepa Malik, Padma Shri, Khel Ratna and President, Paralympic Committee of India, stated that as a sportsperson, she would like sports to restart immediately. But as a sports administrator, she does not have the courage to restart sporting operations. She informed that archers and throwers have started on their own but collectively everyone cannot be asked to come together for sports. Almost every sports expert agrees that team sports should not be resumed in a hurried manner.

"It is going to start sooner or later. Though there are responsibilities on sports people to adhere to the new set of safety measures.

RAHUL BOSE,
Actor and a rugby player

Given the current pandemic situation in India, team sports cannot be a viable option and the sports fraternity is expected to look for alternate forms of revenue at this stage. Analysing the current scenario for sports, Mohit Burman, Co-owner, Kings XI Punjab explained that through digitalisation and other technologies, people sitting at home can be made to experience the whole sports as if they are watching live from the stadium. He cited the example of South Africa's virtual Comrades Marathon, which saw epic participation from across the world — 128 from India.

In terms of on-ground events, experts informed that discussions are taking place for what is to be done in the future. Burman asserted that the Board of Control for Cricket in India (BCCI) is trying to restart, looking for an opportunity.

Sharing his thoughts about the revival of live sports, Adille Sumariwalla, President, Athletics Federation of India says that the federation is following two standard operating procedures (SOPs) — first, from the World Athletics and second by creating own SOPs. He too is a believer that engagement of sports can be improved and leveraged during the lockdown period. He advises that interest in sports, during pandemic times, should be kept at high pitch through telecasting old historic matches as the industry prepares for on-ground sporting events. BW

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The Last Pin

WILLIAM GAINES, the publisher of *Mad* magazine reportedly kept a voodoo doll in his office into which he would stick pins labeled for each imitation of his magazine. Most of these imitators copied *Mad* right down to its format and in choosing a synonym for the word 'Mad' for a title. Gaines would remove the pin only when the copycat ceased publishing. Most imitators were short-lived and by the time of Gaines death in 1992, the only pin remaining was for *Cracked*.

Like Gaines, if ByteDance's CEO, Kevin Mayer, were to keep a voodoo doll and stick pins for TikTok's copycats, he would need many pins – from MX Takatak, Zee5 HiPi, Bolo Indya, Roposo, Chingari, Mitron, Sharechat to Reels – there are many wanting to fill the space vacated by TikTok.

Post the ban, TikTok creators and users are in a limbo. For most creators, this means starting from scratch, but to do so, they need to pick the right alternative. The platform they choose will determine the fortunes of the new TikTok wannabes. Hence, it's worth thinking about what made TikTok tick?

Timing is everything

While TikTok offered unique features to shoot, edit and share content, behind its success was the intersection of availability of affordable smart phones, cheap data plans and tapping into the zeitgeist of middle-India.

After Cricket, TikTok

In cricket the status or class of the cheering fan doesn't really matter, just like on TikTok, where only the content mattered – how entertaining or educational it was. TikTok probably created a truly classless platform for Indians and its lack of pretentiousness attracted middle-India in droves.

However, all factors behind TikTok's massive success cannot be fully determined to replicate another success. There may be some undetermined chemistry between users and creators

We Are Like This Only

The true spirit of Channel V's *We Are Like This Only* resonates with today's India. We are extremely comfortable with our Indianness and our distinct regional and local identities. And amongst the half-a-billion plus Indians online, we managed to find many of our own on TikTok.

India followed Bharat

The millions who speak their regional languages and lived beyond our urban centres caught on to TikTok first, while the urban, English speaking India followed later. TikTok is an unlikely example of India following Bharat. And Bharat's latent pride may have been another reason for TikTok's success. Once more and more people started using TikTok, network effect kicked in to make it even more valuable.

But today, all the aspiring "TikToks" will need to contend with a new variable in the Indian consumer tech landscape – Reliance Jio.

The Gift Horse

TikTok ban may just be the gift horse Jio was looking for. Post fund-raising, they will have a rapacious appetite for acquisitions. Any Indian app, showing reasonable success as TikTok's successor may be grabbed by Jio and get catapulted into a new orbit.

However, all factors behind TikTok's massive success cannot be fully determined to replicate another success. There may be some undetermined chemistry between users and creators beneath the algorithms at play. But each of the new apps will create its own unique trajectory and meet their fate at the hands of the consumer clutching his smartphone. However, like *Mad* magazine's competitors, it's unlikely that many of these apps will survive the current wave. In the end, Mayer, may have just had one or two pins left out on his voodoo doll. BW

The author is General Manager, Consumer Marketing, Ford India

The views expressed are personal

THE NEW PLAYBOOK FOR LIVE SPORTS

IP owners and brands remind that a new playbook must come into effect for live sports to stay relevant, e-sports becoming key

By Ruhail Amin

ANYTHING 'LIVE', requiring a physical presence, is difficult in lockdown times. A fall-out of this has been a rise of digital and virtual formats, necessitating innovation. The lack of physical nonetheless has impacted all sectors including live sports and participatory sports. An industry that has billions of followers and an economic ecosystem employing millions across the world has, in fact, been extremely adversely affected.

Rules of Engagement

While live sports remain suspended, indefinitely for now, the rules of engagement between fans and sport, and sports and sponsors is taking on a new direction. All the pent-up emotions for sports for now is getting directed to e-sports. It has in the interim become a convenient alternative for fans and brands to latch on to their favourite sports till live action resumes on ground.

Elaborating on the rise of e-sports, Akshat Rathee, Co-founder & MD, Nodwin Gaming, among India's leading e-sports companies, shared how e-sports has come to be recognised as a part of the sports spectrum lately.

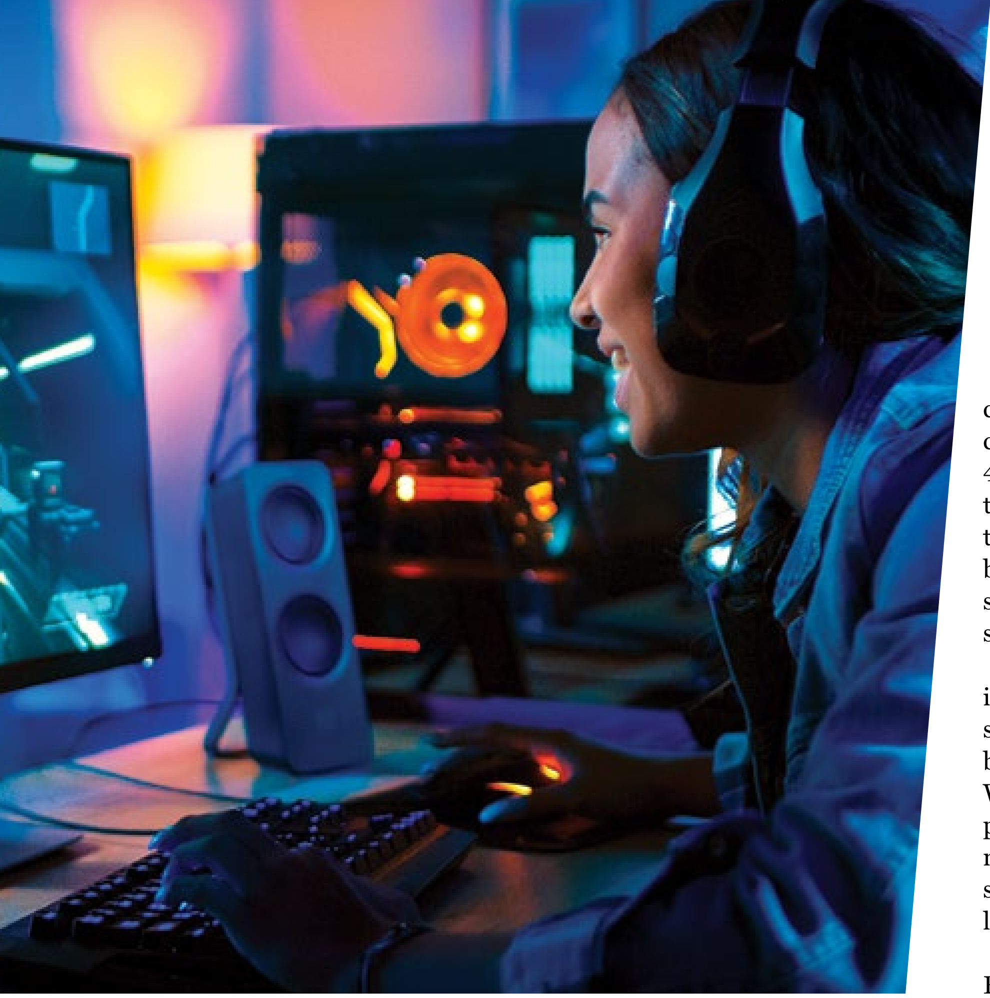
According to Rathee, the company has received media support and sponsorships, and big sports players such as KL Rahul are now ready to get associated with his brand. "The only sport that did not stop during the lockdown is ours, because we are digital. The e-sports domain is massive. We have built our own ecosystem differently," says Rathee.

He however, reminds that traditional sports and e-sports have not been able to come together. "There have been several attempts from the likes of FIFA and Formula One but it never really worked out," Rathee observes.

Rules On Ground

It is hard to imagine that live sports will stay suspended till the vaccine is not found. One of the reasons is that billions of dollars are riding on live sporting events and there has to be a way out of this crisis, else businesses associated with live sports fear being out of play.

Some discussions have been afoot on what the new playbook should be like. In this, an important ele-



ment is the nature of playing itself. According to Aashish Contractor, Head, Rehab & Sports Medicine, Reliance Foundation Hospital, while there have been concerns about live sports, if precautions are adhered to, there is a way out.

"There is no need to ban live sports or participatory sports. Instead, it can be conducted intelligently to the current requirements. For example, in participatory sports we must prevent high-fives and other contacts at the end of the marathon. Indeed, the need to maintain all the safety procedures have been paramount in sports, as in other areas, across the board," Contractor added.

He also stated that India has the lowest Covid-19 deaths. In comparison to the size of the population, deaths per million is lowest so far among all countries. And, to improve the situation that India is in, experts agree that sports is a sound option, at least at individual levels.

"Fans are most affected right now in terms of their passion for sports. The governments of the world and all the stakeholders are motivated to get this back stronger than ever"

Sharing his thoughts on the new playbook as far as live sports is concerned, Nikhil Chopra, former international cricketer stated, "Hopefully live sports tournaments will start by September-October. From a player's perspective, things will change. A player getting used to playing in front of 80,000 spectators and the corresponding adrenalin rush will have a different experience playing in an empty stadium until we get a vaccine, so it's not just about safety but also the new mindset that is needed."

Cricketer Jhulan Goswami added that certain on-ground rules for cricket will change post-Covid. She said, "Some rules are going to change post-Covid and it will be a challenge for bowlers. After 35 or 40 overs, all bowlers are taught by their coaches to use saliva or sweat to maintain the ball. This helps the ball to swing. We have to put conscious effort to not put saliva and sweat in these circumstances."

It must be noted here that sporting events have four major revenue streams ---ticketing, merchandise, broadcast rights and sponsorships. When a live sporting event takes place, it also boosts local economies, and sports tourism is another sector that used to thrive because of live sports.

According to Raghav Gupta, MD, Fanatic Sports apart from ticketing sales even the sports tourism industry is also adversely hit by the pandemic. Even after the unlock phase, it will have to wait until it is able to regain the trust of consumers and get back on its feet.

"Fans are most affected right now in terms of their passion for sports. The governments of the world and all the stakeholders are motivated to get this back stronger than ever. All the big events such as Olympics have been pushed back to the next year. I believe that next year will bring many new opportunities," Gupta concluded. BW

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"Time For Right Partnerships"

PROCAM International owns four of the most prestigious Indian sport intellectual properties (IPs). These include Mumbai Marathon, Airtel Delhi Half Marathon, TCS World 10K Run (Bengaluru) and Tata Steel Kolkata 25K. To understand the art of building sport IPs and making them successful year after year, BW Businessworld's **Ruhail Amin** spoke to **Anil Singh**, MD, Procam International

After 17 years of seeding the sport of running in India, and building the whole ecosystem, what lessons does sport still teach you?

Sport is the university of life. The syllabus is simple and the degree invaluable. In sport the goal is to win and to achieve victory at whatever level, you need to do that one thing better than the rest, at least on that given day.

However, what I learnt from participative sport (running) was truly surreal. It taught me that an individual by mere participation in any avatar was a winner, simply because it made him/her a better human being. In the university of life unlike spectator sport, in participative sport no one student is better than the other, you either graduate or you don't.

This journey of 17 years has truly been humbling. I have come to realise that human beings are inherently good souls. The haves and have-nots contribute equally in one way or another. It all boils down to intent, perseverance, communication, and the ability to instil a sense of ownership. These my friends are not hollow words. The fact that Procam International's four distance running events have raised more than Rs 400 crore benefitting over 700 NGOs is a living testament of our society's character.

How do you approach an association with a brand? How are sports sponsorships different?

In exactly the same way we approach any form of collaboration or partnership. Principles are the same. So why should the approach towards sponsorships be any different?

Like everything else it's about common sense and prioritisation. However, before a promoter or a business development executive approaches a brand, adoption of a few key fundamentals would substantially increase the percentage of success. Interestingly, including these fundamentals benefits a brand too; these help the brand custodian to assess the opportunity and the promoter much better.

To begin with, it's vital to analyse the value of your product. Once done you must respect and believe in it. The authenticity in your pitch or the lack of it will either endorse or expose you. In order to arrive at a best probable value, you need deep knowledge of your product, it's relevance, where it's today and where do you intend to take it. Simple common sense, sadly not common at all.

Two, it's critical to differentiate advertising from sponsorship, a well-camouflaged pitfall to watch out for. Advertising is the right to choose. Sponsorship, on the other hand, is a platform you partner to influence the passionately loyal base to connect and embrace your brand, with both sides having one eye constantly and strategically focused on widening the existing base. It's a touch-and-feel process which can only be achieved through engagement, communication, synchronised amplification of the brand's values, ideals and immediate objectives. Sponsorship is not a branding exercise period.

To effectively leverage any sponsorship, a further investment in the ratio of 2:1 at the minimum should be budgeted for. In many cases brands have been known to spend 4 to 5 times their initial investment.

Three, brand fit is key for beneficial and long-term partnerships. Ideally, the brand should fall in either of the two buckets. Is the brand critical to the fabric of the event i.e. hospitality, airlines, timing, merchandising, etc? Do the brand's values, actions, philosophy and ideals credibly align? There is a third bucket, it's when a brand's inclusion considerably adds value to a general need or convenience for the base.

Fourth, legal contracts effectively serve the purpose of defining and protecting the structure of ownership and rights. IPs evolve and so does a sponsor's need. My advice to any promoter is to always bend backwards for a sponsor, and try to accommodate all that is legally and respectfully possible without referring to the contract. There will always come a time when the promoter needs the sponsor to bend backwards in support. Successful partnerships are driven by a sense of ownership, trust and intent, not by clauses in a contract.

Fifth, always think big. It's a myth that big is impossible, at times it may prove to be easier. Giving birth to an IP is similar to delivering a baby. To achieve their potential, IPs just like babies need constant love, care, guidance, attention and investment. Another advantage of thinking big is, it enables a promoter at the very inception to draw a strategic roadmap of his/her long-term vision.

Sixth, stay true to your beliefs and vision. Don't ever compromise the big picture for hurdles that seem insurmountable or blame it on the lack of monies. Pay closer attention to the naysayers, culling the relevant bits will help you to be better prepared. Stay the course, you won't get a second shot if the first one misfires.

Seventh, tell stories. Life is about stories.

How does 'giving back to society' play a role in your approach to partnerships?

It is not my mandate to suggest or advise a partner to give back to society, hence it should never be factored into the approach. Giving back to society is the sole responsibility of the promoter to ensure that his platform benefits society directly and indirectly. Let's take Procam's running platform as a case study. My brother Vivek and I were crystal clear from the start, that the running movement will be built on 5 pillars. Pride and prestige to the city, communal harmony, charity, health and fitness and benefit to Indian athletes. It's our unwavering belief in each of these pillars that has thankfully delivered the desired impact. The results of which are out in the open for everyone to see and judge for themselves. BW

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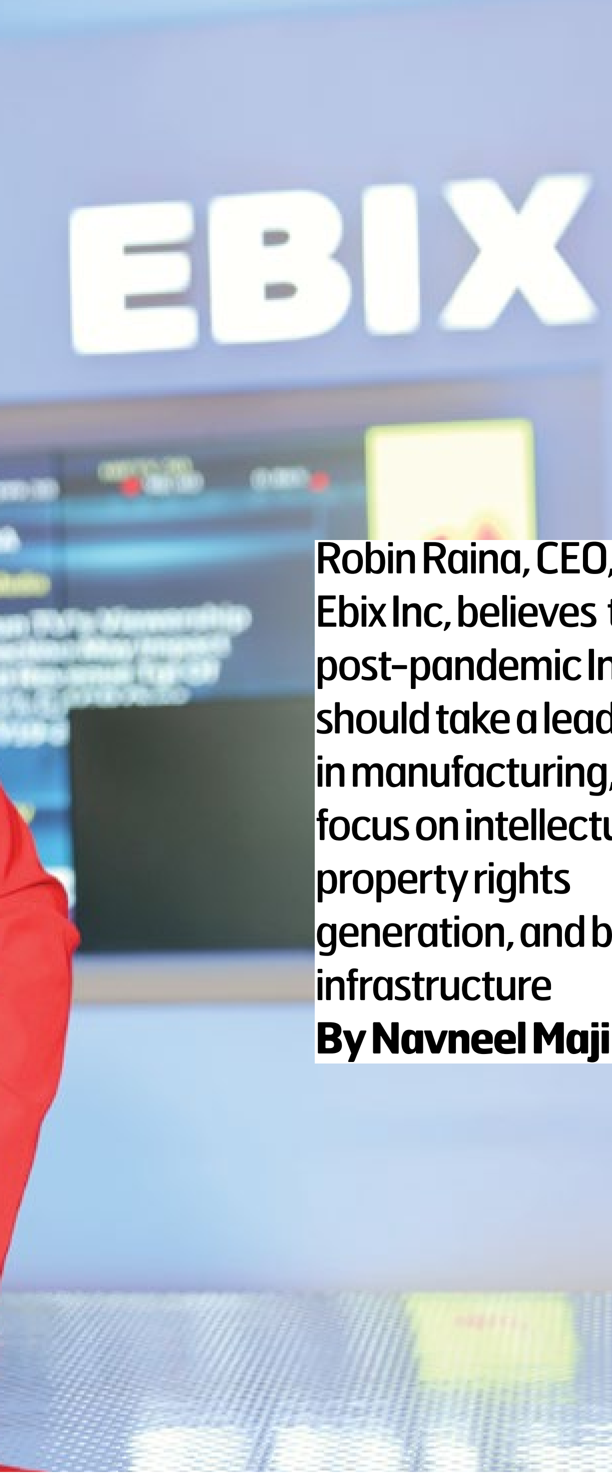
BW WEBINAR / TRAVEL

REINVENT TO STAY AHEAD

THE travel industry has been majorly affected due to the ongoing Covid-19 pandemic. Amid the crisis, the sector is battling with many challenges like negligible customer retention, layoffs, and lack of strong government support. A major confusion persists in the travel sector on what should be the way forward. "Today is a very hard time. Companies now should refrain from taking giant leaps," said Robin Raina, CEO of Ebix Inc. "By the time the pandemic is over, your company should be standing, and then it will be ready for the growth."

Raina informed that his company has been struggling with the need to reinvent during the pandemic. He talked about the challenges of downsizing his company: "During the pandemic, our goal was not to take the easy route of letting employees go instead we wanted to protect their employment." "The pandemic has inspired companies to reinvent themselves," he believed.

Lately the travel sector, particularly, has been going through a lot of changes. In the first week of June, the pending agreement between Ebix and online travel company Yatra was terminated. Ebix had agreed to buy Yatra for an enterprise value of $337.8 million in 2019. He



Robin Raina, CEO, Ebix Inc, believes that post-pandemic India should take a lead in manufacturing, focus on intellectual property rights generation, and build infrastructure

By Navneel Maji

believes that there is a need to focus on the basics.

"The industry players need to remember that the selling price should be greater than the cost price," Raina added. He elaborated that many businesses think they need to keep the selling price less than the cost price, and when the firm amassed enough customers, they would increase the selling price significantly to generate revenue. This is not applicable, thinks Raina, since the company won't be able to sustain customers. Besides, he advocated that the travel sector has to be more cohesive and integrated.

Ebix Inc. is a leading international supplier of on-demand software and e-commerce services to the insurance, financial, and healthcare industries, which provides end-to-end solutions ranging from infrastructure exchanges, carrier systems, agency systems, and risk compliance solutions to custom software development for all entities involved in the insurance industry. The company has more than 50 offices across Brazil, Singapore, Australia, the US, the UK, New Zealand, and India. Raina said: "I feel we have a cohesive global travel model." EbixCash's portfolio of products can be accessed digitally, also from its distribution outlets, which is spread over 5,500 cities and towns.

What India Needs in Current Scenario

Various analytical companies (such as CRISIL and Fitch) have projected India's economy, which has been collapsed due to the nationwide lockdown. It was also said that the current quarter's GDP would shrink by 25 per cent year on year. Raina suggested that post-pandemic India needs to reinvent itself in three aspects. "Taking a lead in manufacturing, focusing on intellectual property rights generation, and building infrastructure." He informed that the government needs to push for IP creation; a lot of things are coming from other countries like China should be developed here. Furthermore, the government needs to take time to build infrastructure projects, which will help in growing employment rates at the lowest levels, he said. He added, "Labour policies need to be revised. Companies, which want to invest in India, should get a level playing field with the other countries like China, Singapore."

The Ebix Group's initiative, EbixCash is one of the leading financial exchanges in India. It applies a 'Phygital' strategy of combing 260,000 physical distribution outlets to an omnichannel online digital platform. The company has established a financial exchange portfolio in money remittance (domestic and international), travel, prepaid and gift cards, utility payments, among others.

Consistent Support to Underprivileged

Many years back, Anoop Dhingra, an ordinary underprivileged Delhi-boy, lost both his eyes at the age of 14, when he met an accident. Now, he has become a Branch Manager in Allahabad Bank in Chandigarh. Major credit goes to the Robin Raina Foundation (RRF), which supported Dhingra from 9th class till the end.RRF, which focuses on providing education, healthcare, and nutrition to underprivileged kids, is proud of the contribution that his foundation has made. Raina added, "Support can't come in a day or a month or a year. You need to provide consistent support to the underprivileged. You can't wait for a pandemic to start giving support."

Photograph by Ritesh Sharma

By Sangeeta Maheshwari

Your Adaptability Quotient Matters

DID you know that your adaptability quotient determines your coping capability during a crisis?

Life is itself a big gamble; you don't know which card is coming for you to face, strategise, and play. We can all vouch for that collectively as none of us were expecting to meet the current global crisis.

But what happens when a crisis hits us in any form?

It compels us to change. As humans, we like routine and set habits and patterns that keep us in a safe zone. That is the reason why we tend to gravitate toward our known friends, familiar food, and fashion. It keeps us steady and we start defining our lives through those stories. But suddenly, when an outlier hits us in terms of a person, event, or belief, we feel challenged.

Challenges measure our adaptability. Some people resist them by shutting themselves up; some blame the unknown and protest for the lack of preparedness.

If a new superior or team member comes in with radical thinking, for example, many may resist this out-of-the-box thinking and may not welcome him or her into their group. They feel uneasy and succumb to resistance to change.

AS THEY SAY, 'LIFE IS NOT MEASURED BY THE NUMBER OF BREATHS WE TAKE, BUT BY THE MOMENTS THAT TAKE OUR BREATH AWAY.' THAT LIFE OF IMMEMORABLE MOMENTS CAN ONLY BE CREATED BY OUR ADAPTABILITY QUOTIENT

Why is change so hard to embrace?

Change brings shift, and that movement makes us unsure. We feel vulnerable as we are out of our comfort zone.

This uncertainty and unpredictability churns our vulnerability within us – many associate vulnerabilities with weakness as they bring out our fears and emotions.

Emotions and feelings are signs of us being human. To acknowledge our concerns and vulnerability, we need courage. We need to be brave and authentic to feel and express our vulnerability. However, most people shut themselves up or resist the change, challenge, or crisis.

This resistance to vulnerabilities leads to more suffering and more fear. That is the reason why many become more fearful after a setback or a crisis. The more afraid we become, the more doubtful we become. We move away from trust, taking risks, and living life.

To increase adaptability, we need to reignite our curiosity just like a child discovering new ideas. We need to wear our explorer hat and embrace adventure in our nature. A conscious effort towards spontaneous plans enhances the true explorer in us, and that is a great way to increase our adaptability and flexibility.

Not only do we become open in our minds and hearts, but our relationships also improve at home and work with this adaptable mindset.

As they say, 'Life is not measured by the number of breaths we take, but by the moments that take our breath away.' That life of immemorable moments can only be created by our adaptability quotient for us to grow and flow with the changing current of life.

A caterpillar adapts to become a butterfly by completely transforming its form for its evolution. We humans have a lot to learn from nature for our development. BW

The author is an Inner Growth Mentor

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INDIA'S DEFENCE SECURITY AND BLUE ECONOMY IN THE TIMES OF COVID-19

EXCLUSIVE TO BW BUSINESSWORLD

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- SAUDI ARABIA'S AMBASSADOR DR. SAUD BIN MOHAMMED AL SATI ON OIL, INVESTMENT, PETROCHEMICAL AND BIGGEST FDI IN INDIA IN THE TIME OF COVID -19: SECURITY AND TERRORISM.
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'This Is Time For Corporate Compassion'

There is a time for business, but now it is about people, purpose and partnerships before profit, says **SURESH NARAYANAN**, Chairman & MD, Nestlé India in a conversation with BW Businessworld's Chairman & Editor-in-Chief **ANNURAG BATRA**. Excerpts:

On a leader's mindset in crisis times...

Crisis never comes with a calling card. It lands on you and overtakes your emotions. The first task as an individual, and as a leader, is managing yourself. The need is to accept the new reality and still be positive and hopeful than just cautious. Rather than freezing and fleeing, you must have a right attitude. Behaviour is infectious. You must behave in a manner that gives people calmness, resoluteness and the belief that there is light at the end of the tunnel. Also, you must keep yourself active mentally and physically. Much of my time has gone in managing myself, and hence manage my team, and my extended family.

I believe large companies are like banyan trees that safeguard an ecosystem. Greatness is in being compassionate. We must practice corporate compassion

On key priorities during the pandemic...

One of the key tasks I took upon myself was to protect my people. First was to ensure they are safe. Then, in a situation of job losses and furloughs, I took a pledge to protect the jobs of my people. Jobs are more than remuneration; it is self-respect. My identity is reinforced with the position I hold in a company. I did not want my people to lose this. We spent time to remove the non-people cost in the business to keep us going. And we have been able to do it successfully. Taking care of people does not only mean your own team but also the extended family. I believe large companies are like banyan trees that safeguard an ecosystem. Greatness is in being compassionate. We must practice corporate compassion. There is a time for business but now is the time when people, purpose and partnerships come before profit.

On concerns around younger generation...

Many youngsters in the country are in a difficult situation. People have reneged on offers and cancelled internships. We should be careful to not create a case of a lost generation. If we are unable to give new talent the right kind of exposure and nurturing, it will be very sad for the country. We focused attention on that part with Nesternships with the objective to engage students not lower ranked B-schools and colleges to apply for these internships. We opened a CV clinic for them and helped in their interview skills. We have received over 91,000 applications for this programme, which shows the hunger there is.

On the spirit of an organisation in new working style...

The pandemic was a huge lesson in enablement and empowerment with work from home (WFH). I have always believed give a person purpose, and magic happens. With a decent salary, recognition and an end motive larger than an individual, people can make anything happen. It has taught us good lessons. Firstly, meetings begin and end on time. We have some rules as well like no meetings after 6 PM or over the weekends. We find productivity to remarkably high.

However, going forward, we must strive for a healthy balance. Organisational culture, ethos, storytelling can only happen when people come together. The spirit of the organisation is in the water culture. We should not lose this spirit. BW

Photograph by Ritesh Sharma