

Chapter 9

International Branding at Mirza International: Dilemma Unsolved

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EXECUTIVE SUMMARY

Today, due to globalization, enterprises are increasingly looking towards the global marketplace to market their products. The business opportunities in the foreign markets are no longer considered as only available to large multinational enterprises with long term foreign market presence. Enterprises today, regardless size, take part in a global competitive market which is supported by great advances in information technologies, communication, and transportation. This trend solves one of the main weaknesses found in comparatively smaller enterprises of traditional focus: home country market dependency. The case focuses on Mirza International Limited which originated from a small Indian Tannery business. The company is led by an ambitious, aggressive management team which has helped in achieving phenomenal growth. The company has emerged as a frontrunner in the manufacturing and marketing of footwear. Headquartered in New Delhi, the company markets its leather and leather footwear products, across the globe the UK, Europe, South Africa, the Middle East, and so forth. However, company management is now at a crossroads in regards to a more aggressive approach to international brand building for its product and strategic decisions. This case aims to address these issues regarding smaller company's internationalization and marketing. The case focuses on the dilemma often faced by medium sized firms from Asia in entering developed country markets in terms of branding or generic product development strategy. The case illustrates the differences in brand building that exist in a big multinational company and in smaller companies during internationalization.

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INTRODUCTION

It was mid-winter morning in Kanpur, an upcoming industrial town of northern India, and Mr. Irshad Mirza was standing in his sprawling office room pensively thinking how the globe was possibly shrinking for the Mirza International. It's something that the 1970's born, Mirza Tanners of Kanpur always dreamt of. Irshad, now the CEO of Mirza International, was struggling at that time with a small start up tannery business, but with a big dream of internationalisation. It was known in the tannery circuit of Kanpur that Irshad of Mirza Tanners always fought against the odds and strived hard to improve performance. Now, almost after four decade it is the time to celebrate the accomplishment. Red Tape, the flagship brand of Mirza International has not only helped the Mirzas in getting a foothold in the international market, it also assisted them in transforming a fledgling tannery business into one of the country's largest leather exporting companies. For a company that started as a small tannery and with occasional exports of handbags from Kanpur to countries in Western Europe owning an international brand of its own was a dream at that time only. Now, after four decades of ups and down the dream has become reality. It now owns the internationally popular 'Red Tape' shoe brand. Irshad knew that his initial zeal of capturing the world market helped Mirza International to cross this long way. The company has grown up as an export oriented company which now gets 80% of its business from abroad. Mirza International now sells products across 24 countries including the UK, Europe, South Africa, the US, Canada, New Zealand, and the Middle East. The success was such that Mirzas continue to supply shoes to some of the biggest retailers in the western countries including Next, River Island, Monsoon Dune, Oasis, and Harrods (Flourishing on Red Tape, 2009).

Irshad was remembering the bold decision made years ago to go all out for international branding and how he supported the move. In fact, it was the success of flagship brand 'Red Tape' in the UK in 1996 that gave Mirzas a foothold in the overseas market. "We realized that the trade margins were much higher when we sold shoes under our own brand. That was the trigger for starting Red Tape," remarked Tauseef Mirza, Irshad Mirza's younger son and director of Mirza International. Mirza's Red Tape branded shoes are sold through more than 350 outlets in the western markets. Britain itself has about 300 outlets Irshad recalled that his marketing strategy for projecting 'Red Tape' in foreign market as a premium brand really paid off. Because of his vast experience, Irshad knew that the branding decision, faced at that time by the company could be the most critical, but important yet. Irshad realized that his company must come out from behind the screen and should not end up as the supplier of the private label retailers only. Irshad knew that many small businesses like his continued in this way and remained unknown to the world due want of own brand internationally. It is not that all of them were not

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