

Succeeding In The Indian Market

The Indian market offers significant potential for Canadian suppliers of oil and gas equipment, expertise and services despite its apparent complexity and diversity. The five most important considerations key to the development of a successful marketing strategy for India can be summarized as follows:

1. Selection of appropriate local representation is an important requirement in a successful marketing plan.
2. The Indian market is of considerable interest to foreign firms due to its size, excellent payment record and relative isolation from the vagaries of international oil price fluctuations. Prices tendered are therefore highly competitive. Companies not generally well known to Indian officials may need to offer better competitive pricing levels than the well entrenched competition in order to achieve a first success.
3. Conservative fiscal attitudes towards foreign exchange expenditures, cause Indian officials to strongly favour contract awards made on the basis of the lowest price. Added features such as offering higher quality than specified are not taken into consideration during tender evaluation. Intense negotiation on price is common. A successful strategy incorporates these features of the Indian market in developing tender pricing.
4. The Indian tendering system is bureaucratic and demands a high degree of detail and accuracy in completing bidding documents. It is particularly important that exhaustive documentation of a company's international performance and experience be included. Such items as incomplete client lists, and confusing terminology, can cause bids to be needlessly rejected.
5. Decision making in the tendering system is slow and the process can be unclear. Requests for extensions of validity periods are frequent and multiple requests are not uncommon. Price negotiations can take place at any time during a tender. A flexible attitude, a view to the medium term, and considerable patience are important to successful tendering in India.